



Fort Ord Reuse Authority

920 2nd Avenue, Ste. A, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

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

AGENDA

1. CALL TO ORDER AND ROLL CALL

2. CLOSED SESSION (FORA Conference Room)

Public Comment – Closed Session Items

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

THE FOLLOWING OPEN SESSION ITEMS WILL BEGIN AT 3:30 P.M.

3. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

4. PLEDGE OF ALLEGIANCE

5. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

- a. Legislative Update from Assemblymember Bill Monning
- b. Letter from CSUMB - Presentation by CSUMB Interim President Eduardo Ochoa
- c. Request from Mayor Bachofner for Reconsideration of Item 8a on the August 29, 2012 FORA Board Agenda

ACTION

6. 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.

7. CONSENT AGENDA

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

ACTION

ACTION

8. NEW BUSINESS

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

INFORMATION/ACTION

9. OLD BUSINESS

- a. Ord Community Water and Wastewater Rates, Fees and Charges and Resolution of Outstanding Issues

INFORMATION/ACTION

- b. Selection of FORA Annual Auditing Firm ACTION
- c. Preston Park Fiscal Year (“FY”) 2012/13 Budget -
(cont’d from August 10, 2012 Board meeting) ACTION
- d. Veterans Cemetery Parcel Land Use Designations INFORMATION/ACTION
- e. Base Reuse Plan Reassessment – Final Scoping Report ACTION

9. EXECUTIVE OFFICER’S REPORT

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

10. ITEMS FROM MEMBERS

11. ADJOURNMENT

NEXT REGULAR MEETING OCTOBER 12, 2012

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

This meeting is being recorded by Access Monterey Peninsula (AMP) and will be televised Sundays at 9:00 a.m. on Marina/Peninsula Chanel 25 and Mondays at 1:00 p.m. on Monterey Channel 25. The video and full Agenda packet are available on FORA’s website at www.fora.org.



Return to Agenda

Acknowledgements, Announcements, and Correspondence
Item 3b, FORA Board, 09/14/12

Office of the President
100 Campus Center
Seaside, CA 93955-8001
831-582-3532
Fax 831-582-3540



August 20, 2012

MH
SE

Michael Houlemard
Executive Officer
Fort Ord Reuse Authority
920 2nd Ave., Suite A
Marina, CA 93933

Dear Michael:

Thank you for you and Steve Endsley meeting with me on August 17. I greatly appreciated the opportunity to discuss with you my role as Interim President of California State University, Monterey Bay (CSUMB) and to find out more about the Fort Ord Reuse Authority's (FORA) priorities.

I very much enjoyed our conversation. I found it extremely helpful to learn about the politics of FORA and the role educational institutions play on the former Army base.

I also appreciated our discussion around how CSUMB can assert its presence in FORA issues. I am pleased to learn you share my view for a regional approach to well-rounded development, which includes the possibilities for strategic partnerships with CSUMB. I welcome the opportunity to address the FORA board at the September 14 meeting. I feel it is important to share with them the great progress we are making as a University and to discuss how CSUMB can contribute to building consensus around future economic development on Fort Ord.

I look forward to working with you as the Interim President and welcome continuing a dialogue with you regarding various issues pertaining to CSUMB, FORA, and the local land use jurisdictions.

Sincerely,

Eduardo M. Ochoa, Ph.D.
Interim President

S

FORT ORD REUSE AUTHORITY BOARD REPORT

ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

Subject:	Request from Mayor Bachofner for Reconsideration of Item 8a on the August 29, 2012 FORA Board Agenda	
Meeting Date:	September 14, 2012	ACTION
Agenda Number:	3c	

RECOMMENDATION:

Consider request for reconsideration of Item 8a from the August 29, 2012 Board meeting.

8. OLD BUSINESS

- | | |
|--|--------|
| a. Capital Improvement Program Review – Phase II Study (2nd Vote) | ACTION |
| i. Adopt Resolution to Implement a Formulaic Approach to the FORA Development Fee Schedule and Communities Facilities District Special Tax Rates | |
| ii. Approve Amendment #1 to the FORA-Jurisdictions Implementation Agreements to Implement a Formulaic Approach | |

BACKGROUND/DISCUSSION:

On August 10, 2012 the FORA Board approved the following motion by a vote of 8-4:

- i. Adopt a Resolution, which would implement a formulaic approach to establishing the Fort Ord Reuse Authority (FORA) Development Fee Schedule and Community Facilities District (CFD) Special Tax rates (Attachment A).
- ii. Authorize the Executive Officer to execute Amendment #1 to the FORA-jurisdictions Implementation Agreements, which would codify the formulaic approach to establish the FORA Development Fee Schedule and CFD Special Tax rates (Attachment B).
- iii. Schedule Board review of the formula implementation after one year.

As the motion was not unanimously approved, it returned to the August 29, 2012 Board meeting for a second vote. The second vote resulted in approval of the item by a vote of 10-2. Subsequently, staff received a request from Mayor Bachofner for reconsideration of the item.

Attached (**Attachment A**) is the full August 29, 2012 staff report regarding this item. Robert's Rules of Order allows a voting member of the Board who voted in the affirmative to make such a request.

FISCAL IMPACT:

Reviewed by the FORA Controller *W.F. for I.B.*

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

COORDINATION:

Executive Committee

Prepared by *Lena Spilman* Approved by *D. Steven Emery for*
 Lena Spilman Michael A. Houfemard, Jr.

Subject: Capital Improvement Program Review – Phase II Study (2nd Vote)

Meeting Date: August 29, 2012

Agenda Number: 8a

INFORMATION/ACTION

RECOMMENDATION(S):

Take a second vote on the August 10, 2012 motion to:

- i. Adopt a Resolution, which would implement a formulaic approach to establishing the Fort Ord Reuse Authority (FORA) Development Fee Schedule and Community Facilities District (CFD) Special Tax rates (**Attachment A under Exhibit A**).
- ii. Authorize the Executive Officer to execute Amendment #1 to the FORA-jurisdictions Implementation Agreements, which would codify the formulaic approach to establish the FORA Development Fee Schedule and CFD Special Tax rates (**Attachment B under Exhibit A**).

After one year, the FORA Board will review the formula to see how well it is working, and, if there are any problems, consider adjustments.

BACKGROUND:

The FORA Board of Directors reviewed the above action at its August 10, 2012 meeting – taking public comment and hearing Board member comments/questions/concerns. The above motion was not unanimous and is before the Board for a second vote at this meeting. The August 10, 2012 staff report and its attachments (**Exhibit A**) along with questions and responses on this item from the meeting (**Exhibit B**) are provided for reference.

DISCUSSION:

At the August 20, 2012 Executive Committee meeting, committee members asked staff to address the following question: What is the meaning of “available” in section 1.1 of the proposed Amendment #1 to the FORA-jurisdictions Implementation Agreements?

Section 1.1 reads:

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

Available FORA property tax revenues means 90% of the FORA property tax revenue stream for all new assessed value after July 1, 2012 to the anticipated end date of FORA (See section 2.1.2 of the proposed Amendment #1 to the Implementation Agreements). Staff notes that 10% of the FORA property tax revenue stream for all new assessed value after July 1, 2012 is to be allocated to the underlying jurisdictions for economic development, and FORA’s existing level of property tax revenue (the level

of annual property tax revenue that had been received prior to July 1, 2012) will continue to be reserved for future FORA operations.

Available grant funds means those grant funds that support accomplishment of a FORA CIP obligation, such as the American Reinvestment and Recovery Act grant that FORA received from the Economic Development Administration in 2009 to complete roadwork along Eucalptus Road and General Jim Moore Boulevard.

Available FORA land sales and lease proceeds means those land sales and lease revenues that are in excess of FORA CIP programs for building removal and other obligations (such as caretaker costs).

The practical effect of the language is that all capital and operational obligations (also known as "Basewide Costs" in the FORA-jurisdictions Implementation Agreements) would be met prior to any dollars becoming "available" to the referenced uses.


FISCAL IMPACT:

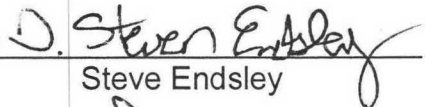
Reviewed by FORA Controller 

The funding for EPS's phase II CIP review study work has been funded through FORA's Fiscal Year 10-11, 11-12, and 12-13 budgets.

COORDINATION:

Administrative Committee, CIP Committee, Executive Committee, Authority Counsel, Assemblymembers Bill Monning and Luis Alejo's offices, State Senator Anthony Cannella's office, development teams, Development Planning & Financing Group, Inc., and EPS.

Prepared by 
Jonathan Garcia

Reviewed by 
Steve Endsley

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD
OLD BUSINESS

Exhibit A to Item 8a
FORA Board Meeting, 8/29/12

Subject: Capital Improvement Program Review – Phase II Study

Meeting Date: August 10, 2012

Agenda Number: 7d

INFORMATION/ACTION

RECOMMENDATION(S):

- i. Adopt a Resolution, which would implement a formulaic approach to establishing the Fort Ord Reuse Authority (FORA) Development Fee Schedule and Community Facilities District (CFD) Special Tax rates (**Attachment A**).
- ii. Authorize the Executive Officer to execute Amendment #1 to the FORA-jurisdictions Implementation Agreements, which would codify the formulaic approach to establish the FORA Development Fee Schedule and CFD Special Tax rates (**Attachment B**).

BACKGROUND:

The July 13, 2012 staff report (**Attachment C**) is provided for additional reference.

DISCUSSION:

At its July 13, 2012 meeting, the Board offered questions about the proposed formula. A listing of questions with responses is provided in **Attachment D**. One question was how the item was referred to the FORA Board for consideration. The Board contracted with Economic & Planning Systems' (EPS) in May 2011 to perform additional review of the FORA Capital Improvement Program and Development Fee/CFD special tax (CIP Review Phase II study) in order to further consider the appropriate fee level. During an Assembly Local Government Committee hearing on AB 1614, state legislators asked FORA to address concerns about FORA's development fee program. Since EPS was already under contract to perform this work, FORA staff directed EPS to advance their work program in Phase II concerning a formula that would provide a higher degree of certainty for FORA's development fee program while ensuring that FORA would maintain its ability to fund all of its required obligations including CEQA mitigation measures, related basewide implementation costs, and FORA operational costs. The FORA Administrative and Executive Committees reviewed the proposed formula in May, June, and July.

Another concern was the complexity of EPS's presentation of the proposed formula (**Attachment E**). An additional area of concern related to Caretaker Costs; please refer to the attached memorandum (**Attachment F**) for a discussion of these costs.

Staff believes there are straightforward answers to these questions and have included the explanations in **Attachment D**. A lot of work has been done to ensure that this policy is fair, even-handed, and treats all jurisdictions and parties in the same way. All FORA obligations to CEQA and TAMC are met by this policy, as well as offering some opportunity to assist the FORA jurisdictions cover their caretaker costs and reuse costs. Without such a formula, there is no opportunity to solve these issues equitably.

FISCAL IMPACT:

Reviewed by FORA Controller _____

The funding for EPS's phase II CIP review study work has been funded through FORA's Fiscal Year 10-11, 11-12, and 12-13 budgets.

COORDINATION:

Administrative Committee, CIP Committee, Executive Committee, Authority Counsel, Assemblymembers Bill Monning and Luis Alejo's offices, State Senator Anthony Cannella's office, development teams, Development Planning & Financing Group, Inc., and EPS.

Prepared by _____ Reviewed by _____
Jonathan Garcia Steve Endsley

Approved by _____
Michael A. Houlemard, Jr.

Resolution 12-__

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

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

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

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

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

NOW THEREFORE the Board hereby resolves as follows:

1. Adjustment to the Policy and CFD special taxes.

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

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

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

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

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

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

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

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

Other Costs for PLL insurance costs.

CFD Administration Expenses (including staff and consultant costs).

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

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

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

1.2.3 In accordance with the process set forth in part II of this resolution, commencing with Section 2.1, the FORA Board will update anticipated construction costs and revenues available to fund the facilities identified in section 1.1 above, which are eligible to be funded by the Policy and CFD Special Taxes, and corresponding

adjustments to the Policy and CFD Special Taxes within 90 days of the effective date of FORA and its member Jurisdictions adopting Implementation Agreement Amendment #1, Spring 2014 as the second evaluation period, and ~~periodically~~ thereafter every two years, or when an economic or other event causes a material change to a CIP cost or revenue assumption, in coordination with FORA CIP updates.

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

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

II. PROCESS

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

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

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

Assumptions:

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

Formula:

- a. Calculate the net present value (NPV) of 90% of the FORA property tax revenue stream for all new assessed value after July 1, 2012.

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

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

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

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

Upon motion by _____, seconded by _____, the foregoing Resolution was passed on this 13th day of May, 2011, by the following vote:

AYES:
 NOES:
 ABSTENTIONS:
 ABSENT:

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

DATED _____

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

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

RECITALS

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

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

AGREEMENTS

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

I. ADJUSTMENT TO THE POLICY AND CFD SPECIAL TAXES.

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

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

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

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

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

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

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

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

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

Other Costs for PLL insurance costs.

CFD Administration Expenses (including staff and consultant costs).

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

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

1.2.2 The FORA Board will consider adjustments to the Policy and CFD Special Tax after a comprehensive review of all potential costs and revenues. The process to consider such adjustments will be defined, predictable and

transparent to all stakeholders. Adjustments to the Policy and CFD Special Tax will be approved only if they are demonstrated to be fiscally prudent and do not expose FORA or its member jurisdictions to unreasonable risk.

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

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

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

II. PROCESS

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

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

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

Assumptions:

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

Formula:

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

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

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

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

III. ENFORCEMENT

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

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

[Add signature pages]

[Add acknowledgments for recordation]

DRAFT

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Capital Improvement Program Review – Phase II Study

Meeting Date: July 13, 2012

Agenda Number: 6e

INFORMATION/ACTION

RECOMMENDATION(S):

- i. Adopt Resolution 12-05, which would implement a formulaic approach to establishing the Fort Ord Reuse Authority (FORA) development fee schedule and Community Facilities District (CFD) Special Tax rates (**Attachment A**).
- ii. Authorize the Executive Officer to execute Amendment #1 to the FORA-jurisdictions Implementation Agreements, which would codify the formulaic approach to establish the FORA development fee schedule and CFD Special Tax rates (**Attachment B**).
- iii. Authorize the Executive Officer to execute contract amendment #5 with Economic and Planning Systems (EPS) to complete the Phase II Study in FY 12/13 (**Attachment C**), not to exceed additional budget authority of \$60,000.

BACKGROUND:

In 1997, the FORA Board adopted the Base Reuse Plan which contained a number of environmental mitigations. The Board also adopted a series of findings that include funding those environmental mitigation measures (habitat, traffic, transit, fire protection, storm drainage, etc.). In 1999, the FORA Board adopted a Development Fee Schedule that collects fees from Fort Ord reuse projects to finance the Base Reuse Plan mitigations and Board-determined base-wide obligations in FORA's Capital Improvement Program (CIP). The Board and five jurisdictions adopted Implementation Agreements in 2001 to ensure (among other items) funding of environmental mitigations and basewide obligations. The FORA Board confirmed its CIP financing program with adoption of the FORA Community Facilities District in May 2002.

FORA's successful implementation of CIP projects through Development Fee payments, CFD special tax collections, and State and Federal grant proceeds resulted in a need to review FORA's CIP in fiscal year (FY) 2010/2011. At the end of the process, the FORA Board determined that:

- 1) A reduction in the FORA Development Fee and CFD special tax rates was appropriate and reduced these rates by 27 percent.
- 2) Several important factors would impact fees in the FY 2012/2013 timeframe warranting a phase II study, which the Board subsequently authorized.

This recommendation for adopting a formula is a follow up to the FORA Development Fee and CFD special tax program and offers to FORA, its jurisdictions, developers, and the community a consistent and predictable approach to costs and revenues to meet all FORA CIP obligations.

Since redevelopment agencies were eliminated by State Law, FORA's land use jurisdictions have been looking for ways to fund their reuse programs. This formula would provide for diverting 10% of future FORA property tax revenues generated within FORA's land use

jurisdictions to the underlying jurisdictions for this purpose. In order for this mechanism to have enforceability, time is of the essence. FORA's jurisdictions are seeking to confirm resources for annual budgets and adoption of this formula would help provide the community with a clear and predictable cost and revenue program.

Additional background: On July 9, 2010, the FORA Board directed staff to:

- 1) propose a 6-month Capital Improvement Program (CIP) work plan timeline;
- 2) review FORA's CIP obligations and resources; and
- 3) provide monthly updates.

That assignment was completed by the January 2011 target. At the January, February, and March 2011 meetings however, the Board requested additional information and received answers to specific questions about the CIP. The Board increased the consultant's scope and budget in January and April 2011 to generate supplemental information. At the April 8, 2011 meeting, the Board:

- 1) received a presentation from the Transportation Agency for Monterey County (TAMC) regarding their analysis of FORA's Transportation and Transit phasing,
- 2) received an EPS presentation responding to questions raised at the March 2011 Board meeting,
- 3) received information regarding benefits and impacts of a fee reduction,
- 4) directed staff to prepare documents and/or policy revisions necessary to a) approve an across the board 27% fee reduction (\$33,700 for new residential units, etc.) for the May 2011 Board meeting and b) implement accompanying policy adjustments, and
- 5) directed staff to work with EPS on a contract amendment for consideration at the May 2011 Board meeting, which would commence a Phase II CIP review to be completed during the following 2 fiscal years.

EPS has been the principal consultant from the inception of the project. David Zehnder is the Managing Principal and Jamie Gomes is the Principal. Each have experience with California municipalities and county organizations reviewing CIP obligations and fee structures. During their initial CIP review, EPS completed updated development forecasts, a preliminary CIP analysis, a cost-burden analysis, a draft summary report on the CIP, a draft final report, four powerpoint presentations to the Board, and three additional reports in response to Board member questions.

Concurrent with EPS's work in 2011, FORA staff reviewed its CIP funding sources to ensure accuracy and TAMC reviewed phasing of FORA's CIP transportation project expenditures to coordinate regional transportation planning efforts. FORA is committed to continued consultation with TAMC in this manner.

DISCUSSION:

In May 2011, the Board adopted resolution 11-02 to reduce the developer fee approximately 27% across all fee categories (from \$46,205 to \$33,700 [also referred to as Option 2C] for new residential units). At the same meeting, the Board authorized FORA to enter into a contract with EPS to complete a Phase II CIP review study to ascertain whether further reductions in contingencies or costs would be feasible while ensuring FORA's CEQA and operational obligations are met. Due to the uncertainty related to the effects of the State of

California's dissolution of redevelopment and endowment holder requirements for the future Habitat Conservation Plan, it was deemed prudent to have EPS study those elements of Phase II first. However, during legislative hearings on FORA's extension (AB1614), the issue of a change in FORA's approach to both the development fee and CFD Special Tax rates was proposed to reduce uncertainty for all parties. This is a uniquely FORA issue. It is not one that can be resolved by state legislation.

EPS, working with FORA staff, developed a standardized formula for establishing the development fee. That formula was reviewed by the FORA Administrative Committee at five meetings in May and June 2012. At its May 30, 2012 meeting, the committee considered the proposed formula as it might be implemented through a draft FORA Board resolution and an amendment to the FORA-jurisdictions Implementation Agreements. The proposed formula would match FORA revenue sources to FORA obligations and set an appropriate fee level consistent with obligations. Staff would apply any adjustments to FORA's development fee and CFD Special Tax resulting from the formula within 90 days of finalizing Implementation Agreement Amendment #1 with the five Jurisdictions and, thereafter, staff would integrate the formula into the FORA Board's consideration of the FORA Capital Improvement Program on a periodic basis. At its May 30, 2012 meeting, the Administrative Committee passed a motion recommending that a draft resolution and draft amendment to the Implementation Agreements be presented to the FORA Board after several edits were made. At its June 13, 2012 meeting, the Administrative Committee asked staff/EPS to return to its June 27, 2012 meeting with a model illustration (**Attachment D**) and calculation of the formula (**Attachment E**) so that every component of the proposed formulaic approach is easily understood and end-result modeled.

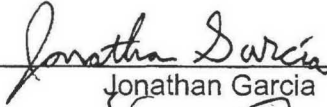
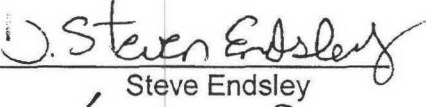
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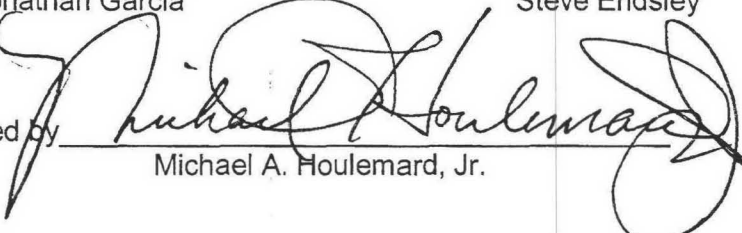
Reviewed by FORA Controller 

The funding for EPS's phase II CIP review study work has been funded through FORA's FY 10-11 and 11-12 budgets. The FY 12-13 budget includes \$60,000 for this proposed amendment.

COORDINATION:

Administrative Committee, CIP Committee, Executive Committee, Authority Counsel, Assemblymember Bill Monning and Luis Alejo's offices, development teams, Development Planning & Financing Group, Inc., and EPS.

Prepared by  Jonathan Garcia Reviewed by  Steve Endsley

Approved by  Michael A. Houlemard, Jr.

FORA Board Meeting
July 13, 2012
Item 6e - Page 3

**Questions from the July 13, 2012 FORA Board meeting
concerning the Phase II study formulaic approach**

1. Where did this item come from?

Further consideration of the appropriate level of developer fees has been included in the Phase II work plan from the outset. In addition, several concerns about FORA's development fee program surfaced at the Assembly Local Government Committee hearing on AB 1614, legislation proposing an extension to FORA. State legislators asked FORA to address these concerns in the short-term while AB 1614 was under consideration by the State legislature. Since EPS was already under contract to perform this work, FORA staff directed EPS to advance their work program in Phase II concerning a formula that would provide a higher degree of certainty for FORA's development fee program while ensuring that FORA would maintain its ability to fund all of its required obligations including CEQA mitigation measures, related basewide implementation costs (e.g., building removal, property management/caretaker costs), and FORA operational costs. The FORA Administrative and Executive Committees reviewed this proposed formula in May, June, and July.

2. Why should we adopt this formula at the current time? The proposed change in fee is less than 5%.

It is important to consider that adopting the formula at this time does not immediately adjust the Developer Fee or CFD Special Tax. The "change in fee" described at the July 13 Board hearing was based upon preliminary calculations completed at the request of the FORA Administrative Committee. The preliminary calculations were intended to provide an order of magnitude look at how the Developer Fee and CFD Special Tax might adjust if the formulaic approach were adopted as proposed. The response to question #3 below provides some additional context.

3. Why shouldn't we wait until the Phase II study and/or BRP Reassessment are complete?

FORA's development fee program was reviewed in Phase I through a process that looked at program assumptions, fee calculations, and results. In the end, the FORA Board reviewed the results and concluded that the fee could be reduced by 27%, keeping the program whole.

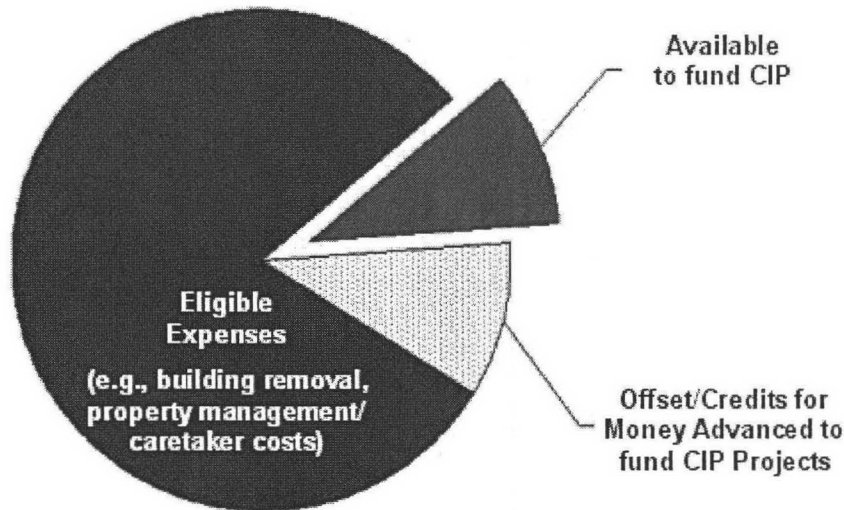
The FORA Board determined at that time that it also needed to conduct a Phase II CIP study because several factors warranted review. EPS is reviewing program assumptions, fee calculations, and results. EPS's work on the formulaic approach pertains to the fee calculations portion of their work program. EPS will still complete its review of assumptions and calculate results. Adopting a formula at this time does not prejudice future results. Implementing the formula in any given year may result in a fee decrease or a fee increase.

Waiting until completion of Phase II to adopt the formula would not provide any additional information about the applicability of the formula, its fairness, technical soundness, and so on. Likewise, waiting until completion of the BRP Reassessment provides no additional technical information about the soundness of the formula. The BRP Reassessment document is an informational report. The Board has discretion on whether or not to act on any items identified in the report. In both cases, once the formula is in place, all issues of policy remain ripe for further discussion.

4. If we adopt this formula, how are FORA’s operational costs covered?

FORA’s operational costs will continue to be funded through the variety of existing funding mechanisms presently received.¹ As an example, the formulaic approach maintains that FORA would continue to receive the present level of property tax allocated to FORA. In the formulaic approach, only future property tax revenues, based upon growth after July 1, 2012, would be included as a potential offset to CIP costs.

Furthermore, the Implementation Agreement Amendment #1 language describing revenue available to offset CIP costs is specific to ensure that it would only include revenue “not required for other obligations.” The pie chart included below illustrates this concept as it relates to land sales and lease revenues. The first priority use for land sale/lease revenue is for existing obligations, which have been previously identified by the Board as building removal, followed by property management/caretaker costs and FORA operational costs. Future land sale/lease revenue calculations will also account for the recapture of previously advanced monies used to help fund CIP projects. The net remaining land sale/lease revenue proceeds would be available to offset CIP costs. This approach recognizes FORA’s need to maintain adequate funding for ongoing operational costs and to meet existing and ongoing obligations.



5. Can you simplify the formula?

From the outset of this effort, every attempt has been made to maintain simplicity in the formulaic approach. The formula relies upon existing financing mechanisms and proposes a well defined, transparent and predictable process that is to be periodically applied. At its most basic level, the formula

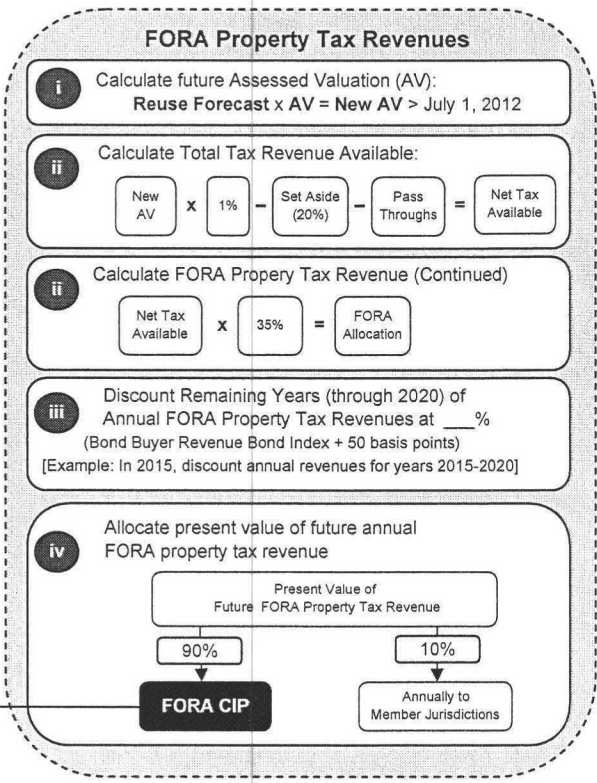
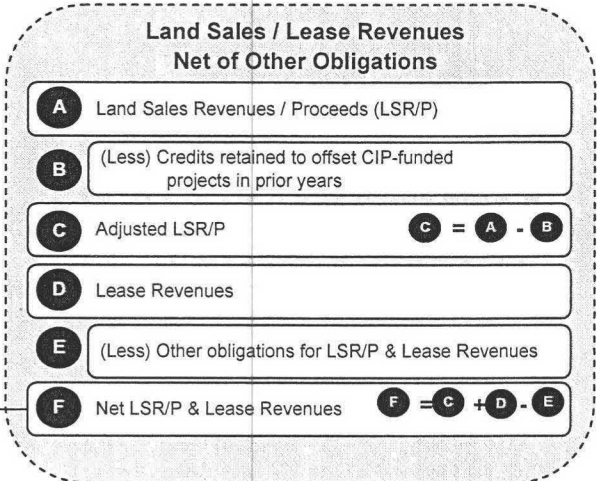
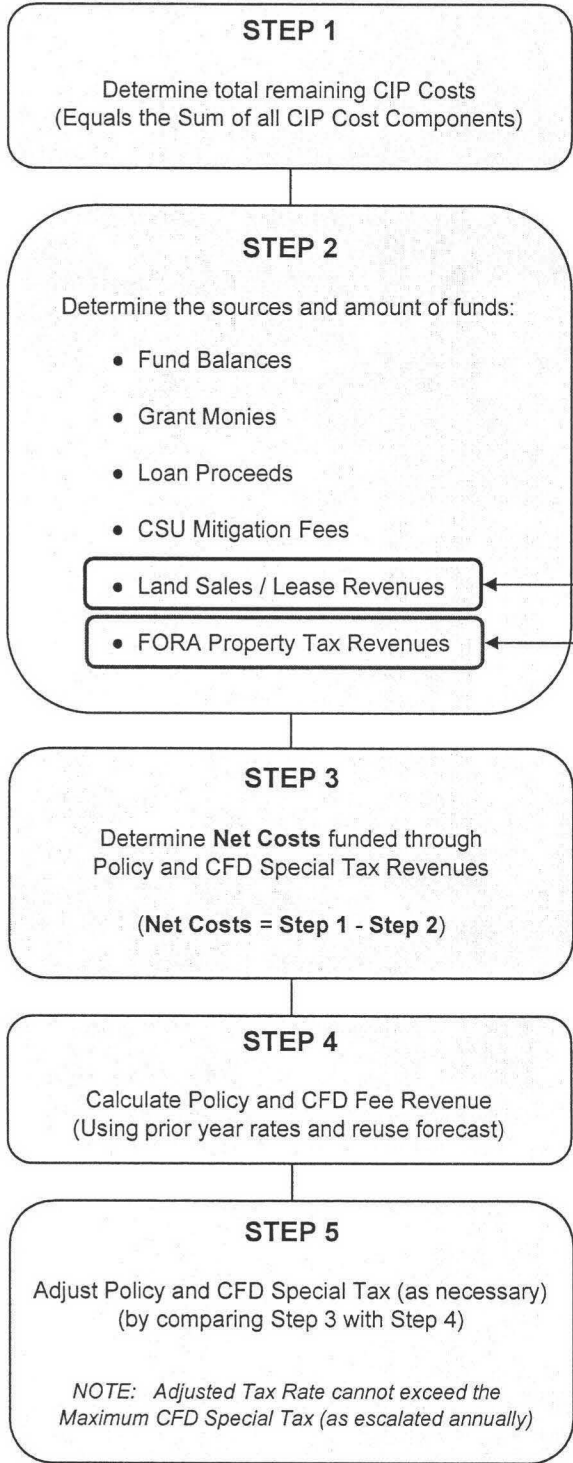
¹ The question of FORA property tax revenue receipt remains an open question at this time, but only affects the land sale / other revenues total available for non-CEQA-related reuse.

follows the original language from Section 7 of the Implementation Agreement(s) wherein identified revenues are subtracted from CIP costs to derive a remaining amount to be funded through the Developer Fee Policy and CFD Special Tax. With ten years experience in preparing the annual CIP updates and in administering the Fees and CFD Special Taxes, application of the formula can be routinized into the annual capital improvement program planning process the Board is familiar with.

DRAFT

Attachment E
Annual Process to Update
Basewide Development Fee Policy
and CFD Special Tax

Attachment E to Item 7d
FORA Board Meeting, 8/10/2012





Fort Ord Reuse Authority

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

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Attachment F to Item 7d
FORA Board Meeting, 8/10/12

MEMORANDUM

Date: July 26, 2012

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

CC: Michael A. Houlemard, Jr., Executive Officer
Steve Endsley, Assistant Executive Officer

From: Jonathan Garcia, Senior Planner

Re: **Caretaker Costs, item 7b**

The purpose of this memo is to provide information on Caretaker/Property Management Costs on former Fort Ord. Over the last few months, Caretaker Costs have been discussed in conjunction with the FORA Capital Improvement Program ("CIP") Review - Phase II study/formulaic approach. It was suggested that FORA staff provide additional background on Caretaker costs for future discussion. In preparation of this memo, FORA staff reviewed background material on caretaker costs from the late 1990's to present.

Caretaker status has been defined by U.S. Army regulation as "the minimum required staffing to maintain an installation in a state of repair that maintains safety, security, and health standards." This Army term may have generated the context of FORA's analysis of Caretaker costs in the late 1990's. Caretaker costs were first described in the FORA CIP in FY 2001/2002 as a \$14 million dollar cost with footnote reading: "Costs associated with potential delays in redevelopment and represent interim capital costs associated with property maintenance prior to transfer for development (as per Keyser-Marston truthing of caretaker and other costs)."

FORA has maintained Caretaker costs in its annual CIPs since the initial FY 2001/2002 CIP. Within the last five years, FORA and County of Monterey Office of Housing and Redevelopment staff discussed property management costs associated with the County's habitat property described in the draft Fort Ord Habitat Conservation Plan ("HCP"). FORA and its HCP consultant note that trails planning/maintenance costs for public access on these properties are costs that the U.S. Fish and Wildlife Service/California Department of Fish and Game do not allow to be funded by the HCP, but should be funded by other jurisdictional resources.

During FORA's CIP review – Phase I Study, concluded in May 2011, FORA's financial consultant recommended that Caretaker/Property Management costs be removed from FORA's CIP Contingencies because no costs had been defined. FORA jurisdictions requested that Caretaker costs be added back in order to cover basewide property management costs, should they be demonstrated.

FORA expended \$20,000 in the previous fiscal year toward Monterey County's Fort Ord Recreational Habitat Area ("FORHA") Master Plan preparation process, in which the County has undertaken planning for a proposed trail system. The Caretaker/Property Management costs line item is wholly dependent on whether sufficient revenue is received during the fiscal year. FORA Assessment District Counsel opined that FORA Community Facilities District Special Tax payments cannot fund caretaker costs. For this reason, funding for Caretaker costs would have to come from FORA's 50% share of lease and land sales proceeds on former Fort Ord, any reimbursements to those fund balances, or other designated resources should they materialize.

From approximately 2000 to 2004, the U.S. Army entered into Cooperative/Caretaker Agreements with FORA's land use jurisdictions. On average, the Cooperative/Caretaker Agreements provided each jurisdiction with approximately \$132,000 per year. Whether it is FORA or the U.S. Army funding the caretaker costs, the premise is the same. Caretaker costs are a short-term bridge program to assist jurisdictions with property holding costs while lands transition to active reuse. Staff notes that there is a direct relationship between building removal and Caretaker Costs. As building removal occurs, fewer liability issues associated with property management remain. This provides a strong rationale for FORA to proceed with building removal as a high priority program.

A framework for FORA's Caretaker costs might be to set FORA's obligation to \$132,000 per jurisdiction annually (a total of \$660,000 per year). If FORA's land use jurisdictions can demonstrate caretaker costs during the first year of implementation, they can each receive up to \$132,000 as long as funding is available from FORA. Below is a hypothetical example of a table showing caretaker line items for \$132,000.

Hypothetical description of caretaker costs

Task #	Description	Budget
1	Tree Trimming	\$ 16,200
2	Mowing	\$ 26,000
3	Pavement Patching	\$ 8,900
4	Centerline/Stenciling	\$ 14,500
5	Barricades	\$ 8,100
6	Traffic Signs	\$ 5,400
7	Catch Basin/Storm Drain Maintenance	\$ 4,100
8	Vacant Buildings	\$ 18,500
9	Vegetation Control/Spraying	\$ 5,300
13	Paving/Slurry Seal	\$ 13,000
	Subtotal	\$120,000
14	Administration (10% of total)	\$ 12,000
	Totals	\$132,000

(end)

**Questions from the August 10, 2012 FORA Board meeting
concerning the Phase II study formulaic approach**

1. Should FORA be in a position to fund Caretaker Costs, would FORA use its General Fund to reimburse jurisdictions for these costs?

At the August 10, 2012 Board meeting, staff responded that FORA Assessment District Counsel opined that the FORA CFD Special Tax is not an eligible funding source for Caretaker Costs. Therefore, funding for Caretaker Costs would need to come from land sale proceeds or other FORA revenue sources.

2. Would FORA only be able to fund Caretaker Costs in the first year?

At the August 10, 2012 Board meeting, staff responded that this policy could be reviewed every two years or so, but FORA wouldn't have to lock itself into a particular trigger year for caretaker expenses. Also, as covered in a memorandum for Item 7b (August 10, 2012 meeting), jurisdictions will be expected to identify and document ongoing caretaker costs that are anticipated and the Board would approve expenditures at the time the CIP is adopted (usually May-June). The memorandum describes that as each jurisdiction documents the incidence of caretaker costs that jurisdiction could continue to request FORA funding for caretaker costs to the extent that funding is available.

3. Would adopting this policy lock FORA in, preventing FORA from increasing its contributions to the Water Augmentation Program?

At the August 10, 2012 Board meeting, staff responded that this issue dates back to a prior decision that this Board made to make a capped dollar amount contribution to the augmentation program. So, the matter is looking at what the cost of that water augmentation program might be, and the item dates back to the previous discussion where FORA is going to have to sit down with MCWD and discuss what exactly those costs are. It is possible that the costs could go down. Maybe the program will only need \$10 million, but that will need confirmation. What this process does is it allows us to be constantly working through those numbers so that we do it in a more formalized way rather than doing it on the fly so that FORA can work through some of the kinds of contingencies that are being suggested (such as a hypothetical situation of needing to increase FORA's contributions to the Fort Ord Water Augmentation Program).

The policy established by the Board was to provide an equitable way to distribute the cost of improvements across the augmentation system rather than having those that access the existing water pay less while future folks pay more, or vice versa. What is the proper balance between a rate-based system and the cost to connect (hook-up fees, etc.). There was a need to be equitable because the reuse is considered to be basewide. And that's been the policy that has been carried forward since the Board made that decision. It would be a policy change to change the cap. The other side was, the FORA Board said that the developers need to pay a fair share of this cost and there would be a future capital charge for developers. So the Board figured the identified amount was their equitable share.

4. When will the Phase II Capital Improvement Program (CIP) Study be completed? Can the study be brought forward in the near-term to inform the Board? Is the analysis from the Phase II study required to decide about the formulaic approach?

At the August 10, 2012 Board meeting, Economic and Planning Systems (EPS) responded that it anticipates 6-8 weeks for draft recommendations and draft conclusions for the Phase II study to be brought forward for discussion. EPS suggested that it was not necessary to tie the formula together with the mechanical calculation. As previously noted, waiting until completion of the Phase II study to adopt the formula would not provide any additional information about the applicability of the formula, its fairness or technical soundness. Information and data from the Phase II study would inform future calculation of the CFD Special Tax if the formulaic approach is adopted. If adopted as of today, the formula might result in a \$5,000 change in the developer fee, up or down, but the nature of the process is subject to periodic review.

5. Is there accountability concerning how the FORA development fee will be fairly applied? What if fees change dramatically from one year to the next?

At the August 10, 2012 Board meeting, staff responded that each entity pays the same fee rate. FORA Assessment District Counsel reviewed the issue of fee changes from one year to the next and recommended a periodic process, such as every two-years as opposed to an annual process so the fee doesn't fluctuate. The fee would be set during the CIP approval process (May-June).

6. What are the jurisdictional resources for trail connections and maintenance?

At the August 10, 2012 Board meeting, staff responded that, if the jurisdictions want trail connections, the jurisdictions will be responsible for funding them. The Habitat Conservation Plan (HCP) cannot include such connections as the HCP's purpose is restricted to habitat management, not recreation. In this case, Monterey County would be on the hook in the event that they wished to install trail connections. If FORA wished to fund all or a portion of future trail connections, the FORA Board would have to take its own action to fund those costs with available funds should it decide to do so. However, this formulaic approach does make 10% of future property tax revenues available to the jurisdictions, so that is one potential source.

7. Does this policy have the potential to lock us in to the current FORA CIP, and thereby ties the hands of this board and future boards to possibly change that if needed?

This question was not specifically addressed during the August 10, 2012 Board meeting. This policy would implement a formula that utilizes the current FORA CIP to determine the cost of FORA CIP and related basewide obligations. The CIP obligations listed in the policy are limited to eligible expenses under the FORA Development Fee and Community Facilities District (CFD) Special Tax. Building removal is not an eligible expense of the FORA Development Fee and CFD Special Tax. However, it is an eligible expense to be paid for with land sale and lease revenues. It is important to recall that most of FORA's CIP obligations are subject to cost indexing. So, in general, this board and future boards would be able to make cost escalation adjustments on the expense side of the equation as needed in the future.

8. Does this formulaic approach commit FORA funds upfront, including fund balances, loan proceeds, and grant monies?

The formulaic approach identifies all sources of revenue and funding that can be used to fund FORA's CIP and related Board-determined basewide obligations. Existing fund balances, loan proceeds and grant monies are examples of revenue sources that would be quantified as the formulaic approach is periodically updated. While the formulaic approach identifies funding from all available sources, it does not specify or commit FORA to any specific costs or timing within which certain funding sources would be used. Obviously, grant funds, fund balances, and loan proceeds will be used for the original intended purpose, unless unrestricted. The timing of revenues and expenditures would continue to be reviewed and approved by the FORA Board through its annual CIP update process.

9. By voting for this policy, can we look at fees and caretaker issues as needed, or are we saying that we are locked in for an indefinite period of time?

At the August 10, 2012 Board meeting, staff responded that, if the motion that was made calls for a decision that will be reviewed in a year, then, in fact, you are making a decision today that will be reviewed with the CIP next year (9 months from now). If the formulaic approach is adopted today, it is likely that the Phase II Study to apply the new formula could return to the Board in two to three months. This means the Board has an opportunity to proceed in a stepwise process with frequent opportunity to test assumptions. Staff thinks the Board's hands are not tied by voting for the motion. The idea is to give more definition and to give more reliability, and at the same time provide sufficient flexibility for the FORA Board to make future decisions. It's a delicate balance. Depending on how you read it, you might see flexibility or restriction.



Fort Ord Reuse Authority

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[Return to Agenda](#)

BOARD OF DIRECTORS BOARD MEETING Friday, August 10, 2012 at 3:30 p.m. 910 2nd Ave, Marina (Carpenter's Union Hall)

DRAFT

Minutes

1. CALL TO ORDER AND ROLL CALL

Chair Potter called the Board Meeting to order at 3:30 p.m.

Voting Members Present:

Chair/Supervisor Potter (County of Monterey)
Mayor Edelen (City of Del Rey Oaks)
Mayor Burnett (City of Carmel-by-the-Sea)
Mayor ProTem O'Connell (City of Marina)
Councilmember Brown (City of Marina)
Councilmember Selfridge (City of Monterey)

Supervisor Parker (County of Monterey)
Councilmember Kampe (City of Pacific Grove)
Mayor Donahue (City of Salinas)
Mayor Pendergrass (City of Sand City)
Mayor Bachofner (City of Seaside)
Councilmember Oglesby (City of Seaside)

Absent:

Supervisor Calcagno (Monterey County)

Ex-Officio Members Present:

Congressman Sam Farr (17th Congressional District)
Hans Poschman (15th State Senate District)
Noelle White (27th State Assembly District)
Dr. Margon (University of California)
Justin Wellner (CSUMB) @ 3:34 p.m.

Dr. Garrison (MPC)
Hunter Harvath (Monterey-Salinas Transit)
Debbie Hale (Transportation Agency of Monterey County)
COL Clark (US Army) @ 3:20 p.m.
Gail Youngblood (Fort Ord BRAC Office)
Howard Gustafson (MCWD)

2. PLEDGE OF ALLEGIANCE

Congressman Farr led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS ANNOUNCEMENTS, AND CORRESPONDENCE

a. 2012 Annual Association of Defense Communities Conference in Monterey, CA

Executive Officer Michael Houlemard discussed the recently concluded conference. Congressman Farr thanked the Board and community for their part in hosting the conference, noting that Fort Ord had become a national model for closure and reuse.

Chair Potter stated in order to minimize the costs associated with keeping Counsel waiting for closed session items through lengthy Board meetings, the Board would try to schedule a time certain for closed session. Thus, closed session had been agendized to begin at 5:00 p.m., after which the board could continue with any remaining business.

4. PUBLIC COMMENT

Ralph Rubio thanked Congressman Farr and Secretary Panetta for publicly acknowledging the work being done at FORA and urged the Board to continue with their mission.

LeVonne Stone, Fort Ord Environmental Justice Network, discussed the need for inclusivity and more low income housing.

Fe Stallworth, Central Coast Visiting Nurse Association and Hospice, asked for the Board's support for their one-day conference at CSUMB.

Eric Peterson asked inquired as to the discrepancy between the IRS established per diem rate and the one reported in the Monterey County Herald as used by FORA.

A member of the public thanked Congressman Farr for doing a terrific job.

Congressman Farr discussed Congress' rejection of Secretary of Defense Leon Panetta's proposal for another round of Base Reuse and Closure and the procedure for establishing the per diem rate. In response to Mr. Peterson's question, Mr. Houlemard noted that the per diem rate had been incorrectly reported by the Monterey County Herald.

5. CONSENT

a. July 13, 2012 FORA Board Meeting Minutes

MOTION: Mayor Edelen moved, seconded by Mayor Bachofner, and the motion passed unanimously to approve the July 13, 2012 Board meeting minutes as presented.

6. NEW BUSINESS

a. FORA Finance Committee Member Appointment

Chair Potter stated that Nick Chiulos was nominated and had accepted the appointment.

MOTION: Mayor Edelen moved, seconded by Councilmember Kampe, and the motion passed unanimously to appoint Nick Chiulos to the FORA Finance Committee.

b. Ex-Officio Representation on the FORA Executive Committee

Mr. Houlemard presented the item.

Mayor Bachofner opposed the item, stating that ex-officio representation on the Executive Committee was unnecessary due to the increased public comment and dialogue permitted at the committee level.

Supervisor Parker, Mayor Edelen, and Councilmember Oglesby spoke in support of the item. Chair Potter stated that the ability to participate in policy discussions and make motions was very different from opportunities afforded to the public. He commented that several ex-officio Board members supported the item. Congressman Farr stated that if CSUMB was satisfied with the proposal, as presented, the Board should support it. Dr. Garrison stated that the regional thinking required of educational institutions would benefit the Executive Committee.

LeVonne Stone, emphasized need for CSUMB to be inclusive.

Mayor Bachofner expressed concerns that approval of the item would lead to changes in the composition of the FORA board.

Justin Wellner, CSUMB, noted that ex-officio members already sit on several FORA committees.

MOTION: Mayor Burnett moved, seconded by Councilmember Selfridge, and the motion passed to amend Chapter 2, Article 2.03.020 of the FORA Master Resolution to add an ex-

officio non-voting member to the FORA Executive Committee, to be appointed from among the ex-officio Board members by the Board Chair on an annual basis.

7. OLD BUSINESS

- a. Base Reuse Plan Reassessment - Overview Presentation and Update Regarding the Draft Scoping Report (to be circulated for Public Comment on Wednesday, August 15, 2012).** Assistant Executive Officer Steve Endsley stated that the draft Scoping Report would be released on August 15th and that the public would be given two weeks within which to submit comments for inclusion into the final Scoping Report. A Special Board meeting was scheduled for August 29th at 6:30 p.m. to receive public input regarding the document.

Michael Groves, EMC, provided background information regarding the Base Reuse Plan (BRP) Reassessment and described the process used to compile the Scoping Report. David Zehnder, EPS, discussed the Market and Economic Assessment and Richard James, EMC, provided information regarding the Reassessment Report.

Congressman Farr stated he was very impressed with the thoroughness of the report and presentation and discussed the importance of aesthetics to the base reuse.

Eric Peterson inquired as to a lawsuit brought against FORA by Keep Fort Ord Wild, which alleged a conflict of interest by EMC, and questioned its affect on the Reassessment.

LeVonne Stone requested that the Scoping Report address the problem of poverty in area.

Ron Cheshire stated the Scoping Report would be beneficial in helping the community move forward and cautioned the Board in their efforts to improve aesthetics.

Amy White, Landwatch, expressed concern that the public would not have enough time to read the report and submit their comments.

Ralph Rubio agreed with Congressman Farr regarding the importance of aesthetics.

A member of the public stated they hoped the Reassessment would not be the last time that FORA re-evaluated the BRP.

Reverend Lusk expressed concerns regarding the lack of employment opportunities on the peninsula.

Gail Morton, Fort Ord Rec Users, agreed that the time allowed for receiving public comments was insufficient.

Mayor Burnett asked whether comments received after the deadline would still be considered. Mr. Groves stated they would and that the September 4, 2012 deadline was only pertained to those comments included in the transmittal of the final Scoping Report to the Board. Comments submitted after September 4th would be provided in an addendum.

Chair Potter deemed the report received without exception.

8. CLOSED SESSION

- a. Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – Three Cases**

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

Mr. Houlemard announced that Item 8a~~iii~~ would not be heard.

The Board adjourned into closed session at 5:20 p.m. and convened into open session at 5:57 p.m.

9. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

Authority Counsel Jerry Bowden announced that the Board had instructed staff to proceed with an enforcement program to maintain security of the ESCA property.

Chair Potter recommended that, in order to reduce the length of the meeting, the Board continue consideration of Item 7c to the next Board meeting.

MOTION: Mayor Edelen moved, seconded by Mayor Donahue, and the motion passed unanimously to continue Item 7c to the September 14, 2012 Board meeting.

Agenda item 7 was resumed

b. Marina Coast Water District Water and Wastewater Rates, Fees and Charges and Resolution of Outstanding Issues

Mr. Endlsey addressed concerns raised by the Board at the July Board meetings regarding the Marina Coast Water District (MCWD) budget.

Carl Niizawa, MCWD, stated that lack of an approved operating budget prevented the District from moving forward with important new projects. Mr. Endsley discussed the terms of the agreement between FORA and MCWD.

LeVonne Stone suggested that any necessary revenue increases should be obtained from developers, not from ratepayers.

Chair Potter emphasized that in order for staff to resolve any outstanding issues with regards to approval of the MCWD budget, those Board members opposed to approval must clearly articulate their issues to staff.

Justin Wellner stated that CSUMB was concerned with the overburdening of the ratepayers and offered to meet with MCWD staff.

Chair Potter deemed the report received without exception.

~~**c. Preston Park Fiscal Year 2012/13 CIP and Rates**~~

~~Continued to September Board meeting.~~

d. Capital Improvement Program Review – Phase II Study

- i. **Adopt Resolution to Implement a Formulaic Approach to the FORA Development Fee Schedule and Communities Facilities District Special Tax Rates**
- ii. **Approve Amendment #1 to the FORA-Jurisdictions Implementation**

Agreements to Implement a Formulaic Approach

Mr. Endsley explained that per the Board's direction on July 13, 2012, staff had returned the item to the FORA Administrative Committee for further review. The Administrative Committee recommended approval of the item.

Councilmember Selfridge stated that John Arriaga had contacted her to discuss the item. Chair Potter acknowledged that others had also been contacted.

Supervisor Parker opposed the formulaic approach based on concerns regarding caretaker costs, water allocations, and the motivation for Board approval. Mr. Endsley stated that, once approved, the Board had the ability to revisit the item and modify the formula, if elements proved such would be required.

Mayor Burnett asked several questions regarding the relationship between the formulaic approach and the Phase II Study, which were responded to by David Zehnder of Economic and Planning Systems.

Councilmember Selfridge inquired as to how the process prevented favoritism towards one developer over another. Senior Planner Jonathan Garcia stated that each developer would pay the same rate and discussed the purpose for the biennial approach.

LeVonne Stone, inquired as to how the item would promote economic recovery.

MOTION: Mayor Edelen moved, seconded by Mayor Bachofner, to:

- i. Adopt a Resolution, which would implement a formulaic approach to establishing the Fort Ord Reuse Authority (FORA) Development Fee Schedule and Community Facilities District (CFD) Special Tax rates (Attachment A).**
- ii. Authorize the Executive Officer to execute Amendment #1 to the FORA-jurisdictions Implementation Agreements, which would codify the formulaic approach to establish the FORA Development Fee Schedule and CFD Special Tax rates (Attachment B).**
- iii. Schedule Board review of the formula implementation after one year.**

Mayor Burnett discussed the impact that adoption of the formula would have on FORA's ability to obtain grant funding. Mr. Houlemard discussed the improbability of future grant funding and described the OEA grant funding process.

Mayor Edelen stated that annual review of the item, if approved, would provide the opportunity to address issues as they arose. Mayor Pro-Tem O'Connell asked whether the Board could make substantial changes to the formula during their annual review. Mr. Houlemard discussed the various opportunities available for Board review of the formula and procedure.

VOTE: Ayes: Mayor Edelen, Chair Potter, Councilmember Oglesby, Councilmember brown, Mayor Pro-Tem O'Connell, Mayor Donahue, Councilmember Kampe, Mayor Pendergrass. Noes: Mayor Bachofner, Mayor Burnett, Councilmember Selfridge, Supervisor Parker. The Item did not receive unanimous approval and returns for a second vote at the next meeting.

10. EXECUTIVE OFFICER'S REPORT

- a. Outstanding Receivables**
- b. Administrative Committee**
- c. Water/Wastewater Oversight Committee**
- d. Habitat Conservation Plan**
- e. Naval Postgraduate School Program Prototype Base Reuse Program and FORA Staff Member Acceptance**
- f. Report on Current Status of Outside Agency UXO Escorts Reimbursement Agreements**
- g. Fort Ord Reuse Authority Fiscal Year 2011/12 Annual Report**

Mr. Houlemard presented the Executive Officer's report.

11. ITEMS FROM MEMBERS

Councilmember Oglesby requested FORA staff provide information regarding the current Base Reuse Plan land use status of all four parcels intended for the veteran's cemetery at the September Board meeting. He expressed a desire for those parcels to be confirmed for their intended/designated use as soon as possible. Mayor Bachofner agreed.

Mayor Bachofner announced that the American Cancer Society Relay for Life on August 11, 2012 in Seaside and asked staff to address Ralph Rubio's repeated inquiries regarding the economic impact of eco-tourism.

12. ADJOURNMENT

Chair Potter adjourned the meeting at 7:06 p.m.

Minutes prepared by Lena Spilman, Deputy Clerk

Approved by:

Michael A. Houlemard, Jr.



Fort Ord Reuse Authority

920 2nd Avenue, Suite A, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

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BOARD OF DIRECTORS BOARD MEETING Wednesday, August 29, 2012 at 5:30 p.m. 910 2nd Ave, Marina (Carpenter's Union Hall)

DRAFT

Minutes

1. CALL TO ORDER AND ROLL CALL

Chair Potter called the Board Meeting to order at 3:30 p.m.

Voting Members Present:

Chair/Supervisor Potter (County of Monterey)
Mayor Edelen (City of Del Rey Oaks)
Councilmember Beach (City of Carmel-by-the-Sea)
Councilmember Ford (City of Marina)
Councilmember Brown (City of Marina)
Supervisor Calcagno (Monterey County)

Supervisor Parker (County of Monterey)
Councilmember Kampe (City of Pacific Grove)
Mayor Donahue (City of Salinas)
Mayor Pendergrass (City of Sand City)
Mayor Bachofner (City of Seaside)
Mayor Pro-Tem Bloomer (City of Seaside)

Absent:

Mayor Burnett (City of Carmel-by-the-Sea), Mayor ProTem O'Connell (City of Marina), Councilmember Oglesby (City of Seaside), Councilmember Selfridge (City of Monterey)

Ex-Officio Members Present:

Cristal Clark (15th State Senate District)
Nicole Charles (27th State Assembly District)
Graham Bice (University of California)
Justin Wellner (CSUMB) @ 3:34 p.m.

Vicki Nakamura (MPC)
Gail Youngblood (Fort Ord BRAC Office)
Ken Nishi (MCWD)

2. PLEDGE OF ALLEGIANCE

Chair Potter led the Pledge of Allegiance.

3. CLOSED SESSION

Chair Potter announced the closed session items and called for public comments. Receiving none, the Board convened into closed session at 5:34 p.m.

a. Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – Three Cases

- i. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M116438
- ii. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M114961
- iii. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M119217

The Board reconvened into open session at 6:06 p.m.

4. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

Authority Counsel Jerry Bowden announced that the Board had retained Kennedy, Archer and Harray as legal counsel for case number M119217.

5. ACKNOWLEDGEMENTS ANNOUNCEMENTS, AND CORRESPONDENCE

None.

6. PUBLIC COMMENT

Ron Cheshire, Building Construction Trades Council, discussed prevailing wage.

LeVonne Stone, Fort Ord Environmental Justice Network, discussed the Board's method of receiving public comments. She suggested that the Fort Ord Environmental Justice Network should not have to follow the same process as the general public.

Ken Dursa discussed falling home prices and lack of economic development.

Jan Shriner discussed housing developments approved by the City of Marina.

7. CONSENT AGENDA

a. July 13, 2012 FORA Board Meeting Minutes

b. July 26, 2012 FORA Board Meeting Minutes

Executive Officer Michael Houlemard explained that staff had made several minor modifications to the July 26, 2012 Board meeting minutes, an excerpt of which had been distributed to the Board and public.

Due to questions regarding the July 13, 2012 minutes, Chair Potter proposed that Item 7a be continued to the next meeting. The Board agreed. *(Item 7a was approved at the August 10, 2012 meeting and was agendized for this meeting in error)*

MOTION: Mayor Bachofner moved, seconded by Mayor Edelen, and the motion passed unanimously to approve the July 26, 2012 Board meeting minutes as amended.

8. OLD BUSINESS

a. Capital Improvement Program Review – Phase II Study (2nd Vote)

- i. Adopt Resolution to Implement a Formulaic Approach to the FORA Development Fee Schedule and Communities Facilities District Special Tax Rates
- ii. Approve Amendment #1 to the FORA-Jurisdictions Implementation Agreements to Implement a Formulaic Approach

Assistant Executive Officer Steve Endsley presented an overview of the formulaic approach and provided answers to questions asked by the Board at the previous Board meeting.

Mayor Bachofner stated that because the workshop was schedule to begin, the Board should continue the second vote on the item to the next Board meeting.

MOTION: Mayor Bachofner moved, seconded by Mayor Brown, to continue the item to the September 14, 2012 Board meeting.

Mr. Houlemard stated that the second vote was customarily taken at the meeting immediately following a first vote. Mayor Edelen emphasized the urgency of the second vote and its potential impact on current state legislation.

The Board agreed to continue consideration of all action items until after the scheduled public workshop.

Mayor Donahue stated that the item had been properly vetted and was ready for a second vote.

SUBSTITUTE MOTION: Councilmember Ford moved, seconded by Mayor Donahue, to:

- i. Adopt a Resolution, which would implement a formulaic approach to establishing the Fort Ord Reuse Authority (FORA) Development Fee Schedule and Community Facilities District (CFD) Special Tax rates (Attachment A).**
- ii. Authorize the Executive Officer to execute Amendment #1 to the FORA-jurisdictions Implementation Agreements, which would codify the formulaic approach to establish the FORA Development Fee Schedule and CFD Special Tax rates (Attachment B).**
- iii. Schedule Board review of the formula after one year.**

Supervisor Parker expressed continuing concerns with the item.

POINT OF ORDER: Councilmember Ford called the previous question on the substitute motion.

VOTE ON SUBSTITUTE MOTION: Ayes: Councilmember Beach, Mayor Edelen, Councilmember Ford, Chair Potter, Supervisor Calcagno, Councilmember Kampe, Mayor Donahue, Mayor Pendergrass, Mayor Bachofner, Mayor Pro-Tem Bloomer. Noes: Supervisor Parker, Councilmember Brown

b. Ex-Officio Representation on FORA Executive Committee (2nd Vote)

MOTION: Mayor Edelen moved, seconded by Supervisor Parker, and the motion passed unanimously to amend Chapter 2, Article 2.03.020 of the FORA Master Resolution to add an ex-officio non-voting member to the FORA Executive Committee, to be appointed from among the ex-officio Board members by the Board Chair on an annual basis.

9. PUBLIC WORKSHOP

a. Base Reuse Plan Reassessment Draft Scoping Report

Senior Planner Jonathan Garcia provided a brief presentation, recognizing several timely comments that had been inadvertently omitted from the draft report. He stated that those comments had been identified and included.

The Board received comments from members of the public regarding the draft Scoping Report. *(Please transcription @ www.fora.org/Reports/ScopingReport/Transcript.pdf)*

Chair Potter thanked members of the public for attending and for their professionalism and respect for time limitations.

Mr. Houlemard announced that all comments received by September 4, 2012 would be included in the final Scoping Report. He discussed the timeline for Reassessment.

10. ITEMS FROM MEMBERS

Mayor Bachofner requested that the Board reconsider Item 8a, either at that meeting or at a future meeting, in order to allow Supervisor Parker adequate time to discuss the item. Chair Potter stated that the second vote had already taken place on the item, but that Mayor Bachofner could bring it back for reconsideration at another time.

11. ADJOURNMENT

Chair Potter adjourned the meeting at 8:51 p.m.

Mayor Bachofner motioned for reconsideration of Item 8a. Chair Potter ruled the motion out of order as the meeting had already been adjourned.

Minutes prepared by Lena Spilman, Deputy Clerk

Approved by:

Michael A. Houlemard, Jr.

The minutes from July 13, 2012 were approved at the August 10, 2012 Board meeting. Subsequent to their approval, several comments were received by Board members. These comments have been addressed in the final minutes.

FORT ORD REUSE AUTHORITY BOARD REPORT	
NEW BUSINESS	
Subject:	Selection of FORA Forensic Auditing Firm
Meeting Date:	September 14, 2012
Agenda Number:	6a
ACTION	

RECOMMENDATION:

Approve the selection of RGL Forensics to be the Fort Ord Reuse Authority (FORA) Forensic auditor and authorize the Executive Officer to execute an audit services agreement. The forensic audit will cover the scope of work provided by the FORA Board of Directors (Attachment A).

BACKGROUND:

In response to concerns regarding the integrity of past financial audits for reimbursements and business expenses, the FORA Board of Directors decided to retain the services of a Forensic Auditor. At the August 10, 2012 The Board of Directors authorized the search for a Forensic Auditor for FORA. The Forensic Audit Subcommittee was to oversee the selection process and make a recommendation to the Board on the selection of the Forensic auditor.

DISCUSSION:

The Forensic Auditor Selection Committee consisting of Jerry Edelen and Bill Kampe contacted the prospective firms and reviewed written proposals from two firms. On August 17, 2012, Forensic Audit Subcommittee telephoned three audit firms and reviewed two audit proposals from qualified Certified Public Accounting firms to conduct the audit.

FISCAL IMPACT:

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

Total costs for the audit will be \$34,385. This will require an amendment to the FY 2012/2013 Budget for an additional \$20,000 for audit expenses.

COORDINATION:

Executive Committee, Ad-hoc Committee

Prepared by Robert J. Norris, Jr.

Approved by Steve Endsley

Reviewed By: Mayor Edelen and Councilmember Kampe

Date: August 20, 2012

Subject: Selection of a Forensic Auditor

To: FORA Executive Committee

1. The Forensic Auditor Selection Committee consisting of Jerry Edelen and Bill Kampe obtained the names of three recommended Forensic Auditors from the audit firms of the Cities of Pacific Grove and Del Rey Oaks.
2. The main stipulations for recommendations were that:
 - a. The recommended firms had to have a sterling reputation, and
 - b. The firms could not have any ties, whatsoever, to FORA and or local geographical area to insure total independence.
3. The firms that were recommended to the committee were:
 - a. Rothstein Kass
 - b. RGL Forensics
 - c. American Business Appraisal Services
4. Initial analysis of these firms determined that Rothstein Kass and RGL Forensics were more involved in the type of work we were looking for, so we concentrated our efforts there.
5. Initial telephone conversation was made with both firms, an explanation was made to the firm's representatives as to what we were looking for, and a request was made for a proposal.
6. Both firms responded very quickly with proposals (attached).
7. Follow-on telephone conversations were, once again, made to clarify the information contained in the proposals.
8. At the completion of this process, the committee recommends that FORA select RGL Forensics to perform the forensic audit for the following reasons:
 - a. From the very onset of the process, the RGL Forensics Representative "went the extra mile". During the second

telephone conversation with the representative, it was apparent that the firm had done a thorough research of all information they could find on the web with regard to the KFOW lawsuit against FORA. The representative was knowledgeable, cooperative, and enthusiastic.

- b. The RGL proposal contained an estimated total cost for the audit (\$34,385); the Rothstein Kass proposal did not.
 - c. The Rothstein Kass proposal was very open ended and the hourly rates were high.
9. Therefore, the Forensic Audit Selection Committee recommends that FORA select RGL Forensics to do the forensic audit.

Jerry B. Edelen, Mayor of the City of Del Rey Oaks

Bill Kampe, Mayor Pro Tem of the City of Pacific Grove

Forensic Audit Selection Committee

RGL Forensics

Discovering & Defining Financial Value

Expense Review and Controls Project Budget Proposal August 2, 2012

Prepared For:



FORT ORD REUSE AUTHORITY (“FORA”)

August 2, 2012

Ford Ord Reuse Authority
c/o 1st Vice Chair, Mayor Jerry B. Edelen
650 Canyon Del Rey, Del Rey Oaks, California 93940

Dear Mayor Edelen:

Thank you for considering RGL Forensics in connection with the forensic review of the expenses from the board and staff of the Ford Ord Reuse Authority ("FORA"). This proposal is intended to introduce you to RGL, our extensive experience in handling various financial issues as well as providing you with a preliminary budget proposal for RGL's involvement.

RGL's partners and forensic financial professionals have in-depth investigative experience, and are highly regarded as specialists in forensic accounting and reporting, financial investigations, valuation, economic analysis and damage measurement. Our capabilities support the entire process, from the initial investigation through each phase of the dispute resolution process, whether it results in private negotiations, mediation, arbitration or high-profile litigation. We analyze and evaluate data against specific criteria, draw conclusions based on the facts, and assist in the investigation and/or litigation process.

Scope of Work

We understand it is FORA's intent to retain the services of a forensic accountant to conduct a forensic audit of the authority's expenses and to assist in the development of appropriate internal controls and expense reimbursement policies.

RGL will provide the requested services in accordance with the standards of U.S. Generally Accepted Auditing Standards for non-attest review services and the professional standards set forth by the American Institute of Certified Public Accountants. The nature of our involvement will be limited to the scope of work described above, unless the circumstances of the engagement significantly change, at which time any modifications to our involvement will be discussed. RGL will reply upon Generally Accepted Government Accounting Standards, U.S. Generally Accepted Accounting Principles and other governmental fund requirements from the local municipalities.

Based on the scope of services requested, we will not be conducting a financial statement audit of FORA's financial statements as defined by U.S. Government Auditing Standards. We will not be providing an opinion on whether the statements are free from material misstatements nor will we assess the accounting principles and estimates used by management, as conducted through an attest engagement.

Methodology

RGL will utilize standard industry practices to conduct a forensic review and analysis of FORA's operating expenses to identify questionable expenses, inappropriate expense reimbursements and expenses subject to regulatory or agency policy limitations. We will rely upon your organization's expense policies, standard expense reimbursement policies within governmental agencies, and any other resources that provide insight regarding the appropriateness of certain expense reimbursements.

We expect to review financial records including FORA's accounting records, employee expense reports, credit card and bank statements, invoices and receipts and any other source of information to substantiate operational expenses.

In addition, RGL will identify instances where internal controls can be improved including the evaluation of credit card use policies, signing authority of executives and improving the expense reimbursement process using standard industry practices.

This proposal is prepared under the premise that RGL will have access to all necessary financial records to conduct a thorough review. We understand that FORA has already produced documentation in response to pending litigation with the "Keep Ford Ord Wild" organization and RGL may be provided with that documentation in order to reduce the redundancy of retrieving documents. It is likely RGL may request additional financial records that were not produced through the course of the litigation actions.

RGL will utilize all technological resources available to conduct an efficient and thorough analysis. Receiving data in electronic digital formats will help to expedite the review process and increase the efficiency of our review.

Reporting

We consider that the key in any investigation is gaining a thorough understanding of the underlying issues, and designing an effective reporting package that is clear and concise. We believe our reports reflect this. Our report will identify all the documentation that we have relied upon in forming our opinions.

Whether in written or oral format, we will communicate with you and your agency whenever there are significant updates in the status of our review. Notwithstanding any deadlines decided upon by your agency, we anticipate a typical review and report of this nature to be completed within 30 days of our initial involvement. If any deadlines are set forth subsequent to this proposal, we can accommodate the needs of your organization.

Professional Staff

RGL will utilize the most appropriate balance of professional forensic accounting staff to involve the proper experience and expertise, while providing a cost effective review of records.

In many instances such as this engagement, financial records are sent to us electronically, limiting the need to work on onsite at your facility. We anticipate the need to meet with you and your organization at least several times through the course of the project but would recommend the transmission of data electronically. The attached proposal will include any estimated travel costs.

The CV's of the primary are attached to this proposal.

Budget Proposal

Our services will be billed based on the actual hours worked and any incidental expenses incurred for traveling. If our actual services are lower than the initial proposed budget, we will only bill you for the actual hours worked. If the actual hours worked exceed the proposed budget, we will bill you the budgeted amount. If the scope of our services are amended, the proposed budget may not be applicable or inclusive of those additional services. Any changes to the scope of our involvement that will affect our budget will require approval from both RGL and FORA if additional funds will be needed.

As attached, our proposed budget is **\$34,000**, which includes up to 176 hours of professional services totaling \$31,520 and \$2,865 in other direct costs.

The proposed budget is our best estimate of the hours required for this engagement. The amount of time actually spent may be affected by the volume of documents provided and the format and the quality in which those documents are kept.

We look forward to meeting with you and your organization to more fully explore the benefits of retaining RGL.

Regards,

Michael Diliberto III, CPA
mdiliberto@us.rgl.com

CC: Kelley Chang, CPA
kchang@us.rgl.com

Robert Mah, CPA
rmah@us.rgl.com

RGL JOB BUDGET PROPOSAL

As of August 2, 2012

Item	Description	Hours			
		Staff	Manager	Partner	Totals
1	Identify FORA Board Expenditure	16	8	4	28
A	Credit Card				
B	Reimbursement				
C	Direct Expenses				
D	GL Accounts				
2	Review Source Documentation for FORA Board Expenditures	32	16	8	56
A	Hardcopy or Electronic				
B	AP Accounting, Filing system				
C	Gather & Vouch expenditures				
D	Inquiries for documentation				
E	Explanations for expenses				
F	Review existing controls & Procedures				
3	Segregate FORA Board Expenditures Categories	20	12	4	36
A	Complete Documentation				
B	Lacking Documentation				
C	Lacking Purpose				
D	Lacking Explanation				
E	Reimbursable				
F	Accounting Errors				
4	Reporting for FORA Board Expenditures:	32	16	8	56
A	Results, Recommendations				
B	Guidance by GAAP, GAAS, GAG??				
C	Internal Control Procedures				
D	Conclusions				
Total Hours		100	52	24	176
Rates		\$ 150	\$ 200	\$ 255	
Amount for Professional Fees		\$ 15,000	\$ 10,400	\$ 6,120	\$ 31,520
Other Direct Costs (ODC's)					
<u>Mileage</u>					
	Trips	3	2	2	
	Miles/Trip (SF/Ft Ord)	200	200	200	
	Miles	600	400	400	
	Rate	\$ 0.50	\$ 0.50	\$ 0.50	
	Amount	\$ 300	\$ 200	\$ 200	\$ 700
<u>Lodging</u>					
	Nights	8	4	2	
	Rate	\$ 100	\$ 100	\$ 100	
	Amount	\$ 800	\$ 400	\$ 200	\$ 1,400
<u>Meals</u>					
	Days	10	5	2	
	Perdlem	\$ 45	\$ 45	\$ 45	
	Amount	\$ 450	\$ 225	\$ 90	765
	Total ODC's	\$ 1,550	\$ 825	\$ 490	\$ 2,865
TOTAL BUDGET PROPOSAL		\$ 16,550	\$ 11,225	\$ 6,610	\$ 34,385
					Budget Proposal

2012 RATE SCHEDULE

<i>Personnel</i>	<i>Rate Per Hour</i>
PARTNERS & PRINCIPALS	\$200 - \$265
MANAGERS	\$180 - \$195
SENIOR ACCOUNTANTS	\$150 - \$175
STAFF ACCOUNTANTS	\$125 - \$145
PARAPROFESSIONALS	\$50 - \$120



Overview

[Culture & Diversity](#)

[History](#)

[Global Expansion](#)

Overview

[\[-\] text](#) [\[+\] text](#)

When it is essential to accurately discover and define financial value, you can rely on the global services of RGL Forensics.

Since RGL is completely focused on financial forensics, we provide our clients with independent and objective investigations while avoiding any question of conflict of interest.

Often considered detectives of the financial world, forensic accountants are trained to follow the money trail left by economic transactions and reporting events – even when that trail may have been concealed. We use cutting-edge methods and tools to uncover financial evidence that will stand up in court or in any other contested circumstance.

Professionals who rely on RGL to discover and define financial value include:

- **Insurance professionals** – for claims made under commercial property and liability insurance policies.
- **Legal professionals** – for corporate transactions as well as civil and criminal disputes.
- **Corporate professionals** – for assets involved in the formation, finance, operation and dissolution of business entities – and when investigating fraud.
- **Public sector professionals** – for matters pertaining to economic losses, internal compliance, regulatory oversight – and when investigating fraud.

In 23 offices on four continents, RGL combines the skills and experience of its professionals with the financial models, methodologies and technologies that meet or exceed global standards for evidence. We also provide expert witness testimony.

Many of our professionals hold multiple qualifications, such as certified public or chartered accountants, valuation specialists and fraud examiners. This in-depth training and expertise enables RGL to look behind the numbers to identify market and economic conditions, business transactions and trends, and patterns of human behavior that can shed light on a financial issue.

Our engagements are often supported by our forensic technology group: computer specialists who can quickly secure, search, recover and classify vast amounts of electronic records.

Each forensic financial investigation is unique. When insurance, legal, corporate and public sector professionals must establish the true facts and the correct figures in the course of a deal or a dispute... they rely on RGL Forensics.



Michael Diliberto III CPA

Partner
San Francisco

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Mr. Diliberto has been involved in the field of Forensic Accounting for over 20 years. He has worked extensively throughout the United States, Canada and Europe with insurance companies and attorneys focusing the scope of his practice on forensic accounting, the measurement of damages and litigation support.

Educational Background

Bachelor of Science, Long Island University, New York, 1981
Delta Mu Delta, National Honor Society of Business Administration

Professional History

1997 - Present RGL, San Francisco, California
1981 - 1996 Campos & Stratis, San Francisco, California

Court Experience

Mr. Diliberto has testified as an expert witness in both State and Federal Courts on behalf of Defendants and Plaintiffs and in alternative resolution disputes. He has provided testimony on subrogation, general economic damages, business valuation, lost net profits, lost earnings and wages.

Seminar Experience

Mr. Diliberto has participated in seminars, presentations and served as a guest speaker regarding investigative accounting, fraud and measurement of damages to members of the insurance industry and legal profession.

Related Services

- Insurance
- Business Interruption
- Commercial Property Claims
- Fidelity/Surety Bond Claims
- Liability Claims
- Pre-loss Reviews
- Special Investigations
- Legal
- Insurance Litigation
- Valuation & Damages Analysis
- Corporate
- Fraud Investigations
- Public Sector
- Environmental/Toxic Tort
- Fraud Investigations

Industry Experience

- Aerospace
- Agriculture/Livestock
- Banking/Financial Services
- Business & Support Services
- Chemicals
- Construction/Engineering
- Education
- Electronics/Semiconductors
- Energy
- Entertainment/Media
- Environmental
- Fishing/Fisheries
- Food/Beverage
- Government/Regulatory Bodies
- Health & Beauty
- Healthcare/Hospitals
- Hospitality/Laisure & Tourism
- Manufacturing
- Mining/Metals
- Oil, Gas & Petrochemicals
- Pharmaceuticals
- Printing, Paper & Publishing
- Professional Services
- Retail
- Technology &
- Telecommunications
- Utilities
- Warehousing & Distribution



Robert P. Mah CPA

Manager

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Mr. Mah has been involved in Forensic Accounting since 1983 and has handled losses of various size and scope throughout the Northwest United States. He has extensive experience in Fidelity Losses involving industries ranging from electronics and construction, to food service and healthcare. Mr. Mah also has expertise in investigative auditing and damage evaluations in the areas of Business Interruption, Extra Expense, Property Damage, Stock Losses and Litigation Support covering a broad range of industries.

Educational Background

Bachelor of Science - Business Administration, Accounting and Finance, University of California, Berkeley, 1979

Professional Status

Certified Public Accountant, California

Member, American Institute of Certified Public Accountants

Member, California Society of Certified Public Accountants

Professional History

1997 - Present RGL, San Francisco, California

1983 - 1996 Campos & Stratis, San Francisco, California

1980 - 1983 I Magnin & Co., San Francisco, California

Court Experience

Mr. Mah has assisted clients in depositions, mediations, subrogation and expert witness trial testimony.

Seminar Experience

Mr. Mah has participated in seminars and presentations relating to investigative auditing and the measurement of losses and damages to members of the insurance industry.

Related Services

Insurance

Business Interruption

Commercial Property

Claims

Legal

Insurance Litigation

Valuation & damages

analysis

Industry Experience

Agriculture/Livestock

Retail

Technology

Telecommunications

Electronics/Semiconductors

Hospitality, Leisure &

Tourism

Manufacturing

Printing, Paper & Publishing

Professional Services

Real Estate

Food/Beverage

KELLEY CHANG, CPA
Manager

kchang@us.rgl.com

GENERAL BACKGROUND

Mr. Chang has been involved in Forensic Accounting since 2004. He has worked with insurance companies on commercial losses, attorneys on litigation support, and under contract with the United States Coast Guard, National Pollution Funds Center, and DOJ on economic losses from OPA oil spills.

EDUCATIONAL BACKGROUND

Bachelor of Science in Business Administration
Concentration In Accounting
San Jose State University – June 2004

PROFESSIONAL STATUS

Certified Public Accountant-California
Member, American Institute of Certified Public Accountants
Member, California Society of Certified Public Accountants

PROFESSIONAL HISTORY

RGL Forensics, San Francisco 2004-present

LITIGATION EXPERIENCE

Mr. Chang has assisted in the preparation of Federal Rule 26 expert reports, deposition questions for attorneys, trial preparation and exhibits.

Expertise

Breach of Contract
Business Interruption, Lost Profits
Construction Defect
Loss of Earnings and Rents
Employee Dishonesty/Fidelity
Employment Wages
E-Commerce Losses
Intellectual Property
Fraud
Inventory Loss
Jeweler Losses
Legal Audit Review
Oil Spill Economic Damages
Personal Injury
Pollution & Environmental Losses
Product Liability/Recall
Subrogation

Industry Experience Includes

Agriculture
Banking
Biotechnology
Chemicals
Communications
Computer Hardware/Software
Electronics, FABS, Foundry, Device
Mfg
E-Commerce
Entertainment
Fishing, processing, & packing
Hospitality/Gaming
Mining, Metals, Oil & Gas
Paper Mills
Plastics
Printing
Restaurants
Retail
Telecommunications
Textiles/Apparel
Transportation
Utilities
Wine & Spirits

FORT ORD REUSE AUTHORITY BOARD REPORT

[Return to Agenda](#)

OLD BUSINESS

Subject:	Ord Community Water and Wastewater Rates, Fees and Charges and Resolution of Outstanding Issues	
Meeting Date:	September 14, 2012	INFORMATION/ACTION
Agenda Number:	7a	

RECOMMENDATION:

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

BACKGROUND:

The Water/Wastewater Oversight Committee (“WWOC”) met to receive MCWD presentations and review the Ord Community budget in February, March, April and May 2012. The meetings in April and May were joint meetings with the FORA Administrative Committee. During those meetings the committee(s) reviewed the Ord Community water and wastewater system rates, fees and charges, water and wastewater operations budgets, water and wastewater capital improvement budgets, and water and wastewater capital improvement projects. At the May 30, 2012 joint Administrative/WWOC meeting, the committees recommended the FY 2012/13 Ord Community budget to the FORA Board for approval. The California State University Monterey Bay (“CSUMB”) representative cast a dissenting vote, expressing concern about components of the coming capital program.

The FORA Board met to receive presentations by MCWD and FORA staff and review the budget at their meetings of July 13th, July 26th and August 10th. The Board and members of the public raised various concerns during these meetings, including progress toward Ord Community annexation and associated customer voting rights, future capital expenditures on the former regional desalination project, the effect of past and current rate increases on ratepayers, timing capital projects to coincide with development to protect existing ratepayers from these costs, low-income rate options, a \$50K contingency for salary adjustments, and the number of votes required to vote down a Proposition 218 noticed rate increase. The Board directed the WWOC to review future capital improvement projects and align them with development projections.

At the September 5th joint Administrative/WWOC meeting, members thoroughly discussed these issues and the capital improvement projects included as expenditures in the budget. The CSUMB representative made a motion that MCWD remove two capital improvement projects from the budget: OW-0119 (Demolish D-Zone Reservoir, \$167K) and OW-0222 (Eastern Distribution System– Phase II, \$230K). The University of California Monterey Bay Education Science and Technology (“UCMBEST”) representative disagreed, stating that the eastern distribution system is very important to the UCMBEST agriculture program. Five years ago, the program was terminated after ten years of organic farming due to seawater intrusion. UCMBEST is losing about \$100K per year from that program. The eastern distribution system would add additional municipal water supply well(s) at the eastern edge of MCWD’s service area. Phase II of the project includes feasibility studies and design. The motion was not seconded, and therefore failed.

The CSUMB representative then made a motion that MCWD remove only project OW-0119. The City of Seaside representative seconded, and the item was debated. This project is a remaining task from the original “Replace D/E Reservoir” project (for constructing the currently utilized D-zone reservoir and the E-zone booster pump station). The demolition needs to occur in order to allow a recycled water reservoir and an additional D-zone reservoir tank to be constructed. Completing this project soon will avoid delays in constructing recycled water infrastructure and result in competitive bid prices. At the conclusion of the discussion, the seconder rescinded his second. The motion did not achieve a new second, and also failed.

The City of Marina representative then made a motion to recommend the budget, amended to remove the \$42K line item for capital expenditures on the former regional desalination plant and to remove the \$50K contingency for salary adjustments. The UCMBEST representative seconded the motion. The motion passed, with the CSUMB representative dissenting. This motion corresponds to the staff recommendation.

The WWOC also initiated their FY 2012/13 work program at that meeting, which includes the review of Capital Improvement Projects, including placement of projects to meet development needs under the FORA Base Reuse Plan Implementation, as the FORA Board previously directed. The Board additionally encouraged a public participation component to future rate setting which can be implemented through the WWOC work program.

DISCUSSION:

Staff recommends that the FORA Board approve Resolution #'s 12-6 and 12-7, enacting the FY 2012/13 Ord Community budget as amended, with the following conditions:

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

If the FORA Board does not approve the budget as presented, FORA staff would then recommend that the Board offer MCWD a counter-proposal in the format required by the Facilities Agreement. If the Board does not act to approve the budget or offer a counter-proposal, MCWD has indicated they may invoke the terms of Article 7.2.1 of the Facilities Agreement which states that "If FORA does not respond (to the MCWD budget proposal) within three months, the compensation plan contained in the latest submittal from MCWD shall be deemed adopted." A specific Board action taken at the September FORA Board meeting precludes such an eventuality and allows the FORA Board to address most, if not all, of the issues brought up by the public and Board members in previous Board hearings on this matter.

FISCAL IMPACT:

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

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

COORDINATION:

MCWD, Executive Committee, Administrative Committee, WWOC

Prepared by Crissy Maras Reviewed by D. Steven Endsley
Approved by Michael A. Houlemard, Jr.

Resolution No. 12-6

Resolution of the Board of Directors
Fort Ord Reuse Authority
Adopting the Budget and the Ord Community Compensation Plan for FY 2012-2013
not including Capacity Charges

September 14, 2012

RESOLVED by the Board of Directors (“Directors”) of the Fort Ord Reuse Authority (“FORA”), at a regular meeting duly called and held on September 14, 2012 at the business office of FORA at 910 2nd Avenue, Marina California as follows:

WHEREAS, Marina Coast Water District (“District”) Staff prepared and presented the draft FY 2012-2013 Budget (**Exhibit A**) which includes projected revenues, expenditures and capital improvement projects for the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of FORA and the area remaining within the jurisdiction of the U.S. Army; and,

WHEREAS, FORA is authorized by the FORA Act, particularly Government Code 67679(a)(1), to arrange for the provision of water and wastewater services to the Ord Community; and

WHEREAS, the District and FORA, entered into a “Water/Wastewater Facilities Agreement” (“the Agreement”) on March 13, 1998, and have subsequently duly amended the Agreement; and,

WHEREAS, the Agreement provides a procedure for establishing budgets and compensation plans to provide for sufficient revenues to pay the direct and indirect, short-term and long-term costs, including capital costs, to furnish the water and wastewater facilities; and,

WHEREAS, the Agreement, as amended, provides that FORA and the District will each adopt the annual Budget and Compensation Plan by resolution; and,

WHEREAS, the proposed Budget and Compensation Plan for FY 2012-2013 provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable MCWD to provide continued water, recycled water and sewer services within the existing service areas on the former Fort Ord. The rates, fees and charges adopted by FORA apply only to the area within FORA’s jurisdictional boundaries; and,

WHEREAS, the Water/Wastewater Oversight Committee of FORA and the MCWD full Board have reviewed the proposed Budget and Compensation Plan; and,

WHEREAS, pursuant to the Agreement, FORA and MCWD have adopted and implemented and acted in reliance on budgets and compensation plans for prior fiscal years; and,

WHEREAS, pursuant to the Agreement, FORA and MCWD cooperated in the conveyance to MCWD of easements, facilities and ancillary rights for the water, recycled water and wastewater systems on the area of the former Fort Ord within FORA’s jurisdiction; and,

WHEREAS, MCWD has provided water and wastewater services on the former Fort Ord by contract since 1997, and currently provides water and wastewater services to the area of the former Fort Ord within FORA's jurisdiction under the authority of the Agreement, and provides such services to the portion of the former Fort Ord still under the Army's jurisdiction by contract with the Army; and,

WHEREAS, FORA and MCWD have agreed that water conservation is a high priority, and have implemented a water conservation program in the Ord Community service area that includes public education, various incentives to use low-flow fixtures, and water-conserving landscaping. The rates, fees and charges adopted by this Resolution are intended to support the water conservation program and encourage water conservation, pursuant to sections 375 and 375.5 of the California Water Code. This conservation program and these rates, fees and charges are in the public interest, serve a public purpose, and will promote the health, welfare, and safety of Ord Community, and will enhance the economy and quality of life of the Monterey Bay community; and,

WHEREAS, estimated revenues from the rates, fees and charges will not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed, will not be used for any purpose other than that for which the fee or charge was imposed, will not exceed the proportional cost of the service attributable to each identified parcel upon which the fee or charge is proposed for imposition and no fee or charge will be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question; and,

WHEREAS, at a public meeting based upon staff's recommendations, the Board has determined that the Budget and Compensation Plan, including the rates, fees and charges therein, should be adopted as set forth on **Exhibit A** to this Resolution; and,

WHEREAS, on June 10, 2011, FORA held a joint hearing with the District on the rates, fees and charges, not including Capacity Charges, for the Compensation Plan pursuant to and in accordance with Section 6 of Article XIID of the California Constitution; and

WHEREAS, at the joint hearing, the Board heard and considered all protests to the Compensation Plan and the rates, fees and charges proposed and found that written protests were submitted by less than a majority of the record owners of each identified parcel upon which the fee or charge is proposed for imposition; and,

WHEREAS, Capacity Charges for the FY 2012-2013 are the subject of and will be adopted by a separate Resolution; and,

WHEREAS, FORA is the lead agency for the adoption of rates, fees and charges for the area of the Ord Community under FORA's jurisdiction, and that in adopting rates and charges for that area, the District is acting as a responsible agency and relying on FORA's compliance with the requirements of the California Environmental Quality Act ("CEQA"); that the District has previously adopted rates, fees and charges for its jurisdictional service area; and that, in approving rates, fees and charges for the area of Ord Community within the jurisdiction of the U.S. Army, the District is acting to provide continued water, recycled water and sewer service within existing service areas on the Ord Community, and that such action is exempt from CEQA pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS,

1. The Board of Directors of the Fort Ord Reuse Authority does hereby approve and adopt FY 2012-2013 Budget and Compensation Plan, not including Capacity Charges for water, recycled water and wastewater services to the Ord Community.
2. The District is authorized to charge and collect rates for provision of water and wastewater services within the boundaries of FORA in accordance with the rates, fees and charges set forth in **Exhibit A**, not including Capacity Charges. The District is further authorized to use the same rates, fees and charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.
3. The rates, fees and charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed.

PASSED AND ADOPTED on September 14, 2012, by the Board of Directors of the Fort Ord Reuse Authority by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Dave Potter, Chair

ATTEST:

Michael A. Houlemard, Jr., Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Fort Ord Reuse Authority hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 12-6 adopted September 14, 2012.

Michael A. Houlemard, Jr., Secretary

Resolution No. 12-7

Resolution of the Board of Directors
Fort Ord Reuse Authority

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

Adopting the Capacity Charge element of the Budget and the Ord Community Compensation Plan for FY 2012-2013

September 14, 2012

RESOLVED by the Board of Directors (“Directors”) of the Fort Ord Reuse Authority (“FORA”), at a regular meeting duly called and held on September 14, 2012 at the business office of FORA at 910 2nd Avenue, Marina California as follows:

WHEREAS, Marina Coast Water District (“District”) Staff prepared and presented the draft FY 2012-2013 Budget which includes projected revenues, expenditures and capital improvement projects for the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of FORA and the area remaining within the jurisdiction of the U.S. Army; and,

WHEREAS, FORA is authorized by the FORA Act, particularly Government Code 67679(a)(1), to arrange for the provision of water and wastewater services to the Ord Community; and

WHEREAS, the District and FORA, entered into a “Water/Wastewater Facilities Agreement” (“the Agreement”) on March 13, 1998, and have subsequently duly amended the Agreement; and,

WHEREAS, the Agreement provides a procedure for establishing budgets and compensation plans to provide for sufficient revenues to pay the direct and indirect, short-term and long-term costs, including capital costs, to furnish the water and wastewater facilities; and,

WHEREAS, the Agreement, as amended, provides that FORA and the District will each adopt the annual Budget and Compensation Plan by resolution; and,

WHEREAS, the proposed Budget and Compensation Plan for FY 2012-2013 provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable the District to provide continued water, recycled water and sewer services within the existing service areas on the former Fort Ord. The rates, fees and charges adopted by FORA apply only to the area within FORA’s jurisdictional boundaries; and,

WHEREAS, a financing study prepared by Citigroup Global Markets Inc. in 2005 for the District recommended the adoption of capacity charges as an element of financing capital facilities for water and wastewater services to the Ord Community; and,

WHEREAS, the Water/Wastewater Oversight Committee of FORA and the District full Board have reviewed the proposed Budget and Compensation Plan; and,

WHEREAS, pursuant to the Agreement, FORA and the District have adopted and implemented and acted in reliance on budgets and compensation plans for prior fiscal years; and,

WHEREAS, pursuant to the Agreement, FORA and the District have cooperated in the conveyance to the District of easements, facilities and ancillary rights for the water, recycled water and wastewater systems on the area of the former Fort Ord within FORA’s jurisdiction; and,

WHEREAS, the District has provided water and wastewater services on the former Fort Ord by contract since 1997, and currently provides water and wastewater services to the area of the former Fort Ord within FORA's jurisdiction under the authority of the Agreement, and provides such services to the portion of the former Fort Ord still under the Army's jurisdiction by contract with the Army; and,

WHEREAS, capacity charges are imposed as a condition of service to customers. The charges are not imposed upon real property or upon persons as an incident of real property ownership; and,

WHEREAS, estimated revenues from the capacity charges will not exceed the estimated reasonable costs of providing the facilities and services for which the charges are imposed; and,

WHEREAS, the capacity charges and have not been calculated nor developed on the basis of any parcel map, including any assessor's parcel map; and,

WHEREAS, no written requests are on file with the District for mailed notice of meetings on new or increased fees or service charges pursuant to Government Code Section 66016. At least 10 days prior to the meeting, the District made available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service; and

WHEREAS, the amount of the increase in capacity charges exceeds the percentage increase in the Implicit Price Deflator for State and Local Government Purchases, as determined by the Department of Finance. As a result, the District cannot charge the increased capacity fee to any school district, county office of education, community college district, state agency, or the University of California before first negotiating the increases with those entities in accordance with District Code section 6.16.020 and Government Code section 54999.3. Although these sections also apply to California State University at Monterey Bay, the District has complied with its obligation to negotiate with it and can charge the increased amounts to CSUMB as a result of and as limited by a Settlement Agreement and Mutual Release dated June 1, 2006, by which the District and California State University made an agreement regarding the amount of all future capacity charges. Accordingly, the District can charge the increased capacity charges as limited by the Settlement Agreement and Mutual Release immediately to CSUMB. The increased capacity charges to any other school district, state agency, county office of education, community college district or the University of California will be effective only when negotiations are concluded with those entities; and,

WHEREAS, after a public meeting and based upon staff's recommendations, the Board has determined that the capital elements of the Budget and Compensation Plan, including the capacity charges therein, should be adopted as set forth on **Exhibit A** to this Resolution; and

WHEREAS, the capacity charges set forth on **Exhibit A** to this Resolution have not changed from those approved in the FY 2011-2012 Budget and Compensation Plan; and,

WHEREAS, Government Code Section 54999.3 requires that before imposing certain capital facilities fees on certain educational and state entities, any public agency providing public utility service must negotiate with the entities receiving the service; and

WHEREAS, FORA is the lead agency for the adoption of rates, fees and charges for the area of the Ord Community under FORA's jurisdiction, and that in adopting rates and charges for that area, the District is acting as a responsible agency and relying on FORA's compliance with the requirements of the California Environmental Quality Act ("CEQA"); that the District has previously adopted rates, fees and charges for its jurisdictional service area; and that, in

approving rates, fees and charges for the area of Ord Community within the jurisdiction of the U.S. Army, the District is acting to provide continued water and sewer service within existing service areas on the Ord Community, and that such action is exempt from CEQA pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS,

1. The Board of Directors of the Fort Ord Reuse Authority does hereby approve and adopt the capital elements of the FY 2012-2013 Budget for water, recycled water and wastewater services to the Ord Community.
2. The capital elements of the compensation plan for the area of Ord Community within FORA’s jurisdiction, including capacity charges, set forth on **Exhibit A** to this Resolution are hereby approved and adopted. The District is authorized to charge and collect capacity charges for provision of water and wastewater services within the boundaries of the Fort Ord Reuse Authority in accordance with the schedule set forth in **Exhibit A**. The District is further authorized to use the same charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.
3. The charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the charges are imposed.
4. The District will comply with the requirements of Government Code section 54999.3 before imposing a capital facilities fee (as defined in Government Code section 54999.1) on any school district, county office of education, community college district, the California State University, the University of California or state agency.

PASSED AND ADOPTED on September 14, 2012, by the Board of Directors of the Fort Ord Reuse Authority by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Dave Potter, Chair

ATTEST:

Michael A. Houlemard, Jr., Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Fort Ord Reuse Authority hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 12-7 adopted September 14, 2012.

Michael A. Houlemard, Jr., Secretary

EXHIBIT A
To Resolution #12-6 and #12-7

Ord Community Water/Wastewater Systems

Proposed Compensation Plan

For FY 2012-2013

Presented to

Fort Ord Reuse Authority

Board of Directors

September 14, 2012

by

Marina Coast Water District



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Draft FY 2012-2013 Ord Community Service Area Budget Summary

Introduction. The purpose of this summary is to provide an overview of the FY 2012-2013 Budget document and the key assumptions used in developing this Budget document.

In, accordance with Article 7 of the Water Wastewater Facilities Agreement between Marina Coast Water District (MCWD) and Fort Ord Reuse Authority (FORA), the District maintains separate cost centers to ensure that revenues and expenses are appropriately segregated and maintained for the Marina systems, the Ord Community systems, and the accruing costs for the Regional Water Augmentation Project. On October 25, 2006, the MCWD Board adopted Ordinance No. 43 which also requires the cost centers to remain separated after the expiration of the Agreement between MCWD and FORA.

District costs that are not dedicated to a specific cost center are shared among the four primary cost centers – Marina Water, Marina Wastewater Collection, Ord Community Water and Ord Community Wastewater Collection. Sharing of these expenses, in turn, creates efficiencies and cost savings for administrative functions for the two service areas that would otherwise not be realized. The District uses the operating expenses ratio to allocate the shared expenses. The allocation rate for the proposed fiscal year has changed based on previous year (FY 2010-2011) audited expenditure figures.

The FORA Board adopts the Ord Community budgets by resolution before MCWD Board adopts the entire budget, also by resolution.

A five-year financial plan and rate study was completed in 2008, however recommendations from the rate study are not fully incorporated in this budget document. The MCWD Board of Directors instead directed staff to prepare the budget based on a 5.0% rate increase instead of the 7.8% recommended in the rate study.

Cost Centers:

- Ord Community Water
- Ord Community Wastewater Collection (Sewer)

Assumptions:

- Revenues (proposed rate increase of 5.0%):
 - Ord Community Water \$5.627 million
 - Ord Community Wastewater Collection \$1.859 million
- Expenses:
 - Ord Community Water \$3.817 million
 - Ord Community Wastewater Collection \$0.758 million

- Debt Service on loans (principal/interest):
 - Ord Community Water \$1.729 million
 - Ord Community Wastewater Collection \$0.668 million
- Capital Replacement Reserve Fund:
 - Ord Community Water \$0.200 million
 - Ord Community Sewer \$0.100 million

Ord Community Water Rates (monthly):

	FY 2011-2012	FY 2012-2013
Meter Service Charge	\$17.11	\$17.97
First Tier (0-8 hcf)	2.33	2.45
Second Tier (8-16 hcf)	3.27	3.43
Third Tier (16+ hcf)	4.22	4.43
Average Monthly bill (13 units)	\$52.10	\$54.72
Flat Rate Billing	84.34	88.56

Ord Community Wastewater Collection Rates (monthly):

	FY 2011-2012	FY 2012-2013
Monthly Flat Fee Bill	\$25.56	\$26.84

Capacity Charge:

- Ord Community Water Capacity Charge \$5,750* per equivalent dwelling unit
 - Ord Community Wastewater Collection Capacity Charge \$2,150 per equivalent dwelling unit
- * Ord Community water capacity charge includes future contributions from FORA towards RUWAP Project

Monthly Capital Surcharge*:

- Ord Community Water Monthly Capital Surcharge for NEW Customers (\$20.00 per EDU)
 - Ord Community Wastewater Monthly Capital Surcharge for NEW Customers (\$5.00 per EDU)
- * Monthly Capital Surcharge applies to all new customers effective July 2005.

Annual Capital Improvement Programs:

- Ord Community Water \$0.611 million
- Ord Community Wastewater Collection \$0.659 million

District Staffing:

- Support for a staff of 36 positions:
 - Administration – 11
 - Operations & Maintenance – 17
 - Laboratory – 1
 - Conservation – 1
 - Engineering – 6

**ORD COMMUNITY
WATER & WASTEWATER SYSTEM
RATES, FEES and CHARGES
FY 2012 - 2013
Effective September 14, 2012**

Water Consumption Charge

0 - 8 hcf	First Tier	2.45	per hcf
8 - 16 hcf	Second Tier	3.43	per hcf
16+ hcf	Third Tier	4.43	per hcf
	Monthly Capital Surcharge (New EDU)	20.00	per EDU
	Flat Rate	88.56	per unit

Monthly Minimum Water Charges

<u>Size</u>	<u>Fee</u>
5/8" or 3/4"	17.97 per month
1"	44.90 per month
1 1/2"	89.76 per month
2"	143.62 per month
3"	269.29 per month
4"	448.82 per month
6"	897.63 per month
8"	1,795.28 per month

Monthly Minimum Sewer Charges

Monthly Wastewater Charge	26.84	per EDU
Monthly Capital Surcharge (New EDU)	5.00	per EDU

Temporary Water Service

Meter Deposit Fee	\$650.00
Hydrant Meter Fee (Set/Remove Fee)	\$140.00 one time fee
Hydrant Meter Fee (Relocate Fee)	\$140.00 per occurrence
Minimum Monthly Service Charge	86.35 per month
Estimated Water Consumption Deposit	\$1,100.00 minimum

Repair, Replacement and Maintenance of Private Fire Hydrants (Monthly Charge)

Single/Double Outlet, All Sizes	\$13.50 per month
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Capacity Charges (Effective Date: July 1, 2012)

Water	\$5,750.00 per edu
Sewer	\$2,150.00 per edu

**MARINA & ORD COMMUNITY
WATER & WASTEWATER SYSTEM
RATES, FEES and CHARGES
FY 2012 - 2013
Effective September 14, 2012**

Labor Charges

General Manager	\$189.86 per hour
Deputy General Manager/District Engineer	\$124.67 per hour
District Counsel	\$124.53 per hour
Director of Administrative Services	\$91.77 per hour
Capital Projects Manager	\$78.48 per hour
Projects Manager	\$84.80 per hour
Associate Engineer	\$76.03 per hour
Assistant Engineer	\$55.86 per hour
Engineering Administrative Assistant	\$50.38 per hour
Lab Supervisor	\$73.92 per hour
O&M Superintendent	\$90.99 per hour
O&M Supervisor	\$86.23 per hour
Operations & Maintenance System Operator 3	\$72.01 per hour
Operations & Maintenance System Operator 2	\$66.15 per hour
Operations & Maintenance System Operator 1	\$59.86 per hour
Conservation Specialist	\$53.48 per hour

Equipment Charges

Work Truck	\$20.00 per hour
Backhoe Tractor	\$30.00 per hour
Vactor Truck	\$30.00 per hour
Dump Truck	\$30.00 per hour
Ground Penetrating Radar Uit	\$10.00 per hour

Miscellaneous Charges

Photocopy Charges	\$0.10 per copy
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Water Meter Installation Fee

(includes box and meter)

<u>Size</u>	<u>Fee</u>
5/8" or 3/4"	\$350.00
1"	\$400.00
1 1/2"	\$450.00
2"	\$700.00
3" or Larger	

Actual direct and indirect cost to district.

Advance payment to be based on estimated cost.

Other Fees and Charges

Preliminary Project Review Fee (large projects)	\$500.00
Plan Review Fees:	
Existing Residential Modifications	\$200.00 per unit plus additional fees
Existing Commercial Modifications	\$400.00 per unit plus additional fees
Plan Review	\$500.00 per unit plus additional fees
Water/Sewer Permit Fee	\$30.00 each
Small Project Inspection Fee (single lot)	\$400.00 per unit
Large Project Inspection Fee (large projects)	\$500.00 per unit plus 3% of water & sewer construction cost
Building Modification/Addition Fee	\$200.00 per unit
Deposit for a Meter Relocation	\$200.00 deposit, plus actual costs
Mark and Locate Fee (USA Markings)	\$100.00 first mark and locate at no-charge, each additional for \$100
Backflow/Cross Connection Control Fee	\$45.00 per device
Additional Backflow/Cross Connection Device	\$30.00 per device
Deposit for New Account	\$35.00 per edu
Meter Test Fee	\$15.00 for 3/4" meter, actual cost for 1" and larger
Returned Check Fee	\$15.00 per returned item

Ord Community Water System

MARINA COAST WATER DISTRICT
ORD COMMUNITY WATER SYSTEM OPERATIONS
PROPOSED BUDGET

EXHIBIT W-1

	Actual Ord Community Water Expenses FY 2009-2010	Actual Ord Community Water Expenses FY 2010-2011	Adopted Budget Ord Community Water Expenses FY 2011-2012	Estimated Ord Community Water Expenses FY 2011-2012	Proposed Budget Ord Community Water Expenses FY 2012-2013	BUD vs BUD % CHANGE	BUD vs EST % CHANGE
Administration/Management							
Personnel	\$643,839	\$621,526	\$570,330	\$619,026	\$692,801	21.5%	11.9%
Expenses	\$395,786	\$533,849	\$696,660	\$654,675	\$696,100	-0.1%	6.3%
Insurance	\$48,775	\$54,712	\$67,500	\$66,985	\$62,000	-8.1%	-7.4%
Legal	\$68,770	\$70,818	\$62,100	\$68,531	\$15,000	-75.8%	-78.1%
Interest Expense	\$784,479	\$1,214,441	\$1,158,750	\$1,155,391	\$1,072,122	-7.5%	-7.2%
subtotal	\$1,941,649	\$2,495,346	\$2,555,340	\$2,564,608	\$2,538,023	-0.7%	-1.0%
Operations & Maintenance							
Personnel	\$676,431	\$665,258	\$1,115,890	\$806,010	\$796,995	-28.6%	-1.1%
Maintenance Expenses	\$267,449	\$222,368	\$223,990	\$182,984	\$226,900	1.3%	24.0%
Power Costs	\$360,444	\$431,469	\$490,250	\$434,982	\$539,450	10.0%	24.0%
Annual Maintenance	\$2,833	\$61,067	\$50,000	\$30,000	\$50,000	0.0%	66.7%
subtotal	\$1,307,157	\$1,380,162	\$1,880,130	\$1,453,976	\$1,613,345	-14.2%	11.0%
Laboratory							
Personnel	\$164,473	\$134,898	\$157,530	\$84,209	\$107,679	-31.6%	27.9%
Equipment/Expenses	\$23,420	\$29,522	\$44,010	\$44,010	\$49,961	13.5%	13.5%
Lab Contract Services	\$8,229	\$17,633	\$36,000	\$36,000	\$37,800	5.0%	5.0%
subtotal	\$196,122	\$182,053	\$237,540	\$164,219	\$195,440	-17.7%	19.0%
Conservation							
Personnel	\$129,780	\$131,848	\$144,550	\$102,208	\$91,320	-36.8%	-10.7%
Expenses	\$38,042	\$39,200	\$64,205	\$60,806	\$48,460	-24.5%	-20.3%
subtotal	\$167,822	\$171,048	\$208,755	\$163,014	\$139,780	-33.0%	-14.3%
Engineering							
Personnel	\$152,064	\$169,798	\$264,830	\$332,936	\$337,472	27.4%	1.4%
Expenses	\$74,406	\$33,438	\$4,180	\$3,386	\$1,250	-70.1%	-63.1%
Outside Consultants	\$40,620	\$13,746	\$21,000	\$51,882	\$63,750	203.6%	22.9%
subtotal	\$267,090	\$216,982	\$290,010	\$388,204	\$402,472	38.8%	3.7%
Total Operating Expenses	\$3,879,840	\$4,445,591	\$5,171,775	\$4,734,021	\$4,889,060	-5.5%	3.3%

**MARINA COAST WATER DISTRICT
ORD COMMUNITY WATER SYSTEMS
CAPITAL IMPROVEMENT PROJECT BUDGET FOR FY 2012-2013**

EXHIBIT W-2

Project No.	Project Name	Amount
WD-0203	MCWD Fort Ord Office Landscape Project	\$10,250
WD-0115	SCADA System Improvements - Phase I	\$204,000
OW-0119	Demolish D-Zone Reservoir	\$167,000
OW-0222	Eastern Distribution System - Phase II	<u>\$230,000</u>
	TOTALS	<u>\$611,250</u>

Capital Improvement Project Sheet

Project:	MCWD Fort Ord Office Landscape Project
Project No:	WD-0203
Cost Center:	Marina Water; Marina Sewer; Ft Ord Water; Ft Ord Sewer

Project Description
 This project is for completing the installation of landscaping at MCWDs' Fort Ord Office located at 2840 4th Avenue in Marina, CA. the project scope includes installing a "water-wise" irrigation system and the planting of native plant species and other low water use plants.

Project Justification
 A landscape installed as a demonstration "garden", which will be open to the general public, will enhance the public's understanding of the District's landscape and conservation ordinances.

PROJECT COSTS:	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
Cost Category / Phasing								
Planning								
External Services								0
Internal Services								0
Design								
External Services								0
Internal Services								0
Construction								
External Services		11,500						11,500
Internal Services		9,000						9,000
Property / Easement Acquisitions								0
Other Project Costs								0
Estimated Cost By Fiscal Year	0	20,500	0	0	0	0	0	20,500

Project Funding / Cost Centers	G L Code	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
01 - Marina Water	01-00-160-402	30%	0	6,150	0	0	0	0	0	6,150
02 - Marina Sewer	02-00-160-402	9%	0	1,845	0	0	0	0	0	1,845
03 - Ft Ord Water	03-00-160-402	50%	0	10,250	0	0	0	0	0	10,250
04 - Ft Ord Sewer	04-00-160-402	11%	0	2,255	0	0	0	0	0	2,255
										0
Funding By Fiscal Year			0	20,500	0	0	0	0	0	20,500

Capital Improvement Project Sheet

Project:	SCADA System Improvements - Phase I
Project No:	WD-0115
Cost Center:	Marina Water; Marina Sewer; Ft Ord Water; Ft Ord Sewer

Project Description
 This project is for improving the Supervisory, Control, and Data Acquisition (SCADA) facilities. MCWD has more than 40 (current) remote water and sewer infrastructure sites that need SCADA improvement. The current phase of the project will result in functional and expandable SCADA "hubs" that will transmit signals to MCWD's O&M control room while the future phases will up-grade the remote sites.

Project Justification
 This project is needed to increase the reliability of the SCADA facilities. A well-functioning SCADA system is fundamental to efficient operation of water and wastewater systems and reliable SCADA facilities reduce risk because problems with remote infrastructure can be identified, communicated and/or prevented prior to failure.

PROJECT COSTS:	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
Cost Category / Phasing								
Planning								
External Services								0
Internal Services								0
Design								
External Services								0
Internal Services								0
Construction								
External Services	554,890	400,000	125,000	125,000	125,000	125,000		1,454,890
Internal Services		8,000	10,000	10,000	10,000	10,000		48,000
Property / Easement Acquisitions								0
Other Project Costs								0
Estimated Cost By Fiscal Year	554,890	408,000	135,000	135,000	135,000	135,000	0	1,502,890

Project Funding / Cost Centers	G L Code	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
01 - Marina Water	01-00-160-402	30%	166,467	122,400	40,500	40,500	40,500	40,500	0	450,867
02 - Marina Sewer	02-00-160-402	9%	49,940	36,720	12,150	12,150	12,150	12,150	0	135,260
03 - Ft Ord Water	03-00-160-402	50%	277,445	204,000	67,500	67,500	67,500	67,500	0	751,445
04 - Ft Ord Sewer	04-00-160-402	11%	61,038	44,880	14,850	14,850	14,850	14,850	0	165,318
										0
Funding By Fiscal Year			554,890	408,000	135,000	135,000	135,000	135,000	0	1,502,890

Capital Improvement Project Sheet

Project:	Demolish D-zone Reservoir
Project Number:	OW-0119
Cost Center:	Ord Community Water

Project Description
 This project is for demolishing the out of service D-zone reservoir tank. The concrete tank to be removed is located at the remote D/E Reservoir Site northeast of Fitch Park.

Project Justification
 This project is a remaining task from the original "Replace D/E Reservoir" Project (for constructing the currently utilized D-zone reservoir and the E-zone Booster Pump Station). The demolition needs to occur in order to allow a Recycled Water Reservoir and an additional D-zone reservoir tank to be constructed. Completing this project soon will avoid delays in constructing the Recycled Water Infrastructure.

PROJECT COSTS:	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
Cost Category / Phasing								
Planning								
External Services								0
Internal Services								0
Design								
External Services								0
Internal Services								0
Construction								
External Services		150,000						150,000
Internal Services		17,000						17,000
Property Easement / Acquisitions								0
Other Project Costs								0
Estimated Cost By Fiscal Year	0	167,000	0	0	0	0	0	167,000

Project Funding / Cost Centers	G L CODE	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
03 - Fort Ord Water	03-00-160-330	100%	0	167,000	0	0	0	0	0	167,000
				0	0	0	0	0	0	0
Funding By Fiscal Year			0	167,000	0	0	0	0	0	167,000

Capital Improvement Project Sheet

Project:	Eastern Distribution System - Phase II
Project Number:	OW-0222
Cost Center:	Ord Community Water

Project Description
 This project is for adding additional municipal water supply well(s) at the eastern edge of MCWD's service area. The scope of this project includes investigating the feasibility of adding potable water supply wells, designing the wells, and designing the connection of the wells to MCWD's potable water distribution system.

Project Justification
 This project is intended to increase MCWD's reliable water supply. The Eastern Distribution System projects were identified in the 2006 MCWD Water Master Plan prepared by Carollo Engineers.

PROJECT COSTS:	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
Cost Category / Phasing								
Planning								
External Services	15,000	205,000						220,000
Internal Services	5,000	25,000						30,000
Design								
External Services								0
Internal Services								0
Construction								
External Services								0
Internal Services								0
Property Easement / Acquisitions								0
Other Project Costs								0
Estimated Cost By Fiscal Year	20,000	230,000	0	0	0	0	0	250,000

Project Funding / Cost Centers	G L CODE	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
03 - Fort Ord Water		100%	20,000	230,000	0	0	0	0	0	250,000
										0
										0
										0
Funding By Fiscal Year			20,000	230,000	0	0	0	0	0	250,000

**MARINA COAST WATER DISTRICT
ORD COMMUNITY WATER SYSTEM OPERATIONS
REVENUE PROJECTIONS**

EXHIBIT W-3

	Actual FY 2009-2010	Actual FY 2010-2011	Adopted FY 2011-2012	Estimated FY 2011-2012	Proposed FY 2012-2013	BUD vs BUD %	BUD vs EST %
Number of water services							
# Flat Rate Customers	1,200	1,200	1,200	1,100	1,100		
# Metered Customers	2,988	2,808	2,808	2,908	2,908		
Total Customers	4,188	4,008	4,008	4,008	4,008		
Annual Water Usage (in AF)							
Metered use	1,310	1,650	1,790	1,820	1,800		
Unmetered use / Losses	1,350	800	800	770	770		
Total Water Usage	2,660	2,450	2,590	2,590	2,570		
Monthly Service Charges							
Flat Rate Billing	\$74.58	\$80.40	\$84.34	\$84.34	\$88.56		
Metered Service Charge - 3/4" Meter	\$15.13	\$16.31	\$17.11	\$17.11	\$17.97		
Monthly Quantity Rates							
Tier 1 (0-8 hcf)	\$2.06	\$2.22	\$2.30	\$2.30	\$2.45		
Tier 2 (8 - 16 hcf)	\$2.89	\$3.12	\$3.27	\$3.27	\$3.43		
Tier 3 (16+ hcf)	\$3.73	\$4.02	\$4.22	\$4.22	\$4.43		
Monthly Capital Surcharge (per EDU)	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00		
Annual Revenue Calculations							
Flat Rate Accounts	1,263,332	1,196,319	1,253,000	1,121,472	1,177,545	-6.0%	5.0%
Metered Accounts	2,714,635	3,059,444	3,196,000	3,078,378	3,232,297	1.1%	5.0%
Other Water Sales	0	928,836	893,000	914,752	915,000	2.5%	0.0%
Other Fees & Charges	472,054	423,922	62,500	96,613	59,500	-4.8%	-38.4%
A Total Operating Revenue	\$4,450,021	\$5,608,521	\$5,404,500	\$5,211,215	\$5,384,342	-0.4%	3.3%
B Capacity Fee (\$5,750 per EDU)	699,198	351,099	50,000	49,434	50,000	0.0%	1.1%
C Capital Surcharge Revenue	47,787	78,815	80,000	81,782	80,000	0.0%	-2.2%
D Bond Revenue	19,882	22,567	19,880	22,565	22,580	13.6%	0.1%
E Grant Revenue	33,243	783,326	800,000	850,920	0	-100.0%	-100.0%
F Non-operating Revenue (Including Interest Income)	289,844	117,212	90,500	105,448	90,540	0.0%	-14.1%
TOTAL REVENUE (A through F)	\$5,539,975	\$6,961,540	\$6,444,880	\$6,321,364	\$5,627,462	-12.7%	-11.0%
G Operating Expenditures	3,715,598	4,136,536	4,829,775	4,388,839	4,543,060	-5.9%	3.5%
H CIP Projects	0	3,804,699	4,835,929	1,100,000	611,250	-87.4%	-44.4%
I General Capital Outlay	133,882	75,993	95,600	90,200	159,940	67.3%	77.3%
J Debt Service	270,000	682,500	612,500	612,500	656,931	7.3%	7.3%
K Capital Replacement Reserve Fund	200,000	200,000	200,000	200,000	200,000	0.0%	0.0%
L Payments to Land Use Jurisdictions/FORA							
Reimb. to Land Use Agencies	28,772	49,803	30,000	33,039	34,000	13.3%	2.9%
FORA Admin/Liaison Fees	25,000	25,000	25,000	25,000	25,000	0.0%	0.0%
Reimbursements to FORA	73,470	197,252	250,000	250,143	250,000	0.0%	-0.1%
Mmbrshp on FORA Bd. of Directors	37,000	37,000	37,000	37,000	37,000	0.0%	0.0%
TOTAL EXPENDITURES (G through L)	\$4,483,722	\$9,208,783	\$10,915,804	\$6,736,721	\$6,517,181	-40.3%	-3.3%
TRANSFER FROM/(TO) RESERVES	(\$1,056,253)	\$2,247,243	\$4,470,924	\$415,357	\$889,719		
NET REVENUE	\$0	\$0	\$0	\$0	\$0		

MONTHLY WATER RATES FOR REGION SURROUNDING THE ORD COMMUNITY

HCF = 100 cubic feet

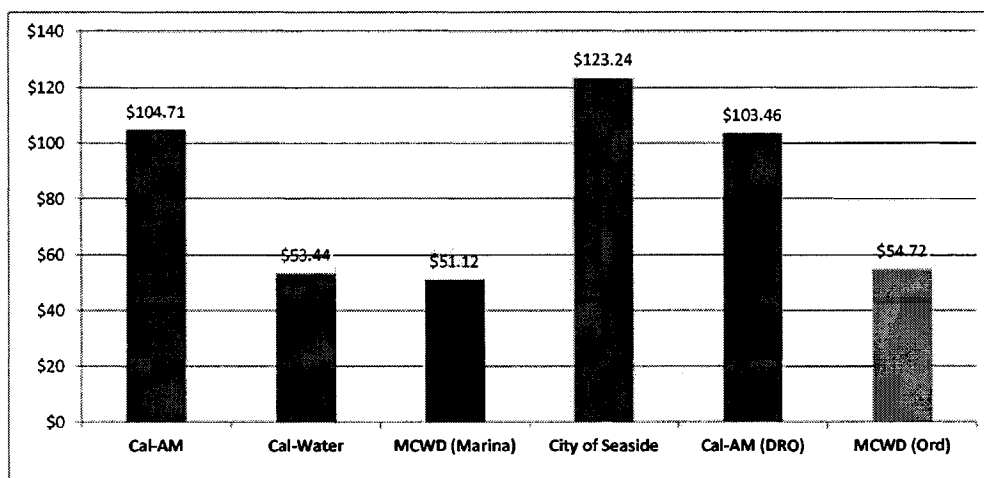
Revised March 12, 2012

TYPE OF FEE	CAL-AM ¹	California Water Service Company ²	Proposed MCWD City of Marina ³	Seaside Mun. Water ²	City of Del Rey Oaks (Cal-Am) ¹	Proposed MCWD Ord Community ³	Median Rates
Quantity Rate per 100 cu.ft.							
1st tier	\$0.2798	\$1.9067	\$2.29	\$3.59	\$0.2798	\$2.45	\$2.10
2nd tier	\$0.4068	\$2.0070	\$2.79	\$7.77	\$0.4068	\$3.43	\$2.40
3rd tier	\$0.8136	\$2.2479	\$5.09	\$12.59	\$0.8136	\$4.43	\$3.34
4th tier	\$1.6272			\$17.96	\$1.6272		\$1.63
5th tier	\$2.8475			\$24.64	\$2.8475		\$2.85
6th tier				\$32.15			
Breakpoint for 1st tier	40	600	800	400	40	800	500
Breakpoint for 2nd tier	80	1,100	1,600	1,000	80	1,600	1,050
Breakpoint for 3rd tier	120	1700+	1600+	2,000	120	1600+	1,600
Breakpoint for 4th tier	160			3,000	160		
Breakpoint for 5th tier	200			4,000	200		
				4,000 +			
Meter Service Charge per month							
3/4-inch	\$13.29	\$24.49	\$18.85	\$24.49	\$13.29	\$17.97	\$18.41
Service Charge (hcf)		0.200					\$0.20
Service Charge (monthly)	3.8100	1.547			2.5600		\$2.56
Surcharges (%)	7.6280				7.6280		\$7.63
Surcharges	3.71	-1.163			3.71		\$3.71
For illustrative purposes only, monthly rates based on 13 hcf/month, or 0.358 acre feet/year	\$104.71	\$53.44	\$51.12	\$123.24	\$103.46	\$54.72	\$66.46

1. Rates effective as of July 1, 2011.

2. Proposed rates effective as of July 1, 2012.

MONTHLY WATER RATES FOR REGION SURROUNDING THE ORD COMMUNITY - 13 hcf



2011 Ord Community Water Consumption vs. Allocation (in Acre Feet per year)

EXHIBIT W-5

Entity	2010 Consumption	2011 Consumption	Fort Ord Reuse Plan Allocation (AFY)	% of
OMC				
Nonresidential	45	36		
Residential	182	201		
Residential (e)	410	401		
Irrigation	39	39		
Subtotal	676	677	1,577.0 (1) (4)	43%
Construction Water - Army	3	0		
CSUMB				
Main Campus	136	182		
CSUMB Housing (metered)	232	244		
CSUMB Housing (e)	0	0		
CSUMB Irrigation	35	35		
CSUMB Irrigation (e)	0	0		
Subtotal	403	461	1,035.0	45%
UC MBEST	3	2	230.0	
County	10	10	710.0 (7)	
County/State Parks	0	0	45.0	
Cty/Del Rey Oaks	0	0	242.5 (6)(7)	
Cty/Monterey	0	0	65.0	
Cty/Marina (Sphere)	0	0	10.0	
Subtotal	13	12	1,302.5	1%
Seaside				
Golf Course	349	430		
MPUSD	100	78		
Brostrom	60	59	85.0 (4)	
Thorson	60	69	120.0 (3)	
Seaside Highlands	166	166		
Monterey Bay Land, LLC	0	0	114.0 (5)	
Other	5	5	693.0 (7)	
Subtotal	740	806	1,012.0 (4)	80%
Construction Water - Seaside	51	1		
Marina				
Preston/Abrams	177	174		
Airport	10	7		
Other	69	78		
Subtotal	256	258	1,325.0 (7)	20%
Construction Water - Marina	15	5		
Total	2,157	2,221	6,251.5	36%
Assumed Line Loss	232 (8)	127 (8)	348.5 (7)	
Total Extracted	2389	2348		
Reserve	4211	4252	0 (7)	
Total	6600	6600	6,600	

Notes:

(e) indicates water use is estimated; meters are not installed.

Footnotes:

(1) The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that considers future conservation on the POM Annex. The OMC's current reservation of 1577 afy reflects the decrease of 38 afy and 114 afy (see footnote [4]) from the original 1729 afy. The FORA Board has not yet revised the allocation numbers to reflect this change.

(3) The Sunbay/Thorson property was given its own allocation (120 afy) as part of the transfer of real estate from the US Army to the Southwest Sunbay Land Company.

(4) Seaside's original allocation of 710 afy was augmented by 38 afy by agreement with the OMC and Brostrom, and by 114 afy under final terms of the land exchange agreement among the City of Seaside, Monterey Bay Land, LLC and the US Army.

(5) 114 afy of Monterey Bay Land, LLC controlled potable water includes the proviso that the City of Seaside shall use no less than 39 afy of such water for affordable or workforce housing.

(6) The FORA Board approved an additional 17.5 afy for Del Rey Oaks on 05/13/2005.

(7) In January 2007, the FORA Board changed the 150 afy interim use loans to Marina, Seaside, Del Rey Oaks and Monterey County in October 1998 to add to their permanent allocations.

(8) Line loss figures include water transferred from Ord to Marina system through the inter-tie. The transferred numbers are tracked in the SCADA system and will be repaid back to Ord from Marina over time.

Ord Community Wastewater System

**MARINA COAST WATER DISTRICT
ORD COMMUNITY WASTEWATER SYSTEM OPERATIONS
PROPOSED BUDGETS**

	Actual Ord Community Wastewater Expenses FY 2009-2010	Actual Ord Community Wastewater Expenses FY 2010-2011	Adopted Budget Ord Community Wastewater Expenses FY 2011-2012	Estimated Ord Community Wastewater Expenses FY 2011-2012	Proposed Budget Ord Community Wastewater Expenses FY 2012-2013	BUD vs BUD % CHANGE	BUD vs EST % CHANGE
Administration/Management							
Personnel	\$180,898	\$160,948	\$116,190	\$132,736	\$152,424	31.2%	14.8%
Expenses	\$44,393	\$66,762	\$80,220	\$76,196	\$89,030	11.0%	16.8%
Insurance	\$13,705	\$13,640	\$13,750	\$13,705	\$13,640	-0.8%	-0.5%
Legal	\$17,396	\$16,865	\$12,650	\$14,100	\$3,300	-73.9%	-76.6%
Interest Expense	\$301,475	\$467,421	\$466,560	\$460,709	\$395,300	-15.3%	-14.2%
subtotal	\$557,867	\$725,636	\$689,370	\$697,446	\$653,694	-5.2%	-6.3%
Operations & Maintenance							
Personnel	\$185,755	\$198,580	\$233,100	\$272,321	\$227,588	-2.4%	-16.4%
Maintenance Expenses	\$42,206	\$93,134	\$96,520	\$41,147	\$109,510	13.5%	166.1%
Power Costs	\$49,521	\$50,056	\$57,100	\$48,010	\$52,825	-7.5%	10.0%
Annual Maintenance	\$5,270	\$809	\$10,000	\$10,000	\$15,000	50.0%	50.0%
subtotal	\$282,752	\$342,579	\$396,720	\$371,478	\$404,923	2.1%	9.0%
Engineering Department							
Personnel	\$126,911	\$159,077	\$68,820	\$90,841	\$76,931	11.8%	-15.3%
Expenses	\$1,709	\$994	\$1,100	\$1,853	\$275	-75.0%	-85.2%
Outside Consultants	\$7,642	\$10,560	\$5,500	\$47,598	\$17,850	224.5%	-62.5%
subtotal	\$136,262	\$170,631	\$75,420	\$140,292	\$95,056	26.0%	-32.2%
TOTAL	\$976,881	\$1,238,846	\$1,161,510	\$1,209,216	\$1,153,673	-0.7%	-4.6%

MARINA COAST WATER DISTRICT
ORD COMMUNITY WASTEWATER SYSTEM
CAPITAL IMPROVEMENT PROJECT BUDGET FOR FY 2012-2013

EXHIBIT WW-2

Project No.	Project Name	Amount
WD-0203	MCWD Fort Ord Office Landscape Project	\$2,255
WD-0115	SCADA System Improvements - Phase I	\$44,880
OS-0200	Clark Lift Station Improvement	\$395,000
OS-0150	East Garrison Lift Station Improvements	<u>\$217,000</u>
	TOTALS	<u>\$659,135</u>

Capital Improvement Project Sheet

Project:	MCWD Fort Ord Office Landscape Project
Project No:	WD-0203
Cost Center:	Marina Water; Marina Sewer; Ft Ord Water; Ft Ord Sewer

Project Description
 This project is for completing the installation of landscaping at MCWDs' Fort Ord Office located at 2840 4th Avenue in Marina, CA. The project scope includes installing a "water-wise" irrigation system and the planting of native plant species and other low water use plants.

Project Justification
 A landscape installed as a demonstration "garden", which will be open to the general public, will enhance the public's understanding of the District's landscape and conservation ordinances.

PROJECT COSTS:	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
Cost Category / Phasing								
Planning								
External Services								0
Internal Services								0
Design								
External Services								0
Internal Services								0
Construction								
External Services		11,500						11,500
Internal Services		9,000						9,000
Property / Easement Acquisitions								0
Other Project Costs								0
Estimated Cost By Fiscal Year	0	20,500	0	0	0	0	0	20,500

Project Funding / Cost Centers	G L Code	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
01 - Marina Water	01-00-160-402	30%	0	6,150	0	0	0	0	0	6,150
02 - Marina Sewer	02-00-160-402	9%	0	1,845	0	0	0	0	0	1,845
03 - Ft Ord Water	03-00-160-402	50%	0	10,250	0	0	0	0	0	10,250
04 - Ft Ord Sewer	04-00-160-402	11%	0	2,255	0	0	0	0	0	2,255
										0
Funding By Fiscal Year			0	20,500	0	0	0	0	0	20,500

Capital Improvement Project Sheet

Project:	SCADA System Improvements - Phase I
Project No:	WD-0115
Cost Center:	Marina Water; Marina Sewer; Ft Ord Water; Ft Ord Sewer

Project Description
 This project is for improving the Supervisory, Control, and Data Acquisition (SCADA) facilities. MCWD has more than 40 (current) remote water and sewer infrastructure sites that need SCADA improvement. The current phase of the project will result in functional and expandable SCADA "hubs" that will transmit signals to MCWD's O&M control room while the future phases will up-grade the remote sites.

Project Justification
 This project is needed to increase the reliability of the SCADA facilities. A well-functioning SCADA system is fundamental to efficient operation of water and wastewater systems and reliable SCADA facilities reduce risk because problems with remote infrastructure can be identified, communicated and/or prevented prior to failure.

PROJECT COSTS:	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
Cost Category / Phasing								
Planning								
External Services								0
Internal Services								0
Design								
External Services								0
Internal Services								0
Construction								
External Services	554,890	400,000	125,000	125,000	125,000	125,000		1,454,890
Internal Services		8,000	10,000	10,000	10,000	10,000		48,000
Property / Easement Acquisitions								0
Other Project Costs								0
Estimated Cost By Fiscal Year	554,890	408,000	135,000	135,000	135,000	135,000	0	1,502,890

Project Funding / Cost Centers	G L Code	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
01 - Marina Water	01-00-160-402	30%	166,467	122,400	40,500	40,500	40,500	40,500	0	450,867
02 - Marina Sewer	02-00-160-402	9%	49,940	36,720	12,150	12,150	12,150	12,150	0	135,260
03 - Ft Ord Water	03-00-160-402	50%	277,445	204,000	67,500	67,500	67,500	67,500	0	751,445
04 - Ft Ord Sewer	04-00-160-402	11%	61,038	44,880	14,850	14,850	14,850	14,850	0	165,318
										0
Funding By Fiscal Year			554,890	408,000	135,000	135,000	135,000	135,000	0	1,502,890

Capital Improvement Project Sheet

Project:	Clark Lift Station Improvement
Project Number:	OS-0200
Cost Center:	Ord Community Sewer

Project Description
 This project is for replacing the current sanitary sewer lift station with an improved lift station. The project scope includes an up-graded concrete below-grade we-well, a dual submersible pump, and a valve vault. A back-up generator is also included in the scope. The project is located at the intersection of Brostrom and Clark Court in the Former Fort Ord portion on eastern Marina.

Project Justification
 This project is needed because the existing lift station is beyond its useful life. The lift station is costly to maintain and operate; replacement will result in lower operational expense.

PROJECT COSTS:	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
Cost Category / Phasing								
Planning								
External Services								0
Internal Services								0
Design								
External Services		15,000						15,000
Internal Services		12,000						12,000
Construction								
External Services		360,000						360,000
Internal Services		8,000						8,000
Property Easement / Acquisitions								0
Other Project Costs								0
Estimated Cost By Fiscal Year	0	395,000	0	0	0	0	0	395,000

Project Funding / Cost Centers	G L CODE	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
04 - Fort Ord Sewer		100%	0	395,000	0	0	0	0	0	395,000
										0
										0
										0
Funding By Fiscal Year			0	395,000	0	0	0	0	0	395,000

Capital Improvement Project Sheet

Project:	East Garrison Lift Station Improvements
Project Number:	OS-0150
Cost Center:	Ord Community Sewer

Project Description
 This project is for the East Garrison sanitary sewer lift station. The project scope for this phased project will mirror the flow-rate demands of the East Garrison development project. The initial phase will be an up-grade of the existing FORA-constructed facility. The project is located near the entrance of East Garrison, adjacent to Reservation Road.

Project Justification
 The installation of the lift station facility provides sanitary sewer service for the future residents of the East Garrison Development; the first structures that might be occupied soon broke ground in April 2012. Future phases of the project will be implemented based on the progress of the development.

PROJECT COSTS:	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
Cost Category / Phasing								
Planning								
External Services	11,224							11,224
Internal Services								0
Design								
External Services	81,000	40,000	20,000			60,000		201,000
Internal Services		9,000	9,000			9,000		27,000
Construction								
External Services	231,796	160,000	60,000			650,000		1,101,796
Internal Services		8,000	8,000			12,000		28,000
Property Easement / Acquisitions								0
Other Project Costs								0
Estimated Cost By Fiscal Year	324,020	217,000	97,000	0	0	731,000	0	1,369,020

Project Funding / Cost Centers	G L CODE	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
04 - Fort Ord Sewer	04-00-160-025	100%	324,020	217,000	97,000	0	0	731,000	0	1,369,020
										0
										0
										0
										0
Funding By Fiscal Year			324,020	217,000	97,000	0	0	731,000	0	1,369,020

**MARINA COAST WATER DISTRICT
ORD COMMUNITY WASTEWATER SYSTEM OPERATIONS
PROJECTED NET REVENUE**

EXHIBIT WW-3

		Actual FY 2009-2010	Actual FY 2010-2011	Adopted FY 2011-2012	Estimated FY 2011-2012	Proposed FY 2012-2013	BUD vs BUD %	BUD vs EST %
	Estimated # of EDU's	5,490	5,599	5,595	5,530	5,530		
	Flat Rate Billing per EDU	\$22.60	\$24.36	\$25.56	\$25.56	\$26.84		
	Monthly Capital Surcharge (per EDU)	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00		
	Annual Revenue - Flat Rate Billing	1,488,795	1,636,658	1,713,300	1,693,559	1,778,237	3.8%	5.0%
	Other Fees & Charges	49,615	15,075	11,000	5,794	5,000	-54.5%	-13.7%
A	Total Operating Revenue	1,538,410	1,651,733	1,724,300	1,699,353	1,783,237	3.4%	4.9%
B	Capacity Fee (\$2,150 per EDU)	110,880	40,632	10,000	4,623	4,000	-60.0%	-13.5%
C	Capital Surcharge Revenue	10,511	18,370	18,000	18,570	18,000	0.0%	-3.1%
D	Bond Revenue	7,809	8,561	7,800	8,552	8,550	9.6%	0.0%
E	Non-Operating Revenue (Including Interest Income)	130,207	54,674	43,500	45,526	44,760	2.9%	-1.7%
	TOTAL REVENUE (A through E)	\$1,797,817	\$1,773,970	\$1,803,600	\$1,776,624	\$1,858,547	3.0%	4.6%
F	Operating Expenditures	1,001,696	1,226,910	1,149,510	1,197,216	1,141,673	-0.7%	-4.6%
G	CIP Projects	0	351,564	1,459,985	0	659,135	-54.9%	0.0%
H	General Capital Outlay	25,513	13,715	15,400	14,300	27,555	78.9%	92.7%
I	Debt Service (principal)	160,000	277,700	265,300	265,300	272,896	2.9%	2.9%
J	Capital Replacement Reserve Fund	100,000	100,000	100,000	100,000	100,000	0.0%	0.0%
K	Reimb. To Land Use Agencies (5% of OR)	-24,815	11,936	12,000	12,000	12,000	0.0%	0.0%
	TOTAL EXPENDITURES (F through K)	\$1,262,394	\$1,981,825	\$3,002,195	\$1,588,816	\$2,213,259	-26.3%	39.3%
	Transfer From/(To) Reserves	(\$535,423)	\$207,855	\$1,198,595	(\$187,808)	\$354,712		
	BALANCE	\$0	\$0	\$0	\$0	\$0		

MONTHLY WASTEWATER COLLECTION RATES FOR REGION SURROUNDING THE ORD COMMUNITY

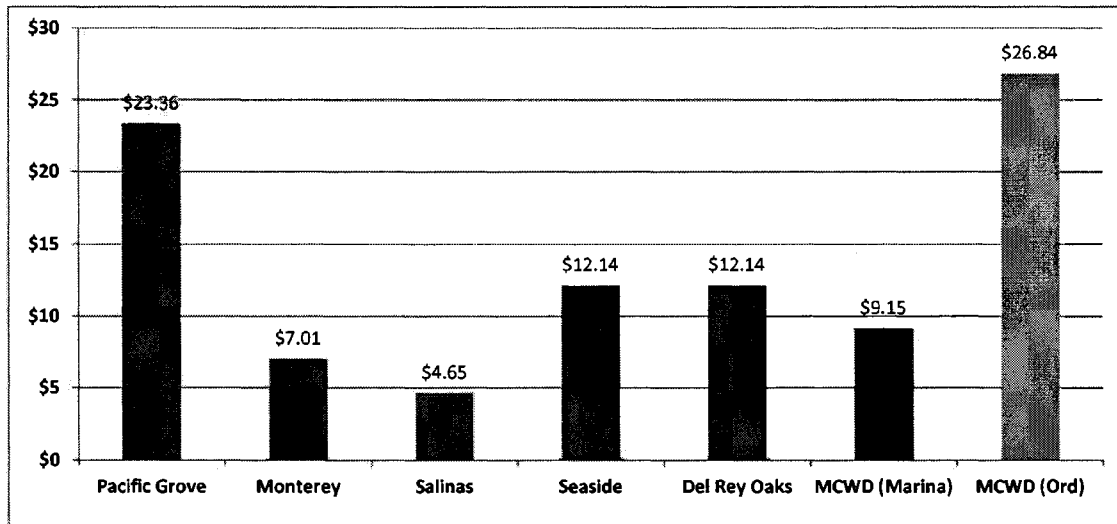
Revised March 12, 2012

SERVICE DESCRIPTION	City of Pacific Grove ¹	City of Monterey ²	City of Salinas ²	SCSD City of Seaside ²	SCSD City of Del Rey Oaks ²	Proposed MCWD City of Marina ³	Proposed MCWD Ord Community ³
Residential - per Living Unit	\$23.36	\$7.01	\$4.65	\$12.14	\$12.14	\$9.15	\$26.84
Business - 15 employees	\$31.83	\$7.18	\$6.44	\$18.74	\$18.74	\$13.73	\$40.26
Church - over 100 members	\$31.83	\$9.30	\$6.44	\$9.37	\$9.37	\$9.15	\$26.84
Laundromat - each washing machine	\$12.80	\$3.12	\$2.59	\$8.16	\$8.16	\$5.49	\$16.10
General Hospital - each bed	\$35.81	\$7.87	\$7.25	\$13.74	\$13.74	\$7.32	\$21.47
Motel/hotel - each room	\$9.69	\$2.02	\$1.96	\$5.27	\$5.27	\$2.29	\$6.71
Restaurant - each seat	\$4.41	\$0.52	\$0.89	\$1.35	\$1.35	\$0.64	\$1.88
High School/University - each student/faculty	\$0.35	\$0.10	\$0.07	\$0.25	\$0.25	\$0.64	\$1.88
Supermarket - 30 Employees	\$157.95	\$19.61	\$31.96	\$51.19	\$51.19	\$27.45	\$80.52

¹Rate is 173% of MRWPCA rate

²Rate is for FY 2012/2013 based on 2011/2012 Prop 218 notice

³Rate is proposed for FY 2012/2013 based on 2011/2012 Prop 218 notice



MCWD (Ord) rate will decrease as rate base increases. Current rate base must support operating costs and debt service on system.

Ord Community Reserves

**MARINA COAST WATER DISTRICT
ORD COMMUNITY RESERVE DETAIL
PROJECTED AS OF JUNE 30, 2012**

EXHIBIT RES-1

<u>Description</u>	Ord Water	Ord Sewer	TOTALS
Debt Reserve Fund (2006 Bond)*	1,664,919	649,091	2,314,010
Debt Reserve Fund (2010 Bond)*	433,245	101,940	535,185
IOP CD Account*	1,683,239	396,056	2,079,295
Sub-total	<u>3,781,403</u>	<u>1,147,087</u>	<u>4,928,490</u>
Capital Reserves			
Bond Series 2006 Construction Funds**	-	912,065	912,065
Capacity Charge/Capital Surcharge**	1,934,670	273,954	2,208,623
Capital Replacement**	813,558	407,025	1,220,583
Sub-total	<u>2,748,228</u>	<u>1,593,044</u>	<u>4,341,272</u>
General Operating Reserve (#)	1,181,088	2,071,647	3,252,735
Total Projected Reserve as of 06-30-2012	<u>7,710,719</u>	<u>4,811,778</u>	<u>12,522,497</u>
<u>FY 2012-2013 Operating Reserve</u>			
Beginning operating reserve	1,181,088	2,071,647	3,252,735
A Proposed transfers to operations	(278,469)	-	(278,469)
Due to/(Due From) Interfund Transfers	1,289,105	(1,525,000)	(235,895)
B Proposed transfers from operations		304,423	304,423
Projected Ending Balance @ 06-30-2013	<u>2,191,724</u>	<u>851,070</u>	<u>3,042,794</u>
6 mths avg operating expenses required by Board***	2,159,976	550,888	2,710,864
Projected available Operating Reserve @ 06-30-2013	<u>31,748</u>	<u>300,182</u>	<u>331,930</u>
<u>FY 2012-2013 Capital Reserve</u>			
Beginning capital reserve	2,748,228	1,593,044	4,341,272
Proposed transfer to capital reserve	200,000	100,000	300,000
C Proposed transfer from capital reserve	(611,250)	(659,135)	(1,270,385)
Projected Ending Balance @ 06-30-2013	<u>2,336,978</u>	<u>1,033,909</u>	<u>3,370,887</u>
Capital minimum balance required by Board***	1,000,000	1,000,000	2,000,000
Projected available Capital Reserve @ 06-30-2013	<u>1,336,978</u>	<u>33,909</u>	<u>1,370,887</u>
Proposed Net Transfers from (To)/From Reserves (A+B+C)	(889,719)	(354,712)	(1,244,431)

Loan of \$7,622,073 from Ord Water to Regional Project is expected to be reimbursed through Regional Project financing

* Held by external Agencies

** Restricted to only capital spending

***Per Board Policy

7.2 FORA RESPONSIBILITIES.

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

7.2.2 Nothing in this Agreement shall limit or impair FORA's ability to contract or arrange financing for construction of capital facilities.

7.3 JOINT RESPONSIBILITIES.

7.3.1 MCWD's Board shall adopt by resolution and FORA's Board shall adopt by ordinance, as a supplement to this Agreement, each compensation plan for MCWD determined pursuant to sections 7.1.3 and 7.2.1 of this Agreement.

7.3.2 MCWD and FORA will cooperate in reviewing and working with communications and proposals from other municipal corporations pursuant to sections 10100 and following of the Public Utilities Code and any other provisions of law dealing with water and sewer utility franchises, with the use of the public streets, ways, alleys, and places within the other municipal corporations for the provision of water and sewer services, or with compensation to a municipal corporation for services performed for another municipal or public corporation.

7.3.3 If MCWD makes any payments to another municipal corporation the amount of such payments shall reduce any sums, which such municipal corporation would otherwise receive from sales pursuant to Title 7.85 of the Government Code.

ARTICLE 8. RISK MANAGEMENT

8.1 RISK OF LOSS. Except as otherwise provided in this Agreement, MCWD shall bear the risk of loss from its provision of services to the service area, to the same extent and in the same manner and subject to the same limitations as with MCWD's activities within the area from which MCWD's Directors are elected. This Agreement is not intended and shall not be construed to remove any protection from liability or any procedures for claiming liability under state and federal law. Allocation of the risk from defective or inadequate facilities shall be determined in the conveyance of the facilities from the USA. To the fullest extent permitted by law, MCWD's facilities and other assets for providing water and sewer services within its jurisdictional boundaries shall not be at risk from claims based on MCWD's owning, operating, and furnishing the facilities within the service area. MCWD's risk and liability for MCWD's activities for the service area shall be limited to the value of any facilities within or for the service area,

FORT ORD REUSE AUTHORITY BOARD REPORT**OLD BUSINESS**

Subject:	Selection of FORA Annual Auditing Firm	
Meeting Date:	September 14, 2012	ACTION
Agenda Number:	7b	

RECOMMENDATION:

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

BACKGROUND:

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

DISCUSSION:

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

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

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

Please refer to item 10d on this Agenda (Finance Committee report and minutes) for more detail regarding the selection of FORA auditor.

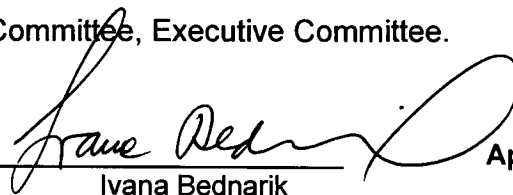
FISCAL IMPACT:

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

COORDINATION:

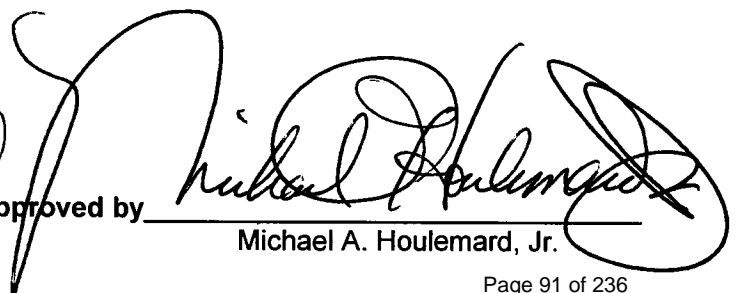
Finance Committee, Executive Committee.

Prepared by



Ivana Bednarik

Approved by



Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Preston Park Fiscal Year (“FY”) 2012/13 Budget-Continued	
Meeting Date:	September 14, 2012	ACTION
Agenda Number:	7c	

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

In the July 13, 2012 Fort Ord Reuse Authority (“FORA”) Board meeting the Preston Park 2012/2013 Fiscal Year Operating Budget was approved with the instruction to return the consideration of Capital Improvement Program and a rent increase for the August 10, 2012 meeting with responses to tenant claims and reporting issues. At the August 10, 2012 meeting the item was pulled to address a request by a FORA Board member that all Board members be given a complete copy of the Preston Park Marketing Survey and Operating Budget. In prior reports the items were summary pages of the full reports because they were forty and 140 pages in length. These items have been provided to the requesting FORA Board member and are posted online for all at http://fora.org/fora_downloads.htm.

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

Option A

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

Option B

- Approve the Operating Budget and defer the rental increase (attachment B page 2) and the proposed Capital Improvement Program work for a future owner of the property.

Staff recommends **Option A** considering; 1) the Board has postponed rental increases this past year no increase since 7/1/10, 2) an increase in accord with the adopted formula keeps revenues tracking with expenses, and 3) Capital Improvement Program expenditures will drain reserves.

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

Follow-up Issues from June 8, 2012 Board Meeting

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

Follow-up issues from August 10, 2012 Board Meeting

- Frank O'Connell Concerns received August 9, 2012

ITEM 7c PRESTON PARK FISCAL YEAR 2012/13 and RATES
Alliance Responses– 08/20/2012

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

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

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

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

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

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

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

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

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

- a. On May 20, 2012, June 1, and 20, 2012 Alliance sent letters to the FORA executive officer. In each letter the total amount salary, payroll taxes and payroll burden/benefits equals \$398,736.00 for projected 2012 and \$421,627.00 for proposed 2013.
Alliance Response: *August 30 Letter responds to most recent concerns.*

- b. The budget summary page, **Attachment A, page 1 to this agenda** shows: \$410,059.00 for 2012 and \$434,036.00 for 2013. An unexplained difference of: 2012 more than \$11,000.00
 2013 more than \$12,000.00
 Alliance has had months to explain the discrepancy and has failed to do so.
Alliance Response: *As explained in previous board meetings, prior versions of the budget memo provided variance explanations for subcategories within the payroll line item which had notable variances. There appeared to be confusion for some Board members, as only subcategories with notable variances were listed – and if added together – they did not match the total payroll number found on the main budget sheet used in the FORA board package as not all subcategories were listed. In order to ease the concerns, the primary (rolled up) payroll number was used in the memo, and explanations were also rolled up. The previous methodology of reporting used had been at the request of the City of Marina Asset Management team during subsequent years.*

PRESTON PARK PAYROLL BREAKDOWN BY CLASSIFICATION

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

4. **Bullet point 5** on page 2 of this staff report states an “amenity charge” as the reason for the difference. What is the amenity charge?
Alliance Response: *The amenity charge is \$25 for units which have a premium end unit location. Amenity premiums can also be assigned for above average unit finishes.*

5. Also in that bullet point it states "The actual rent for in-place residents is **\$1,146.00-\$1,555.00**.
 - a. This is not a true statement. **Attachment B of this agenda item** shows a low of \$1,455.00 not \$1,146.00
Alliance Response: *Attachment B is a Market Survey indicating market rents for New Residents only. The market survey is not a tool or a report to measure in place rents, which is the \$1,146 referenced above.*
 - b. Also the letter of 6/20/12 shows a range of **\$1,455.00-1,890.00** for in-place 3 bedroom units, but Attachment B shows a range of **\$1,830.00-\$1,855.00**.
Alliance Response: *There are three apartment homes in Preston Park which have amenities above and beyond a typical home. As they are not currently available, they are not included in the Market Survey. One of those upgraded apartments is a three bedroom home which is currently occupied a rate of \$1890 per month, and therefore included in the memo as the highest rent for an in place rent. In order to alleviate confusion, we have amended the memo to allow for this top end rent for the three bedroom unit type.*
6. **Alliance's verbal response to these concerns should not be accepted. A written explanation given in advance of the next board meeting is necessary so that the board can make a competent, informed and proper decision.**
Alliance Response: Please see the comments above.

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

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

1. An updated letter to the executive officer has to be provided with accurate information.
Alliance Response: *Note August 30 Letter.*
2. The actual survey of March 2012 has to be provided to the executive officer.
Alliance Response: As stated above, a market survey has been provided to FORA and is available for review.
3. Each of those documents must be provided to the FORA Board prior to a decision being made by the board.
Alliance Response: *All documents as requested have been provided to Board member O'Connell and posted on the FORA Website.*

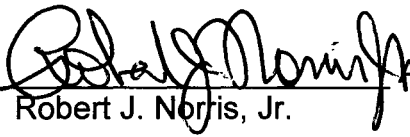
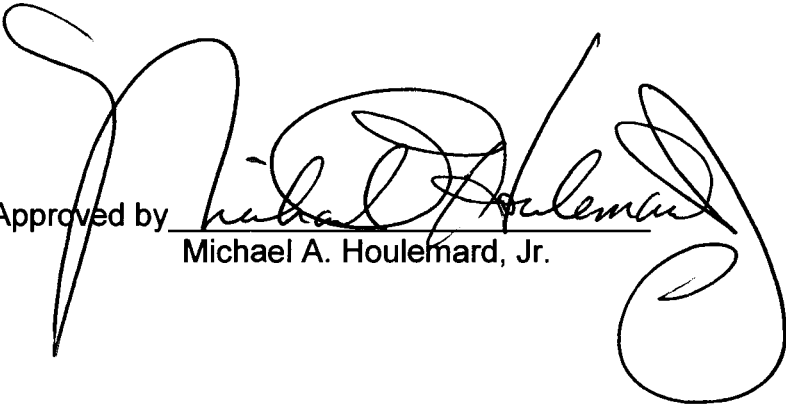
FISCAL IMPACT:

Reviewed by FORA Controller M. F. for 1. B.

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

COORDINATION:

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

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

August 30, 2012

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

Re: Preston Park 2012-2013 Proposed Budget

Dear Mr. Houlemard:

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

Revenues

The primary source of revenue is rents, Section 8 voucher payments from the Housing Authority of the County of Monterey and associated charges to residents such as late fees.

The proposed budget reflects projected revenues according to the formulas. The market rent for new move-ins is calculated by comparable market rent levels in the competitive market throughout the year.

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

Current Market Rent Conditions

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

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

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

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

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

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

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

Market Rents – In Place Residents

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

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

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

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

Should FORA elect to forego the proposed 2012/2013 rent increase which is represented in the budget provided; the potential net income will be reduced by \$46,894 for the 2012/2013 fiscal year. This amount is representative of 8 months of impacted revenue, as increases were scheduled for November 1, 2012.

Market Rents – Incoming Residents

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

Unit Size	Current Rent Range for Incoming Market Rate Residents
Two Bedroom	\$1,505 - \$1,555
Three Bedroom	\$1,830 - \$1,890 --- ---

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

Affordable Rental Rates

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

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

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

Maximum Household Income Limits for 2012.

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

Rental Increase Implementation & Lease Signing

Upon Fort Ord Reuse Authority approval of the budget, rental increase notices will be mailed out on or before September 30, 2012; the new rental rates will become effective on November 1, 2012. Rents for in-place residents at market or affordable are increased once per year. New residents will be required to sign lease terms of month to month or six months, but can be converted to a month-to-month lease upon expiration, per the December 28, 2011 Council directive. Current residents are also welcome to sign lease terms beyond their current month-to-month agreement.

Occupancy

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

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

<u>Expenses</u> Account	Proposed 2013	Projected 2012	Variance	%	Comments
PAYROLL	\$434,036	\$410,059	(\$23,977)	-5.8%	Increase due to annual salary increases (5.8%) as well as the State of California's approval of a Workers' comp increase of 38%.
UTILITIES	\$96,660	\$93,075	(\$3,585)	-3.9%	Increase assumes a 3% rate increase obtained by utility companies.
MARKETING	\$13,047	\$7,883	(\$5,164)	-65.5%	Increase due to the addition of Property Solutions, a comprehensive on line system which combines the properties branded webpage with a rich Resident Portal, lead management system, marketing control program, and telephone training portal.
PROFESSIONAL SERVICES	\$142,819	\$130,924	(\$11,894)	-9.1%	Alliance management fee remains 2.5% per contract, but increased rent revenue would result in increase in management fees paid

					to Alliance. Variance
INSURANCE	\$185,020	\$174,426	(\$10,594)	-6.1%	primarily driven by allowance for bi-annual audit.
AD-VALOREM TAXES	\$103,104	\$101,727	(\$1,377)	-1.4%	Increase based on estimated taxes per Accounting assumptions.
NON ROUTINE MAINTENANCE	\$14,000	\$17,623	\$3,623	20.6%	Reduced number of anticipated door replacements in 2013 as is presently budgeted as a planned capital replacement item.

- Note:** During the July FORA board meeting, the board took initial steps to approve the proposed budget without a rent increase to in place residents. An amended budget is available for the Board to review, which reflects the data under this scenario. Should the board elect not to implement the proposed 2012-2013 rent increase; the Preston Park Gross Market Potential will decrease by \$85656 for the year. This decision has the potential to not only eliminate funds to assist in improving the condition of the structure, but may also negatively impact the potential value of the asset during a sale process. The impacted rental revenue (annualized during year 1 would be \$92,866.80) equates to \$1.54 millions dollars in value based on a 6% cap rate (\$92,866 (added NOI / 6% (cap rate) = \$1,547,780 in potential value). Please also note, that should the Board elect not to implement the rent increase, based on the adopted rental rate formula, this income will also not be recaptured or realized in future years. And so the impacted revenue loss will compound year over year.

Capital Reserves Fund

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

Capital Improvement Program

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

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

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

Accomplishments

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

Some of Alliance’s accomplishments include:

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

Summary of Preston Park FY2012/2013 Budget

	<u>2012/13 Budget</u>	<u>2011/12 Projected</u>	<u>Variance</u>
Total Income	\$5,392,749	\$5,251,798	\$140,951
Total Expense	\$1,462,155	\$1,449,321	(\$12,834)
Net Income	\$3,930,594	\$3,802,478	\$128,116

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

Please feel free to contact me should you have additional questions or concerns at (408) 396-8341. I look forward to receiving approval of the final budget prior to September 30, 2012, in order to implement rental increases by November 1, 2012.

Regards,

Corinne Carmody
Regional Manager

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

Attachments: 2012/2013 Budget; Market Survey

Capital Improvement Plan (CIP)

DRAFT

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

Updated: 5/10/2012

1410											
Resident Business Center	FF&E	\$	12,000								
Fence Slat Replacement	Replacement	\$	71,064								
Site Lighting Repair / Replacement / Install	*Exterior site upgrades	\$	265,848								
Roof	*Replacement	\$	1,311,893								
Exterior Paint	*Full Paint	\$	398,008						\$	283,200	
Building Exterior	*Dryrot Repairs	\$	2,000	\$	2,000	\$	2,000	\$	2,000	\$	2,000
Carbon Monoxide Detectors		\$	33,060								
Exterior Unit Doors and Windows	*Replacement	\$	1,557,000						\$	2,500	
Playgrounds	*Replacement			\$	125,000				\$	2,500	
Landscape/ Irrigation	*Replacement / Upgrades	\$	204,884								
Leasing Office / Signage	*Upgrades	\$	107,600								
1415											
New Office Computers	Replace existing old computers	\$	2,600						\$	2,600	
1416											
One Maintenance Truck	Needed for hauling etc...	\$	14,000						\$	15,000	
1420											
Seal Coat Streets		\$	155,787						\$	155,787	
1425											
Dishwasher	replacement (assume 10 year life)	\$	10,200	\$	10,200	\$	10,200	\$	10,200	\$	10,200
Refrigerators	replacement (assume 15 year life)	\$	14,400	\$	12,650	\$	12,650	\$	12,650	\$	12,650
Range	replacement (assume 15 year life)	\$	16,524	\$	11,500	\$	11,500	\$	11,500	\$	11,500
Garbage Disposal	replacement (assume 10 year life)	\$	2,345	\$	2,345	\$	2,345	\$	2,345	\$	2,345
Hot Water Heaters	replacement (assume 15 year life)	\$	16,200	\$	17,250	\$	17,250	\$	17,250	\$	17,250
Carpet	replacement (assume 5 year life)	\$	38,400	\$	113,600	\$	113,600	\$	113,600	\$	113,600
Vinyl	replacement (assume 10 year life)	\$	66,300	\$	19,250	\$	19,250	\$	19,250	\$	19,250
HVAC Furnace	replacement (assume 20 year life)	\$	28,400	\$	15,300	\$	15,300	\$	15,300	\$	15,300
1430											
Applicable Construction Management Expenses	Miscellaneous (see * items)	\$	211,965	\$	18,748	\$	7,500	\$	-	\$	21,492
Annual Reserve Expenses (uninflated)		\$	4,223,995	\$	535,307	\$	336,585	\$	204,095	\$	219,095
Inflation Factor			0.00%		2.50%		2.50%		2.50%		2.50%
Annual Reserve Expenses (inflated)		\$	4,223,995	\$	548,690	\$	345,010	\$	209,197	\$	224,572
Reserve Withholdings per Year		\$	734,976	\$	734,976	\$	283,200	\$	283,200	\$	283,200
Reserve Fund BEFORE Expense		\$	4,887,035	\$	1,188,016	\$	932,526	\$	870,717	\$	944,718
Reserve Fund AFTER Expense		\$	463,040	\$	648,326	\$	587,517	\$	661,519	\$	720,147

Attachment B to Item 7c
FORA Board Meeting: 9/14/2012

NO INCREASE

PRESTON PARK
2018 STANDARD BUDGET
CONSOLIDATION A BUDGET OFF

Final Occupancy 89.01 %
Economic Occupancy 88.77 %

	2018	2017	%
Gross Market Potential	\$4,312,000	\$3,289,453	+31.1%
Market Classification	\$1,990,000	\$1,990,000	0.0%
Applicable Inventory	\$0	\$0	0.0%
Net Revenue Agreements	\$681,500	\$572,200	+19.1%
Real Commissions	\$0	\$0	0.0%
Delinquent Rent	\$0	\$0	0.0%
Variable Lease	\$105,000	\$105,000	0.0%
Property Taxes Paid Rent	\$0	\$0	0.0%
Other Items' Net/Deficiency Recovery	\$0	\$0	0.0%
Net Debt Expense	\$87,000	\$87,000	0.0%
Office Personnel Expense	\$28,244	\$28,244	0.0%
Administrative Expense	\$7,802	\$7,802	0.0%
Corp. Agreement Income	\$0	\$0	0.0%
Real Income	\$0	\$0	0.0%
TOTAL INCOME	\$4,312,000	\$3,289,453	+31.1%
PAIDROLL	\$4,312,000	\$4,312,000	0.0%
LABORING	\$70,700	\$70,700	0.0%
UTILITIES	\$88,000	\$88,000	0.0%
REPAIRING	\$81,744	\$81,744	0.0%
MAINTENANCE	\$81,642	\$81,642	0.0%
MARKETING	\$73,007	\$73,007	0.0%
ADMINISTRATIVE	\$87,000	\$87,000	0.0%
RENTAL EXPENSE	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$141,600	\$141,600	0.0%
INSURANCE	\$174,400	\$174,400	0.0%
ADVERTISING	\$105,100	\$105,100	0.0%
NON-ROUTINE MAINTENANCE	\$14,000	\$14,000	0.0%
TOTAL OPERATING EXP	\$1,422,453	\$1,422,453	0.0%
NET OPERATING INCOME	\$2,889,547	\$1,867,000	+54.7%
DEBT SERVICE	\$0	\$0	0.0%
DEPRECIATION	\$173,000	\$173,000	0.0%
AMORTIZATION	\$0	\$0	0.0%
PROVISION	\$0	\$0	0.0%
EXTRAORDINARY COST	\$0	\$0	0.0%
TOTAL EXPENSES	\$173,000	\$173,000	0.0%
NET INCOME	\$2,716,547	\$1,694,000	+60.4%
CURTAL EXPENSES	\$0	\$0	0.0%
MANAGEMENT PRINCIPAL	\$0	\$0	0.0%
TOTAL EQUITY	\$0	\$0	0.0%
REPLACEMENT RESERVE	\$734,900	\$734,900	0.0%
RESERVE FOR DEPRECIATION	\$1,000,000	\$1,000,000	0.0%
OWNER DISTRIBUTIONS	\$0	\$0	0.0%
EXPANSION AND AMORTIZATION	\$0	\$0	0.0%
NET CASH FLOW	\$2,716,547	\$1,694,000	+60.4%

Alliance Residential Budget Template
Standard Chart of Accounts

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.

Owner	Date
Asset Manager	Date
COO	Date
VP	Date
Regional Manager	Date
Business Manager	Date

PRESTON PARK
2013 STANDARD BUDGET
CONSOLIDATION & SIGN-OFF

3% INCREASE



Description	2012 Total	2013 Proposed	Variance	Change %
Physical Occupancy	98.01 %	99.01 %		
Economic Occupancy	99.09 %	96.70 %		
Gross Market Potential	\$5,398,244	\$5,398,452	\$11,792	0.2%
Market Gain/Loss to Lease	\$121,662	(\$87,610)	\$209,271	238.9%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$62,758)	(\$37,260)	(\$25,496)	-68.4%
Rental Concessions	\$0	\$0	\$0	0.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$107,351)	(\$52,696)	(\$54,655)	-103.7%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	\$493	(\$493)	-100.0%
Bad Debt Expense	(\$925)	(\$583)	(\$342)	-58.6%
Other Resident Income	\$36,244	\$36,094	\$150	0.4%
Miscellaneous Income	\$7,632	\$6,909	\$723	10.5%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
TOTAL INCOME	\$5,392,749	\$5,251,798	\$140,951	2.7%
PAYROLL	\$434,036	\$410,059	(\$23,977)	-5.8%
LANDSCAPING	\$70,700	\$70,865	\$165	0.2%
UTILITIES	\$96,660	\$93,075	(\$3,585)	-3.9%
REDECORATING	\$81,744	\$82,160	\$416	0.5%
MAINTENANCE	\$82,332	\$81,542	(\$790)	-1.0%
MARKETING	\$13,047	\$7,883	(\$5,164)	-65.5%
ADMINISTRATIVE	\$57,606	\$57,189	(\$417)	-0.7%
RETAIL EXPENSE	\$0	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$142,819	\$130,924	(\$11,894)	-9.1%
INSURANCE	\$185,020	\$174,426	(\$10,594)	-6.1%
AD-VALOREM TAXES	\$103,104	\$101,727	(\$1,377)	-1.4%
NON ROUTINE MAINTENANCE	\$14,000	\$17,623	\$3,623	20.6%
TOTAL OPERATING EXP	\$1,281,067	\$1,227,473	(\$53,594)	-4.4%
NET OPERATING INCOME	\$4,111,682	\$4,024,326	\$87,357	2.2%
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$173,088	\$215,698	\$42,610	19.8%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$8,000	\$8,150	(\$1,850)	-30.1%
EXTRAORDINARY COST	\$0	\$0	\$0	0.0%
NET INCOME	\$3,930,594	\$3,802,478	\$128,116	3.4%
CAPITAL EXPENDITURES	\$4,223,995	\$191,785	(\$4,032,210)	-2102.5%
MORTGAGE PRINCIPAL	\$0	\$0	\$0	0.0%
TAX ESCROW	\$0	\$0	\$0	0.0%
INSURANCE ESCROW	\$0	\$0	\$0	0.0%
INTEREST ESCROW	\$0	\$0	\$0	0.0%
REPLACEMENT RESERVE	\$734,976	\$734,976	\$0	0.0%
REPLACEMENT RESERVE REIMBURSEM	(\$4,223,995)	(\$203,682)	\$4,020,313	1973.8%
WIP	\$0	\$0	\$0	0.0%
OWNER DISTRIBUTIONS	\$3,368,706	\$3,295,087	(\$73,608)	-2.2%
DEPRECIATION AND AMORTIZATION	(\$173,088)	(\$215,698)	(\$42,610)	-19.8%
NET CASH FLOW	\$0	\$0	\$0	68.0%

Signature Line

Owner _____ Date _____

Asset Manager _____ Date _____

COO _____ Date _____

VP _____ Date _____

Regional Manager _____ Date _____

Business Manager _____ Date _____

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

FORT ORD REUSE AUTHORITY BOARD REPORT		
OLD BUSINESS		
Subject:	Veterans Cemetery Parcel Land Use Designations	
Meeting Date:	September 14, 2012	INFORMATION/ACTION
Agenda Number:	7d	

RECOMMENDATION(S):

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

BACKGROUND/ DISCUSSION:

At the August 10, 2012 Fort Ord Reuse Authority (FORA) Board meeting, Director Ian Oglesby made a request concerning the Veterans Cemetery Parcel, asking staff to bring back a report on implementing the FORA Board’s past direction or intent concerning land use designations. The Veterans Cemetery Parcel consists of Army Corps of Engineers (COE) Parcels E18.1.1 (approximately 100 acres within Seaside) and E18.1.2 (approximately 78 acres within the County of Monterey).

The Veterans Cemetery Parcel land use designations in the 1997 Base Reuse Plan (BRP) land use concept map (Figure 3.3-1) (**Exhibit A**) were Military Enclave in the Seaside portion and Single Family Dwellings (SFD) Low Density Residential within the County of Monterey portion. The current status of Seaside General Plan (August 5, 2004 Seaside General Plan was found consistent with the BRP on December 10, 2004) for this area is Park and Open Space with “Veteran’s Cemetery” text included on the map (**Exhibit B**). The current status of the Monterey County General Plan (November 21, 2001 General Plan amendments was found consistent with the BRP on January 18, 2001) for this area is Low Density Residential. The Monterey County 2010 General Plan is pending FORA Consistency review.

The desired land use designation changes to the Veterans Cemetery Parcels are described in the Table 1 below and would include text changes to the Open Space/Recreation designation allowing cemetery use (italicized land use designations demonstrate proposed changes from current land use designations). These changes would clearly designate land uses compatible with the Veterans Cemetery, ancillary, and endowment parcels. Proposed land use designations are derived from the FORA, City of Seaside, and County of Monterey’s intent to change Veterans Cemetery Land Use designations.

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

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

- 1) Await legislative land use decisions and/or development entitlements submitted from Monterey County and/or City of Seaside. Appropriate CEQA review to be paid for by the jurisdiction. This is FORA’s normal process for undertaking BRP revisions and approving consistency.
- 2) Direct EMC Planning Group to include BRP Land Use Concept Map and text amendments affecting the Veterans Cemetery Parcel as a consideration in the BRP Reassessment Report (draft report scheduled to be completed in October 2012) as a potential action item for consideration in January 2013.
- 3) Approve or adopt desired land use designation changes to the Base Reuse Plan (“BRP”) Land Use Concept Map and text amendments to change land use designations for the Veterans Cemetery Parcel to be consistent with Table 1 proposed land use designations. Authority Counsel indicated that the Board could implement this option by adopting a resolution that would make the land use designation changes within the Veterans Cemetery Parcel (**Attachment B**). Legislative land use decisions and/or development entitlements and appropriate CEQA review from Monterey County and/or Seaside would still need to be submitted for FORA Consistency review in the future.

At its September 5, 2012 meeting, the Administrative Committee did not provide a specific recommendation, but indicated that option #2 or #3 were preferred and the staff analysis should be revised.

FISCAL IMPACT:

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

Staff time related to this item is included in the FY12-13 budget.

COORDINATION:

Authority Counsel, Executive, and Administrative Committees.

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

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

MEMORANDUM

Date: August 31, 2012

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

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

From: Jonathan Garcia, Senior Planner

Re: Veterans Cemetery Parcel Land Use Designations

Background:

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

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

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

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

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

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

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

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

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

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

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

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

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

Discussion:

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

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

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

Conclusion:

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

Options:

- 1) Await legislative land use decisions and/or development entitlements submitted from Monterey County and/or City of Seaside. Appropriate CEQA review to be paid for by the jurisdiction. This is FORA's normal process for undertaking BRP revisions and approving consistency.
- 2) Direct EMC Planning Group to include BRP Land Use Concept Map and text amendments affecting the Veterans Cemetery Parcel as a consideration in the BRP Reassessment Report (draft report scheduled to be completed in October 2012) as a potential action item for consideration in January 2013.
- 3) Approve or adopt desired land use designation changes to the Base Reuse Plan ("BRP") Land Use Concept Map and text amendments to change land use designations for the Veterans Cemetery Parcel to be consistent with Table 1 proposed land use designations. Authority Counsel indicated that the Board could implement this option by adopting a resolution that would make the land use designation changes within the Veterans Cemetery

Parcel (**Attachment B**). Legislative land use decisions and/or development entitlements and appropriate CEQA review from Monterey County and/or Seaside would still need to be submitted for FORA Consistency review in the future.

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

Staff does not know for certain what the rationale is for needing to move faster on this request. Speculatively, the current Veterans Cemetery land use designations might be perceived as potentially impeding development of the proposed uses within the Veterans Cemetery Parcel.

This action would essentially move residential land use designations from County portions of the Veterans Cemetery Parcel [Ancillary (County), CCCVC (County), and Development Area with Habitat Restoration Opportunity (County)] to the City of Seaside portion of the Veterans Cemetery Parcel (Endowment Fund Opportunity Parcel) and create 1.5 acres of office/R&D land use designation in Seaside. In sum, it would be a net gain to the Open Space/Recreation land use designation of approximately 32.2 acres, a net gain to Office/R&D designation of approximately 1.5 acres, and a net loss to SFD low density residential designation of approximately 47.6 acres. The FORA Environmental Services Cooperative Agreement Remediation Program has planned to clean the Endowment Fund Opportunity Parcel to a residential standard per the October 9, 2009 and January 7, 2010 correspondence between FORA and City of Seaside staff.

Resolution 12-XX

Resolution changing Land Use)
 Designations in the 1997 Base)
 Reuse Plan land use concept)
 Maps and adding cemetery use)
 As an allowable use under the)
 Open Space/Recreation land use)
 Designation)

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

- A. On August 10, 2012, the FORA Board of Directors directed staff to bring back a report on implementing the FORA Board's past direction or intent concerning land use designations on the Veterans Cemetery Parcel. The Veterans Cemetery Parcel consists of Army Corps of Engineers (COE) Parcels E18.1.1 (approximately 100 acres within Seaside) and E18.1.2 (approximately 78 acres within the County of Monterey).
- B. On September 14, 2012, FORA staff provided a report to the FORA Board of Directors concerning the past direction and intent concerning land use designations on the Veterans Cemetery Parcel.
- C. On June 13, 1997, the Fort Ord Reuse Authority ("FORA") adopted the Final Base Reuse Plan (BRP) under Government Code Section 67675, et seq. Land use designations in the land use concept maps [Fig. 3.3-1 and 3.3-2] included Military Enclave within the City of Seaside portion and Single Family Dwellings (SFD) Low Density Residential within the County of Monterey portion of the Veterans Cemetery Parcel. The Veterans Cemetery (VC) land use symbol in the land use concept maps was included in the republished 1997 BRP (2001). Table 3.4-1 Permitted Range of Uses for Designated Land Uses from the 1997 BRP does not address cemeteries.
- D. On December 11, 1998, the FORA Board determined that the City of Seaside's August 12, 1998 General Plan amendment was consistent with the 1997 BRP, which sustained the 1997 BRP underlying land use designations.
- E. On December 10, 2004, the FORA Board determined that the City of Seaside's August 5, 2004 General Plan was consistent with the 1997 BRP, altering the City of Seaside portion of the Veterans Cemetery Parcel designations to Park and Open Space.
- F. The FORA Board acted on a number of items since 2007 that provided direction and intent concerning land use designations on the Veterans Cemetery Parcel. These actions included:
 - November 9, 2007 - FORA Board authorized the Executive Officer to enter into a reimbursement agreement with Monterey County for preparation of a Veterans Cemetery Development Master Plan.
 - February 13, 2009 - FORA Board took an action to invest a portion of FORA's share of land sales revenue to help in creating the state enacted endowment fund.

- April 3, 2009 - FORA Board authorized the FORA Executive Officer to enter into an MOU regarding Central Coast Veterans Cemetery endowment funding (signed on April 28, 2009).
 - June 12, 2009 - FORA Board authorized the FORA Executive Officer to submit a grant application to the Office of Economic Adjustment (OEA) for grant funds to support infrastructure analysis and design in the Central Coast Veterans Cemetery planning area.
 - May 13, 2011 - FORA Board accepted OEA grant deliverables completed by Whitson Engineers and their sub-consultants.
 - August 12, 2011 - FORA Board authorized the Executive Officer to execute the Veterans Cemetery Memorandum of Understanding (signed on March 2, 2012),
- G. FORA and Seaside staff correspondence showed intent concerning land uses in the City of Seaside portion of the Veterans Cemetery Parcel (October 9, 2009 letter from Stan Cook to Diana Ingersoll concerning confirmation of future Land Uses in Parker Flats and January 7, 2010 letter from Diana Ingersoll to Stan Cook concerning confirmation of Planned Land Uses in the Parker Flats Area.)
- H. This resolution formalizes previous direction and intent to change the 1997 Base Reuse Plan land use designations and land use designation text to within the Veterans Cemetery Parcel. These changes would clearly designate land uses compatible with the Veterans Cemetery, ancillary, endowment parcels, and development with habitat restoration opportunity parcels (individual areas within the Veterans Cemetery Parcel) [Figure 5.01 (**Attachment 1**) and Table 1 (**Attachment 2**)].

NOW THEREFORE be it resolved:

1. The FORA Board recognizes the previous direction and intent to change the 1997 Base Reuse Plan land use designations and land use designation text concerning the Veterans Cemetery Parcel.
2. The Board recognizes that these land use designation changes will result in approximately 30.4 acres of SFD low density residential, 1.5 acres of Office/R&D, and 132.3 acres of open space/recreation land use designations within the Veterans Cemetery Parcel.
3. The Board has reviewed and considered the 1997 Fort Ord Base Reuse Plan Final Environmental Impact Report (FEIR) and recognizes that these land use designation changes are less intense than allowed by the military enclave and SFD low density residential land use designations analyzed in the FEIR, which provided approximately 100 acres of military enclave and 78 acres of SFD low density residential land use designations within the Veterans Cemetery Parcel.
4. The Board recognizes that these land use designation changes are less intense than allowed by the City of Seaside 2004 General Plan and Monterey County 2001 General Plan Amendment, which provided approximately 100 acres of park and

open space and 78 acres of SFD low density residential land use designations within the Veterans Cemetery Parcel.

5. The Board implements a text change to BRP Table 3.4-1 Permitted Range of Uses for Designated Land Uses to include cemeteries as one of the uses allowed within the Open Space/Recreation land use designation.
6. The Board implements land use concept map changes to BRP Figures 3.3-1 and 3.3-2 to adopt changes described in **Attachments 1 and 2**.

Upon motion by _____, seconded by _____, the foregoing resolution was passed on this 14th day of September, 2012, by the following vote:

AYES: Directors:
NOES:
ABSTENTIONS:
ABSENT:

I, Supervisor Potter, Chair of the Board of Directors of the Fort Ord Reuse Authority of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of the said Board of Directors duly made and entered under Item 7d, of the board meeting minutes of September 14, 2012 thereof, which are kept in the Minute Book resident in the offices of the Fort Ord Reuse Authority.

DATED _____

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

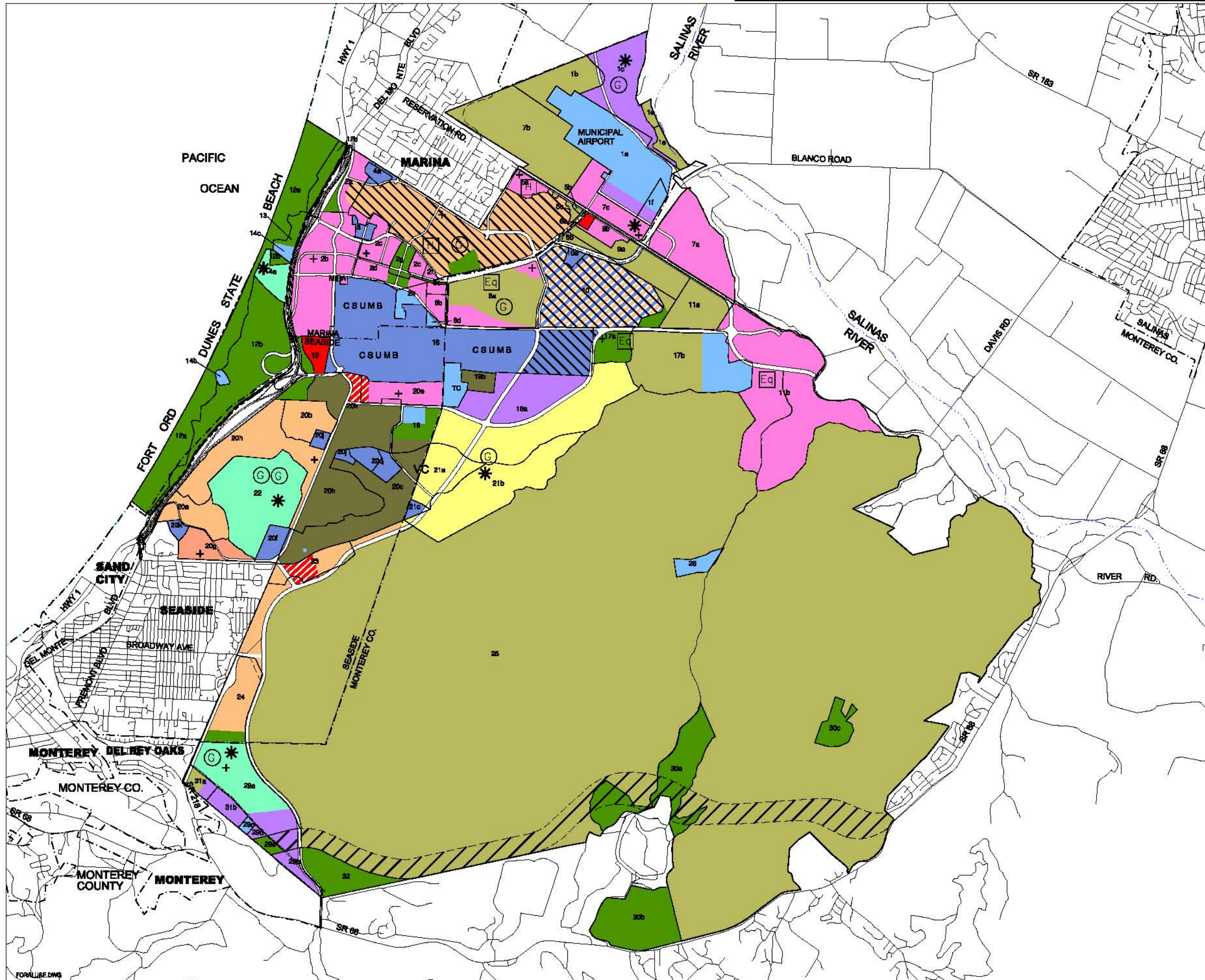


LEGEND

- CITY OF SEASIDE / COUNTY OF MONTEREY BOUNDARY
- SITE BOUNDARY
- PARCEL BOUNDARY
- VETERANS CEMETERY PHASE 1 BOUNDARY
- CREMAIN BURIAL IN TERRACES
- CREMAIN BURIAL IN COLUMBARIA
- CRYPT BURIAL AREAS & IN-GROUND CREMAIN BURIAL AREAS

Table 1 – Land Use Designations changes to BRP land use concept maps (Figures 3.3-1 and 3.3-2) for the Veterans Cemetery Parcel (changes in italics)

Parcel Name (jurisdiction)	Approx. Acreage	Land Use Designation(s)
Endowment Fund Opportunity Parcel (Seaside)	28.7	<i>SFD Low Density Residential</i>
Endowment Fund Opportunity Parcel (County)	1.7	SFD Low Density Residential
Ancillary Parcels (Seaside)	1.5	<i>Office/R&D</i>
Ancillary Parcels (County)	2	<i>Open Space/Recreation</i>
CCCVC (Seaside)	32.2	<i>Open Space/Recreation</i>
CCCVC (County)	52.2	<i>Open Space/Recreation</i>
Development Area with Habitat Restoration Opportunity (Seaside)	30.40	Open Space/Recreation
Development Area with Habitat Restoration Opportunity (County)	15.5	<i>Open Space/Recreation</i>



FORT ORD REUSE PLAN

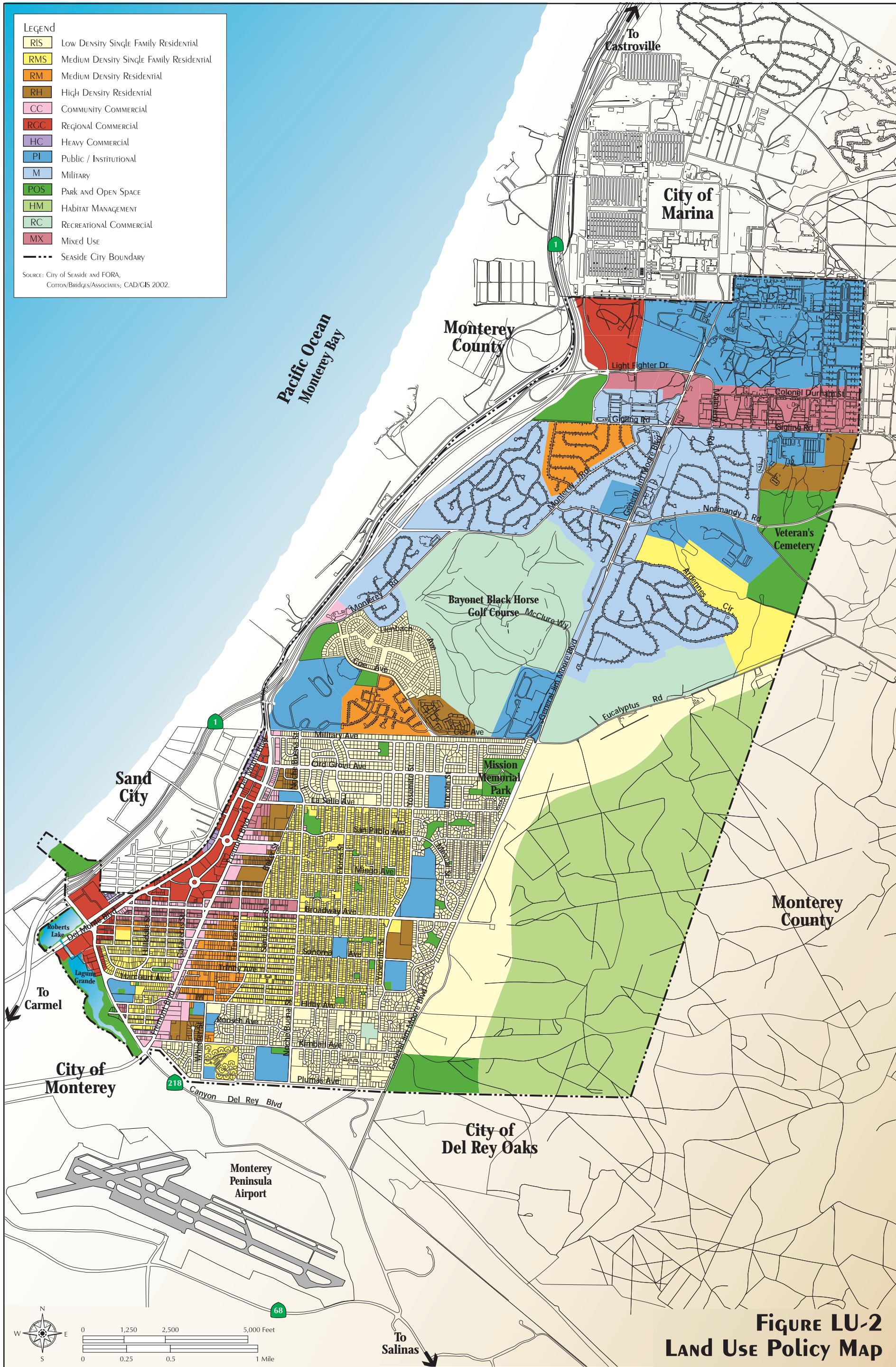
Fort Ord Reuse Authority (FORA)

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

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

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

 	<p>SOURCE: Jones & Stokes, 1992 Relmer Associates (Pre-Proposed), 1995 Monterey County, 1995 EDAW, Inc., 1998</p>	<p>FIGURE: 3.3-1</p>
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LEGEND

- CITY OF SEASIDE / COUNTY OF MONTEREY BOUNDARY
- SITE BOUNDARY
- PARCEL BOUNDARY
- VETERANS CEMETERY PHASE 1 BOUNDARY
- CREMAIN BURIAL IN TERRACES
- CREMAIN BURIAL IN COLUMBARIA
- CRYPT BURIAL AREAS & IN-GROUND CREMAIN BURIAL AREAS

MEMORANDUM OF UNDERSTANDING BY AND AMONG COUNTY OF MONTEREY, CITY OF SEASIDE, CENTRAL COAST VETERANS CEMETERY FOUNDATION, AND FORT ORD REUSE AUTHORITY REGARDING CALIFORNIA CENTRAL COAST VETERANS CEMETERY PLANNING

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

RECITALS

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

5

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

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

This MOU should be interpreted to carry out these goals.

AGREEMENT

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

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

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

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

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

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

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

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

By:

Date: 1-28-12

[Signature]
CITY OF SEASIDE,
a municipal corporation

[Signature]
As to Form

By:

Date: _____

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

[Signature]
As to Form Deputy County Counsel

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

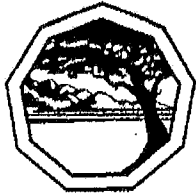
Date: 2-14-12

As to Form [Signature] 2-14-12

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

Date: 3/2/12

As to Form



October 9, 2009

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

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

Dear Diana;

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

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

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

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

Date: _____

City of Seaside

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

Sincerely,



Stan Cook
ESCA Program Manager

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

2 of 3 pages

TABLE 1

Parker Flats MRA - Land Use by Parcel

US Army Corps of Engineers Parcel Number

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

*Additional details are provided below:

E18.1.3

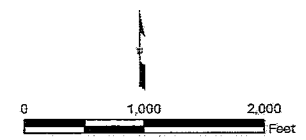
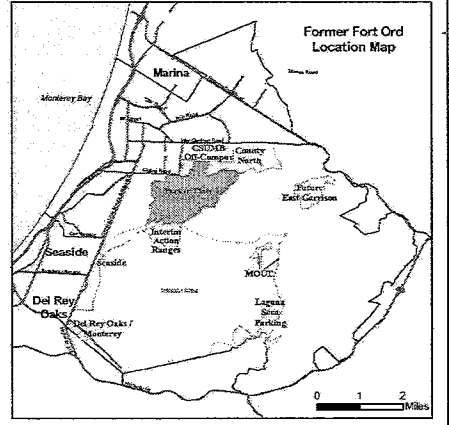
Area "E:" will be used for a Seaside Corporation Yard (per City of Seaside General Plan) and Buffer (as identified by the City of Seaside), and will be cleaned to a Development - Non-Residential standard. (See **Figure SEA-3**)

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Legend

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

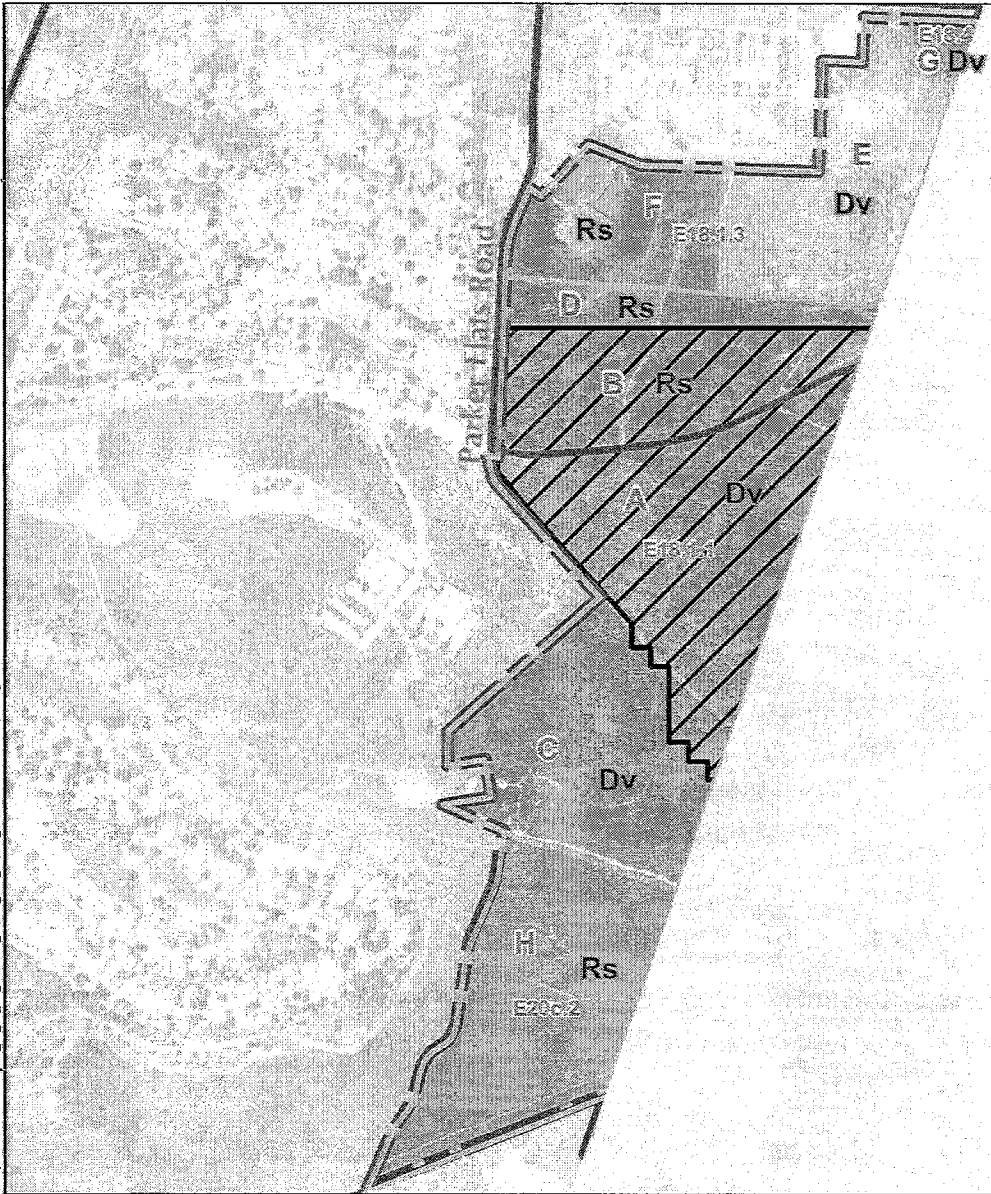


Parker Flats MRA
Phase I and Phase II Areas

FORA ESCA RP
 Monterey County, California

DRAFT Figure SEA-1

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Legend

- Munitions Response Area
- Major Road
- Phase I Parker Flats RI/FS
- USACE Parcel
- A** Table 1 - Map Area ID

Clean Up Level

- Dv** Development
- Rs** Residential

Former Fort Ord Location Map

0 1 2 Miles

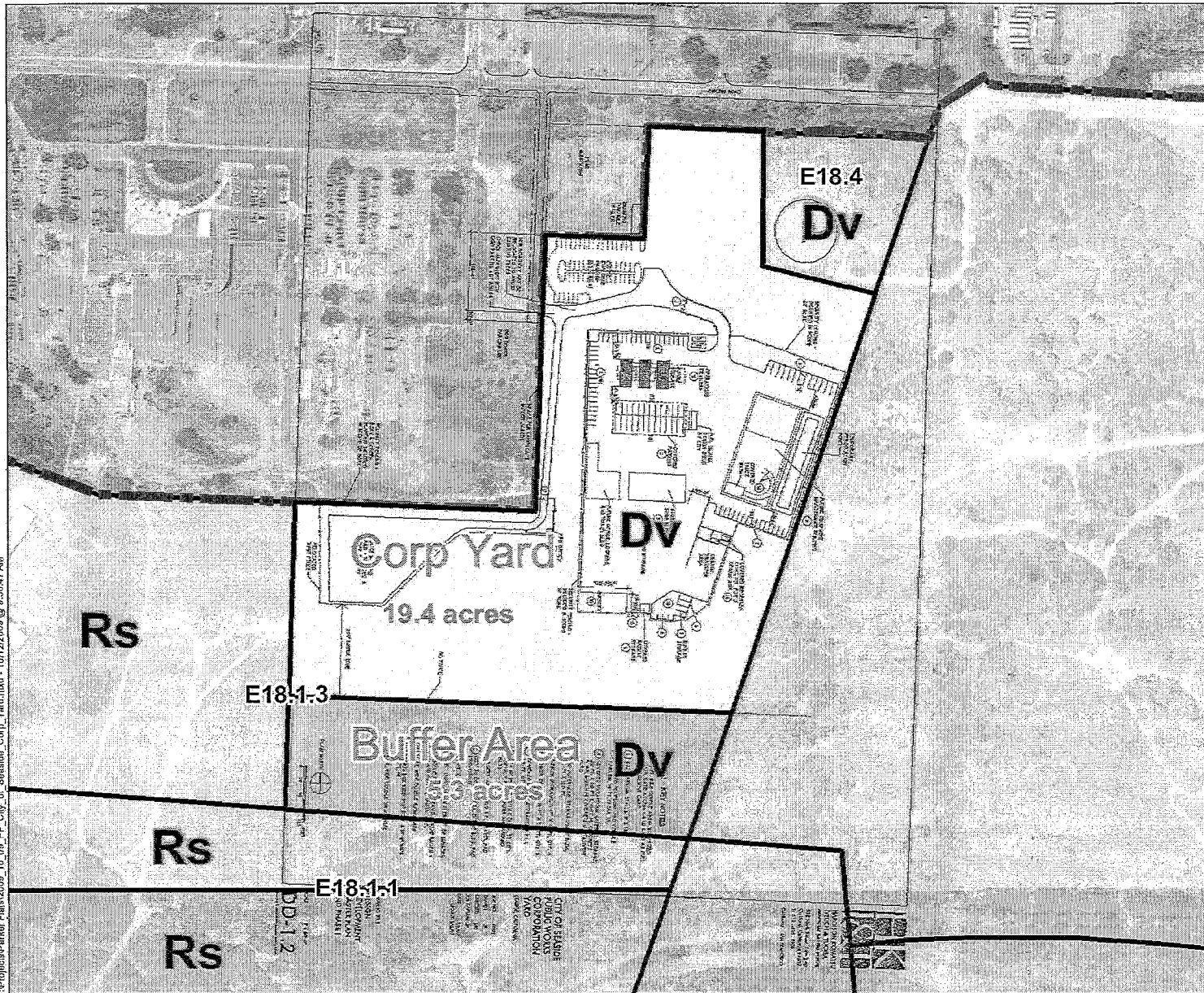
0 930 1,860 Feet

DLFR
WESTON

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

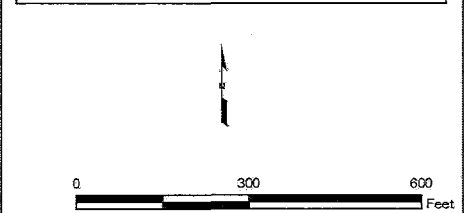
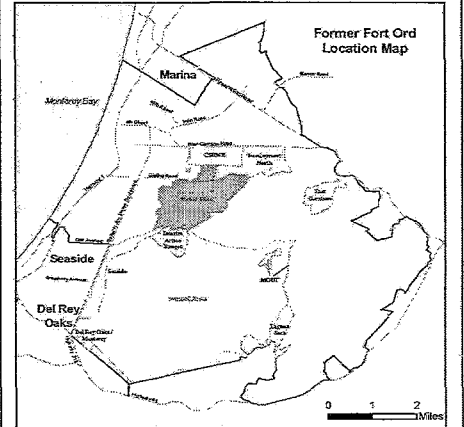
DRAFT **Figure SEA-2**

T:\Projects\Parker Plaza\2009_10_00_P\City of Seaside_Corp_Yard.mxd - 10/12/2009 @ 9:36:47 AM



- ### Legend
- Parker Flats MRA
 - Major Road
 - USACE Parcel
 - Phase I Remedial Investigation Area
 - Phase II Remedial Investigation Area

- ### Clean Up Level
- Dv** Development
 - Rs** Residential



**City of Seaside
Corp Yard**

FORA ESCA RP
Monterey County, California

DRAFT **Figure SEA-3**



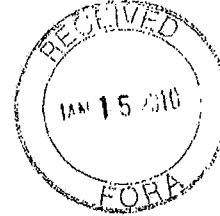
RESOURCE MANAGEMENT SERVICES

440 Harcourt Avenue
Seaside, CA 93955

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

January 7, 2010

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



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

Dear Stan:

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

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

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

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

If you have further questions, please contact me.

Sincerely

A handwritten signature in cursive script that reads "Diana Ingersoll".

Diana Ingersoll, PE
Deputy City Manager

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

A handwritten mark in the bottom right corner of the page, resembling a stylized letter 'S' or the number '3'.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

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

RECOMMENDATION:

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

1. The draft scoping report circulated on Wed., August 15, 2012, as supplemented through Friday, August 24 to include Appendix D-2.1 (additional timely e-mailed comments):
www.fora.org/BRPScopingReport.html;
2. An “errata” of corrections and clarifications identified through public review and comment on the draft (**Attachment A**);
3. The full text of public comments received through Tuesday, September 4, 2012 on the draft; and
4. A transcript of the August 29 Board workshop for the scoping report.

Please note that items #2-4, above, are available on FORA’s web site: www.fora.org/addendum.html

The final scoping report will be “republished,” to fully integrate these components #1-4, above, as well as any additional comments made specifically in reference to the scoping report but received after September 4, as part of the final Reassessment Document by the end of 2012.

BACKGROUND/DISCUSSION:

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

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

The draft scoping report was briefed to the FORA Board in a presentation at the August 10, 2012 meeting and made available for public review and comment beginning on Wednesday, August 15 on FORA’s web site, at local libraries, and on discs for public distribution. On August 29, the FORA Board conducted a public workshop dedicated to the draft scoping report. Forty-five members of the public spoke at the workshop, expressing a diverse range of views and suggestions on former Fort Ord reuse. The workshop was video-recorded (available on FORA’s web site, <http://www.fora.org/Board/bdagendas.htm>) and professionally transcribed. The full transcript of the workshop has been appended to the document, as noted above in the recommendation.

The scoping report is foundational to analyzing and providing policy options to be included in the final Reassessment Document this fall. Opportunities to submit comments are ongoing and all comments will be compiled and published as part of the public draft Reassessment Document, likely to be circulated in mid-October 2012.

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

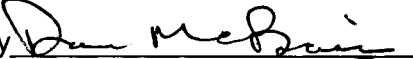
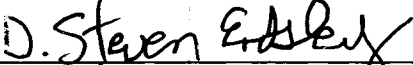
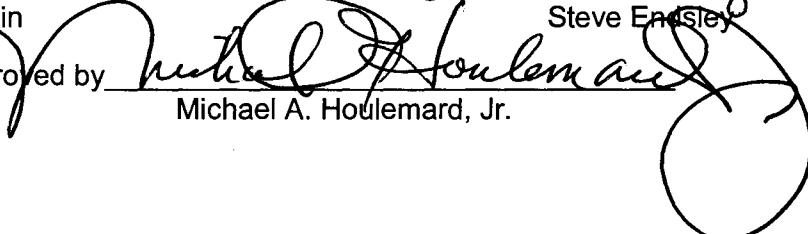
FISCAL IMPACT:

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

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

COORDINATION:

Administrative Committee, Executive Committee.

Prepared by  Reviewed by 
Darren McBain Steve Engley
Approved by 
Michael A. Houlemard, Jr.



Planning for Success.

FORT ORD REUSE PLAN REASSESSMENT

Second Addendum to the Scoping Report

PREPARED FOR
Fort Ord Reuse Authority

September 7, 2012

EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM

FORT ORD REUSE PLAN REASSESSMENT

Second Addendum to the Scoping Report

PREPARED FOR
Fort Ord Reuse Authority
Michael Houlemard Jr., Executive Officer
920 Second Avenue, Suite A
Marina CA 93933
Tel 831.883.3672

PREPARED BY
EMC Planning Group Inc.
301 Lighthouse Avenue, Suite C
Monterey, CA 93940
Tel 831.649.1799
Fax 831.649.8399
james@emcplanning.com
www.emcplanning.com

September 7, 2012



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Attachments

Attachment A Transcript of Verbal Comments from August 29, 2012 Workshop

Attachment B Written Comments on the Scoping Report

Figures

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1.0

INTRODUCTION

The *Fort Ord Reuse Plan Reassessment Scoping Report* (Scoping Report) was released for public review on August 15, 2012. Shortly after public release, ten email comments that were received during the public input period and inadvertently omitted from the Scoping Report were added as an addendum titled “Supplemental email comments for the Scoping Report” so that the Scoping Report would be inclusive of all comments received by FORA through June 15, 2012.

This report is noted as the second addendum to the Scoping Report and was prepared to document public comment on the Scoping Report and to provide corrections and clarifications to the contents of the Scoping Report as identified during the public review period of August 15, 2012 to September 4, 2012.

Two weeks following public release of the Scoping Report, on August 29, 2012, the FORA Board held a workshop to accept public comments on the Scoping Report. Refer to Chapter 2.0 Public Comment on the Scoping Report, of this second addendum, for a summary of the verbal and written comments received between August 15 and September 4, 2012.

Following release of the Scoping Report, various corrections and clarifications to the Scoping Report were identified. An errata has been prepared to address corrections and clarifications identified between the public release date and September 4, 2012. The errata consists of typographical corrections and factual clarifications or corrections known as of September 4, 2012. Changes are presented in Chapter 3.0 Scoping Report Errata.

The follow-up document to the Scoping Report, the Reassessment Report, will provide the FORA Board with options for future consideration and/or actions.

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PUBLIC COMMENT ON THE SCOPING REPORT

As described in Scoping Report Section 2.5, Future Public Participation Opportunities, public input on the Scoping Report was to be solicited after the Scoping Report was released for public review on August 15, 2012. Public comments were encouraged and received in a public meeting and in written form both at and independently of the public meeting. The opportunity for public input on the Scoping Report was identified during the prior five public workshops on the BRP reassessment, on the FORA website at: <http://www.fora.org/resources.htm>; at FORA Board Meetings, and in advertisements for the public meeting published in a variety of local media and circulated to a broad range of interested persons, organizations and agencies. This section of the addendum summarizes the input received between August 15, 2012 and September 4, 2012. Comments received after September 4, 2012 will be given to the FORA Board, but are not included in this addendum, which was distributed to the FORA Board on September 7, 2012. After the September 14, 2012 FORA Board meeting, no additional comments on the Scoping Report portion of the reassessment process will be accepted. Comments received after that time will be considered during the Reassessment Document portion of the reassessment process.

2.1 PUBLIC MEETING

On August 29, 2012 at 6:30 p.m., two weeks after the August 15, 2012 public release of the draft Scoping Report, the FORA Board held a public meeting at Carpenter's Hall in Marina. The purpose of the meeting was to accept public comment on the Scoping Report. Approximately 90 people attended the workshop. Verbal comments were received from 45 people.

Table 1, Verbal Comments Received at the August 29, 2012 Public Meeting, lists the people who provided verbal comments and identifies the general topics raised by each. Note that most of the comments related to issues that were broader than the content of the Scoping Report itself. A written transcript of the verbal comments has been included as Attachment 1 to this Addendum. The content of each person's comments can be found in the transcript.

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TABLE 1 VERBAL COMMENTS RECEIVED AT THE AUGUST 29, 2012 PUBLIC MEETING

Name	BRP Reassessment Comments – Comments at Public Meeting																			Project-Specific Comments				
	Scoping Report Document	Input Process	FORA Procedures	Economic/ Jobs	EcoTourism/ Recreation	Blight/Urban Footprint	Hazardous Materials	Housing	Transportation	Water	Trails/Access	Open Space	Habitat/ Wildlife	National Monument	Native Americans	CSUMB/ UC/MPC	Aesthetics	Other	Monterey Downs/ Horse Park	Veterans' Cemetery	Eastside Parkway	East Garrison	Other	
Jane Haines, Sierra Club	x		x			x						x												
Tom Moore, Sierra Club			x	x	x	x			x															
Susan Schiavone			x						x		x		x											
Rick Feddick				x				x	x															
Alexandra Walling			x	x		x		x		x										x		x		x
LeVonne Stone, Fort Ord Environmental Justice Network				x				x												x				
Alexander Henson, attorney for Veterans Wild Fort Ord			x								x									x				
Ret. Lt. Col. Ed Mitchel			x	x	x			x	x		x			x										
Henrietta Stern				x	x			x			x	x		x										
Ralph Rubio			x	x	x	x					x	x		x										
Greg Nakanishi				x				x			x	x									x			
Collin Gallagher		x	x																					x
Janet Parks, Central Coast State Veterans Cemetery Foundation																								x
Jack Stewart				x																				x
James Bogan																								x
Sid Williams			x	x							x													x
Bill Carrothers, Salinas Citizens for True Emigration Reform				x																				
Steve Eckland					x			x					x											x

Name	BRP Reassessment Comments – Comments at Public Meeting																			Project-Specific Comments				
	Scoping Report Document	Input Process	FORA Procedures	Economic/ Jobs	EcoTourism/ Recreation	Blight/Urban Footprint	Hazardous Materials	Housing	Transportation	Water	Trails/Access	Open Space	Habitat/ Wildlife	National Monument	Native Americans	CSUMB/ UC/MPC	Aesthetics	Other	Monterey Downs/ Horse Park	Veterans' Cemetery	Eastside Parkway	East Garrison	Other	
Nancy Amadeo, City of Marina											x	x		x										
Jay Fagan					x								x			x		x	x					
Kay Cline	x			x		x					x			x				x						
John Tompkinson			x	x		x															x			
Ellen Gavin						x				x			x					x						
Jason Campbell				x											x	x								
Paul Wolfe			x	x				x						x		x					x			
Susie Wister			x	x	x	x					x	x		x		x	x					x		
Jodie Hansen, Monterey Peninsula Chamber of Commerce			x	x																				
Tim Sanders			x					x	x															
Dawn Nakanishi													x										x	
Dina Beatty			x	x		x					x		x		x								x	x
Arthur McLaughlin			x																					
Luana Conley		x	x	x		x		x	x				x			x								
Frank Lambert				x				x	x	x			x								x			x
Jan Shriner			x	x				x	x	x			x	x										
Leonard Laub			x	x	x								x	x									x	
Margaret Davis, Friends of the FORA War Horse				x	x	x		x			x			x							x		x	
Julie Engle			x	x		x					x		x	x										
Rick Schaeffer		x	x			x			x					x										
Jeff Taylor			x	x				x			x	x									x		x	
Bill Weigle											x													
Eric Peterson, Pedalia al Pede				x							x			x							x		x	

Name	BRP Reassessment Comments – Comments at Public Meeting																		Project-Specific Comments					
	Scoping Report Document	Input Process	FORA Procedures	Economic/ Jobs	EcoTourism/ Recreation	Blight/Urban Footprint	Hazardous Materials	Housing	Transportation	Water	Trails/Access	Open Space	Habitat/ Wildlife	National Monument	Native Americans	CSUMB/ UC/MPC	Aesthetics	Other	Monterey Downs/ Horse Park	Veterans' Cemetery	Eastside Parkway	East Garrison	Other	
George Riley			x	x		x					x	x												
Safwat Mallick				x		x										x								
Gail Morton, Fort Ord Rec Users	x		x		x			x				x		x							x			
Ron Chessire, FORA Board		x	x	x										x										
LeVonne Stone			x																					

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2.2 WRITTEN COMMENTS

Written comments in the form of letters, comment forms distributed at the August 29, 2012 public meeting, and emails were received from a total of 33 individuals, organizations, and agencies. Written comments were received through September 4, 2012. The comments received through September 4, 2012 are included in Attachment 2 to this Addendum. Comments received after September 4, 2012 are not included in this second Scoping Report addendum, which was distributed to the FORA Board on September 7, 2012, but will be provided to the FORA Board at the September 14, 2012 meeting. After the September 14, 2012 FORA Board meeting, no additional comments on the Scoping Report portion of the reassessment process will be accepted. Comments received after that time will be considered during the Reassessment Document portion of the reassessment process.

Table 2, Written Comments on the Scoping Report Received Through September 4, 2012, lists the people who provided written comments and identifies the general topics raised by each. As with the verbal comments provided at the August 29, 2012 public meeting, note that most of the comments related to issues that were broader than the content of the Scoping Report itself.

Several of the comments that were specific to the Scoping Report prompted changes and additions to the content of the Scoping Report. These changes and additions are summarized in the following Section 3.0, Scoping Report Errata. Other comments bring up broader issues that will be reflected in the options that are presented to the FORA Board in the Reassessment Report.

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TABLE 2 WRITTEN COMMENTS ON THE SCOPING REPORT RECEIVED THROUGH SEPTEMBER 4, 2012

Name	Date	BRP Reassessment Comments – Written Comments																		Project-Specific Comments				
		Scoping Report Document	Input Process	FORA Procedures	Economic/ Jobs	EcoTourism/ Recreation	Blight/Urban Footprint	Hazardous Materials	Housing	Transportation	Water	Trails/Access	Open Space	Habitat/ Wildlife	National Monument	Native Americans	CSUMB/ UC/MPC	Aesthetics	Other	Monterey Downs/ Horse Park	Veterans' Cemetery	Eastside Parkway	East Garrison	Other
Colleen Ingram	08/29/12			x																				
Karin Locke	08/29/12			x			x			x		x												
Susan Schiavonne	08/29/12			x					x			x	x				x			x				
Chuck Della Sala, Mayor, City of Monterey	08/30/12				x				x			x	x				x							
Doug Yount	08/30/12	x		x													x							
Eric Petersen, Pedali Alpini, Inc.	08/30/12		x	x	x	x	x		x	x	x	x	x	x			x			x	x	x	x	x
Ross Davidian	08/30/12				x			x	x	x	x										x			
William Collins, BRAC	08/30/12	x		x				x			x	x	x											
Lisa Brinton, City of Seaside	08/31/12	x		x	x		x		x		x						x		x	x				
Tom Moore, Sierra Club	08/31/12	x		x	x		x		x			x	x		x		x				x			
John Hutcherson	09/01/12						x						x											
Lawrence Dick	09/02/12	x						x				x	x											
Jane Haines	09/03/12	x	x	x																				
Mary Ann Matthews, CA Native Plant Society	09/03/12			x			x				x	x	x	x										
Pam Krone-Davis	09/03/12	x			x		x		x				x				x	x		x				
Pat McNeill	09/03/12			x	x		x		x				x	x							x			
Amy White, LandWatch	09/04/12	x		x					x				x										x	
B. Leone	09/04/12			x																	x			
Connie Quinlan	09/04/12	x					x		x	x											x		x	x

Name	Date	BRP Reassessment Comments – Written Comments																		Project-Specific Comments				
		Scoping Report Document	Input Process	FORA Procedures	Economic/ Jobs	EcoTourism/ Recreation	Blight/Urban Footprint	Hazardous Materials	Housing	Transportation	Water	Trails/Access	Open Space	Habitat/ Wildlife	National Monument	Native Americans	CSUMB/ UC/MPC	Aesthetics	Other	Monterey Downs/ Horse Park	Veterans' Cemetery	Eastside Parkway	East Garrison	Other
Denyse Frischmuth, Communities for Sustainable Monterey County	09/04/12				x	x			x															
Douglas Yount, City of Marina	09/04/12	x																						
Eduardo Ochoa, CSUMB	09/04/12	x		x	x		x	x	x								x	x					x	x
Fred Meurer, City of Monterey	09/04/12	x								x										x				
Gail Morton, forU	09/04/12	x	x	x			x					x	x	x										
Greg Furey	09/04/12			x	x			x	x						x						x	x		x
Kay Cline, Sustainable Seaside	09/04/12				x	x	x		x		x	x	x	x	x									
LeVonne Stone, Fort Ord Environmental Justice Network	09/04/12		x		x			x	x															
Michael Stamp, attorney for Keep Fort Ord Wild	09/04/12	x	x	x	x	x		x	x	x	x	x		x	x						x		x	x
Mike Weaver, Highway 68 Coalition	09/04/12	x			x	x				x				x										x
Paula Koepsel	09/04/12	x			x				x					x									x	x
Suzanne Worcester	09/04/12	x	x	x	x	x	x		x	x	x	x			x						x	x		
Vicki Nakamura, MPC	09/04/12	x			x										x								x	x
Vicki Pearse	09/04/12			x	x	x			x	x	x													

3.0

SCOPING REPORT ERRATA

Comments received on the Scoping Report that resulted in changes to the Scoping Report are reflected here. Other comments, with broader implications, will be addressed in the Reassessment Report.

Notes regarding changes are numbered and presented in *bold italics*. Changes to the Scoping Report text are shown with underline for new text and ~~striketrough~~ for deleted text. Text changes are shown in the order that the text appears in the Scoping Report. Revised figures are presented at the end of the chapter in which they appear in the Scoping Report. The changes to revised figures are explained in the introductory notes, but are not indicated on the revised figure itself.

3.1 CHANGES TO THE TABLE OF CONTENTS

1. *Corrections are made to the front Table of Contents. The prefix portion of the Chapter 1.0 subheadings and page references are changed from “2” to “1.” For example, the incorrect reference to 2-1 is changed to 1-1.*
2. *The Table of Contents heading for the appendices is corrected from “Appendice” to “Appendices.”*

These corrections to the web-posted version were made on August 30, 2012.

3.2 CHANGES TO CHAPTER 1.0

No changes are made to Chapter 1.0.

3.3 CHANGES TO CHAPTER 2.0

No changes are made to Chapter 2.0.

3.4 CHANGES TO CHAPTER 3.0

3. *Based on public comments, the notes to Table 7 on Page 3-4 are revised to clarify the reference to Table 2-7 of the Market Report, as follows:*

1. Based on FORA development projections through 2022. See Table 2-7 of the Market Report (Appendix E).
2. Reflects total projected new and replacement units shown in Table 2-7 of the Market Report (Appendix E) less 492 CSUMB units. Of these units, roughly 4,000 new units and 500 replacement units are entitled.
3. Projected supply reflects BRP goal of 18,000 jobs less current 3,600 jobs present on Fort Ord.
4. Surplus reflects development expected to occur beyond the 20 year timeframe of the analysis. Entitled units cannot be withdrawn or canceled without permission of those who hold the entitlement and the governing land use authority.

3.5 CHANGES TO CHAPTER 4.0

4. *Based on comments from the City of Seaside, changes are made on Page 4-7, as follows:*

<p>Program C-1.1: The City of Seaside shall develop an agreement with the U.S. Army to implement the reconfiguration of the POM Annex community.</p>	<p>Seaside</p>	<p>Complete ■</p>	<p>The reconfigured POM Annex is shown on the 2004 Seaside General Plan land use map. City/Army agreement to swap Stillwell Kidney site for land near Lightfighter Drive, approved by City RDA 11/15/07.</p>
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5. *An omission on Page 4-93 is corrected, to add the program number, as follows:*

<p><u>Program C-1.5:</u> The County shall adopt and enforce a hazardous substance control ordinance that requires that hazardous substance control plans be prepared and implemented for construction activities</p>	<p>County</p>	<p>Complete ■</p>	<p>Hazardous substance control ordinance is described in Title 10.65 of County Code.</p>
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involving the handling, storing, transport, or disposal of hazardous waste materials.			
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6. The County’s Biological Resources Program C-2.1 has different wording than the parallel policy for Seaside or Marina. Changes to Page 4-121 are made, as follows:

(Program C-2.1) <u>The County shall cluster development whenever possible so that contiguous stands of oaks trees can be maintained in the non-0developed natural land areas.</u>	County	Ongoing ▲	The East Garrison Specific Plan places most development in areas previously disturbed by the Army, and sets outlying areas aside as open space.
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7. An omission on Page 4-146 is corrected to add a status for Fire, Flood, and Emergency Management Program A-2.1, as follows:

Program A-2.1: The [jurisdiction] shall incorporate the recommendations of the [jurisdiction’s] Fire Department for all residential, commercial, industrial, and public works projects to be constructed in high fire hazard areas before a building permit can be issued. Such recommendations shall be in conformity with the current applicable Uniform Building Code Fire Hazards Policies. These recommendations should include standards of road widths, road access, building materials, distances around structures, and other standards for compliance with the UBC Fire Hazards Policies.	Marina	Ongoing ▲	Each jurisdiction includes the appropriate fire department in the review of development and building proposals. Note that the Uniform Building Code is superseded by the California Building Code (including the California Fire Code).
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8. *For purposes of clarification, the heading “New Program” (found on Pages 4-164 through 4-170 is revised to read “New Program added as CEQA Mitigation.”*
9. *Based on comments from the City of Seaside, the a new consistency determination discussion is added to Page 4-184, as follows:*

The City of Seaside adopted the Projects at Main Gate Specific Plan on August 5, 2010. Most of the site has a BRP Land Use Concept designation of Regional Retail. The western portion of the site has a BRP Land Use Concept designation of open space and was originally envisioned for development of State Park facilities; however, this parcel was part of the Seaside/Army/State Parks land swap agreement (refer to Section 4.6), and the FORA Board found commercial uses in this area consistent with the BRP when it found the Seaside General Plan consistent with the BRP in 2004. The Specific Plan proposes retail and hospitality uses that are consistent with the Seaside General Plan. The FORA Board found the Specific Plan consistent with the BRP on 10/8/2010.

10. *Based on comments from the Fort Ord BRAC office, changes are made on Page 4-204 as follows:*

Clean-up activities relating to water quality occur at four areas located in the northern portion of former Fort Ord (Operable Unit (OU) 1, OU-2, Sites 2/12, and OU Carbon Tetrachloride Plume (OUCTP) focus on the remediation of contaminated soils, including the land fill and the burn area near the airport.

11. *Based on comments received from public agencies, the following information on the UCMBEST Vision is added to Page 4-207, as follows:*

UC MBEST Center Plans

The UC MBEST Master Plan was adopted in 1997 to guide future use of 1,042 acres of land at the intersection of Reservation Road and Blanco Road. The Master Plan includes 605 acres of habitat reserve and 437 acres for research uses. An additional 47 acres of UC land at Eighth Street is outside the Master Plan area. The Master Plan establishes four campus areas; a circulation and utility system; and criteria for research and development tenants within the center, consistent with UC’s educational mission. In 2010, UC announced that the MBEST Center would be reduced in size to the 70 acres on which infrastructure is already developed, and that new visions for the remaining 417 acres would be developed. A market study prepared for the visioning process determined that build-out of the entire UC MBEST site could take many decades. The visioning process came to several conclusions: a) adjust the campus scale, b) seek and secure anchor tenants, c) complete entitlements on UC MBEST Center lands, d) consider simplified transactional paths for development proposals, and e) make peripheral lands (West Campus, Central South Campus, East Campus, and Eighth Street parcel) attractive for near-term development.

12. A typographical error is corrected on Page 4-208, as follows:

Inconsistencies Identified. Envisioning the Monterey Bay Area provides sample transportation policies that would achieve the plan's goals. Most are also included within the Regional Transportation Plan, and called out in that discussion. Additional policies not specifically addressed in BRP policy ~~area~~ are safe routes to school program; and a parking management program (to balance parking subsidies). However, these subject areas would be more appropriately addressed at the level of the individual land use jurisdictions within FORA.

13. Based on comments from the City of Monterey, changes are made on Page 4-209, as follows:

The City of Monterey includes a small portion of the southwest corner of the former Fort Ord. The current Monterey General Plan was adopted by the City in ~~February 2011~~ January 2005. The Land Use map shows Industrial and Parks and Open Space designations within the former Fort Ord territory.

14. Based on comments from CSUMB, changes are made on Page 4-209, as follows:

The CSUMB Master Plan provides for various nodes, focused on a concentration of uses (e.g. administrative, academic, housing). The plan includes three planning horizons (through 2014, 2015-2024, and post-2025, with ultimate build-out providing a capacity for about 8,500 full time equivalent students. ~~According to the university, u~~ Ultimate student enrollment is envisioned at 12,500 on campus, but this is subject to water and traffic constraints imposed by the FORA water allocation program and by a court settlement. The Master Plan anticipates synergy with surrounding Planned Development Mixed Use areas to the north, west, and south of campus.

15. Based on comments from the Fort Ord BRAC office, changes are made to several paragraphs on Page 4-211, as follows:

The former is represented by ~~lead from ammunition, ordnance, and other weapons,~~ while the later is represented by groundwater/soil contamination, lead paint, and asbestos.

Cleanup levels are determined based on the expected future use of the land, with uses such as residential and schools requiring the highest levels of cleanup, and ~~open space~~ habitat areas where public access is not envisioned receiving lowest levels of cleanup.

Munitions Cleanup Activities. Munitions cleanup areas comprise approximately ~~12,000~~ 13,000 acres of the former Fort Ord. Types of munitions and explosives of concern found include artillery projectiles, rockets, hand grenades, practice land mines, pyrotechnics, bombs, and demolition materials. The U.S. Army divides the former Fort Ord into three geographic areas for purposes of munitions removal: 1) the impact area, which comprises about ~~7,446~~ 6,560 acres east of Seaside, 2) remaining sites, found elsewhere on the former Fort Ord and under the U.S.

Army's responsibility (3,000 acres of munitions response areas and 5,000 acres of in-between areas), and 3) the ESCA areas under FORA's responsibility (3,340 acres).

16. Based on comments from the Fort Ord BRAC office, changes are made to several paragraphs on Page 4-212, as follows:

Prescribed burns were conducted in 2003, ~~2005~~, 2008, 2009, and 2010, and another is scheduled for 2012.

The areas classified as remaining sites, (3,000 acres of munitions response areas and 5,000 acres of "in-between" areas), consist mainly of lands already transferred to the Bureau of Land Management, and are addressed in the *Final Remaining Remedial Investigation/Feasibility Study Areas Management Plan, Former Fort Ord, Revision 0* (Shaw Environmental Inc. 2010). The remaining sites were divided into nine geographic areas and have undergone or are undergoing final review and assessment. These sites are ~~not expected to contain significant levels of munitions or contaminants and are processed~~ on the Track 1 and Track 2 processes.

According to the current ESCA status map, ~~R~~-regulatory site closure has been completed for all but a small portion of the County North munitions response area and much of the Parker Flats munitions response area.

17. Figure 8 Baseline Built and Munitions Conditions, is re-titled 1997 Baseline Built, Munitions, and Groundwater Conditions, to reflect that the area shown as "munitions areas" includes areas that have contaminated groundwater rather than munitions. The map is revised to differentiate the areas. The revised figure is presented at the end of this section.

18. Based on comments from the Fort Ord BRAC office, Figure 11 Groundwater Contamination, is revised to show an updated map of groundwater contamination. The revised figure is presented at the end of this section.

19. Based on comments from the Fort Ord BRAC office, changes are made to Page 4-221, as follows:

- **Beach Firing Ranges.** The cleanup of lead contamination in the Beach Range dunes area was completed in 1998 to a level that protects human and environmental health for the intended purpose of open space use. The cleanup effort focused on small particle lead soil contamination, while many larger lead-containing objects (i.e. bullets) were not removed. The larger objects were considered to pose a lower health risk as compared to the small particles. Monitoring indicates that remaining lead has not affected the health of restorative plantings (California Department of Parks and Recreation 2011). The area was opened to the public as Fort Ord Dunes State Park in 2009.

20. *Typographical errors are corrected on Page 2-221, as follows:*

- **Fritzsche Army Airfield Fire Drill Area (Operable Unit 1).** The fire drill area was established near the airfield in 1962 and consisted of an unlined burn pit, a drum loading area, a storage tank, and underground piping connecting the storage tank to a discharge nozzle. Fuel was discharged from the storage tank into the pit, ignited, ~~and~~ and extinguished as part of firefighting training exercises. Approximately 90 percent of the fuel burned at the fire drill area was reported to be JP- 4 helicopter fuel that was either contaminated with water or outdated. Other substances burned at the site included hydraulic and lube oils, gasoline, diesel fuel, and small quantities of industrial solvents. Training activities at the fire drill area were discontinued in 1985. Primary chemicals of concern were benzene, ~~trans~~ trans-1,2- dichloroethene (DCE), methyl ethylketone (MEK), and trichloroethene (TCE) in groundwater (with highest concentrations to the north of the burn pit); and light and heavy petroleum hydrocarbons (TPH) in surface and shallow soil. Cleanup of the site began in 1988 and is ongoing (U.S. Army ROD 1995).

21. *Based on comments from the Fort Ord BRAC office, changes are made to Page 4-221, as follows:*

- **Fort Ord Landfills (Operable Unit 2).** The former ~~landfills~~ landfills at the former Fort Ord occupy about 150 acres and are located west of Abrams Road and mostly south of Imjin Parkway. The landfills consist of six cells, labeled A-F. The contents of 30-acre landfill cell A, which is the cell located north of Imjin Parkway, was removed to the other cells prior to ~~closure~~ capping of the landfill. The north landfill (cell A) was used from 1956 to 1965. The main landfill (cells B-F) was operated from 1960 until 1987, and may have received a small amount of chemical waste along with household and commercial refuse. The main landfill facility stopped accepting waste for disposal in May 1987 (U.S. Army ROD 1994). The landfill is used now only for disposal of contaminated soils from elsewhere on the former Fort Ord.

Groundwater contamination in ~~both~~ the A, 180-foot, and 300-foot aquifers occurred from ~~leaching~~ migration of chemicals. Trichloroethene (TCE) was the most important chemical detected in groundwater (U.S. Army ROD 1994). The surface of the landfill has been covered with an impermeable ~~seal~~ material to prevent rainwater from leaching additional contaminants into the groundwater. The landfill cap was completed in 2002. A groundwater cleaning system has been operating north of Imjin Parkway, near Fourth Avenue, since 1995 and is being refurbished and relocated to a location within the landfill site this year. Groundwater is extracted and treated with granular activated carbon. The Record of Decision estimated a 20 to 40 year timeframe for completion of groundwater cleanup (U.S. Army ROD 1994).

22. *Based on comments from the Fort Ord BRAC office, changes are made to Page 4-222, as follows:*

~~The source area near Lexington Court has been remediated. Cleanup of the contaminated groundwater is ongoing. An experimental approach to carbon tetrachloride removal is now being tested. Lactate is injected into the contaminated water, and naturally-occurring bacteria consume the lactate to begin a series of metabolic processes that break down carbon tetrachloride into by-products such as carbon dioxide. If successful, this method would replace the use of granular activated carbon for removal (Fort Ord BRAC Environmental Cleanup Annual Report 2011).~~

- **Localized Contamination Sites.** A number of other localized sites within the former Fort Ord have been affected by soils contaminations. For example, near the maintenance buildings for the golf courses, petroleum and pesticides spills had resulted in local soil contamination. This type of localized contamination is likely at any location where fuels are dispensed or chemical used. The Army has completed cleanup of localized soil contamination sites as described in the Basewide Record of Decision and the Interim Action Record of Decision.

23. *Based on comments from CSUMB, changes are made to Page 4-236, as follows:*

BRP Build-out. Full build-out of the BRP would result in 22,232 housing units and a population of approximately 72,000 (including resident CSUMB students and the POM Annex military community). The CSUMB campus was originally expected to house 25,000 full time students, but the 2007 CSUMB Master Plan reduces this to 12,000 students, with 8,500 full time equivalent on-campus students and 3,500 distance learners. Under the Development and Resource Management Plan, interim build-out is limited by the 6,600 acre-feet per year ground water allocation and 7,973 housing unit limitation (6,160 new units and 1,813 replacement units), plus CSUMB and U.S. Army units, which are not included in the total. The estimated population at former Fort Ord under the limitations of a 6,600 acre-foot per year water supply and 7,973 housing unit limitation is 37,370 (again, including CSUMB and military assumptions in the population estimate).

24. *Staff identified an error in Figure 12 Building Status – the label for the Stilwell Park housing area is corrected from “Stilwell Hall” to “Stilwell Park.” The revised figure is presented at the end of this section.*

25. *A formatting error on Page 4-230 is corrected, as follows:*

Seaside Groundwater Basin. At the time the BRP was adopted and water allocations defined, a small portion of Fort Ord in Seaside (the golf course irrigation wells) obtained water from the Seaside ~~Groundwater Basin.~~ Groundwater Basin. The Bayonet and Black Horse golf course irrigation wells draw from the Seaside Groundwater Basin. However, these wells are no longer

used for golf course irrigation, and the golf course is supplied with 400 acre-feet per year from Seaside's Salinas Valley Groundwater Basin allocation. Ultimately, the City of Seaside intends to use augmentation water (presumably recycled water) to irrigate the golf courses, and use the Salinas Valley Groundwater Basin water for development projects.

26. Additional information on the Salinas Valley Water Project is provided on Page 4-233, as follows:

The lower Salinas River dam was constructed in 2010 to impound water for diversion to the Castroville distribution lines, and provide a second imported water source; however, the dam required repairs in 2011 and was not functional most of that year. With implementation of these two projects, seawater advance is expected to be halted.

27. Based on comments from CSUMB, the are made to Page 4-249, as follows:

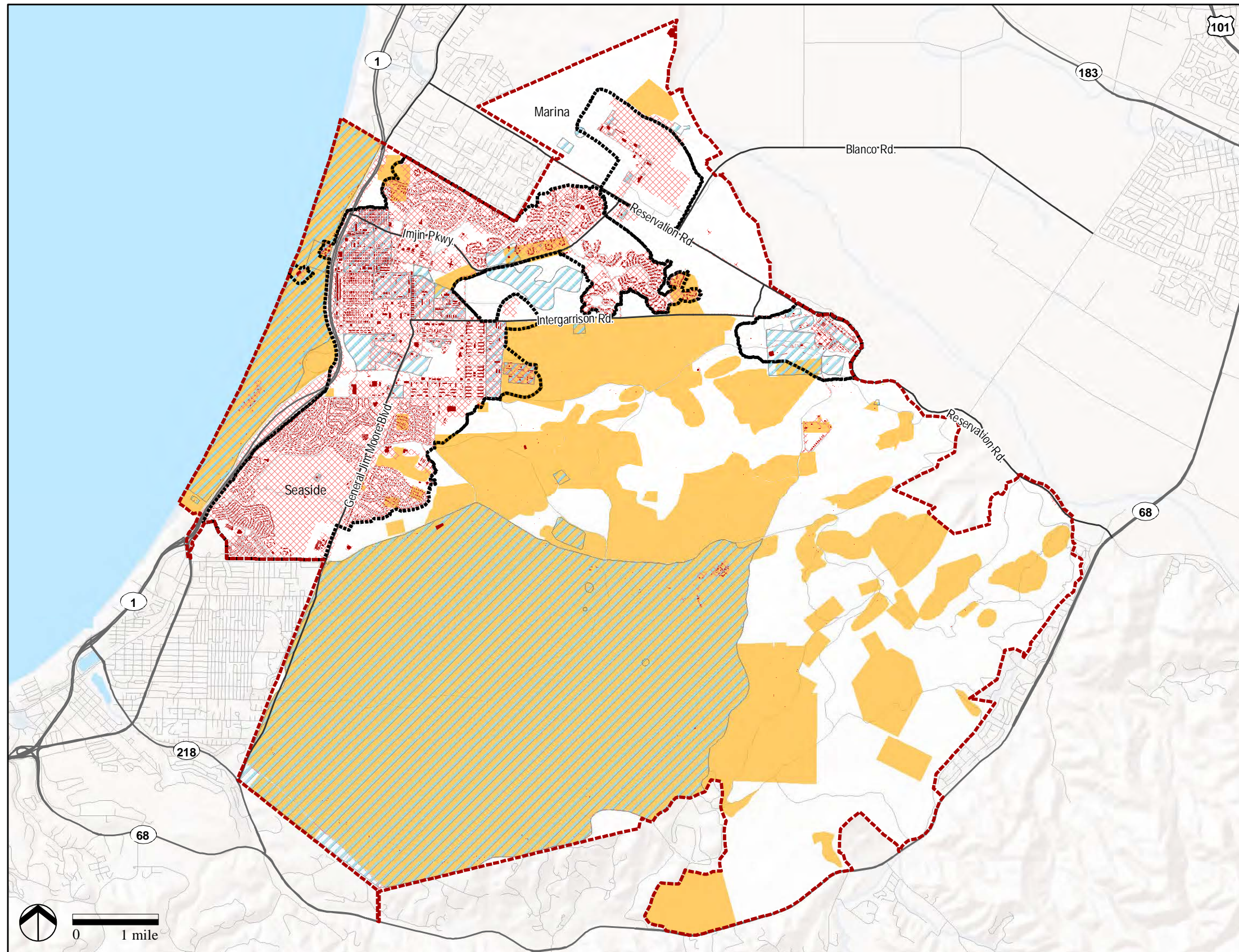
CSUMB. CSUMB opened in 1995 with 633 students, using existing military buildings, and by 2006 enrolled approximately 3,800 students, 2,600 of whom lived on campus. The university will ultimately provide on-campus education for about ~~12,000~~ 8,500 students, with an additional ~~12,500~~ 3,500 students enrolled in distance learning programs. The CSUMB campus occupies ~~about~~ 1,387.7 acres, straddling the Marina-Seaside border. The eastern end of the campus is designated for open space and recreation. The campus core area is located about one-half mile east of State Route 1, with housing, administrative, and athletic facilities existing and/or planned to the north, south and west of the core area. Buildout of the CSUMB Master Plan is constrained by traffic and water obligations stemming from settlement of a lawsuit on the CEQA document for the Master Plan.

28. Based on comments received at the August 29 workshop, new information on habitat corridors is added to Page 4-257, as follows:







Habitat Corridors. The HMP sets aside conservation areas, which are the areas of habitat most important to the protection of special status species. Where necessary, corridor areas are identified in the HMP to provide connections between conservation areas. Habitat values within corridor areas may be less than in conservation areas, but the corridors are important for maintaining the ecological integrity of the conservation areas (Habitat Management Plan 1997, page 1-16). Corridors are particularly important in providing connections for wildlife, but are also specifically identified in the BRP for oak woodland and sand gilia. One area is specifically identified as a corridor on the HMP map: Polygon 17b, located south of Inter-Garrison Road and west of the Youth Camp site. This corridor utilizes a gap in U.S. Army development between Schoonover Park and East Garrison, and connects the large area of habitat centered on what is now the National Monument and the habitat areas west and south of the Marina airport.

Several BRP policies and programs reference wildlife corridors. Recreation/Open Space Land Use Program B-2.4 for Marina calls for protection of the habitat corridor on Polygon 5b, which provides a link between maritime chaparral habitat near the airport with the habitats to the south. Recreation Policy C-1 refers to preservation of oak trees within “large corridors within a comprehensive open space system.” Biological Resources Policy A-4 (and supporting programs) protect biological resources within conservation and corridor areas, and other biological resources policies include references to the corridors. Monterey County Biological Resources Policies A-3 and A-4 address Polygon 17b, which is identified as a corridor in the HMP. Although not identified in the HMP as a corridor, Polygon 11a (north of Polygon 17b) is referred to as a corridor in Monterey County Biological Resources Programs A-1.1 and A-1.2. Monterey County Biological Resources Policy B-2 refers to the oak woodland corridor on Polygons 11a and 17b.

- 29. Based on comments from the City of Seaside, Figure 21 Seaside – U.S. Army – State Parks Land Swap, is revised to show the Surplus II Youth Hostel parcel. The revised figure is presented at the end of this section.*



Legend

-  Fort Ord Boundary
-  Army Urbanized Footprint (see note 1)
-  Built Areas (see note 2)
-  Structure/Building Footprints (see note 3)
-  Munitions Investigation Areas
-  Soil and Groundwater Response Areas

Map Description

This map illustrates the existing land characteristics of Fort Ord at the time of base closure in 1997.

Notes

1. The "Army Urbanized Footprint" is derived from the Draft Land Use Baseline Study of Fort Ord, California, prepared by the U.S. Army Corps of Engineers, Sacramento District in March 1992. The majority of the urbanized footprint boundary is taken from Figure 3 – Fort Ord Existing Land Use Map. Adjustments to this line were made for the Frederick Park and Schoonover Park housing areas based on Figure 7 Fort Ord Locator Map; the revised line matches actual development in this area.
2. The areas considered "Built" were determined by a visual survey of an historic 1999 aerial photograph. "Built" areas include buildings, structures, paved areas, and other development features.
3. The Structure/Building Footprints represent existing structures or buildings that existed at the time of base closure in 1997, based on information from the U.S. Army Corps of Engineers GIS Database.
4. Areas established by the Army Environmental Program and implemented under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). These areas include Army Munitions Cleanup Sites, military firing ranges and target points, and the former solid waste landfill site. A large portion of these areas are located within lands designated as Habitat Management in the Fort Ord Base Reuse Plan. This information is from the Fort Ord Base Realignment and Closure Commission's (BRAC) GIS Database.

Source: Fort Ord Base Closure and Realignment Commission (BRAC) 2012, U.S. Army Corps of Engineers GIS Database 2012, ESRI 2009

Figure 8
1997 Baseline Built, Munitions, & Groundwater Contamination Conditions



Draft

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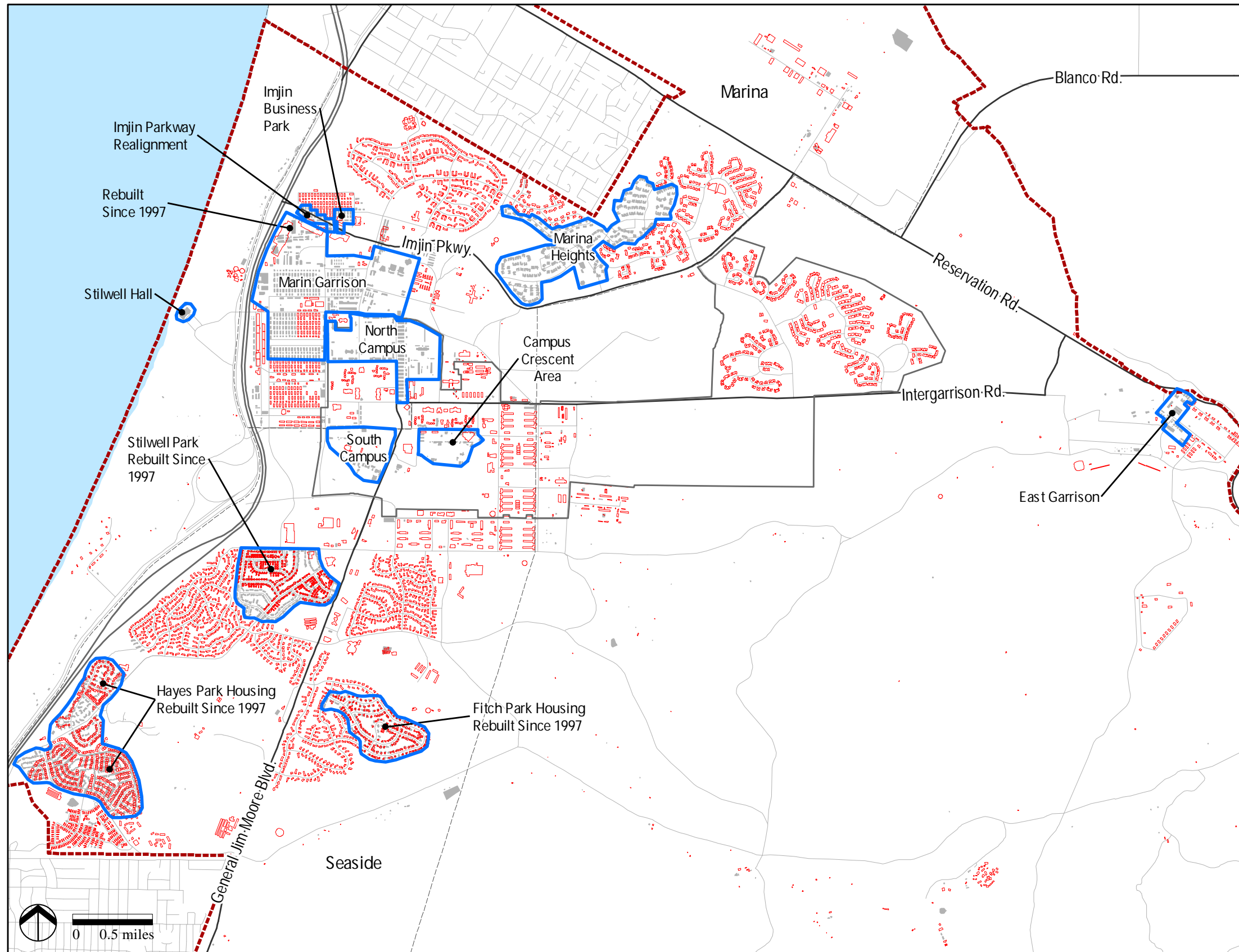
Source: Fort Ord Base Closure and Realignment Commission (BRAC) 2012

Figure 11
Groundwater Contamination



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Legend

- Fort Ord Boundary
- Major Building Removal Areas
- Existing/Current Building/Structure
- Removed Building/Structure

Map Description

This map shows U.S. Army buildings still existing or removed, as well as buildings constructed since 1997.

Major Building Removal Efforts

Date Range	Location	Entity
2002-2004	South Campus near General Jim Moore	CSUMB
2004-2005	Stilwell Hall	State Parks
2004-2005	Fitch Park Housing (eastern)	U.S. Army
2004-2005	Hayes Park Housing	U.S. Army and Private
2004-2005	Imjin Road Realignment	FORA
2005-2006	Imjin Business Park	FORA
2005-2007	Marina Heights	Private
2005-2007	Campus Crescent Area	CSUMB
2006-2007	Main Garrison north of 8 th St. and west of 4 th Ave.	FORA
2006-2007	East Garrison	Private
2009-2010	North Campus	CSUMB
2009-2011	Stilwell Park Housing	U.S. Army

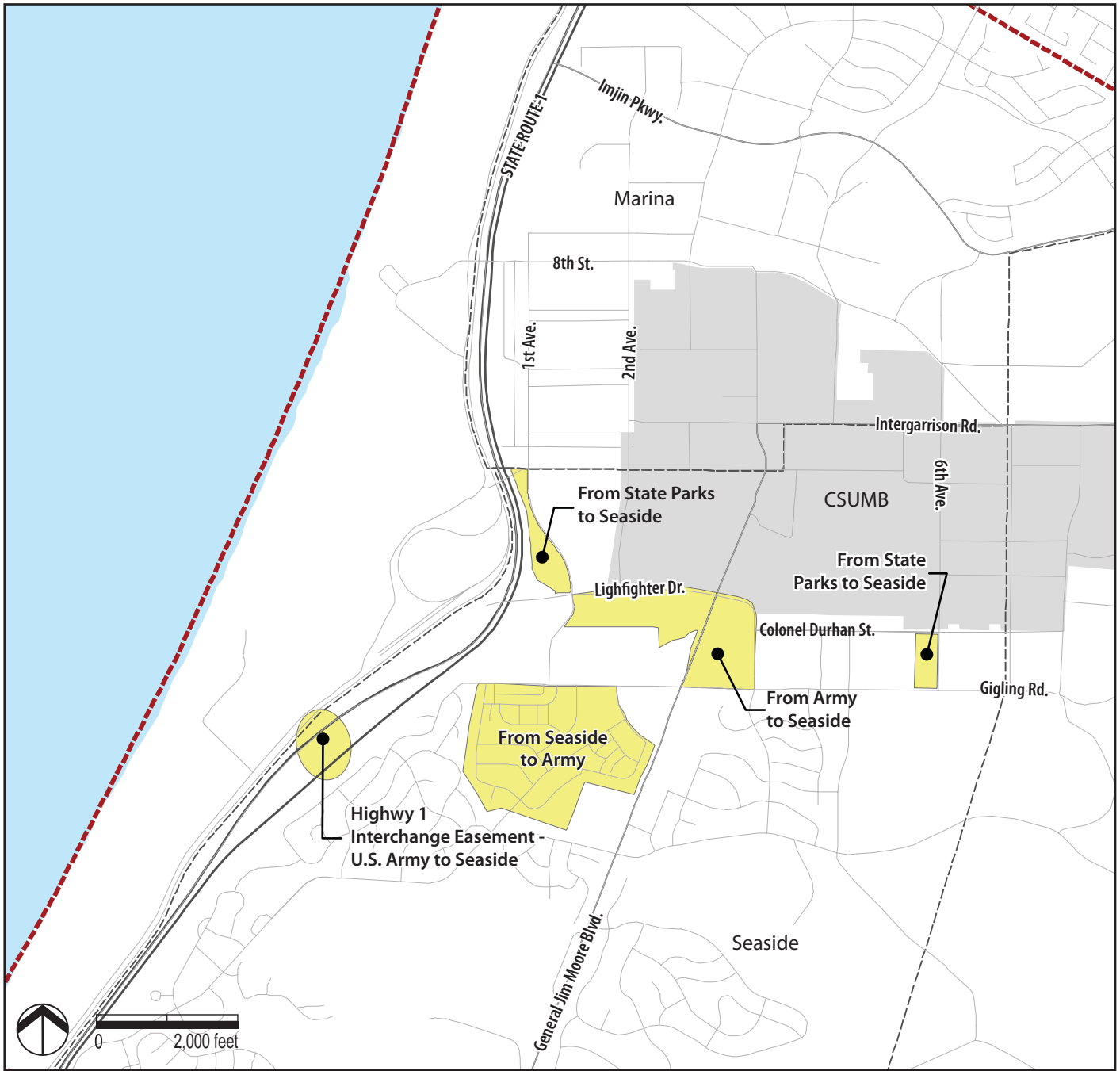
Source: U.S. Army Corps of Engineers GIS Database 2012, EMC Planning Group 2012, FORA 2012, ESRI 2009, Google Earth 1998-2012



Figure 12
Building Status



Draft

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Legend	Map Description
 Fort Ord Boundary	This map shows the parcels involved in the Land Swap Agreement.
 Subject Parcels	

Source: U.S. Army Corps of Engineers GIS Database 2012, EMC Planning Group 2001

Figure 21

Seaside - U.S. Army - State Parks Parcel Swap

Fort Ord Reuse Plan Reassessment Scoping Report



Draft

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FORT ORD REUSE AUTHORITY BOARD REPORT	
EXECUTIVE OFFICER'S REPORT	
Subject:	FORA Master Resolution Appeal Fee Amendment
Meeting Date:	September 14, 2012
Agenda Number:	10a
INFORMATION	

RECOMMENDATION(S):

Receive a report regarding the FORA Master Resolution Appeal Fee Amendment.

BACKGROUND/DISCUSSION:

At its July 26, 2012 meeting, the FORA Board amended section 8.01.050(a) of the FORA Master Resolution concerning FORA's Consistency Determination appeal fee.

As a result of this action, FORA staff sent the Ventana Chapter of the Sierra Club the attached letter (**Attachment A**). The FORA Master Resolution, available at www.fora.org, will be amended to reflect this change and the amendment regarding Executive Committee membership approved on August 29, 2012.

FISCAL IMPACT:

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

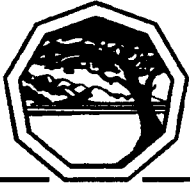
Staff time for this item is included in the approved FY 12-13 budget.

COORDINATION:

Administrative Committee, Executive Committee, Ventana Chapter of the Sierra Club, and Authority Counsel.

Prepared by Jonathan Garcia
Jonathan Garcia

Approved by D. Steven Erskley for
Michael A. Houlemard, Jr.



FORT ORD REUSE AUTHORITY

920 2ND AVENUE, SUITE A, MARINA, CALIFORNIA 93933
PHONE: (831)883-3672 - FAX: (831)883-3675
WEBSITE: www.fora.org

August 31, 2012

Dr. Thomas P. Moore
Sierra Club, Ventana Chapter
P.O. Box 5667
Carmel, CA 93921

Re: Fort Ord Reuse Authority Appeal Fee Amendment

Dear Dr. Moore,

The Fort Ord Reuse Authority (FORA) is in agreement with the Sierra Club Ventana Chapter that an adjustment to the FORA appeal fee for consistency determinations is appropriate.

As provided in the settlement agreement between FORA and the Sierra Club, this letter formally gives notice of an action taken by the FORA Board of Directors at their July 26, 2012 meeting. The Board amended section 8.01.050 (a) of the FORA Master Resolution to adjust FORA's Consistency determination appeal fee. The Board replaced the prior standard which was based on the County of Monterey's land use appeal fee with a standard based on an average of FORA's jurisdictions' land use appeal fees minus the highest and lowest. FORA's revised appeal fee is reduced from \$5,040 per appeal to \$737.69, based on currently-available data. An appeal fee waiver is allowed for appellants who meet very low income standards set by the U.S. Department of Housing and Urban Development.

Enclosed please find both the FORA Master Resolution amendment, as adopted, and the July 26, 2012 Board meeting minutes reflecting this action.

Sincerely,



Michael A. Houlemard, Jr.
Executive Officer

Amendment to Section 8.01.050 (a) of the FORA Master Resolution

8.01.050 REVIEW OF DEVELOPMENT ENTITLEMENTS BY APPEAL TO AUTHORITY BOARD.

a. Within 10 days of a land use agency approving a development entitlement, any person aggrieved by that approval and who participated either orally or in writing, in that agency's hearing on the matter, may file a written appeal of such approval with the Executive Officer, specifically setting forth the grounds for the appeal, which shall be limited to issues raised at the hearing before the land use agency. The person filing the appeal shall pay a filing fee in an amount equal to the fee for appeal of combined development permits as established by the Monterey County Board of Supervisors for the cost of processing the appeal. ~~The Executive Officer will set, schedule, and notice a public hearing before the Authority Board. In the event the Authority Board fails to act on the development entitlement within the time periods specified in this section to conduct a public hearing and take action within sixty (60) days on determining whether the development entitlement is consistent with the Reuse Plan and the Authority Act, the land use agency may file, upon ten (10) days notice, a request with the Authority Board to have the matter placed on the next Board agenda for a noticed public hearing to take action to consider the development entitlement.~~ the average of the planning decision appeal fees established by the nine member agencies of the Authority's Board omitting the highest and the lowest, not to exceed the Authority's reasonable cost to prepare the appeal. The appeal fee shall be waived for an appellant who signs a declaration under penalty of perjury that she/he qualifies as very low income under low income eligibility standards set by the U.S. Department of Housing and Urban Development. The Authority Board must conduct a public hearing on the appeal within 60 days.



Fort Ord Reuse Authority

920 2nd Avenue, Suite A, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

BOARD OF DIRECTORS BOARD MEETING Thursday, July 26, 2012 at 3:30 p.m. 910 2nd Ave, Marina (Carpenter's Union Hall)

Minutes

APPROVED

1. CALL TO ORDER AND ROLL CALL

Chair Potter called the Board Meeting to order at 3:00 p.m.

Voting Members Present:

Chair/Supervisor Potter (County of Monterey)
1st Vice Chair Mayor Edelen (City of Del Rey Oaks)
Mayor ProTem O'Connell (City of Marina)
Councilmember Brown (City of Marina)
Councilmember Selfridge (City of Monterey)

Supervisor Parker (County of Monterey)
Councilmember Kampe (City of Pacific Grove)
Councilmember Lutes (City of Salinas)
Mayor Pendergrass (City of Sand City)
Mayor Bachofner (City of Seaside)
Councilmember Oglesby (City of Seaside)

Absent:

Supervisor Calcagno (Monterey County), Mayor Donahue (City of Salinas)

Ex-Officio Members Present:

Nicole Charles (27th State Assembly District)
Graham Bice (University of California)
Justin Wellner (CSUMB) @ 3:34 p.m.

Todd Muck (Transportation Agency of Monterey County)
COL Clark (US Army) @ 3:20 p.m.
Gail Youngblood (Fort Ord BRAC Office)

2. PLEDGE OF ALLEGIANCE

Chair Potter led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS ANNOUNCEMENTS, AND CORRESPONDENCE

Executive Officer Michael Houlemard discussed letters FORA had recently received from the Department of Toxic Substances Control and the Environmental Protection Agency regarding trespassing on FORA property. Gail Youngblood emphasized the importance of observing all land use restrictions on Fort Ord for the duration of the clean-up efforts.

4. PUBLIC COMMENT

Ralph Rubio asked that FORA perform an economic analysis of jobs creation and eco tourism in the region.

5. OLD BUSINESS

a. Master Resolution/Settlement Agreement – Appeal Fee Proposed Amendment to FORA Master Resolution (Section 8.01.050(a))

Mr. Houlemard explained that staff had received input from the Sierra Club, as well as a number of other entities, and presented alternatives for Board consideration.

Jane Haines, Sierra Club, explained the Sierra Club's position that the current appeal fee was too high and prevented members of the public from having a reasonable opportunity to redress

grievances. She addressed opposition to the proposal and noted that the Sierra Club would not agree to support a tiered appeal fee approach.

Chair Potter spoke in support of the proposal, noting that Board members could also sponsor an appeal for a member of the public at no charge.

Mayor Pro-Tem O'Connell stated he would oppose the motion. Councilmember Brown agreed and stated that rather than requiring members of the public to pay the fee and seek reimbursement, FORA should grant fee waivers. Supervisor Parker agreed with Councilmember Brown's concerns. Councilmember Oglesby stated that the current proposal, which included a reduced appeal fee accompanied by a promise of reimbursement, was reasonable.

MOTION: Councilmember Brown moved, seconded by Mayor Pro-Tem O'Connell, and the motion passed unanimously to amend section 8.01.050 (a) of the FORA Master Resolution to adjust FORA's Consistency determination appeal fee basis from the County of Monterey's land use appeal fee to an average of FORA's jurisdictions' land use appeal fees less the highest and lowest fee, as described in attachment A, with the addition of the following language: "the appeal fee shall be waived for an appellant who signs a declaration under penalty of perjury that she/he qualifies as very low income under low income standards."

b. Records Retention Policy

Principal Analyst Robert Norris explained that staff had reviewed numerous records retention policies from local, regional, and state agencies in preparation for the item. He discussed staff's request for additional funds to compensate for an unanticipated volume of public records requests

The Board discussed the need establish a policy as soon as possible and acknowledged that future modifications would likely be necessary.

MOTION: Supervisor Parker moved, seconded by Councilmember Oglesby, and the motion passed unanimously to adopt the proposed Records Retention policy, as presented, and to authorize FORA staff to expend up to \$15,000 for additional resources to respond to an unanticipated volume of public records requests and to bring records into retention policy compliance.

Staff responded to several Board member questions regarding the policy. Councilmember Oglesby stated it was a strong policy and suggested that the retention schedule indicate which records were except from public disclosure.

VOTE: unanimously approved.

c. Ord Community Water and Wastewater Systems Proposed Budgets and Rates for FY 2012/13 (2nd Vote)

Assistant Executive Officer Steve Endsley summarized the previous Board consideration of the item.

i. Follow-up Presentation by Marina Coast Water District

Kelly Cadiente, Marina Coast Water District (MCWD), addressed several of the questions raised by the Board at their July 13, 2012 meeting.

ii. Resolution Nos. 12-6 and 12-7 Adopting a Compensation Plan and Setting Rates, Fees and Charges for Base-wide Water and Sewer Services on the former Fort Ord

The Board indicated a desire for a more detailed explanation of MCWD's progress toward Ord Community annexation and customer voting rights. Various Board members also discussed limiting capital and planning future expenditures on the regional desalination project, limiting the financial impact to the ratepayers of future capital expenditures, smoothing debt service for capital improvement projects prior to development in order to protect existing rate payers, the need to release information regarding MCWD contracts with consultants, attorneys, and engineering firms and encourage "in-sourcing," reducing MCWD staffing expenses, exploration of low-income rate options, and the need to provide information to the public regarding the number of votes required to defeat a Proposition 218 noticed rate increase.

Denise Turley inquired as to subsidies/fee waivers for low income individuals and opposed a raise for MCWD staff.

MOTION (2nd Vote): Mayor Edelen moved, seconded by Chair Potter, and the motion failed to:

- a. Receive presentations from FORA and MCWD staff;
- b. Approve Resolutions 12-6 and 12-7 adopting a compensation plan and setting rates, fees and charges for former Fort Ord base-wide water and sewer services, with the addition of language stating that "no additional Ord Community resources should be used to further the Regional Desalination Project unless expressly authorized by the FORA Board" and removal of the \$42,000 allocation to the Regional Desalination Project included in the proposed budget;
- c. Direct the WWOC to look at future CIPs to ensure that expenditures are facilitating new development as it occurs in an appropriate manner;
- d. Encourage MCWD staff to expedite the annexation process;
- e. Agendize an informational item to outline the process for annexation for the August 10, 2012 Board meeting.

INCORPORATION INTO THE MOTION WITH CONSENT OF MAKER AND SECONDER: remove the 2% allocated in the MCWD Budget for potential wage increases following a compensation study.

VOTE: Ayes: Mayor Edelen, Chair Potter, Councilmember Kampe. Noes: Mayor Pro-Tem O'Connell, Councilmember Brown, Councilmember Selfridge, Supervisor Parker, Councilmember Lutes, Mayor Pendergrass, Mayor Bachofner, Councilmember Oglesby.

d. June 8, 2012 Tort Claim filed Against FORA by Keep Fort Ord Wild (2nd Vote)

Mr. Bowden explained the legal procedure for denying a Tort Claim.

Several Board members expressed discomfort with denying the claim prior to a full investigation of its allegations. Mr. Bowden explained that denial of the claim was a matter of legal procedure and would not limit the Board's ability to investigate the allegations.

MOTION: Mayor Edelen moved, seconded by Councilmember Oglesby, and the motion passed to deny the claim submitted by Keep Fort Ord Wild on June 8, 2012.

VOTE: Ayes: Mayor Edelen, Mayor Pro-Tem O'Connell, Councilmember Brown, Supervisor Potter, Councilmember Kampe, Mayor Pendergrass, Mayor Bachofner, Councilmember Oglesby. Noes: Councilmember Lutes, Supervisor Parker, Councilmember Selfridge.

7. NEW BUSINESS

a. FORA Expense Reimbursement Policy

Mr. Endsley presented the item.

MOTION: Councilmember Kampe moved, seconded by Supervisor Parker, the motion passed unanimously to:

- a. add review of the FORA Expense Reimbursement Policies to forensic and annual audit contracts;**
- b. Direct staff to compile member jurisdiction expense reimbursement practices;**
- c. Request ad hoc subcommittee and Finance Committee review practices with staff to develop a revised Expense Reimbursement Policy;**
- d. Have draft policy reviewed by Forensic and Annual Auditors;**
- e. Present draft policy for Board approval.**

8. EXECUTIVE OFFICER'S REPORT

a. New Procedure for Public Correspondence to FORA Board

Mr. Houlemard announced that in response to public input, staff had created a new email address for the FORA Board. Members of the public could now submit correspondence via email directly to the Board using board@fora.org.

9. ITEMS FROM MEMBERS

None

10. CLOSED SESSION

The Board adjourned into closed session at 4:55 pm

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

The Board readjoined into open session at 5:45 p.m.

11. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

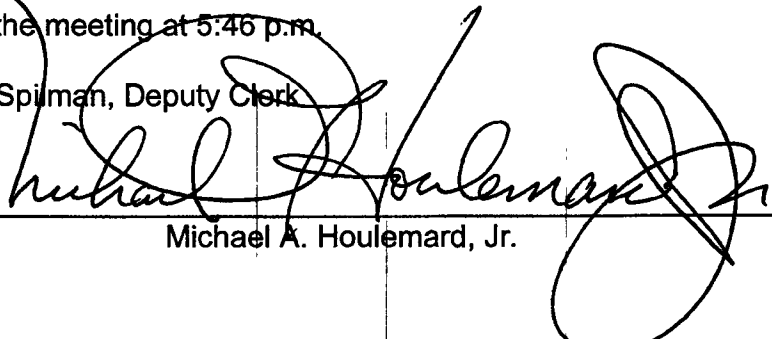
Mr. Bowden announced the Board had taken no reportable action.

12. ADJOURNMENT

Chair Potter adjourned the meeting at 5:46 p.m.

Minutes prepared by Lena Spilman, Deputy Clerk

Approved by:



Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Outstanding Receivables	
Meeting Date:	September 14, 2012	INFORMATION
Agenda Number:	10b	

RECOMMENDATIONS:

Receive a Fort Ord Reuse Authority (FORA) outstanding receivables update as of August 31, 2012.

BACKGROUND/DISCUSSION:

FORA has one outstanding receivable. The Late Fee policy adopted by the FORA Board requires receivables older than 90 days be reported to the Board.

	Item Description	Amount Owed	Amount Paid	Amount Outstanding
City of Del Rey Oaks	PLL Loan Payment 09-10	182,874	-	182,874
	PLL Loan Payment 10-11	256,023	-	256,023
	PLL Loan Payment 11-12	256,023	-	256,023
	<i>DRO Total</i>			

City of Del Rey Oaks (DRO)

- PLL insurance annual payments: In 2009, DRO cancelled agreement with its project developer who made 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 remain current.

Payment status: First Vice Chair Mayor Edelen informed both the Board and Executive Committee that DRO has selected a new development partner to meet this obligation. DRO is currently negotiating this item with the development entity.

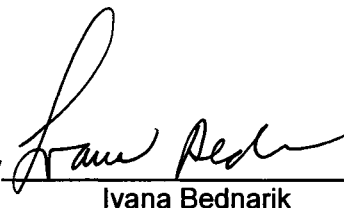
FISCAL IMPACT:

FORA must expend resources or borrow funds until receivables are collected. The majority of FORA revenues come from member/jurisdiction/agencies and developers. FORA's ability to conduct business and finance its capital obligations depends on a timely collection of these revenues.

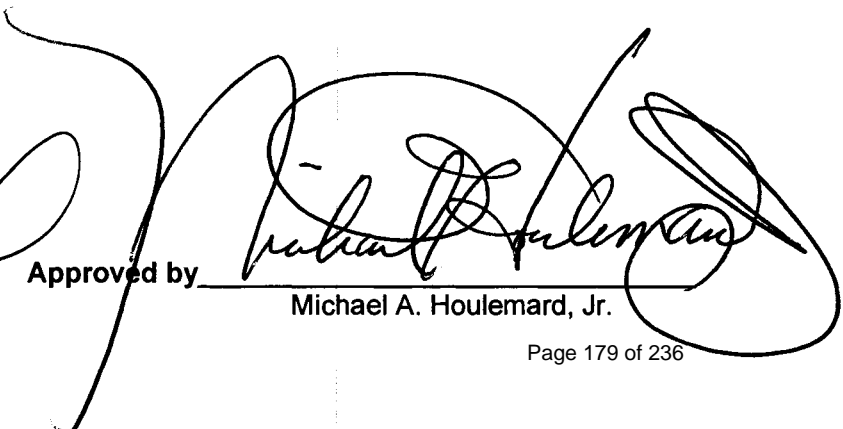
COORDINATION:

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: September 14, 2012

Agenda Number: 10c

INFORMATION

RECOMMENDATION:

Receive a report from the Administrative Committee.

BACKGROUND/DISCUSSION:

The approved August 1, 2012 and August 15, 2012 Administrative Committee minutes (**Attachments A and B**) are attached for your review.

FISCAL IMPACT:

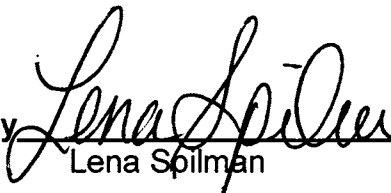
Reviewed by the FORA Controller M. F. for 1, B,

Staff time for the Administrative Committee is included in the approved annual budget.

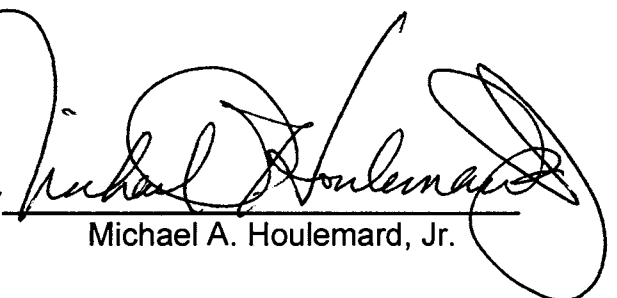
COORDINATION:

Administrative Committee

Prepared by


Lena Spilman

Approved by


Michael A. Houlemard, Jr.



Fort Ord Reuse Autho

920 2nd Avenue, Suite A, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

Attachment A to Item 10c
FORA Board Meeting, 9/14/2012

ADMINISTRATIVE COMMITTEE MEETING
8:15 A.M. WEDNESDAY, AUGUST 1, 2012
910 2nd Avenue, Marina CA 93933 (on the former Fort Ord)

APPROVED

MINUTES

1. CALL TO ORDER

Co-Chair Houlemard called the meeting to order at 8:15 a.m. The following people, as indicated by signatures on the roll sheet, were present:

Dan Dawson, City of Del Rey Oaks*
Doug Yount, City of Marina*
John Dunn, City of Seaside*
Elizabeth Caraker, City of Monterey*
Benny Young, County of Monterey*
Diana Ingersoll, City of Seaside
Tim O'Halloran, City of Seaside
Hank Myers, TAMC
Kelly Cadiente, MCWD
Rob Robinson, BRAC
Patrick Breen, MCWD
Carl Niizawa, MCWD
Vicki Nakamura, MPC
Debby Platt, City of Marina
Graham Bice, UC MBEST

Heidi Burch, City of Carmel-by-the-Sea
Kathleen Lee, Sup. Potter's Office
Bob Schaffer, MCP
Pat Ward, Bestor Engineers, Inc.
Michel Groves, EMC Planning
Chuck Lande, Marina Heights
Brian Boudreau, Monterey Downs
Crisand Giles, Builder's Industry Association

Michael Houlemard, FORA
Robert Norris, FORA
Jonathan Garcia, FOR A
Jim Arnold, FORA
Lena Spilman, FORA

* Voting Members

2. PLEDGE OF ALLEGIANCE

Elizabeth Caraker led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Co-Chair Houlemard discussed the upcoming 2012 Association of Defense Communities Annual Conference in Monterey and announced that Senator Boxer had tentatively scheduled a press conference on Fort Ord for August 9, 2012 to acknowledge the designation of the National Monument.

FORA Real Property/Facilities Manager Stan Cook and ARADIS ESCA RP Program Manager Kristie Reimer presented an overview of upcoming munitions and explosives remediation activities.

Dan Dawson announced that the City of Del Rey Oaks had selected Brandenburg Properties as a master developer for portions of the City's former Fort Ord properties.

4. PUBLIC COMMENT PERIOD

No comments were received.

5. APPROVAL OF MEETING MINUTES

MOTION: Dan Dawson moved, seconded by John Dunne, and the motion passed unanimously to approve the minutes of the June 27, 2012 and July 18, 2012 Administrative Committee meetings.

6. JULY 26, 2012 FORA SPECIAL BOARD MEETIGN FOLLOW-UP

Co-Chair Houlemard provided an overview of the July 26, 2012 Board meeting and presented a memo regarding the Marina Coast Water District (MCWD) FY 2012/13 Ord Community Budgets and rates (attached). Carl Niizawa discussed the memo and the District's concerns regarding the Board's rejection of the budget and rates. The Committee directed staff to return the MCWD Budget and rates to the August 10, 2012 Board meeting as an informational item.

7. AUGUST 10, 2012 FORA BOARD MEETING AGENDA REVIEW

Co-Chair Houlemard noted that the packets provided at the meeting included revised agendas and discussed the items scheduled for Board consideration.

8. OLD BUSINESS

c. Capital Improvement Program Review– Resolution 12-5 to Adopt a Formulaic Approach to Developer Fees

FORA Senior Planner Jonathan Garcia explained that at the July 13, 2012 Board meeting the Board had directed staff to return the item to the Administrative Committee for further review prior to Board reconsideration at the August Board meeting. Co-Chair Houlemard emphasized the importance of the item to FORA's extension efforts.

Staff received input from the Committee and members of the public that the July 13, 2012 presentation had been overly complex and needed improvement.

MOTION: Doug Yount moved, seconded by Benny Young, and the motion passed unanimously to recommend that staff prepare a simplified presentation for the August 10, 2012 Board meeting and that the Board adopt a formulaic approach to development fees.

8. NEW BUSINESS

None.

9. ADJOURNMENT

Dan Dawson moved, seconded by Heidi Burch, and the motion passed unanimously to adjourn the meeting at 9:27 a.m.

Minutes Prepared by Lena Spilman, Deputy Clerk

Approved by:

Michael A. Houlemard, Jr., Executive Officer



Fort Ord Reuse Authority

920 2nd Avenue, Suite A, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

Attachment B to Item 10c
FORA Board Meeting, 9/14/2012

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

MINUTES

APPROVED

1. CALL TO ORDER

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

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

Pat Ward, Bestor Engineers, Inc.
Bob Schaffer, MCP
Scott Hilk, MCP
Brian Boudreau, Monterey Downs
Tim O'Halloran, City of Seaside
Michael Groves, EMC

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

* Voting Members

2. PLEDGE OF ALLEGIANCE

Brian Boudreau led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

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

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

4. PUBLIC COMMENT PERIOD

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

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

5. APPROVAL OF AUGUST 1, 2012 MEETING MINUTES

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

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

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

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

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

7. OLD BUSINESS

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

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

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

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

8. NEW BUSINESS

None.

9. ADJOURNMENT

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

Minutes Prepared by Lena Spilman, Deputy Clerk

Approved by:

Michael A. Houlemard, Jr., Executive Officer

FORT ORD REUSE AUTHORITY BOARD REPORT	
EXECUTIVE OFFICER'S REPORT	
Subject:	Finance Committee Report
Meeting Date:	September 14, 2012
Agenda Number:	10d
INFORMATION	

RECOMMENDATION(S):

Receive a report from the Finance Committee (FC) meeting.

BACKGROUND/DISCUSSION:

The FC met on August 27, 2012 to select a new firm to conduct annual audits for FORA. Please refer to the attached minutes from this meeting for more details and the FC recommendation (**Attachment A**).

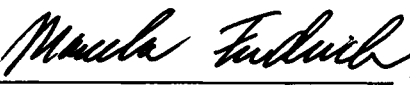
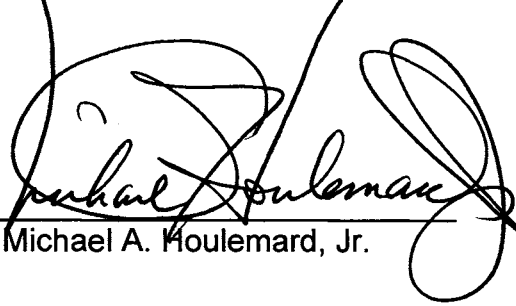
FISCAL IMPACT:

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

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

COORDINATION:

Finance Committee

Prepared by  Approved by 
 Marcela Fridrich Michael A. Houlemard, Jr.



Fort Ord Reuse Authority

920 2nd Avenue, Suite A, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

Finance Committee Meeting
Monday, August 27, 2012 at 3:00 pm

ACTION MINUTES

Present: Chair Bill Kampe, Members: Ian Oglesby, Jim Ford and Graham Bice (on phone)
Staff: Ivana Bednarik, Steve Endsley, Marcela Fridrich
Absent: Nick Chiulos (excused)

AGENDA

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

1. Roll Call
A quorum was achieved at 3:00 PM, member Bice joined meeting on phone at 3:05 pm.
2. Acknowledgements, Announcements, and Correspondence
None
3. Public Comment Period
None
4. May 2, 2012 Minutes
Approved (passed unanimously).
5. FORA Annual Audit (Selection of a new Auditor)
At its July 13, 2012 meeting the FORA Board authorized staff to start the RFP process to secure a new firm for conducting annual audits. FORA staff received five proposals by the August 17, 2012 deadline. The companies in the alphabetical order are: 1) Hayashi & Wayland, 2) McGilloway, Ray Brown & Kaufman, 3) Moss, Levy & Hartzheim, 4) R.J. Ricciardi, Inc. and 5) Vasin, Heyn & Company. FC members received these proposals including a ranking sheet prior to the meeting. They reviewed and ranked proposals based on the mandatory, technical and price elements. After thorough review FC members excluded from further consideration proposals from 1) McGilloway, Ray Brown & Kaufman (missing peer review) and 2) Vasin, Heyn & Company (outdated peer review, fee for a single audit included in the base, not separated as requested by RFP). FC members compared remaining proposals concentrating on the cost, location (local vs. outside), credentials and experience, conflict of interest, senior staff/principal availability, and cost of additional services (such as review of FORA reimbursement policy) if required. FC members identified Hayashi & Wayland and Moss, Levy & Hartzheim as the front-runners. They further discussed/compared the overall bid price, advantage/disadvantage of the locality, staff size and ability to meet the audit time line. FC members agreed Moss, Levy & Hartzheim were the overall strongest proposers with the lowest bid including two single audits and out of pocket expenses and ability to meet required project time line. FC members unanimously voted to recommend FORA Board the selection of Moss, Levy & Hartzheim to be the Fort Ord Reuse Authority auditor. Approved (passed unanimously). Ivana Bednarik informed FC members that the new auditor will attend the Entrance and Exit conference which will include the FC Chair or designated member. The Entrance conference will be scheduled the week of September 24th.
6. Next Meeting Date
The next FC meeting is scheduled for December 5, 2012 at 2:00 PM.
7. Adjournment
Meeting adjourned at 4:00 PM.

Minutes prepared by Marcela Fridrich.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Water/Wastewater Oversight Committee Report

Meeting Date: September 14, 2012

Agenda Number: 10e

INFORMATION

RECOMMENDATION:

Receive a report from the Water/Wastewater Oversight Committee ("WWOC").

BACKGROUND/DISCUSSION:

The WWOC met jointly with the Administrative Committee on September 5, 2012. The draft minutes from that meeting are **attached**.

FISCAL IMPACT:

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

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

COORDINATION:

WWOC, Administrative Committee

Prepared by Crissy Maras Approved by Michael A. Houlemard, Jr.
Crissy Maras Michael A. Houlemard, Jr.



Fort Ord Reuse Authority

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WATER/WASTEWATER OVERSIGHT COMMITTEE MEETING

9:00 AM WEDNESDAY, SEPTEMBER 5, 2012

910 2nd Avenue, Marina CA 93933 (Carpenter's Union Hall)

ACTION MINUTES

1. CALL TO ORDER AT 9:00 AM

Confirming a quorum, Chair Michael Houlemard called the meeting to order at 9:40 AM. The following people, indicated by signatures on the roll sheet, attended:

Committee Members

Graham Bice, UCMBEST

Mike Lerch, CSUMB

Debby Platt, City of Marina

Rick Riedl, City of Seaside

Elizabeth Caraker, City of Monterey

Doug Yount, City of Marina

Justin Wellner, CSUMB

Bob Schaffer, MCP

Jonathan Garcia, FORA

Michael Houlemard, FORA

Carl Niizawa, MCWD

Patrick Breen, MCWD

Kelly Cadiente, MCWD

Crissy Maras, FORA

Jim Arnold, FORA

2. PUBLIC COMMENT PERIOD: None noted

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE: None noted

4. APPROVAL OF MEETING MINUTES: August 1, 2012

A correction was noted to the meeting date in one location. On a motion made by Doug Yount and seconded by Elizabeth Caraker, the August 1, 2012 meeting minutes were approved as corrected.

5. OLD BUSINESS

a. Fort Ord Water Augmentation Program - Update

Carl Niizawa introduced MCWD staff Sean Knight (RUWAP Project Engineer), Kelly Cadiente (Finance Director) and Patrick Breen (Capital Improvement Program Project Manager). The Fort Ord Water Augmentation Program was originally intended to provide potable and recycled water to augment the current Fort Ord water supply. Desalinated water was the planned potable water source. That project was expanded to include additional water to serve the peninsula's water needs. It then became known as the regional desalination project. The regional partnership collapsed. MCWD is attempting to recover their investment in the project. MCWD is refocusing on the original project, the RUWAP, to provide recycled and desalinated water to the former Fort Ord in phases. A proposal to hire Denise Duffy & Associates to evaluate options for potable water projects will be considered by the MCWD Board at their next meeting.

b. Recycled Water Pipeline alignment right-of-way/CSUMB status report

Sean Knight provided a map outlining the recycled water pipeline route and status of easements. Easements were required from seven entities. Two have requested reimbursement, CSUMB and MPUSD. CSUMB assessed the fair market value at \$570,000 and MPUSD requested that MCWD present an offer to their board. Jim Arnold noted the possibility of a different route to circumvent the campus.

Mike Lerch explained that a 2006 CSUMB/ MCWD agreement allowed the line through the campus with a fair market value appraisal. Some pipe is already installed in the roadway. CSUMB and MCWD are negotiating payment of the appraised value. Mr. Niizawa noted that CSUMB asked MCWD to install the pipe during roadway repairs so that future installation would not damage the improvements.

Chair Houlemard noted public agencies can negotiate with each other to realize the value of their assets, including credits, services, etc. and encouraged MCWD and CSUMB to explore all options.

Mr. Yount added that since these potential costs could impact rate payers it was important to discuss these issues in this public forum. He noted that the water code exempts payment for easements and was unsure why the State can be compensated when other public agencies are not. He agreed with Mr. Arnold on the possibility of a different route but added that since some pipeline was already installed it would be beneficial to explore other cost effective solutions.

c. Ord Community FY 2012/13 Budget – FORA Board approval

Chair Houlemard noted that a board report was available in the Administrative Committee packet and a draft letter from FORA to MCWD was included in the joint meeting packet. He asked if there were comments on either. Mr. Lerch thought the letter could be stronger by adding the removal of some listed capital improvement projects in the counter-proposal offer. His opinion is that those projects add too much to the deficit. Mr. Niizawa explained that MCWD has been accumulated a \$40M debt over several years by upgrading existing Army infrastructure and improving the system at local jurisdiction and FORA Board request. Regarding the counter proposal, Mr. Niizawa stated that MCWD had amended the budget to remove the \$42K line item for regional project expenditures and the employee compensation line item.

There was discussion about MCWD capital improvement projects, what they serve and how they are being timed to occur. Mr. Niizawa explained that some of the projects are either completed or in the final stages. Some are required maintenance, like the facility across from the Ord Market being replaced to retain adequate sewer service. Others are in planning stages with no expenditures at this time.

Mr. Lerch questioned the need for the Eastern Distribution Phase 2 project. Mr. Niizawa stated that the threat of seawater intrusion requires MCWD to look inward to ensure capacity and to protect their water supply. Graham Bice added that the eastern distribution project is important to UCMBEST. For ten years, UCMBEST had an organic farming program that was generating around \$100K per year. Five years ago, the project was terminated due to seawater intrusion. The MCWD well is approximately 1000 feet away from the UCMBEST well and Mr. Bice agreed that MCWD should plan how they will protect their system.

Mr. Lerch made a motion to forward the FORA letter outlining budget issues and concerns, adding the removal of capital improvement item “D Zone demolition” and delay of “Eastern distribution system phase 2” to the counter-proposal offer. The motion did not receive a second and failed.

Mr. Lerch made a motion to forward the FORA letter outlining budget issues and concerns, adding the removal of capital improvement item “D Zone demolition.” Rick Riedl seconded the motion.

Mr. Niizawa explained that D Zone demolition is the final stage of a multi-year project. If the reservoir is not demolished, there will not be room for the new reservoir planned as part of the RUWAP on the site across from the Bayonet/Blackhorse golf course. Mr. Riedl withdrew his second. No new second was offered; the motion failed.

Debby Platt made a motion to approve the budget as presented, recognizing the adjustments MCWD made to remove the \$42K and employee compensation line items, as outlined in the FORA letter. Mr. Bice seconded the motion. The motion passed with CSUMB casting a dissenting vote.

At this time New Business item 6b was taken out of order so the committees could vote prior to losing a quorum.

6b. Initiate Work Program for FY 2012/13

Crissy Maras explained that the work program is directly from the Water and Wastewater Facilities Agreement between MCWD and FORA, and initiating it is an annual exercise. She noted that during FORA Board review of the Ord Community budget, board members directed the WWOC to review the out-years of the capital improvement program to ensure projects were not being implemented prior to actual development, protecting current rate payers from funding these improvements. She highlighted the articles in the work program that address capital improvement program review and noted that review begins each year in February. Ms. Platt asked if MCWD could present their budget any earlier than they had this year

so issues could be resolved prior to FORA Board review. Ms. Maras noted that while MCWD first presented the budget to the WWOC in March this year; the work program allows for the first presentation to be made in January.

Ms. Platt made a motion to initiate the FY 2012 Work Program. Mr. Lerch seconded the motion. The motion passed unanimously.

At this time a quorum was lost, and the group returned to discussion on Old Business item 5d.

d. Ord Community annexation – Update

Mr. Niizawa reported that last year, MCWD submitted environmental documents to LAFCO requesting to annex their former Fort Ord service area. LAFCO expressed concern over MCWD annexing undesignated undeveloped areas (i.e. BLM lands). Additionally, LAFCO shows the Del Rey Oaks sewer system as designated to Seaside County Sanitation District. LAFCO has indicated they will perform a Municipal Services Review. Mr. Bice asked if currently undeveloped land that is designated for development is causing a problem for annexation. Mr. Niizawa responded that LAFCO has not indicated problems with areas planned for development.

6. NEW BUSINESS

a. Ord Community future capital improvement projects

This item was discussed in conjunction with Old Business item 5c. Mr. Houlemard noted that the Committee would be actively engaged in review of the capital improvement program over the next several meetings. Mr. Niizawa thanked the committees for the discussion.

7. ADJOURNMENT

The meeting was adjourned at 10:45 AM.

Minutes prepared by Crissy Maras, Grants and Contracts Coordinator

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Habitat Conservation Plan	
Meeting Date:	September 14, 2012	INFORMATION
Agenda Number:	10f	

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

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

ICF completed an administrative draft HCP on December 4, 2009. FORA member jurisdictions completed a comment and review period, which ended February 26, 2010. In April 2011, USFWS finished their comments on all draft HCP sections, while CDFG provided limited feedback. These comments by the regulatory agencies required a substantial reorganization of the document. To address this, ICF completed a 3rd Administrative Draft HCP for review (dated September 1, 2011). The 12 Permittees (County, Cities of Marina, Seaside, Del Rey Oaks, and Monterey, Monterey Peninsula Regional Park District, Marina Coast Water District, State Parks, Monterey Peninsula College, California State University Monterey Bay, University of California Santa Cruz, and FORA) and Cooperating Entity (Bureau of Land Management) reviewed this draft document and submitted their comments in October 2011. That review included the draft HCP Implementing Agreement and Ordinance/Policy, which are appendices to the draft HCP and are being prepared separately by FORA. ICF addressed the comments received and submitted the draft document to USFWS/CDFG the week of March 19, 2012. The wildlife agencies’ 90-day review period has ended. **Update: As of this writing, FORA has received comments from USFWS and CDFG staff; however, legal review from these wildlife agencies is not yet complete.** Assuming that the wildlife agencies’ legal review is completed in the near-term, this review period will be followed by 60 days for ICF to prepare a Screen Check draft (this work is currently underway) that will undergo a 30-day final review for minor edits. ICF would then respond to any comments/issues raised in 30 days. FORA staff would expect a Public Draft document to be available for public review in early 2013.

At the September 7, 2011 FORA Administrative Committee meeting, Jamie Gomes, Principal, from EPS presented information related to Economic and Planning Systems’ (“EPS”) review of HCP costs and endowment investment strategy. EPS provided an HCP endowment investment strategy that was incorporated into the draft HCP. Final approval of the endowment strategy rests with CDFG/USFWS. CDFG does not currently provide

guidance on establishing an acceptable HCP endowment fund. However, Senator Christine Kehoe has authored SB 1094, which would provide CDFG specific direction for issuing guidance on establishing HCP and other endowment funds. On April 25th 2012, Executive Officer Michael Houlemard and Principal Analyst Robert Norris attended a committee hearing for this bill. Mr. Houlemard testified in support of this key legislation. On August 30, 2012, SB 1094 passed a Senate Floor concurrence vote with Assembly amendments and was sent to the Governor's desk for consideration.

FISCAL IMPACT:

Reviewed by FORA Controller M. F. for 1, B.

ICF and Denise Duffy and Associates' (FORA's/USFWS's NEPA/CEQA consultant) contracts have been funded through FORA's annual budgets to accomplish HCP preparation and environmental review. Staff time for this item is included in the approved FORA budget.

COORDINATION:

Executive Committee, Administrative Committee, Legislative Committee, HCP working group, FORA Jurisdictions, USFWS and CDFG personnel, ICF, Denise Duffy and Associates, and Bureau of Land Management.

Prepared by Jonathan Garcia Reviewed by Steve Endsley
Jonathan Garcia Steve Endsley

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

FORT ORD REUSE AUTHORITY BOARD REPORT	
EXECUTIVE OFFICER'S REPORT	
Subject:	Public Correspondence to the Board
Meeting Date:	September 14, 2012
Agenda Number:	10g
INFORMATION	

RECOMMENDATION:

Receive a report from the Executive Officer.

BACKGROUND/DISCUSSION:

Attached are emails and letters submitted to the Board by members of the public during the previous month. Although the Board has previously received these items, they are included in the Board packet to allow for public review. Correspondence for the Board may be submitted via email to Board@fora.org or via mail to the address below:

FORA Board of Directors
920 2nd Avenue, Suite A
Marina, CA 93933

FISCAL IMPACT:

Reviewed by the FORA Controller *M.F. for 1.3.*

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

COORDINATION:

Executive Committee

Prepared by *Lena Spilman* Approved by *Michael A. Houlemard, Jr.*
Lena Spilman Michael A. Houlemard, Jr.

Lena Spilman

From: Mario Guzman [MarioGuzman@junk-king.com]
Sent: Saturday, August 18, 2012 12:16 PM
To: board
Subject: New Business in Marina

Hello F.O.R.A. Board,

My name is Mario Guzman and I am the owner of Junk King Monterey Bay.

I wanted to let you know about our service. Junk King is America's Fastest and Greenest junk removal service. We do lot and building cleanouts. No matter where the junk or unwanted are located. Whether they are upstairs, downstairs, back, front or side yards. We go and get it, load it and dump it! All for one fee based on volume. We take e-waste, mattresses, construction debris, and yard waste. Pretty much everything but hazardous waste items.

I would love to stop by and tell you more if the board is interested. Please allow me the opportunity to meet with one of you and give you more information.

If you have any questions please call or email.,

Regards,

Mario Guzman

Junk King Monterey

455 Reservation Rd Suite A

Marina, CA 93933

<http://monterey.junk-king.com/>

Cell: 831-206-6771

Fax: 831-884-9400

1-800-995-JUNK (5865)

"America's **Fastest** And **Greenest** Junk Removal Service"

Lena Spilman

From: Tim Sanders [tds@oxy.edu]
Sent: Wednesday, August 29, 2012 12:08 AM
To: board
Subject: Opposition to "Formulaic Approach to Development Fee Schedule" and related matters

Re: Opposition to the proposed FORA **Formulaic Approach to the FORA Development Fee Schedule**, and further FORA matters

Item 8 on the agenda for the Wednesday, August 29, 2012 at 5:30 p.m. Board Of Directors Meeting, concerning the proposed **Formulaic Approach to the FORA Development Fee Schedule** should be **deleted or tabled**, pending the active solicitation of public comments and subsequent deliberation by the Board.

We **strongly oppose** the 37% decrease in developer fees implicit in the proposal, which represents a substantial **transfer of development costs**, including *critical supporting infrastructure*, **to the public treasury**.

The proposed formula is public property and, along with alternative formulas and input data, **should receive thorough public scrutiny** before being put in place. The term "formulaic" by itself is essentially without substantive content unless the formula itself and its input parameters are specified and disseminated to the public.

The County does not have the financial capacity to bear any costs that would arise for development activity. To propose a **discount in development costs to developers**, such as the "formulaic approach", and to specify that these would be charged only *after* allocated County and other *public resources have been exhausted*, is thoroughly **unjustified** and **irresponsible**.

Additional considerations that weigh heavily against such a policy that further burdens the public's limited resources include the following:

- **No real demand** exists for additional **commercial** development; vacant and approved but unbuilt commercial space in the County amounts to more than a million square feet.
- **No real demand** exists for more **housing**; the current inventory of 4,500 approved but unbuilt housing units exceeds the 20-year projected demand by 900 units.
- **Unrealized population growth** projected in the 1997 Base Reuse Plan of 1% per year (cumulatively, 16% over 15 elapsed years) has not been realized, so thorough revision of the Plan is in order before further development is undertaken.
- **Public funding to relieve the excessively congested State Route 156** is so **inadequate**, is so constrained, that a toll road has been proposed in spite of the many defects, in practice and in principle, of such a "solution".
- **State Route 1** (4-6 lanes), which runs along the entire western end of the Fort Ord area already is **highly congested** and is **incapable of handling more peak hour traffic**.
- **Current circumstances**, including development that already has occurred on the Fort Ord property (e.g., CSUMB, big box shopping complex at the south end of Marina, CHOMP facility, National Monument designation), demand **substantial and comprehensive review and revision of plans** for the Fort Ord area.
- **Water resources and availability are not adequate** to support further development.

We urge you in the strongest terms to **postpone adoption of developer fee schedules and formulas until after full review, re-evaluation and revision of plans** for the Fort Ord area.

Sincerely,

Lena Spilman

From: Susan Schiavone [s.schiavone@sbcglobal.net]
Sent: Wednesday, August 29, 2012 9:22 PM
To: board
Subject: comments on scoping report
Attachments: fora aug 29.docx

Please find attached my comment for the August 29 meeting – I was not able to speak all of it due to time limits and my own public speaking limits – Please read this – it is very important – there are wildlife issues that must be address before the end of this year –you have not done a habitat management plan and it should have been done first.

I came today because I have a very deep concern that this process has been conducted in reverse in regard to at least one area of planning..... according the FORA plan, the three E's are to be addressed in all planning....I was concerned about what was being done to accommodate wildlife movement when I first attended the reassessment meetings held in spring....I indicated this in my letter sent June 10.

After that rushed response I did more research. Looking at the Seaside project at Lightfighter Drive, I did not see any area that looked like a wildlife corridor, despite being told by the mayor there was one. I looked up the approved plan on the city website. Instead, the skimpy line of trees along Highway 1 have been relabeled the wildlife corridor (city of Seaside approved plan date August 2010). This is not a wildlife corridor, and represents a dangerous area for deer or other animals. The noise and reverberation of the traffic alone is a hazard. I walk in this area and see the tracks and that section used by deer now, would be completely destroyed and replaced with a large heat producing paved parking lot for a department store, with a thin line of little puff trees. There are also no obvious wildlife corridors on the southern side, though open areas in csu and others still exist. Also a linkage from Gen Jim Moore to Second street is planned to run right over the area where deer etc. now graze and move to and from the dunes area. I then looked up the FORA wildlife habitat plan only to see that it was "not ready for public release." This alarmed me even more.....how do you have a reuse plan review when you have not completed a crucial part of the plan to be reviewed, especially part of the plan that is key to meeting the environmental intent of the original plan....I looked at the maps and

even with whispering oaks, did not see clear wildlife corridors available that enable movement toward the bay...I contacted my supervisor and asked for clarification wherein there also was a negative in terms of concrete plans that involved corridors and movement.

On August 10, (the date of the board meeting) I read in the Herald that the reuse plan review must be done by Jan. 1.....a few weeks back there was a notice in the paper that the habitat plan was going to be released in 2012 but with no date and apparently at the last minute since it is now September.....this is blatantly backwards in terms of planning.....to release the habitat plan just before the deadline for reviewing the reuse plan, and at the point where all of the cities are rushing to get developers in before anyone blinks, puts the situation where no time for discussion exists in this regard.....I think it should be pointed out clearly and loudly that this is a backward process - that the imperative of the three E's has not been met in terms of the environment and that the entire plan NEEDS to be reviewed and all players need to come back to the table with wildlife conservation in mind and find ways to knit back together pieces you have chopped up so that deer and other creatures retain the ability to move through what is left of their range.....they need access to the shore, along the shore and back up on the OTHER SIDE – they do not read detour signs, understand freeways or know they have to turn around and return the same way.

The original For Ord Reuse Plan, on page 333, section 4.4 states, in regard to the Conservation Element of the Plan:

“The element, which is State mandated, requires that the natural resources within the boundaries of former Ft. Ord are supervised in perpetuity and that these resources are not diminished. The element’s contents respond to California environmental laws, including the Clean Water Act and the Clean Air Act.

The conservation element overlaps provisions found in the land use, circulation, open space and safety elements. It differs, however, from other portions of the reuse plan in its almost exclusive orientation toward natural resources. In addition, this element recognizes that natural resources, more so than any other issues discussed in the plan, are not constrained by jurisdictional boundaries. Vehicles traveling within and outside the former Fod Ord wil impact air quality both within and outside the areas. **And animal species may move through the former Fort Ord on their way through the region unaware of borders drawn on maps.** “

I am alarmed when I see FORA maps of designated wildlife areas split in three with planned roads and a route 68 bypass that actually creates a wildlife island where certain death of the animals is assured. Snakes are especially disturbed by traffic vibration. No one is talking about it in the scoping report by your organization.

I am calling on the FOR A to back up and really do the three E’s – include the environment as a full player – and have all be involved in reviewing their plans for land use in this ecosystem in the light of wildlife movement & preservation. The FOR A Board must correct errors made in initial planning that conflict with best practice. We need to plan for wildlife movement as much as our own movement.....we are creating development into a wildlife habitat and want to preserve it. We seem to have no compunction in making and using trails through that “habitat” and plans for recreational uses. Yet we don’t provide for trails and access for the wildlife we say we

appreciate so they can traverse the areas we have taken away.... At least go back and rework the planning so as to cause the least harm. There are models that can be used; no one seems discussing this....University ecology staff and grad students could help—there is information on how to do this.

I cannot help but add a comment about the proposed Monterey Downs project – it is a breach of the intention of this plan and FOR A, the County and the City of Seaside are wrong to allow this grandiose development to defeat the purpose of the original intention of this plan, to destroy what was originally designated to be protected. Thank you for listening,

Susan L Schiavone

1505 Ord Grove Ave.

Seaside, CA 93955

Lena Spilman

From: Tom Moore [tpmoore@redshift.com]
Sent: Friday, August 31, 2012 2:46 PM
To: board
Subject: Letter from Sierra Club Subcommittee
Attachments: Letter to FORA BoD 30 Aug 2012.pdf

Dear Members of the Board of Directors, Fort Ord Reuse Authority;

You will find attached a letter from the Fort Ord Subcommittee of the Ventana Chapter of the Sierra Club regarding the draft scoping report that has been provided to you by EMC. We would very much appreciate it if you might find the time to read the first eight pages of the attached document.

We find that EMC's draft scoping report contains a tremendous amount of information that is vitally important to your decision making going forward. There are just a few areas of the report that should be improved. And regardless of whether or not you agree with our analysis of the draft scoping report, we particularly urge you to carefully read the 16 pages of Chapter 3 of the report and to scan the stoplight charts in Chapter 4 (particularly those that might apply to your jurisdiction).

Sincerely yours,
Tom

Thomas P. Moore, Ph.D., C.P.L.
Chair, Fort Ord Subcommittee
Ventana Chapter, Sierra Club



SIERRA CLUB VENTANA CHAPTER

P.O. BOX 5667, CARMEL, CALIFORNIA 93921

CHAPTER OFFICE • ENVIRONMENTAL CENTER (831) 624-8032

August 31, 2012

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

Re: Sierra Club's comments on the reassessment documents

Dear FORA Board of Directors:

The Sierra Club has reviewed the 340-page Draft Scoping Report and its 6,378-page addenda (collectively "the reassessment documents.") Our seven comments are listed below, and our fifteen-page analysis with attachments is attached.

1. **Build on Blight First:** A majority of the 317 written comments submitted during the reassessment process responded that development on open space should not occur until the blight is removed and the urban footprint is built out. The FORA Board should amend the Base Reuse Plan (BRP) accordingly.
2. **Reexamine Financing of Blight Removal:** The reassessment documents suggest that FORA reexamine ways to finance blight removal. FORA should hold a study session with Economic & Planning Systems (EPS) to learn more about financing blight removal.
3. **Develop a Vigorous Marketing Plan:** The reassessment documents agree with the recommendations of the Sierra Club and the BRP that FORA should develop a vigorous marketing plan that will draw tourists to Fort Ord, including tourists to the National Monument. FORA should implement the recommended marketing plan.
4. **Rectify the Jobs/Housing Analysis:** The reassessment documents respond to Sierra Club's request for analysis of the BRP's jobs/housing ratio, but the analysis fails to address the main issues that Sierra Club specified. The Final Scoping Report should address the additional issues.
5. **Monitor Implementation Status Consistently:** The reassessment documents show that many BRP policies have not been implemented. FORA should correct these shortcomings and improve its monitoring of the implementation status of adopted policies.
6. **Address CSU Monterey Bay's Concerns:** The reassessment documents fail to address CSUMB's recommendation for analysis of compatibility of nearby land uses, and how

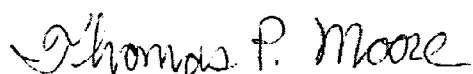
...To explore, enjoy, preserve and protect the nation's forests, waters, wildlife and wilderness...

incompatibility of land uses could interfere with CSUMB's mission. Sierra Club agrees with CSUMB's recommendation and requests that the Final Scoping Report address the issue of incompatible land uses, particularly with respect to areas near CSUMB.

7. **Respond in Final Report:** Sierra Club finds some passages in the Draft Scoping Report difficult to decipher plus we have questions about interpretation. We submit these questions and concerns so that they may be addressed in the Final Scoping Report.

Thank you for this opportunity to participate in reassessment of the Base Reuse Plan.

Sincerely yours,

A handwritten signature in black ink that reads "Thomas P. Moore". The signature is written in a cursive, slightly slanted style.

Thomas P. Moore, Ph.D., Chair
Sierra Club FORA Subcommittee

cf: Michael Houlemard

SIERRA CLUB'S ANALYSIS OF THE REASSESSMENT DOCUMENTS

- 1. A majority of the 317 written comments submitted during the reassessment process responded that development on open space should not occur until the blight is removed and the urban footprint is built out. FORA should amend the Base Reuse Plan (BRP) accordingly.**

The reassessment documents at Appendices D-2, D-3 and D-4 show that the most frequent recommendation in the 317 written comments¹ received so far during the reassessment process is that FORA should ensure that blighted lands within the urban footprint are developed before development is allowed on open space land. Out of 317 written responses, 56 percent (179) recommend that FORA prohibit development on open land until the urban footprint is built out. A representative sample of the written comments addressing the blight issue is attachment #1 to this letter. Included are some letters by persons who also recommend that the veterans' cemetery be moved to the BLM land.

In addition to the 179 written comments opposing further development on open land until the blighted areas are built out, oral comments by the several hundred participants in one or more of the five reassessment workshops were recorded and analyzed for 22 workshop discussion groups. Twenty of the 22 workshop discussion groups contained one or more persons making oral comments addressing the blight issue.²

The public's response to the BRP reassessment undeniably shows that the reassessment must address the majority public opinion that the BRP must be amended to allow no more development entitlements outside of the urban footprint until the blighted areas are built out. FORA should amend the BRP accordingly.

- 2. The reassessment documents suggest that FORA reexamine ways to finance blight removal. The FORA Board should hold a study session with Economic & Planning Systems (EPS) to learn more about financing blight removal.**

Sierra Club representatives have heard FORA staff say many times that without the revenue from land sales, building removal cannot occur. This belief is used by FORA to justify extending the development footprint beyond the Army Urbanized Footprint boundaries shown in grey in the map attached to this letter as Attachment #2, into the larger development footprint including the area shown in red.³ Developers of lands within the Army Urbanized Footprint bear the direct expense of blight removal, whereas developers of lands in open space bear the indirect expense

¹ One hundred and sixty-six comments were received by email (Appendix D-2), 103 by letters (Appendix D-3), and 48 on the FORA-provided comment form (Appendix D-4), for a total of 317 written responses.

² Appendix D-5.

³ Attachment #2 is a copy of Figure 13 in the Scoping Report from Chapter 4 at page 4-237.

NOTE: *In searching for pages in the Scoping Report on the CD, inserting page numbers in the search bar frequently takes you to only the approximately correct page. For example, in searching for page 4-237 in Chapter 4 of the Scoping Report, entering 243 in the search bar takes you to page 237, whereas entering 237 would take you to page 231. Thus, for persons searching on the CD, it is important to check the actual page numbers shown at the bottom of each page. Of course, this would not be necessary for persons using a hard copy of the Scoping Report. Also, note that the CD refers to "sec." rather than to "chapter."*

of blight removal in that they pay into a land sale fund dedicated for blight removal. The Scoping Report recommends reexamination of FORA's reliance on land sale revenues to fund building removal.

Historically, the intent of the reuse process was for the Army Urban Footprint to be redeveloped first. The Scoping Report on page 4-236 states: "[the] Base Reuse Plan and Chapter 8 of the Master Resolution refer to the 'Army Urbanized Footprint' and policies direct prioritization of that area for development." That prioritization has been weakened by FORA's policy of generating revenue from land sales to finance blight removal.

The Scoping Report recommends reexamination of land sales as a way to fund building removal:

To the degree possible given market and economic conditions, near term redevelopment efforts should be focused on paved and built areas to remove visual blight and improve the ability of the former Fort Ord to attract new employment generating uses. Focusing near-term redevelopment efforts on blighted (paved) areas will create a more attractive urban form with the potential to catalyze future growth opportunities.

Related to this concept, reliance on land sales to fund building removal should be reexamined. In the near term, residual land values are expected to be low to nonexistent, limiting the funds that may be available from this source. The availability of property tax funding remains unresolved, which further limits the ability to incent development. *FORA should examine other means by which building removal can take place* (emphasis added). An increased pace of building removal will not only assuage visual blight issues, but will improve safety and make the area more attractive to investors.⁴

See also paragraph 19 on page 3-6: "The ability to realize strong growth heavily depends on the perception of the base as a coherent, well-planned area with a dynamic future...Removal of derelict Army buildings needs to be prioritized to provide a better vision of future economic opportunity." See also Appendix E, pg. 21, paragraph 7.

EPS, which wrote the Market Study, is still under contract with FORA. Sierra Club suggests that the FORA Board hold a study session with EPS for advice about reexamining FORA's reliance on land sales to fund building removal, and the economic consequences of a policy prohibiting further development on open space until the urban footprint is built out.

The public is demanding a new direction and there is no better time than this fall for the FORA Board to reexamine the relationship between its currently expanded development footprint and blight removal.

3. The reassessment documents agree with the recommendations of the Sierra Club and the BRP that FORA should develop a vigorous marketing plan. Such a plan will help draw

⁴ Scoping Report in Chapter 3, page 3-13, paragraph 7.

tourists to the National Monument. FORA should develop and implement the recommended marketing plan.

Sierra Club's June 1 comment on the reassessment laments that FORA has never developed a marketing plan, despite the fact that Volume 3 of the BRP states that FORA "should create a comprehensive marketing strategy and plan for all Fort Ord sites and the surrounding environs..." Sierra Club has recommended that a non-profit corporation for marketing be formed. A similar non-profit corporation is described in Volume 3, page III-5 of the BRP. As part of the marketing plan, attention must be paid to how the new National Monument could increase regional revenue from tourism. Sierra Club's June 1 letter is attached to this analysis as Attachment #3.

The Market Study agrees with Sierra Club's recommendation. It states:

Engage in comprehensive marketing and branding effect. Whether led by the public or private sector, the appearance and perception of the base needs to be improved to support development and leverage the National Monument designation of the former base.⁵

Additionally, page 7 of the Market Study, paragraph 7, calls for Fort Ord to recommit to marketing and branding. On pages 13 and 14, it describes the benefits that could come from marketing the National Monument.

If FORA is to follow the advice of the Market Study, it needs to develop a marketing plan that capitalizes on assets of the surrounding environs, including the National Monument.

4. The reassessment documents respond to Sierra Club's request for analysis of the BRP's jobs/housing ratio, but the analysis fails to address the main issues that Sierra Club specified. The Final Scoping Report should address the additional issues.

Sierra Club's June 1 comment requested a more rigorously analyzed and implemented jobs/housing ratio. The Market Study responded on page 25 of Appendix E by recommending using a slightly larger geography than solely limiting the geography to Fort Ord, suggesting for example the Monterey Peninsula or Monterey County as a whole. However, Sierra Club's main concern was with the lack of rigor in FORA's jobs/housing ratio, and that issue was not addressed. In particular, the market study should examine ways to take income distribution and housing price distribution into account in examining the concept of jobs/housing ratio. The Final Scoping Report should address the issues specified in Sierra Club's June 1 comments.

5. The reassessment documents show that many BRP policies have not been implemented. FORA should correct these shortcomings and improve its monitoring of the implementation status of adopted policies.

Sierra Club's enthusiasm for the BRP is based in part on its vision of clusters of pedestrian-centered villages surrounding CSUMB, linked by hiking and bicycling trails which lead through

⁵ Appendix E, pg. 13, paragraph 2.

areas of protected habitat. One of the policies essential to this vision is the Regional Urban Design policy, which is one of the BRP's six design principles intended to guide the plan. Sierra Club's June 1 comments complained of FORA's failure to implement BRP policies such as the Regional Urban Design policy, and requested consistent monitoring of the enforcement of the BRP's policies, noting that the BRP has 6 design principles, 8 goals, 70 objectives, 363 policies and 582 programs.

Table 8 of Chapter 4 of the Scoping Report, beginning on page 4-3 and continuing for 160 pages to page 4-163, responds with a thorough analysis of the implementation status of the BRP's objectives, policies, programs, and mitigation measures. Table 8 shows that there are 156 unmet (incomplete) objectives, policies, programs, and mitigation measures in the BRP, including the Regional Urban Design Guidelines.⁶ The 156 shortcomings result from both the jurisdictions' failures to meet their obligations as well as from FORA's failures.

Table 8 explains what needs to be done before such objectives, policies, programs and mitigation measures can be considered complete. The FORA board should prevent this from ever happening again by scheduling a study session to review the shortcomings and decide on a process to get them corrected, and by directing FORA staff to engage in robust and continuing evaluation of the status of the implementation of the plan, and with continuing and periodic reports to the FORA board about results of these evaluations.

6. The reassessment documents fail to address CSUMB's recommendation for analysis of compatibility of nearby land uses, and how incompatibility of land uses could interfere with CSUMB's mission. Sierra Club agrees with CSUMB's recommendation and requests that the Final Scoping Report address the issue of incompatible land uses, particularly with respect to areas near CSUMB.

The BRP intended CSUMB to be the centerpiece of Fort Ord.⁷ Despite that, CSUMB is not a voting member of the FORA board and it appears that the reassessment documents have ignored CSUMB's request for analysis of compatibility as part of the consistency finding process. Sierra Club agrees with CSUMB's request stated on page 60 of Appendix D-3 which asks that the reassessment reinforce how CSUMB "is the core of the redevelopment of Fort Ord and reiterate how projects should align and support the function of the University and its further growth."⁸ It refers to "a handful of projects proposed next to CSUMB that the University has struggled to understand how they meet various reuse policies, objectives, plans and promote land use consistency with the campus."⁹ CSUMB recommends that "...the assessment and analysis of

⁶ The Regional Urban Design Guidelines is a primary requirement of the BRP. Its importance is described in BRP Vol. I, page 61. Sierra Club's June 1 comments cite to ten additional BRP pages where the Regional Urban Design Guidelines are required. The Scoping Report states in Chapter 4, page 4-19, that it has not been implemented. Sierra Club believes it should be a basic objective of the Reassessment process to get the Regional Urban Design Guidelines developed and implemented, and that the FORA Board should formulate a policy to ensure that in the future, the status of all goals, objectives, policies and programs are regularly monitored and the status of that monitoring is presented to the Board at regular intervals. See Sierra Club's June 1 comments at Attachment #3 to this analysis, pages 3 and 4, for further discussion of non-implemented policies.

⁷ See comments by CSUMB at Appendix D-3, pages 58-65.

⁸ Ibid.

⁹ Ibid.

compatibility of projects adjacent to the campus should address how such projects align with the goals and objectives of CSUMB and its Master Plan.”¹⁰

Sierra Club searched the Scoping Report and the EPS Market Study for analysis of compatibility of adjacent land uses requested by CSUMB, but we find little that is directly responsive to CSUMB’s plea for analysis of “projects [that] align and support the function of the University and its further growth.”¹¹ Sierra Club believes that such an analysis is needed, and we recommend additional evaluation in the Final Scoping Report of specific criteria to be used for determining the consistency of proposed projects with already-existing nearby projects, particularly as to how nearby projects align with the goals and objectives of CSUMB and its Master Plan. After all, CSUMB is described in the Market Report as “generally viewed as the most successful civilian development at Fort Ord.”¹²

7. Sierra Club finds some passages in the Draft Scoping Report difficult to decipher plus we have questions about interpretation. We submit these questions so that they may be addressed in the Final Scoping Report.

- (1) It appears from explanations in the Scoping Report that when a project receives a consistency determination approval, the BRP gets amended to conform to project characteristics that otherwise would be inconsistent with the BRP. Is this really the way it works? If so, Sierra Club has serious concerns about such a practice.
- (2) With reference to the question above, it appears that this practice results in the BRP posted on FORA’s website, which the Scoping Report in Chapter 4 on page 1-6 indicates is the digital version of the September 2001 BRP, as not in fact being the BRP as it has been subsequently amended, as explained on page 4-176. Is it true that the website BRP is not the actual BRP, and if so is there any way for the public to know what is in the actual amended BRP other than by sorting through scores of staff reports to figure out how the BRP was amended? In other words, is there an actual BRP that the public has never seen and has no reasonable way of knowing what it actually says?
- (3) The Scoping Report, Chapter 4, page 4-176, notes that “FORA staff has established procedures for conducting consistency determinations that augment the provisions of FORA Master Resolution Chapter 8.” This part of Chapter 4 compares the BRP to a general plan and quotes the California Office of Planning and Research’s (OPR) General Plan Guidelines definition for consistency, meaning that as long as the action, program, or project furthers the objectives and policies of the general plan, it can be deemed consistent. However, that is not what Chapter 8 says. The major benefit of the consistency determination standards in Chapter 8, Section 8.02.030 for the Sierra Club is that they establish mandatory criteria. In other words, they say that “the Authority Board *shall* disapprove any legislative land use decision for which there is substantial evidence supported by the record, that“ (emphasis added) the project fails to meet any one or more of the eight criteria in this section of Chapter 8. These eight criteria are specified in subsection (a) for mandatory denial of approval. The

¹⁰ Ibid.

¹¹ CSUMB’s comments at Appendix D-3, pg. 60.

¹² Appendix E (Market Study) at pg. 21.

mandatory requirement resulting from use of the word “shall” differs greatly from OPR’s much more lenient consistency determination criteria, which is a basic reason for Sierra Club’s settlement agreement. Does FORA take into consideration the stark difference between what Chapter 8 says about consistency determinations pertaining to consistency with the BPR as compared to what OPR says about consistency determinations pertaining to a general plan?

- (4) Chart 7 in Chapter 3 on page 3-4 of the Scoping Report has footnotes referring to Table 2-7. Please inform us where Table 2-7 can be found.
- (5) Chart 7 on page 3-4 has a column entitled “Projected Fort Ord Supply.” Please inform us the origin of the projection; is it a projection found in the BRP, and if so where in the BRP? Is the word “projected” used in the column title intended to refer to the residential units and square footage that have already been entitled, or does it refer to the numbers of units, footage and jobs that were planned-for at some time in the past? and if so, at what time in the past and by whom?
- (6) Page 2-9 of the Scoping Report states: “Project-specific public comments are best directed to the relevant local jurisdiction, as the FORA Board does not have discretionary authority to review or approve entitlements for such projects.” Does this mean that FORA believes its consistency determination review authority is merely ministerial rather than discretionary?
- (7) We approve of the BRP identifying areas by polygon numbers, such as is used in Figure 7.1 in the Scoping Report, because the reader can readily identify the area under discussion. However, we would find it helpful if a chart were added to the BRP showing the equivalent County Assessor Parcel Numbers (APN) and Department of Defense parcel numbers linked to the polygon numbers. That way, if a polygon consisted of several parcels with several owners, that fact could be easily discerned.

Attachment #1: Representative sample of portions of letters responding to the reassessment process.

Attachment #2: Map showing Army Urbanized Footprint and Base Reuse Plan Development Footprint Located Outside the Army Urbanized Footprint which is Figure 13 in Chapter 4 of the Scoping Report (page 4-237).

Attachment #3: Sierra Club’s June 1, 2012 recommendations for the reassessment, review and consideration of the Fort Ord Base Reuse Plan.

Representative Comments Regarding Blight/Urban Footprint

Pacific Grove, Henrietta Stern:

“Adopt the basic philosophy of first requiring redevelopment on the urban (blighted) footprint and minimizing development on open space and trail areas. This includes a commitment by FORA to provide leadership and vision to help member jurisdictions and developers work cooperative to achieve this goal for the benefit of all. I know funding and “turf protection” by jurisdictions are issues, but there is money out there and amazing accomplishments are possible when there is a clear vision and leadership toward it. Redevelopment of decrepit blight areas will provide much-needed jobs, and replace ugly, barren areas with beautiful new homes and businesses that will have higher property values, attract people and employers (jobs) willing to pay more for land near lovely trails and open space, and generate more tax revenue for cities/County. Developing the urban blight can be a win-win for developers, residents and government.” (Page 239 of 298 in Appendix D-3.)

Carmel, The Quirits family:

“All development should replace the old dilapidated barracks of buildings already there on Fort Ord. Don’t even think of destroying beautiful oak woodlands while messes are still standing.” (Page 11 of 298 in Appendix D-3.)

Seaside, Roelof Wijlandus:

“We must build on the blighted parts of Ft. Ord first.” (Page 6 of 48 in Appendix D-4.)

Marina, Monterey Off Road Cycling Association:

“We believe that developments, should they occur, should happen on the ‘Army urbanized footprints’ (the areas with abandoned buildings and parking lots) first.” (Page 113 of 298 in Appendix D-3.)

Salinas, David Alexander:

“The Army gave a functioning base to the public that has since become acres and acres of “urban blight” in the Army Urbanized Footprint. The overwhelming consensus of the community is a resounding DEMAND for development on the urbanized footprint -- NOT ON OPEN SPACE.” (Page 24 of 287 in Appendix D-2.)

Pebble Beach, Robert and Linda Gormley:

“Limit further expansion of commercial businesses and housing to areas already occupied by old buildings used by the Army.” (Pg. 121 of 287 in Appendix D-2.)

Monterey, Barbara Baldock:

“Please consider development in the parts of Ft. Ord where there is already old buildings. Surely money can be found to clear these sites. ... Development should not be considered in the oak woodlands. These should be preserved for recreational use.” (Pg. 76 of 287 in Appendix D-2.)

Pacific Grove, Vicki Pearse:

“Place development only on already-built and blighted sites (Army Urban Footprint) -- not on forested open space....Site [the proposed veterans’ cemetery] in a place of honor and quiet, ideally where this veterans’ resting place can become an integral part, appropriately, of the Fort Ord Soldiers National Monument.” (Pgs. 124-125 in Appendix D-2.)

Prunedale, Joel Trice:

“Build on urbanized blight first....Locate and build veterans cemetery at a location which may be incorporated into the National Monument.” (Pg. 61 of 287 in Appendix D-2.)

Carmel Valley, Marli Melton:

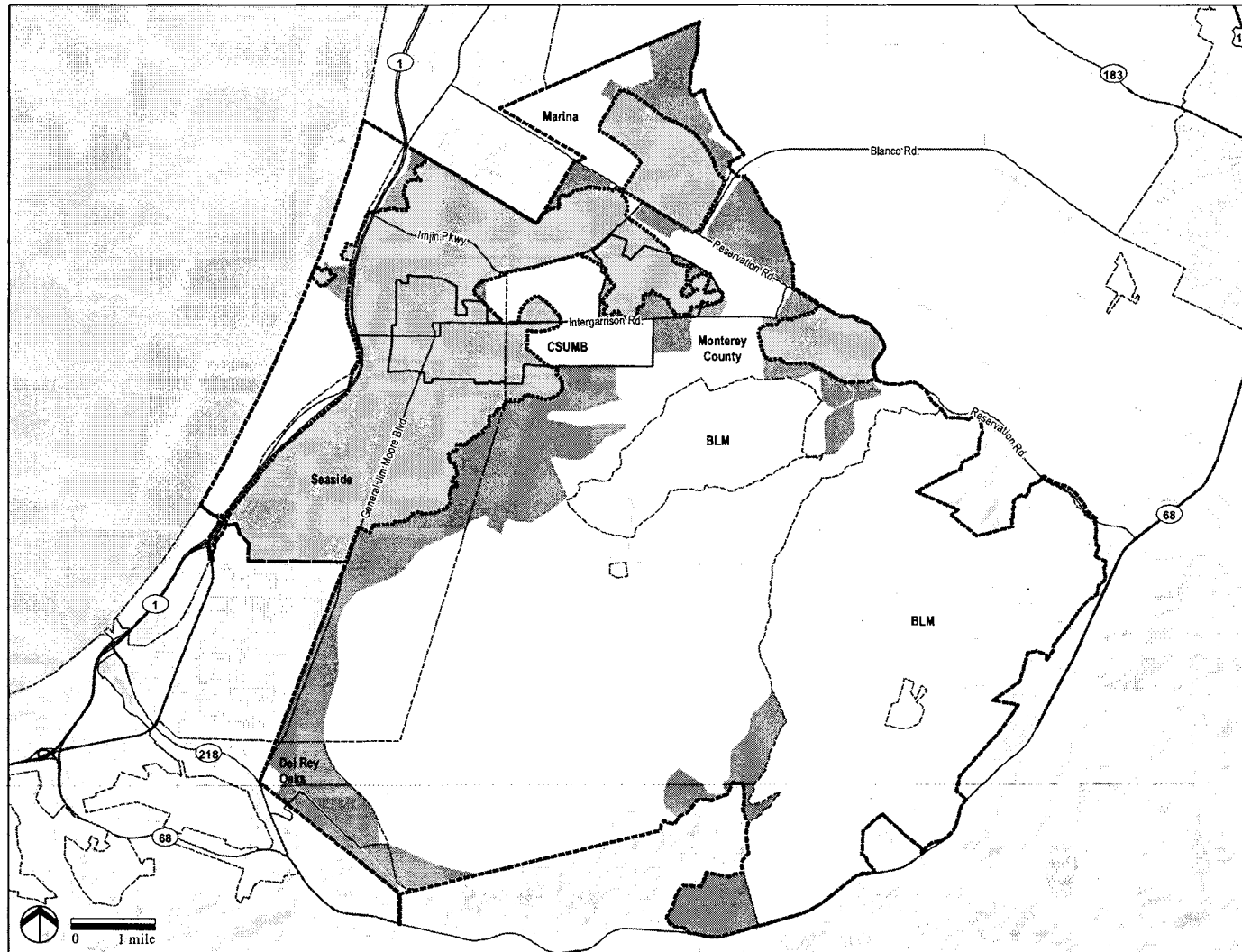
“Revise the Plan to make it an absolute priority to redevelop already developed areas, especially those that are blighted and need clean-up, BEFORE allowing development on existing open space.” (Pg. 127 of 287 in Appendix D-2.)

Royal Oaks, Mark Kaplan:




“Build on urbanized blight first.” (Pg. 68 of 287 in Appendix D-2.)

APO, AE 0902, Sandy McPherson:

“As parents of children who have a tremendous love for outdoor activities, especially equestrian related opportunities and having relocated numerous times throughout the country, we have seen firsthand how access to our beautiful lands continues to diminish. For myself and my husband, who ACTUALLY FIGHTS for these freedoms for the people on a day to day basis, this is truly saddening. Again, we appeal to you. REASSESS and MODIFY the Base Reuse Plan, consistent with the needs and interests of the region as they exist now. Build on urbanized blight first. Population growth since 1995 is substantially less than predicted, with significantly lower demand for expansion into undeveloped areas. Plan reassessment requires recognition of the changed demands and interests of those who live here.” (Pg. 56 of 287 in Appendix D-2.)



Legend

-  Fort Ord Boundary
-  Army Urbanized Footprint (see note 1)
-  Base Reuse Plan Development Footprint Located Outside the Army Urbanized Footprint (see note 2)

Map Description

This map illustrates locations of areas designated for development in the 1997 Base Reuse Plan relative to the Army Urbanized Footprint.

Notes

1. The "Army Urbanized Footprint" is derived from the Draft Land Use Baseline Study of Fort Ord, California, prepared by the U.S. Army Corps of Engineers, Sacramento District in March 1992. The majority of the urbanized footprint boundary is taken from Figure 3 – Fort Ord Existing Land Use Map. Adjustments to this line were made for the Frederick Park and Schoonover Park housing areas based on Figure 7 Fort Ord Locator Map; the revised line matches actual development in this area.
2. The Base Reuse Plan Development Footprint is derived from the 1997 Base Reuse Plan. This boundary is taken from Figure 3.3-1 Land Use Concept Ultimate Development. For the purposes of this map, the boundary is highlighting areas outside of the "Army Urbanized Footprint" that the 1997 Base Reuse Plan designates for development.

Source: Fort Ord Reuse Authority 2012, U.S. Army Corps of Engineers 2012, ESRI 2009

Figure 13
Fort Ord Reuse Plan Development Footprint

Fort Ord Reuse Plan Reassessment Scoping Report



Draft



SIERRA CLUB VENTANA CHAPTER

P.O. BOX 5667, CARMEL, CALIFORNIA 93921

CHAPTER OFFICE • ENVIRONMENTAL CENTER (831) 624-8032

MEMORANDUM FOR: Fort Ord Reuse Authority
SUBJECT: Reassessment of the Base Reuse Plan
DATE: June 1, 2012

VIA: plan@fora.org

The Ventana Chapter of the Sierra Club, FORA subcommittee, submits the following five recommendations for the reassessment, review and consideration of the Fort Ord Base Reuse Plan (BRP):

1. Develop a vigorous marketing plan based on the recommendations in BRP Volume 3, pages III-3 to III-6;
2. To the extent possible given the entitlements that have been granted as of June 1, 2012 ensure that no new entitlements are granted outside the Army urbanized footprint until that footprint is built out.
3. Do a rigorous analysis and implementation of the jobs/housing ratio required by the BRP and Chapter 8;
4. Promptly implement several mandated policies in the BRP;
5. Develop a consistent monitoring and evaluation process for measuring FORA's progress toward meeting the long-term goals of the base reuse plan.

1. A Vigorous Marketing Plan

According to Volume 3 of the BRP, FORA, "...should create a comprehensive marketing strategy and plan for all Fort Ord sites and the surrounding environs, reflecting an overall vision and identity for the area."¹ It appears that this has never been done. Volume 3 of the BRP further states, "FORA should take a proactive approach to joint marketing with both CSUMB and UCMBEST."² We urge FORA to take both these actions and to also study the recommendation concerning the establishment of a nonprofit development corporation for marketing as described in Volume 3, page III-5 of the BRP.

At the very least, the non-profit development corporation should have the following goals:

¹ Base Reuse Plan, Volume 3, page III-4.

² Ibid

...To explore, enjoy, preserve and protect the nation's forests, waters, wildlife and wilderness...

- To attract businesses that serve recreational tourists coming to the former Ft. Ord and the Monterey Peninsula;
- To attract recreational tourists to the Monterey Peninsula; and
- To provide supplemental funding for the environmental conservation and maintenance activities that will be required as a result of the influx of tourists that the marketing campaign will attract.

The marketing program's accomplishments and budget should be evaluated annually at the same time that the Capital Improvement Program (CIP) is evaluated.

With the right marketing program, the former Fort Ord could become the "Recreational Capital of California." In the sport of bicycling, for example, the Sea Otter Classic is already an established event. In 2012, this event hosted nearly 10,000 athletes and 50,000 race fans. However, the Sea Otter Classic should not be the primary emphasis of the marketing program, but rather one of a host of year-round recreational events, programs and opportunities for people of all ages. The marketing program should attract grandparents, parents and children for family bicycle outings, senior citizens to rent recumbent, tandem, surrey style, and electric bicycles to use on bicycle lanes throughout the National Monument, State Beach and University Campus. There should be off-road bicycles for riding on the designated mountain bike paths throughout the Fort Ord National Monument. The Bureau of Land Management should establish and enforce a mountain bike policy such as Sierra Club's mountain bike policy at <http://sierraclub.org/policy/conservation/mtnbike.aspx>. We believe that this vision of bicycle-oriented, pedestrian-centered communities with an interconnected network of bicycle trails adjoining a college town will attract business owners who want their employees to work in an area that fosters healthy families and has affordable housing.

The creation of the new Fort Ord National Monument under the Bureau of Land Management ought to be one of the centerpieces of the marketing plan. Additionally, the impending Habitat Conservation Plan should be amended to require supplemental funding for environmental conservation within the National Monument's borders, which will be necessitated by the additional tourists who will be attracted to the area by the marketing program.

The BRP makes frequent references to equestrian trails and horse parks, in addition to a bicycle network. We note that Fort Ord was one of the last active cavalry posts in the U.S. Army; and is well suited for equestrian uses. This fact should be stressed in the marketing, along with a mention of the museum or museums to be established at in the Fort Ord area.

2. No New Entitlements Outside of the Army Urbanized Footprint

We strongly urge the FORA board to adopt a policy that will postpone any developments outside of the Army Urbanized Footprint (except the Veteran's Cemetery) until the Footprint is built out or 20 years pass, whichever is sooner.

3. A Rigorously-analyzed and Implemented Jobs/Housing Ratio

The jobs/housing ratio described on page 92 of Volume 1 of the BRP establishes a ratio of 2.06 jobs/household including CSUMB dwelling units or 2.67 jobs/household excluding CSUMB. Volume 1, Page 120 of the BRP explains the rationale underlying this requirement and Section 8.02.020(t) of the Master Resolution requires each land use agency to include policies and programs in their general plan to ensure compliance with the 1997 adopted ratio. We strongly recommend that the reassessment include an analysis to determine if there is an appropriate balance between the number of jobs in various salary/wage ranges and the number of dwelling units in various housing affordability categories.

For example, Seaside Highlands contains 380 homes that sold in the near-million dollar range, whereas the Dunes Regional Shopping Center contains mostly retail jobs whose wages appear to be \$20 per hour or less. One of the reasons for putting the jobs/housing ratio requirement in the BRP was to reduce travel demands on key roadways by reducing the length of commutes to work and/or shifting vehicle trips to alternate transportation modes. The jobs/housing ratio analysis should be rigorous enough to ensure that the jobs to be created will match the cost of the housing to be built.

We note that the Main Gate (shopping center) Project will be a 100% non-residential project with projected employment of 775 to 830 new service and professional positions. This should help achieve the jobs/housing ratio base-wide. However, we are unable to find the breakdown of projected lower-paid service jobs in the Main Gate Project compared to projected higher-paid professional positions. It is this lack of rigorous jobs/housing analysis that we recommend be corrected.

Probably the greatest disappointment of base reuse process occurred when the University of California Monterey Bay Education, Education and Technology Center (MBEST) failed to attract the projected 925,000 square feet of office and R&D space from Silicon Valley firms described in BRP Volume 3, page II-10. Instead of the thousands of high-paying R&D/office/business and industrial park jobs projected in Volume 1, page 45 of the BRP, MBEST in November 2011 acknowledged failure and greatly downsized its expectations (see the November 17, 2011 UC Monterey Bay Education, Science, and Technology Center Visioning Process prepared by Urban Design Associates). Perhaps a vigorous marketing plan created by FORA could have avoided this failure.

At this time when FORA is reassessing, reviewing, and considering the BRP, our subcommittee requests FORA to adopt and implement much more stringent standards for analysis and implementation of the jobs/housing ratio and to make the attraction of more plentiful and higher-paying jobs one of its most important priorities.

4. Failure to Implement Certain BRP Policies

For travelers on State Highway 1 who view the former Fort Ord from the highway, the ugliest view is the westward facing back side of the Dunes Regional Shopping Center

at the Imjin Parkway interchange. There are many attractive design features of the Dunes project, but the fenced-in area of loading docks and dumpster enclosures above which tasteless big box store signs accost the traveler's eyes is antithetical to the aesthetic values long associated with the Monterey area. It is a visual blight that will repel visitors who arrive in expectation of an environmentally-sensitive community.

The visual blight could be mitigated by implementation of the mandated policy found on page 71 of Volume 1 of the BRP. This policy calls for establishment of an open space corridor which is a minimum of 100 feet wide along the entire eastern edge of State Highway 1. The policy further calls for this corridor to be landscaped via a master landscape plan to reinforce the regional landscape setting along the northern entryway to the Monterey Peninsula area. Apparently, such a master landscape plan was either never developed or not enforced because the area we refer is nearly devoid of trees. A series of tall trees growing close together in the corridor area just south of the Imjin Parkway interchange would help mitigate the visual pollution.

Another important policy that needs to be implemented is the requirement for FORA to develop regional urban design guidelines. This policy is described and referenced in Volume 1 of the BRP on pages 235, 240, 247, 251, 260, 261, 275, 276, 277 and 279. Although Highway 1 Design Guidelines were developed in 2005, they only apply to the Highway 1 corridor, not the remainder of the areas of the base for which development is planned. Furthermore, the Highway 1 Design Guidelines failed to prevent the visually ugly area in the vicinity of the Imjin Parkway interchange. In their response to our public record request for the regional urban design guidelines, FORA staff acknowledged that such guidelines do not exist. They should be developed promptly and implemented in such a way as to provide visual continuity when traveling between areas as diverse as CSUMB, the Dunes project, Seaside Highlands, etc. Finally, the creation of the Fort Ord National Monument has also made the creation of the FORA urban design guidelines imperative.

Our subcommittee believes that the commercial success of areas like Carmel, Pacific Grove and Monterey, where tasteful signage guidelines are encouraged, will serve as evidence to FORA, Marina, Seaside, Del Rey Oaks, Monterey and the County that tasteful regional urban design guidelines and implementation of a master landscaping plan would be more effective ways of increasing business profits than allowing the types of strip mall signage that currently blights the Imjin Parkway entranceway. Well-executed marketing materials might showcase some of the good design that is already included in the specific plans for the Dunes, East Garrison, and Marina Heights projects. Our Sierra Club FORA subcommittee believes that the ultimate economic benefits that will result from integrating the entire base into one aesthetically pleasing continuum will foster long-term financial success.

5. Consistent Monitoring of the Performance and Effectiveness of the BRP

In 1996, the FORA board defined its missions in Volume 3 of the BRP. Among them was to, "Develop a process for monitoring conformance with the CIP and the Reuse

Plan (emphasis added) that maintains the integrity of the plan...³ The 1998 BRP contains six design principles,⁴ eight goals,⁵ 70 objectives,⁶ 363 policies⁷ and 582 programs.⁸ For each of these there is at least one metric (and in some cases multiple metrics) that can help FORA board members and the public judge overall progress in achieving the principles, goals, objectives, policies and programs contained in the BRP. No comprehensive assessment of these principles, goals, objectives, policies and programs has ever been done. An evaluation of all of these items is an essential component of a complete reassessment of the BRP. However, given the short amount of time available for the reassessment process, it's unlikely that all of these items can be evaluated prior to December 2012. Therefore FORA and EMC should determine which principles, goals, objectives, policies and programs are the most important and therefore should be given the highest priority for evaluation.

The purpose of this evaluation is to give the FORA board and the public a more accurate picture of:

- How much progress has been made in achieving the goals and objectives of the BRP.
- How well the design principles and policies of the BRP have been followed.
- The extent to which the programs have succeeded.

We further suggest that for some of the goals and objectives, it would be useful to do a retrospective analysis of progress over time towards these goals and objectives. The following broad measures of performance are of particular interest to us:

- The amount of progress toward the completion of the Habitat Conservation Plan.
- A graph and table showing the number of new, non-construction related jobs added to businesses on the former Fort Ord for each year from 1998 to the present, broken down by full time versus part-time/seasonal; and broken down by category of salary/wages.⁹
- A graph and table of the amount of development fees collected for each year from 1998 to the present.
- A graph and table of total land sales amounts collected for each year from 1998 to the present.

* * *

Our subcommittee of the Ventana Chapter of the Sierra Club believes that it is not too late for the former Fort Ord to become a place of aesthetic beauty, environmental

³ Base Reuse Plan, Volume 3, page I-4.

⁴ Base Reuse Plan, Volume 1, page 9.

⁵ Base Reuse Plan, Volume 1, page 17.

⁶ Base Reuse Plan, Volume 2, multiple pages.

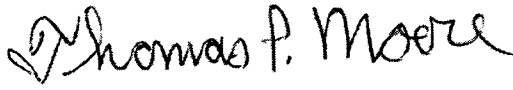
⁷ Base Reuse Plan, Volume 2, multiple pages.

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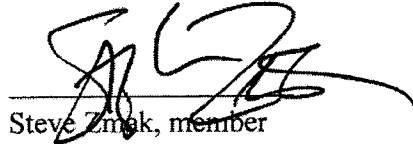
⁹ i.e., minimum wage to \$50K; \$50K to \$100k and more than \$100K or a similar set of categories.

protection, with an abundance of new and well-paying jobs. We respectfully request your attention to our above-described recommendations for assessment, review, and consideration of the Base Reuse Plan.

Sincerely yours,



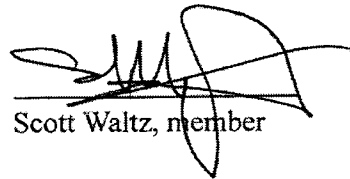
Tom Moore, Chair



Steve Zmak, member



Jane Haines, member



Scott Waltz, member

Lena Spilman

From: Amy White [awhite@mclw.org]
Sent: Saturday, September 01, 2012 12:15 PM
To: board; groves@emcplanning.com
Cc: Michael Houlemard
Subject: LandWatch comment letter on draft scoping report
Attachments: LW comments on DRAFT Scoping Report September 3 2012.pdf

Dear FORA Board and EMC Planning,

Attached is the LandWatch letter on the draft scoping report. Thank you for the opportunity to comment and please verify you received this.

Thanks and sincerely,

Amy L. White, Executive Director
LandWatch Monterey County
150 Cayuga Street, Suite 9
Salinas, CA 93901
831-75-WATCH (92824)
www.landwatch.org



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Email: LandWatch@mclw.org
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Telephone: 831-759-2824
FAX: 831-759-2825

September 3, 2012

Fort Ord Reuse Authority
Attn: Chair Potter and FORA Board
920 2nd Avenue; Suite A
Marina, CA 93933

SUBJECT: COMMENTS ON FORT ORD REUSE PLAN REASSESSMENT DRAFT
SCOPING REPORT

Dear Chair Potter and Members of the Board:

LandWatch Monterey County has reviewed the Draft Scoping Report, and we have the following comments:

1. Chapter 1 of the Scoping Report describes the Fort Ord Reuse Authority's (FORA) roles and responsibilities. P. 1-8 In terms of land use and development, the description omits a discussion of FORA's responsibility as a CEQA lead agency and related responsibilities for assuring implementation of the Base Reuse Plan and its programs and policies.

CEQA Guidelines, Section 15097. Mitigation Monitoring or Reporting

(a) This section applies when a public agency has made the findings required under paragraph (1) of subdivision (a) of Section 15091 relative to an EIR ...In order to ensure that the mitigation measures and project revisions identified in the EIR or negative declaration are implemented, the public agency shall adopt a program for monitoring or reporting on the revisions which it has required in the project and the measures it has imposed to mitigate or avoid significant environmental effects. A public agency may delegate reporting or monitoring responsibilities to another public agency or to a private entity which accepts the delegation; however, until mitigation measures have been completed the lead agency remains responsible for ensuring that implementation of the mitigation measures occurs in accordance with the program.

(b) Where the project at issue is the adoption of a general plan, specific plan, community plan or other plan-level document (zoning, ordinance, regulation,

policy, the monitoring plan shall apply to policies and any other portion of the plan that is a mitigation measure or adopted alternative. The monitoring plan may consist of policies included in plan-level documents. The annual report on general plan status required pursuant to the Government Code is one example of a report program for adoption of a city or county general plan.

The annual reports should be included in the Appendix of the Scoping Report.

2. The Market Study finds that:
 - The estimated 20 year demand for residential units in the vicinity of Fort Ord is 3,600;
 - Currently nearly 4,500 un-built residential units are entitled;
 - Build-out of the 4,500 units is anticipated to take 40 years;
 - Job growth is paramount in the Peninsula's residential recover -- in other words, if the jobs do not appear, the 40 year build-out projection will in reality take much longer; and
 - Removal of derelict Army buildings needs to be prioritized to provide a better vision of future economic development.

The Reassessment Document should recommend an update to the Base Reuse Plan (BRP) to address the over-supply of housing accommodated in the BRP and removal of urban blight.

3. We recommend that the contents of Table 8, which is 152 pages long, be summarized. Our findings indicate that of the 738 policies and programs evaluated for implementation, the Cities of Seaside and Marina and the County of Monterey have completed 21%; 21% are incomplete; 55% are ongoing and 3% fall in other categories. The County of Monterey, in particular, has fallen short of implementation requirements. Of the 259 applicable policies, only 16% have been completed, and 27% are incomplete.

The Reassessment Document should recommend that an implementation schedule for completion of the remaining programs and policies be prepared and that it be adopted by the FORA Board.

4. While many policies and programs have not been implemented by the individual cities and the County, 19 policies which are required to be implemented by all three jurisdictions are incomplete and are summarized below. Many of these policies are essential to protecting natural resources on the former Fort Ord:

Program F-1.1: Guidelines to enhance working relationship between FORA and the local homeless representatives.

Program B-2.1: Prohibit card rooms or casinos.

Program A-1.4: Minimize or eliminate land uses which may be incompatible with public lands

Program B-12 and Program C-1.5: Identify local truck routes.

Program A-1.2: Identify locations for bus facilities with funding and construction through new development.

Policy C-1: Establish an oak tree protection program to ensure conservation of existing coastal live oak woodlands in large corridors with a comprehensive open space system.

Recreation Policy G-1: Use incentives to promote development of an integrated, attractive park and open space system and Policy G2: Encourage creation of private parks and open space as part of private development.

Recreation Policy G-4: Coordinate development of park and recreation facilities.

Program C-2-1: Install interpretive signs related to biological resources.

Program E-1.1: Implementation plan for habitat management.

Program E-1-1 and Program E-2.1: Implementation of annual monitoring reports to BLM and Land Use Status Monitoring.

Program A-1.1 Establish noise criteria; Program A-1.2 Adopt noise performance standards, and Program B-1.1 Implement a program identifying developed areas adversely affected by noise.

Program A-1.2: Establish fault setback requirements.

Program C-1.3: Identify critical facilities inventory in conjunction with emergency and disaster agencies.

5. We disagree with the findings regarding Policies C-3.1 and C-3.2. The policies and findings from the Scoping Report follow:

Policy C-3.1: The City/County shall continue work with the Monterey County Water Resources Agency (MCWRA) and Monterey Peninsula Water Management District (MPWMD) to estimate the current safe yields within the context of the Salinas Valley Basin Management Plan for those portions of the former Fort Ord overlying the Salinas Valley and Seaside groundwater basins, to determine available water supplies.

Scoping Report Finding: Ongoing. The jurisdictions communicate with and support efforts to conserve water and maintain water withdrawals within the FORA allocation.

Comment: The finding does not address how the jurisdictions are working with the MCWRA and MPWMD to estimate current safe yields to determine available water supplies.

Program C-3.2: The City/County shall work with the MCWRA and MPWMD appropriate agencies to determine the extent of seawater intrusion into the Salinas Valley and Seaside groundwater basins in the context of the Salinas Valley Basin Management Plan and shall participate in developing and implementing measures to prevent further intrusion.

Scoping Report Finding: Seawater intrusion is monitored by the MCWRA. The jurisdictions enable monitoring and sharing of data as applicable.

Comment: The finding does not address how the jurisdictions are working with MCWRA and the MPWMD to determine the extent of seawater intrusion or measures to prevent further intrusion.

6. Of the 18 mitigation measures included in the FEIR for the BRP, three are incomplete. These include the failure of the City of Marina and the County to adopt and enforce a stormwater detention plan in order to increase groundwater recharge and thereby reduce potential for further seawater intrusion and augment future water supplies (see comments regarding Policies C-3.1 and C-3.2). The three jurisdictions have also not completed a comprehensive drainage plan. Design guidelines for proposed development on the bluffs have also not been completed.

The Reassessment Document should recommend that an implementation schedule for completion of the remaining programs and policies be prepared and that the schedule be adopted by the FORA Board.

7. The report identifies requirements for both general and specific consistency determinations. P. 4-171. It also identifies consistency findings made by the FORA Board. The report, however, does not evaluate the adequacy of the findings. We expected an analysis of the consistency findings, and are disappointed to find only a summary of FORA's determinations.

Given the failure of the Cities of Marina and Seaside and the County to implement many of the BRP programs, policies and mitigation measures, findings of consistency are problematic given the criteria described on pp. 171-176 of the report. For example, specific consistency criterion (a) states:

Prior to approving any development entitlements, each land use agency shall act to protect natural resources and open spaces on Fort Ord territory by including the open space and conservation policies and programs of the Reuse Plan, applicable to the land use agency, into their respective general, area, and specific plans.

As identified under 3 above, the following applicable policy has not been implemented by all three jurisdictions:

Policy C-1: Establish an oak tree protection program to ensure conservation of existing coastal live oak woodlands in large corridors with a comprehensive open space system.

8. The East Garrison/Parker Flats land use swap is described in the report. P. 4-266. The description is incomplete and should address the swap as it related to housing development at Parker Flats. The FORA and County staff reports prepared for the swap in addition to the ESCA transfer documents should be provided in the Appendix.
9. The following finding appears to have a contradiction as indicated in bold. p. 4-230.

The Bayonet and Black Horse golf course irrigation wells draw from the Seaside Groundwater Basin. However, these wells are no longer used for golf course irrigation, and the golf course is supplied with 400 acre-feet per year from Seaside's Salinas Valley Groundwater Basin allocation. Ultimately, the City of Seaside intends to use augmentation water (presumably recycled water) to irrigate the golf courses, and use the Salinas Valley Groundwater Basin water for development projects.

10. Reference is made to the lower Salinas River dam indicating it was construction in 2010. P. 4-233. This should be updated to indicate that the dam failed in 2011 and has yet to be replaced.

Thank you for the opportunity to review the document.

Sincerely,



Amy L. White
Executive Director

Lena Spilman

From: Pamela Krone-Davis [pkrone-davis@csumb.edu]
Sent: Tuesday, September 04, 2012 1:47 PM
To: board
Subject: Comments on Fort Ord Reuse Plan Reassessment Draft Scoping Report 2012

Dear Chair Potter and Members of the Board:

I have reviewed elements of the Draft Scoping Report and would like to comment specifically on the prioritization of the removal of vacated buildings that currently blight the previous Fort Ord Lands. As a CSUMB student, I ride past many of these buildings on a daily basis and find that they greatly detract from the feeling of safety and security in the area and from the beauty and sense of social health and well-being. Building in the blighted areas should be a first priority and should be central to large development efforts, such as Monterey Downs and other projects. By requiring these projects to incorporate the development of blighted areas into their plans, removal of the vacated buildings would become a shared goal. It makes no sense to allow building and development in the most scenic areas of Fort Ord, the current oak woodlands, while directly adjacent to planned developments there are decaying buildings with broken windows, boarded doors and crumbling parking lots. Requiring Fort Ord development projects to remove the vacated buildings and build in these locations will improve the economic potential of the area as the current blight is certainly a detraction from the value of this land and its surrounds. Requiring that all development proposals incorporate the development of blighted areas into their development plans should be incorporated into the Reuse Plan.

I would also like to comment that the Report (Chapter 3, Table 7) estimates a surplus of commercial footage and residential units. In an area facing declining housing prices and considerable stress on the housing market even in the absence of development, the slowing of further development would help strengthen the currently over-saturated housing market. While the Report notes that these developments cannot be withdrawn without the permission of those entitled, delaying the development of the infrastructure to support these developments could slow down the pace of growth and prevent exacerbating the current housing price downfall. The higher end home sales pace has slowed to a crawl in this area, and it makes sense to require more affordable housing in any new development on Fort Ord Lands.

Thank-you for your consideration,
Pam Krone-Davis

PS This same letter will also be submitted via regular mail.

--

Pam Krone-Davis
Project Research Assistant and Grant Manager
PO Box 22122
Carmel, CA 93922
(831)582-3684 (o)
(831)324-0391 (h)

forU Fort Ord Rec Users

September 4, 2012

Re: FORT ORD Draft Scoping Report

Dear EMC Planning Group Team and Fort Ord Reuse Authority Board:

This letter is written on behalf of Fort Ord Rec Users (forU), an affiliation of individuals and groups with the shared vision to preserve and enhance recreational use and the natural habitat of the former Fort Ord for the benefit of all. Our affiliate groups are named in the list accompanying this letter.

THE REASSESSMENT PROCEDURE

ForU advocated for public meetings after preparation of the draft recommendations to enable public review prior to the findings being submitted to the FORA Board for action. ForU acknowledges that the procedures were modified to enable presentation of public comment before the Board on August 29, 2012, together with an ability to submit written comment.

REASSESSMENT RECOMMENDATIONS

When written, the Base Reuse Plan anticipated substantial completion by 2014 and thus the planned sunset date for FORA. The scoping report affirms that not only did this not occur, it will not occur if at all for 40 or more years into the future. The scoping report does not adequately state implementation of the current BRP is no longer a viable choice. Nor does the report adequately address costs/funding for the extension of FORA beyond 2014; a factor not contemplated or planned for in the current BRP.

The scoping report does correctly state the public demands development on urban blight areas first. Ease of development and cost savings is insufficient justification for building on undisturbed open space, while preexisting structures and concrete pads remain to decay. It does establish the underlying growth premises served by BRP have not occurred. It does recognize the significant change in the intended purpose of the BLM lands from a regional park to a National Monument, and the need to re-evaluate of the use and designs of the contiguous properties. These are material changes which require an amended plan.

ForU incorporates by reference and reaffirms the position, arguments, and recommendations made by LandWatch Monterey County in its letter of September 3, 2012 as to the deficiencies of the report.

Very truly yours,


GAIL MORTON
Fort Ord Rec Users

forU fortordrecu@gmail.com

1

forU Affiliates

Friends of the Fort Ord Warhorse (FFOW)

PO Box 1168
Marina CA 93933
(831)224-4534
fortordhistory@gmail.com
Contact: Margaret Davis

Sustainable Seaside

www.sustainablemontereycounty.org/sustainable-groups.google.com/group/sustainable-seaside
Contact: Kay Cline kccline@sbctobal.net

Citizens for Sustainable Marina (C4SM)

www.sustainablemontereycounty.org/citizens-for-sustainable-marina.html
Contact: Luana Conley c4smarina@gmail.com

Monterey Off Road Cycling Association, a Chapter of IMBA (MORCA)

www.morcamlb.org
Contact: Gary Courtright gacourtright@sbctobal.net
Jason Campbell camjrain@sbctobal.net

Citizens for Sustainable Monterey County

www.sustainablemontereycounty.org
Contact: Denyse Frischmuth Frischmuth@prodigy.net

Backcountry Horsemen

www.bchcalifornia.org
Contact: Lisa Deas muledaze@yahoo.com

Santa Cruz County Horsemen's Association

Graham Hill Showground 1145 Graham Hill Road
Santa Cruz CA 95060
www.2cruzio.com
Contact: Claudia Goodman manedance@baymoon.com

US Army Veterinary Corp Historical Preservation Group

Contact: Greg Krenzelok gregkrenzelok@man.com

California Historical Artillery Society (CHAS)

warhorse.org
Contact: Ted Miljevich chaselduce@aol.com

US Cavalry Association

www.uscavalry.org
Contact: Fred Klink fredklink@comcast.net

Marina Volunteer Firefighters Association

(831) 277-1630
mvfa@sbctobal.net



Post Office Box 1876, Salinas, CA 93902
Email: LandWatch@mcw.org
Website: www.landwatch.org
Telephone: 831-759-2824
FAX: 831-759-2825

September 3, 2012

Fort Ord Reuse Authority
Attn: Chair Potter and FORA Board
920 2nd Avenue; Suite A
Marina, CA 93933

**SUBJECT: COMMENTS ON FORT ORD REUSE PLAN REASSESSMENT DRAFT
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7. The report identifies requirements for both general and specific consistency determinations. P. 4-171. It also identifies consistency findings made by the FORA Board. The report, however, does not evaluate the adequacy of the findings. We expected an analysis of the consistency findings, and are disappointed to find only a summary of FORA's determinations.

Given the failure of the Cities of Marina and Seaside and the County to implement many of the BRP programs, policies and mitigation measures, findings of consistency are problematic given the criteria described on pp. 171-176 of the report. For example, specific consistency criterion (a) states:

Prior to approving any development entitlements, each land use agency shall act to protect natural resources and open spaces on Fort Ord territory by including the open space and conservation policies and programs of the Reuse Plan, applicable to the land use agency, into their respective general, area, and specific plans.

As identified under 3 above, the following applicable policy has not been implemented by all three jurisdictions:

Policy C-1: Establish an oak tree protection program to ensure conservation of existing coastal live oak woodlands in large corridors with a comprehensive open space system.

8. The East Garrison/Parker Flats land use swap is described in the report. P. 4-266. The description is incomplete and should address the swap as it related to housing development at Parker Flats. The FORA and County staff reports prepared for the swap in addition to the ESCA transfer documents should be provided in the Appendix.
9. The following finding appears to have a contradiction as indicated in bold. p. 4-230.

The Bayonet and Black Horse golf course irrigation wells draw from the Seaside Groundwater Basin. However, these wells are no longer used for golf course irrigation, and the golf course is supplied with 400 acre-feet per year from Seaside's Salinas Valley Groundwater Basin allocation. Ultimately, the City of Seaside intends to use augmentation water (presumably recycled water) to irrigate the golf courses, and use the Salinas Valley Groundwater Basin water for development projects.

10. Reference is made to the lower Salinas River dam indicating it was construction in 2010. P. 4-233. This should be updated to indicate that the dam failed in 2011 and has yet to be replaced.

Thank you for the opportunity to review the document.

Sincerely,



Amy L. White
Executive Director

September 4, 2012

Fort Ord Reuse Authority
920 2nd Street, Suite A
Marina, California 93933

Re: Scoping Report on Fort Ord Base Reuse Assessment

To Whom It May Concern:

In reading the Scoping Report, there are three things we would like to note:

1. Figure 7.2, Page 4-195 of the Report: There is a notation of "EQ" for Equestrian Center Site Opportunity located near the East Garrison project. Please note that in 2002, this opportunity site was moved from East Garrison to Parker Flats. The map should be updated accordingly.
2. Page 4-266 of the Report: This section discusses the East Garrison-Parker Flats Land Swap, but does not discuss the fact that an equestrian cross-country course was permitted within the Oak Oval/Habitat Management Parcel as a part of the land swap. The cross-country course allows for a course both in and out of the Oak Oval, extending into the rest of the County's FORHA lands if needed, and also permits permanent obstacles for the course and course maintenance. This is not discussed in the report and should be included.

Sincerely,

Connie Quinlan
Monterey Horse Park

Lena Spilman

From: Kay Cline [kecline@sbcglobal.net]
Sent: Tuesday, September 04, 2012 5:37 PM
To: board
Subject: Fw: Dear FORA Board of Directors 9-4-12
Attachments: Dear FORA Board of Directors9-4-12.docx

----- Original Message -----

From: Kay Cline
To: fora@fora.org
Sent: Tuesday, September 04, 2012 4:34 PM
Subject: Dear FORA Board of Directors 9-4-12

Please see attached letter to FORA Board members.
Thank you,
Kay Cline

September 4, 2012



Fort Ord Authority (FORA) Board of Directors
920 2nd Avenue, Suite A
Marina, CA 93955

Dear FORA Board of Directors,

On behalf of Sustainable Seaside, a group of local residents who are very concerned about working with our community to meet the challenges of climate change and depleting resources, I am writing to you regarding the Draft Scoping Report released on August 15.

We along with many others advocate for the building on blighted lands at Fort Ord prior to development on open space. This will improve the perception of the lands for visitors and developers, will help CSUMB to attract students to their campus and makes logical sense at this time when all over the world we are concerned with the loss of forests. As pointed out numerous times in public comments, both at meetings and in written form, the public is consistently demanding that blighted lands be addressed first.

In order to do this, FORA will need to look at other methods for financing blight removal. This is the perfect time to re-examine this process. It has been noted that other military bases have managed to address urban blight in the process of repurposing their land.

The creation of the Fort Ord National Monument (FONM) has altered conditions at Fort Ord and placed these lands on the national stage. It is important that time be taken to address this change and to address the issue of access from Marina and Seaside. These lands, tied with the Dunes State Park and the Youth Camp have the potential to open our area to much greater eco-tourism and to bring great numbers of outdoor enthusiasts to our area. Thus local access points, a welcome center and amenities could greatly enhance the economies of both Marina and Seaside and create a world class destination.

CSUMB has brought much growth and life to the Fort Ord lands and will continue to do so. It is important that the concerns of the college be addressed and that development adjacent to the university be compatible with the campus.

The scoping report and reassessment of the base reuse plan offer an opportunity to become current with many changes which have occurred since 1994. It is important that housing needs and job creation be reevaluated with consideration to numbers of homes in Monterey County permitted and not built, as well as the amount of commercial spaces currently available. Now is the time for FORA to develop a strong marketing plan which will include CSUMB and FONM as focal points.

We urge you to take this opportunity to consider very carefully the Scoping Report and public comments and to reconsider the economic and material changes which have occurred in the last 18 years, as well as the acres of blight which are still awaiting development. Take into account that the open space lands are a most unusual treasure, rich with natural habitat and trails which have been attracting visitors for twenty years. Sam Farr pointed out at the August 10 FORA meeting: The status of the National Monument adds a fourth leg to the stool ("education, economy, environment and esthetics"). This is a reminder that the beauty of this area is an outstanding quality of Monterey County. Open space is a treasure to be protected for all, while development needs to go forward, as water becomes available, on the urban footprint already established.

Sincerely,

Kay Cline
Sustainable Seaside
1614 Kenneth Street
Seaside, CA 93955

Lena Spilman

From: Virginia Hennessey [vhennessey@montereyherald.com]
Sent: Thursday, September 06, 2012 1:28 PM
To: board
Subject: Sept. 20 ESCA information session

Do members of the board plan to attend this meeting?

Virginia Hennessey
Monterey County Herald
(831) 753-6751