FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Approve Fort Ord Reuse Authority FY 2014-15 Capital Improvement Program	
Meeting Date: **Agenda Number:**	June 13, 2014 8b	**ACTION**

RECOMMENDATION:

i. Approve the FY 2014-15 Fort Ord Reuse Authority (FORA) Capital Improvement Program (CIP) (**Attachment A**).

ii. Approve Resolution 14-xx (**Attachment B**) to implement a Community Facilities District (CFD) Special Tax and Base-wide Development Fee adjustment.

BACKGROUND:

FORA staff and Economic & Planning Systems (EPS) provided CIP presentations at the May 16th FORA Board meeting and the Board report (**Attachment C**) outlined CIP modifications and ongoing FORA Administrative Committee (AC) CIP review. EPS's analysis is included under **Attachment D**. The AC met and further discussed CIP modifications at their May 21st and June 4th meetings, recommending FORA Board approval on June 4th.

DISCUSSION:

At the May 16th FORA Board meeting, Board members had questions about: 1) the staff/EPS suggested FORA CFD Special Tax/Development Fee reduction; 2) the Marina Coast Water District (MCWD) "voluntary contribution;" 3) the Habitat Conservation Plan (HCP) endowment and payout rate; 4) transportation costs and contingencies; 5) water availability and development demands prior to a water augmentation project; 6) transit projects sufficiently addressing Fort Ord Reuse Plan (Reuse Plan) anticipated demand; and 7) burdening future projects with higher development fees by lowering the fee for near-term development.

1) The suggested CFD Special Tax/Development Fee reduction directly addresses the impact of removing the MCWD "voluntary contribution" ($21.6M) from the fee calculation. Other minor factors such as removal of the $3.5 million additional utilities and storm drainage contingency are included, but removing the "voluntary contribution" is the bulk of the reduction.
2) The MCWD "voluntary contribution" was not part of the original FORA CIP. Following negotiations with MCWD, consultants and stakeholders, the FORA Board added this line item – funded by the FORA CIP contingency – in 2005. This line item is not a required mitigation, and is separate and distinct from the water augmentation ($24) line item. MCWD made their first budget presentation at the May 30th special FORA Board meeting, which included an increased capacity charge, essentially collecting the "voluntary contribution" through their own fee program. FORA staff concurs with this approach and has removed the "voluntary contribution" from the FY 2014-15 CIP to avoid duplication in fees.
3) No changes to the HCP Endowment and HCP Endowment Contingency amounts would result from the recommended Board actions. FORA's current policy is to divert 25% of all CFD Special Tax/Development Fee collections into the HCP endowment. If the fee is lowered, that amount would increase to approximately 30% of the fee collected. When the

endowment amount and payout rate are finalized, those numbers will be incorporated into the CIP and subsequent formulaic fee calculations.

4) No changes to the Transportation/Transit and Transportation Contingency amounts would result from the recommended Board actions. CIP projects and FORA's share of those costs were first identified in the Reuse Plan as the Public Facilities Implementation Plan. The 2005 Transportation Agency for Monterey County FORA Fee Reallocation Study indicated that fully funding on-site projects would allow FORA to complete a majority of these improvements/meet CEQA requirements prior to FORA's sunset. Off-site and Regional projects are outside of FORA's purview and although the project costs are fixed, they have been annually inflated by the Engineering News Record Construction Cost Index.
5) MCWD indicates they are currently using about 1/3 of their 6,600 acre-foot/per year (AFY) available water supply. Based on jurisdiction provided development projections, individual allocations within the 6,600 AFY threshold could be reached in four to five years. Entitled development projects such as East Garrison also depend on recycled water to complete future project phases. The Cities of Seaside and Del Rey Oaks need augmented water supplies to complete future planned development on former Fort Ord. MCWD has suggested that developing a program of allocation sharing among former Fort Ord jurisdictions might benefit ratepayers by utilizing the groundwater source first – a more cost-effective water source – before developing more expensive water sources such as recycled or desalinated water. MCWD will present water augmentation project alternatives to the FORA Board in the near future.
6) The draft FY 2014/15 CIP includes \$8.5M for transit vehicle purchase/replacement and \$6.6M toward intermodal centers (\$15.2M total). These costs originated in the Reuse Plan, have been annually indexed, and are anticipated to meet Reuse Plan environmental mitigation requirements.
7) As development occurs in the near-term, FORA will collect CFD Special Taxes/ Development Fees and will fund its CIP obligations. Over time, those obligations will be reduced or retired. Future developers will be paying a fee that includes lowered overall obligations, i.e. a \$100M program versus a \$200M program. The Board adopted the CFD Special Tax/Development Fee formula in 2012 in order to make periodic adjustments and ensure the CIP costs were balanced with fees and other funding sources.

FISCAL IMPACT:

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

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

COORDINATION:

Administrative Committee, CIP Committee, Water/Wastewater Oversight Committee

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Attachment A to Item 8b
FORA Board Meeting, 6/13/2014

DRAFT

FY 2014/15 Capital Improvement Program

TABLE OF CONTENTS

I. Executive Summary

The Fort Ord Reuse Authority (FORA) Capital Improvement Program (CIP) was created in 2001 to comply with and monitor mitigation obligations from the 1997 Fort Ord Base Reuse Plan (BRP). These mitigation obligations are described in the BRP Appendix B as the Public Facilities Implementation Plan (PFIP) – which was the initial capital programming baseline. The CIP is a policy approval mechanism for the ongoing BRP mitigation requirements as well as other capital improvements established by FORA Board policy decisions. The CIP is re-visited annually by the FORA Board to assure that projects are implemented on a timely basis.

This FY 201~~3~~4/1~~4~~5 – "Post-FORA" CIP document has been updated with reuse forecasts by the FORA land use jurisdictions and adjusted to reflect staff analysis and Board policies. Adjusted annual forecasts are enumerated in the CIP Appendix B. Forecasted capital project timing is contrasted with FY 201~~2~~3/1~~3~~4 adopted timing, outlining adjustments. See Tables 2 & 3, depicting CIP project forecasts.

Current State law sets FORA's sunset on June 30, 2020 or when 80% of the BRP has been implemented, whichever occurs first– either of which is prior to the Post-FORA CIP end date. The revenue and obligation forecasts will be addressed in 2018 under State Law and will likely require significant coordination with the Local Agency Formation Commission.

1) Periodic CIP Review and Reprogramming

Recovery forecasting is impacted by the market. However, annual jurisdictional forecast updates remain the best method for CIP programming since timing of project implementation is the purview of the individual on-base FORA members. Consequently, FORA annually reviews and adjusts its jurisdiction forecast based CIP to reflect project implementation and market changes. The protocol for CIP review and reprogramming was adopted by the FORA Board on June 8, 2001. Appendix A, herein, defines how FORA and its member agencies review reuse timing to accurately forecast revenue. A March 8, 2010 revision incorporated additional protocols by which projects could be prioritized or placed in time. Once approved by the FORA Board, this CIP will set project priorities. The June 21, 2013 Appendix A revision describes the method by which the "Fort Ord Reuse Authority's Basewide Community Facilities District ("CFD"), Notice of Special Tax Lien" is annually indexed.

The Finance Committee reviewed the FY 2014/15 CIP budget as a component of the overall FORA mid-year and preliminary budgets. They made known their concern for a higher degree of accuracy and predictability in FORA's revenue forecasts. Board members concurred and recommended that staff, working with the Administrative and CIP Committees, hone and improve CIP development forecasts and resulting revenue projections.

CIP Development Forecasts Methodology

From January to May 2014, FORA Administrative and CIP Committees formalized a methodology for developing jurisdictional development forecasts: 1) Committee members recommended differentiating between entitled and planned projects (Appendix B) and correlate accordingly, 2) Basic market conditions necessary to moving housing projects forward should be recognized and reflected in the methodology. On average, a jurisdiction/project developer will market three or four housing types/products and sell at least one of each type per month, 3) As jurisdictions coordinate with developers to review and revise development forecasts each year, FORA staff and committees will review submitted jurisdiction forecasts, using the methodology outlined in #2, translated into number of building permits expected to be pulled from July 1 to June 30 of the prospective fiscal year and consider permitting and market constraints in making additional revisions; and 4) FORA Administrative and CIP Committees will confirm final development forecasts, and share those findings with the Finance Committee.

In FY 2010/11, FORA contracted with Economic & Planning Systems (~~"~~EPS~~"~~) to perform a review of CIP costs and contingencies (CIP Review – Phase I Study), which resulted in a 27% across-the-board CFD/Development Fee reduction in May 2011. On August 29, 2012, the FORA Board adopted a formula to calibrate FORA CIP costs and revenues on a biennial basis, or if a material change to the program occurs. Results of the EPS Phase II Review resulted in a further 23.6% CFD/Development Fee reduction. ~~Those reductions are continued in this CIP. However, an increase of 2.8% as noted in the January Engineering News Record ("ENR") Construction Cost Index ("CCI") is applied across the board to developer fees to keep pace with inflationary construction cost factors (as described in Appendix A).~~ A Phase III review, to update CIP ~~project and contingency~~ costs and revenues, ~~is planned prior to the formulaic application in early 2014~~ will resulted in a FY 2014/15 CFD/Development Fee rate recommendation for a **17.09%** ~~-~~fee reduction to take effect on July 1, 2014.

2) CIP Costs

The costs assigned to individual CIP elements were first estimated in May 1995 and published in the draft 1996 BRP. Those costs have been adjusted to reflect actual changes in construction expenses noted in contracts awarded on the former Fort Ord and to reflect the Engineering News Record (ENR) Construction Cost Index (CCI) inflation factors. This routine procedure has been applied annually since the adoption of the CIP – excepting 2011, at Board direction. ~~It is expected, according to t~~The Phase III CIP Review study results ~~just completed, that the recently adopted formulaic fee review will be~~ were applied and are submitted for FORA Board consideration in this CIP. ~~in spring 2014.~~

3) CIP Revenues

The primary CIP revenue sources are CFD special taxes, development fees, and land sale proceeds. These primary sources are augmented by loans, property taxes and grants. The CFD has been adjusted annually to account for inflation, with an annual cap of 5%. Development fees were established under FORA policy to govern fair share contributions to the basewide infrastructure and capital needs. The CFD implements a portion of the development fee policy and ~~is restricted by State Law to paying for~~funds mitigations described in the BRP Final Environmental Impact Report (FEIR). The FORA CFD pays CIP costs including Transportation/Transit projects, Habitat Management obligations, Water Augmentation, Water and Wastewater Collection Systems improvements, Storm Drainage System improvements and Fire Fighting Enhancement ~~improvements~~. Land sale proceeds are earmarked to cover costs associated with the Building Removal Program per FORA Board policy.

Tables 4 and 5 herein contain a tabulation of the proposed developments with their corresponding fee and land sale revenue forecasts. Capital project obligations are balanced against forecasted revenues on Table 3 of this document.

4) Projects Accomplished to Date

FORA has actively implemented capital improvement projects since 1995. As of this writing, FORA has completed approximately:

a) $7~~5~~6M in roadway improvements, including underground utility installation and landscaping, predominantly funded by US Department of Commerce – Economic Development Administration (EDA) grants (with FORA paying any required local match), FORA CFD fees, loan proceeds, payments from participating jurisdictions/agencies, property tax payments (formerly tax increment), and a FORA bond issue.

b) $~~75M~~ 82M in munitions and explosives of concern cleanup on the 3.3K acres of former Fort Ord Economic Development Conveyance properties~~y~~, funded by a US Army grant and property tax payments.

c) $29M in building removal at the Dunes on Monterey Bay, East Garrison, Imjin Parkway and Imjin Office Park site.

d) $10M in Habitat Management and other capital improvements instrumental to base reuse, such as improvements to the water and wastewater systems, Water Augmentation obligations, and Fire Fighting Enhancement.

Section III provides detail regarding how completed projects offset FORA basewide obligations. As revenue is collected and offsets obligations, ~~they~~ offsets will be enumerated in Tables 1 and 3.

This CIP provides the FORA Board, Administrative Committee, Finance Committee, jurisdictions, and the Monterey Regional Public with a comprehensive overview of the capital programs and expectations involved in former Fort Ord recovery programs. As well, the CIP offers a basis for annually reporting on FORA's compliance with its environmental mitigation obligations and policy decisions by the FORA Board. It is also accessed on the FORA website at: *www.fora.org*.

II. Obligatory Program of Projects – Description of CIP Elements

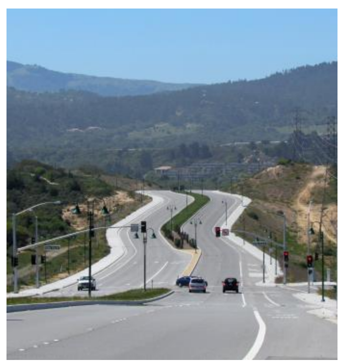
As noted in the Executive Summary, obligatory CIP elements include Transportation/Transit, Water Augmentation, Storm Drainage, Water and Wastewater Collection System, Habitat Management, Fire Fighting Enhancement and Building Removal. The first elements noted are to be funded by CFD/development fees. Land sale proceeds are earmarked to fund the Building Removal Program to the extent of FORA's building removal obligation. Beyond that obligation, land sale proceeds may be allocated to CIP projects by the FORA Board. Summary descriptions of each CIP element follow:

a) Transportation/Transit

During the preparation of the BRP and associated FEIR, the Transportation Agency for Monterey County (TAMC) undertook a regional study (The Fort Ord Regional Transportation Study, July 1997) to assess Fort Ord development impacts on the study area (North Monterey County) transportation network.

When the BRP and accompanying FEIR were adopted by the Board, the transportation and transit obligations as defined by the TAMC Study were also adopted as mitigations to traffic impacts resulting from development under the BRP.

The FORA Board subsequently included the Transportation/ Transit element (obligation) as a requisite cost component of the adopted CFD. As implementation of the BRP continued, it became timely to coordinate with TAMC for a review and reallocation of the FORA financial contributions that appear on the list of transportation projects for which FORA has an obligation.



General Jim Moore Boulevard at Hilby Avenue; one of three intersections upgraded/opened in the City of Seaside

Toward that goal, and following Board direction to coordinate a work program with TAMC, FORA and TAMC entered into a cooperative agreement to move forward with re-evaluation of FORA's transportation obligations and related fee allocations. TAMC, working with the Association of Monterey Bay Area Governments (AMBAG) and FORA, completed that re-evaluation. TAMC's recommendations are enumerated in the "FORA Fee Reallocation Study" dated April 8, 2005; the date the FORA Board of Directors approved the study for inclusion in the FORA CIP. The complete study can be found online at www.fora.org, under the Documents menu.

TAMC's work with AMBAG and FORA resulted in a refined list of FORA transportation obligations that are synchronous with the TAMC Regional Transportation Plan (RTP). Figure 1 illustrates the refined FORA transportation obligations that are further defined in Table 1. Figure 2 reflects completed transportation projects, remaining transportation projects with FORA as lead agency, and remaining transportation projects with others as lead agency (described below).

Transit

The transit obligations enumerated in Table 1 remain unchanged from the 1997 TAMC Study and adopted BRP. However, current long range planning by TAMC and Monterey-Salinas Transit (MST) reflect a preferred route for the multi-modal corridor than what was presented in the BRP, FEIR and previous CIPs. The BRP provided for a multi-modal corridor (MMC) along Imjin Parkway/Blanco Road serving to and from the Salinas area to the TAMC/MST intermodal center planned at 8th Street and 1st Avenue in the City of Marina portion of the former Fort Ord. Long range planning for transit service resulted in an alternative Intergarrison/Reservation/Davis Roads corridor to increase habitat protection and fulfill transit service needs between the Salinas area and Peninsula cities and campuses.

A series of stakeholder meetings were conducted to advance adjustments and refinements to the proposed multi-modal corridor plan-line. Stakeholders included, but were not limited to, TAMC, MST, FORA, City of Marina, Monterey County, California State University Monterey Bay (CSUMB), and the University of California Monterey Bay Education, Science and Technology Center. The stakeholders completed a Memorandum of Agreement (MOA) outlining the new alignment of the multi-modal transit corridor plan line in February 2010. Since all stakeholders have signed the MOA, the FORA Board designated the new alignment and rescinded the original alignment on December 10, 2010.

TAMC is in the process of re-evaluating the MMC route, holding stakeholder and public outreach meetings, to determine how to best meet the transit needs of the community. If a new route is selected, the 2010 MOA must be amended to reflect that alignment and the FORA Board will be apprised as to any proposed changes.

Lead Agency Status

FORA has served as lead agency in accomplishing the design, environmental approval and construction activities for all capital improvements considered basewide obligations under the BRP and this CIP. As land transfers continue and development gains momentum, certain basewide capital improvements may be advanced by the land use jurisdictions and/or their developers.

As of this writing, reimbursement agreements are in place with Monterey County and the City of Marina for several FORA CIP transportation projects. Table 2 identifies those projects. FORA's obligation toward those projects is financial, as outlined in the reimbursement agreements. FORA's obligation toward projects for which it serves as lead agent is the actual project costs. Other like reimbursement agreements may be structured as development projects are implemented and those agreements will be noted for the record.

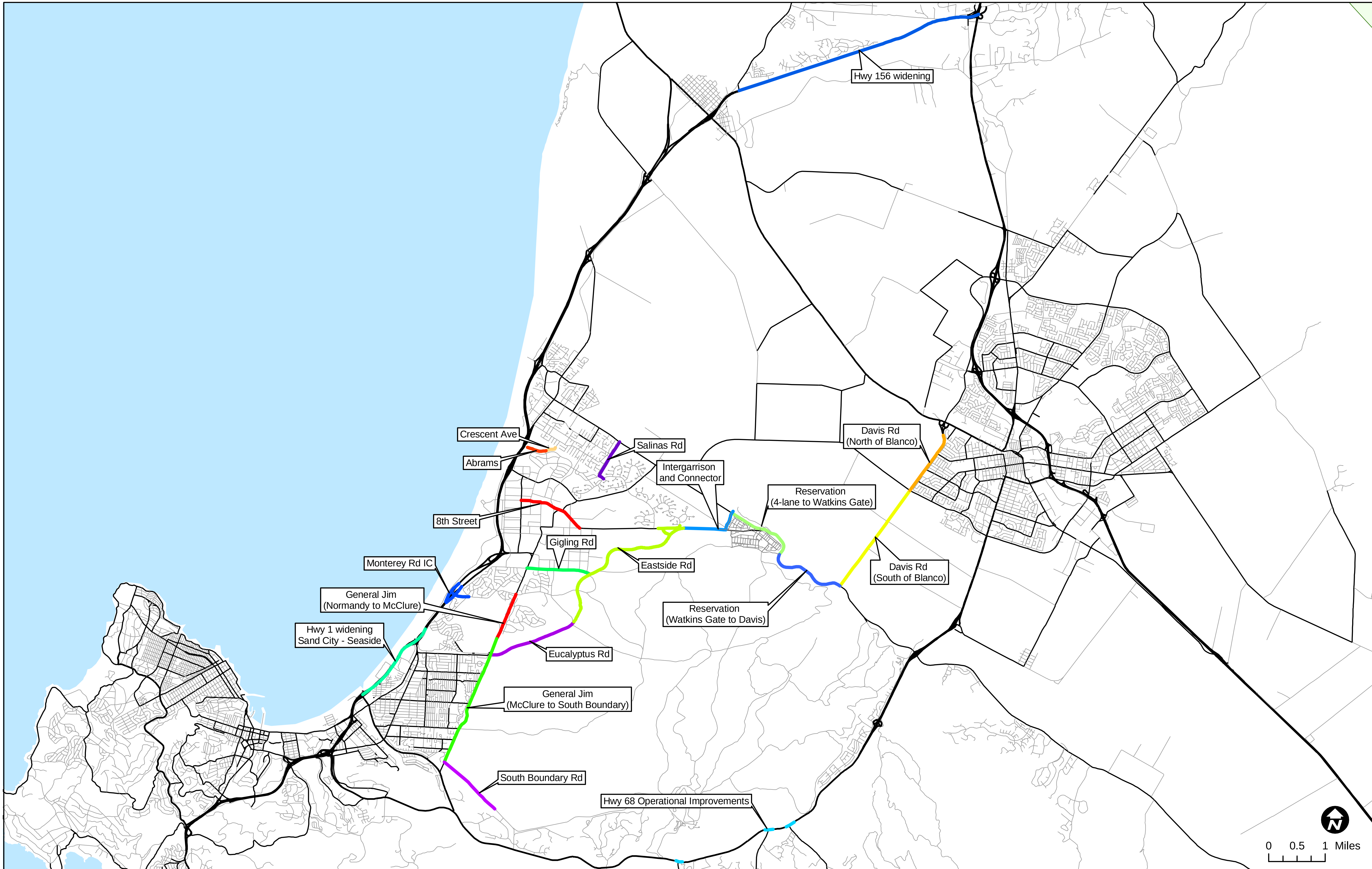


Figure 1: Transportation Map

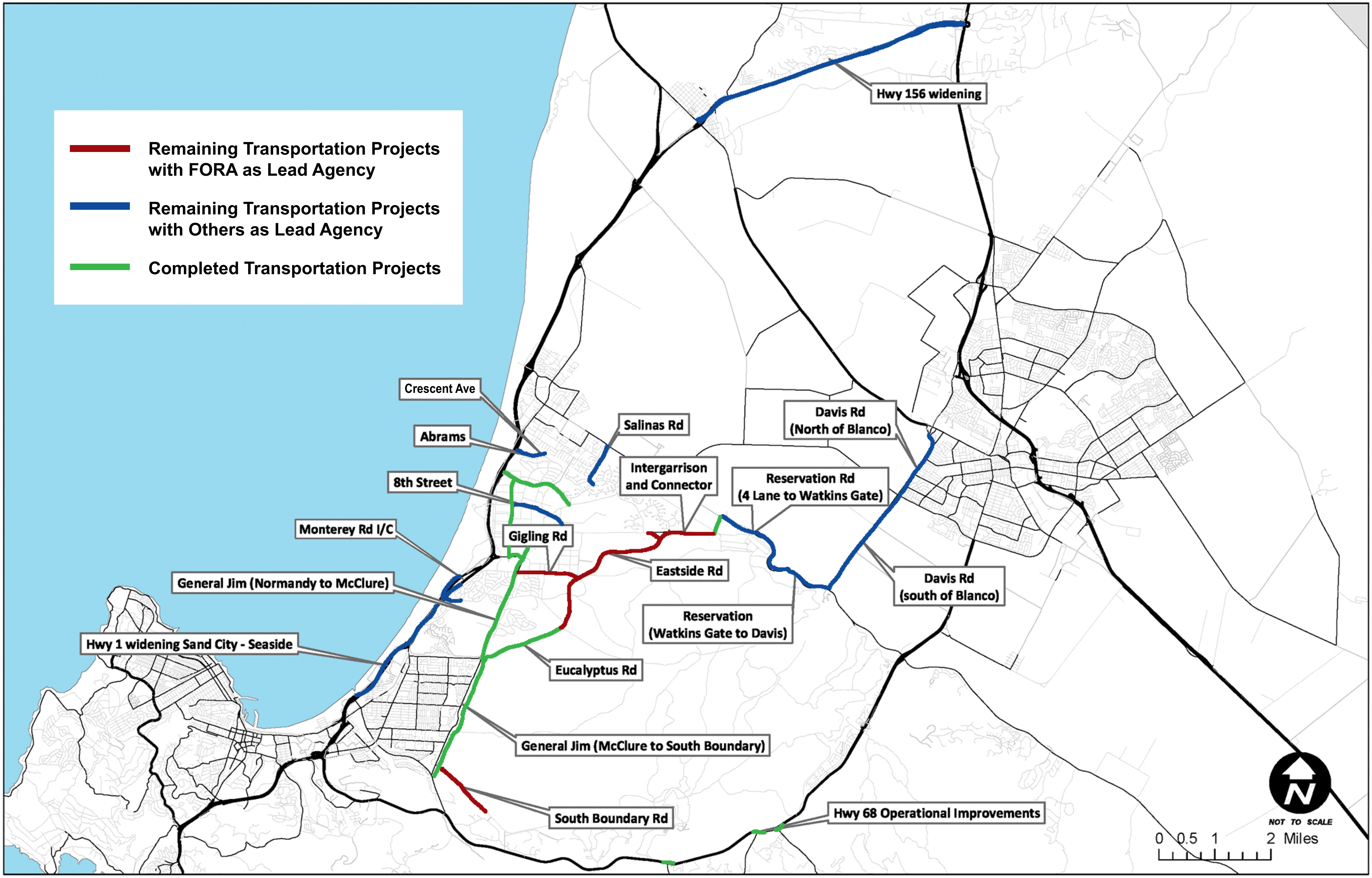


Figure 2: Remaining Transportation Projects

b) Water Augmentation

The Fort Ord BRP identifies availability of water as a resource constraint. The BRP anticipated build out development density utilizes the 6,600 acre-feet per year (AFY) of available groundwater supply, as described in BRP Appendix B (PFIP section p 3-63). In addition to groundwater supply, the BRP assumes an estimated 2,400 AFY augmentation to achieve the permitted development level as reflected in the BRP (Volume 3, figure PFIP 2-7).

FORA has contracted with Marina Coast Water District (MCWD) to implement a water augmentation program. Following a comprehensive two-year process of evaluating viable options for water augmentation, the MCWD Board of Directors certified, in October 2004, a program level Environmental Impact Report (EIR) analyzing three potential augmentation projects. The projects included a desalination project, a recycled water project and a hybrid project (containing components of both recycled water and desalination water projects).

In June 2005, MCWD staff and consultants, working with FORA staff and Administrative Committee, recommended the hybrid project to the FORA and MCWD Boards of Directors. Additionally, it was recommended that FORA-CIP funding toward the former Fort Ord Water and Wastewater Collection Systems be increased by an additional $17M to avert additional burden on rate payers due to increased capital costs. However, a 2013 MCWD rate study recommended removing that "voluntary contribution" from the MCWD budget and the EPS Phase III CIP Review results concurred, resulting in a potential commensurately lowered FORA CFD/developer fee.

~~Subsequently, s~~Several factors required reconsideration of the water augmentation program. Those factors included increased augmentation program project costs (as designs were refined); MCWD and the Monterey Regional Water Pollution Control Agency (MRWPCA) negotiations regarding the recycled component of the project were not accomplished in a timely manner; and the significant economic downturn (2008-2012). These factors deferred the need for the augmentation program and provided an opportunity to consider the alternative "Regional Plan" as the preferred project for the water augmentation program.

At the April 2008 FORA Board meeting, the Board endorsed the Regional Plan as the preferred plan to deliver the requisite 2,400 AFY of augmenting water to the 6,600 AFY groundwater entitlements. Since that time, the Regional Plan was designated by the State Public Utilities Commission as the preferred environmental alternative and an agreement in principal to proceed entered into by Cal-Am, MCWD and MRWPCA. This agreement is unlikely to proceed under the present circumstances. MCWD is still contractually obligated to provide an augmented source for the former Fort Ord as distinct from the Regional Project. The proposed CIP defaults to the prior Board approved 'hybrid' project that MCWD has performed CEQA for and is contractually required to implement. It is expected that MCWD will present the FORA Board with alternatives for moving forward during the coming fiscal year.

c) Storm Drainage System Projects

The adopted BRP recognized the need to eliminate the discharge of storm water runoff from the former Fort Ord to the Monterey Bay National Marine Sanctuary (Sanctuary). In addition, the BRP FEIR specifically addressed the need to remove four storm water outfalls that discharged storm water runoff to the Sanctuary.

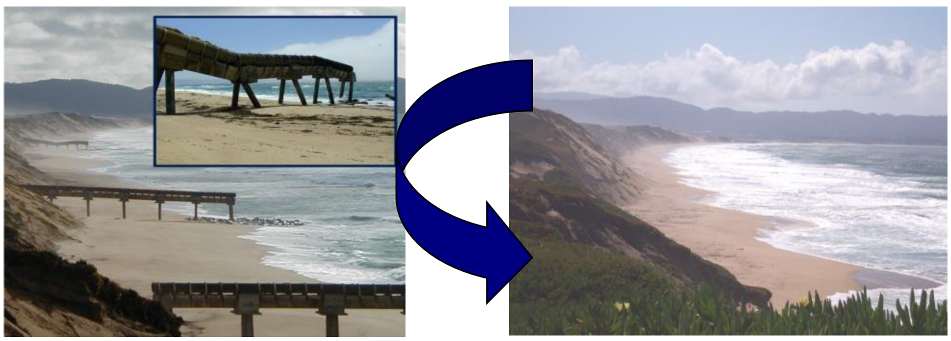
Section 4.5 of the FEIR, Hydrology and Water Quality, contains the following obligatory Conservation Element Program: ***"Hydrology and Water Quality Policy, C-6: In support of Monterey Bay's National Marine Sanctuary designation, the City/County shall support all actions required to ensure that the bay and inter-tidal environment will not be adversely affected, even if such actions should exceed state and federal water quality requirements."***

"Program C-6.1: The City/County shall work closely with other Fort Ord jurisdictions and the California Department of Parks and Recreation (CDPR) to develop and implement a plan for storm water disposal that will allow for the removal of the ocean outfall structures and end the direct discharge of

storm water into the marine environment. The program must be consistent with State Park goals to maintain the open space character of the dunes, restore natural land forms and restore habitat values."

With these programs/policies in mind, FORA and the City of Seaside, as co-applicants, secured EDA grants to assist in funding the design and construction of alternative disposal (retention) systems for storm water runoff that allowed for the removal of the outfalls. FORA completed the construction and demolition project as of January 2004. Table 3 reflects this obligation having been met.

~~In the future, following build-out of on-site storm water disposal facilities, FORA or its successor will remove, restore and re-grade the current, interim disposal sites on CDPR lands. The cost of this restoration is currently unknown and therefore presented as a CIP contingency.~~



Storm drainage outfall removal – Before and After

d) Habitat Management Requirements

The BRP Appendix A, Volume 2 contains the Draft Habitat Management Program (HMP) Implementing/Management Agreement. This Management Agreement defines the respective rights and obligations of FORA, its member agencies, California State University and the University of California with respect to implementation of the HMP. ~~For the HMP to be implemented t~~To allow FORA and its member agencies to implement the HMP and BRP ~~meet the requirements of~~in compliance with the Endangered Species Act, the California Endangered Species Act, and other statutes, the US Fish & Wildlife Service (USFWS) and the California Department of Fish & Wildlife (CDFW) must also approve the Fort Ord Habitat Conservation Plan (HCP) and its funding program, as paid for and ~~caused to be~~ prepared by FORA.

The funding program is predicated on an earnings rate assumption acceptable to USFWS and CDFW for endowments of this kind, and economies of scale provided by unified management of the Cooperative's (the future HCP Joint Powers Authority) habitat lands by qualified non-profit habitat managers. The Cooperative will consist of the following members: FORA, County of Monterey, City of Marina, City of Seaside, City of Del Rey Oaks, City of Monterey, State Parks, University of California (UC), CSUMB, Monterey Peninsula College (MPC), Monterey Peninsula Regional Park District, Bureau of Land Management and MCWD. The Cooperative will hold the HCP endowments, except in the case of the UC endowment, and secure the services of appropriately experienced habitat manager(s) via a formal selection process. The Cooperative will control expenditure of the annual line items. FORA will fund the endowments, and the initial and capital costs, to the agreed upon levels.

FORA has provided upfront funding for management, planning, capital costs and HCP preparation. In addition, FORA has dedicated $1 out of every $4 collected in development fees to build to a total endowment of principal funds necessary to produce an annual income sufficient to carry out required habitat management responsibilities in perpetuity. The original estimate was developed by an independent consultant retained by FORA and totaled $6.3M.

Based upon recent conversations with the regulatory agencies, it has become apparent that the Habitat Management obligations will increase beyond the costs ~~noted above~~originally projected. Therefore, this document contains a ± $40~~39~~.1M line item of forecasted requisite expenditures (see Table 3 column '2005-14~~3~~' amount of $~~5,654,084~~6,042,831 plus column '201~~3~~4-15~~4~~ to Post FORA Total' amount of $~~33,437,419~~34,067,170). As part of the FY 2010-11 FORA CIP Review process conducted by EPS, TAMC and FORA, at the FORA Board's April 8, 2011 direction, included $~~19.2~~20.3M ~~million~~ in current dollars as a CIP contingency for additional habitat management costs should the assumed payout~~earnings~~ rate for the endowment be 1.5% less than the current 4.5% assumption. It is hoped that this contingency will not be necessary, but USFWS and CDFW are the final arbiters as to what the final endowment amount will be, with input from FORA and its contractors/consultants. It is expected that the final endowment amount will be agreed upon in the upcoming fiscal year. FORA's annual operating budget has funded the annual costs of HCP preparation, including consultant contracts. HCP preparation is funded through non-CFD/development fee sources such as FORA's share of property taxes.

The current administrative draft HCP prepared in March 2012 includes a cost and funding chapter, which provides a planning-level cost estimate for HCP implementation and identifies necessary funds to pay for implementation. Concerning the annual costs necessary for HCP implementation and funded by FORA, of approximately $1.8~~6~~ million in annual costs, estimated in 2014~~1~~ dollars, approximately 34% is associated with habitat management and restoration, 27% for program administration and reporting, 23% for species monitoring, and 16% for changed circumstances and other contingencies.

e) Fire Fighting Enhancement Requirements

In July 2003, the FORA Board authorized FORA to lease-purchase five pieces of fire-fighting equipment, including four fire engines and one water tender to supplement the equipment of existing, local fire departments. The equipment recipients included the Cities of Marina, Monterey and Seaside, the Ord Military Community Fire Department and the Salinas Rural Fire Department.

This lease purchase of equipment accommodated FORA's capital obligations under the BRP to enhance the firefighting capabilities on the former Fort Ord in response to proposed development. The lease payments began July 2004, and ~~will be paid through~~were retired in FY 2013/14. ~~Once~~ Now that the lease payments, funded by developer fees, have been satisfied, FORA's obligation for fire-fighting enhancement ~~will~~ has~~ve~~ been fully met. FORA transferred equipment titles to the appropriate fire-fighting agencies in April 2014.

Fire engines received by Fire Departments in the Cities of Marina, Monterey and Seaside and the Ord Military Community were utilized during the Parker Flats habitat burn in 2005

f) Building Removal Program

As a basewide obligation, the BRP includes the removal of building stock to make way for redevelopment in certain areas of the former Fort Ord. The FORA Board established policy regarding building removal obligations with adoption of the FY 01/02 CIP. That policy defines FORA obligations and has been sustained since that time. For example, one of FORA's obligations includes some City of Seaside Surplus II buildings. The policy fixes the overall FORA funding obligation to Surplus II at $4M, and the City of Seaside decides which buildings to remove. The FORA Board additionally established criteria to address how the building removal program would proceed at Surplus II: 1) buildings must be within Economic Development Conveyance parcels; 2) building removal is required for redevelopment; 3) buildings are not programmed for reuse; and, 4) buildings along Gigling Road potentially fit the criteria. When the City of Seaside, working with any developer, determines which buildings should be removed, FORA would forego a portion of land sale proceeds in an amount commensurate with actual costs, up to $4M (December 1996 Reimer Associates Fort Ord Demolition Study). All jurisdictions have been treated in a similar manner but have widely varying building removal needs that FORA does its best to accommodate with available funds.

As per Board direction, building removal is funded by land sale revenue and/or credited against land sale valuation. Two MOAs have been finalized for these purposes, as described below:

In August 2005 FORA entered into an MOA with the City of Marina Redevelopment Agency and Marina Community Partners (MCP), assigning FORA $46M in building removal costs within the Dunes on Monterey Bay project area and MCP the responsibility for the actual removal. FORA paid $22M and MCP received credits of $24M for building removal costs against FORA's portion of the mutually agreed upon land sale proceeds. FORA's building removal obligation was thus completed as agreed by the City of Marina and MCP in 2007.

In February 2006 FORA entered into an MOA with Monterey County, the Monterey County Redevelopment Agency and East Garrison Partners (EGP). In this MOA, EGP agreed to undertake FORA's responsibility for removal of certain buildings in the East Garrison Specific Plan for which they received a credit of $2.1M against FORA's portion of land sale proceeds. Building removal in the East Garrison project area is now complete. Since this agreement was made, the property was acquired by a new entity who is complying with the financial terms of the MOA.

FORA's remaining building removal obligations include the former Fort Ord stockade within the City of Marina (± $2.2M) and as previously discussed, buildings in the City of Seaside's Surplus II area (± $4M). In 2011, FORA, at the direction of the City of Seaside, removed a building in the Surplus II area which is explained in more detail in Appendix C. FORA will continue to work closely with the Cities of Marina and Seaside as new specific plans are prepared for those areas.

Since 1996 FORA has been aggressively reusing, redeveloping, and/or deconstructing former Fort Ord buildings in environmentally sensitive ways to reuse or reclaim significant building materials. FORA has worked closely with the regulatory agencies and local contractors to safely abate hazardous materials, maximize material reuse and recycling, and create an educated work force that can take advantage of the jobs created on the former Fort Ord. FORA, CSUMB and the jurisdictions continue to leverage the accumulated expertise and experience and focus on environmentally sensitive reuse, removal of structures, and recycling remnant structural and site materials, while applying lessons learned from past FORA efforts to "reduce, reuse and recycle" materials from former Fort Ord structures as described in Appendix C.

g) Water and Wastewater Collection Systems

Following a competitive selection process in 1997, the FORA Board approved MCWD as the purveyor to own and operate water and wastewater collection systems on the former Fort Ord. By agreement with FORA, MCWD is tasked to assure that a Water and Wastewater Collection Systems Capital Improvement Program is in place and implemented to accommodate repair, replacement and expansion of the systems. To provide uninterrupted service to existing customers and to track with system expansion to keep pace with proposed development, MCWD and FORA staff coordinate system(s) needs with respect to anticipated development. MCWD is engaged in the FORA CIP process, and adjusts its program coincident with the FORA CIP.

In 2005, MCWD staff and consultants conducted a study of their rates, fees and charges to determine projected adjustments through five budget years. At the time, the study projected a significant increase to capacity charges to fund ~~the~~ improvements to and expansion of the former Fort Ord Water and Wastewater Collections Systems. The FORA Board made the policy decision to voluntarily increase the FORA CIP contribution toward this basewide obligation. However, with no agreement or other funding mechanism in place to transfer this additional contribution to MCWD, a 2013 MCWD rate study included recommendations to remove the additional FORA funding from their budget and increase their capacity charge. Table 3 reflects this funding being removed from the FORA CIP and the FORA CFD/developer fee commensurately reduced.

In 1997, the FORA Board established a Water and Wastewater Oversight Committee (WWOC), which serves in an advisory capacity to the Board. A primary function of the WWOC is to meet and confer with MCWD staff in the development of operating and capital budgets and the corresponding customer rate structures. Annually at budget time, the WWOC and FORA staff prepare recommended actions for the Board's consideration with respect to budget and rate approvals. This process provides a tracking mechanism to assure that improvements to, and expansion of, the systems are in sequence with development needs. Capital improvements for system(s) operations and improvements are funded by customer rates, fees and charges. Capital improvements for the system(s) are approved on an annual basis by the MCWD and FORA Boards. Therefore, the water and wastewater capital improvements are not duplicated in this document.

h) Property Management and Caretaker Costs

During the EPS Phase I CIP Review process in FY 10/11, FORA jurisdictions expressed concern over accepting 1,200+ acres of former Fort Ord properties without sufficient resources to manage them. Since the late 1990's, FORA carried a CIP contingency line item for "caretaker costs." The EPS Phase I CIP Study identified $16M in FORA CIP contingencies to cover such costs. These obligations are not BRP required CEQA mitigations, but are considered basewide obligations (similar to FORA's ~~additional water augmentation program contribution and~~ building removal obligation). In order to reduce contingencies, this $16M item was excluded from the CIP cost structure used as the original basis for the 2011-12 CFD Special Tax fee reductions.

However, the Board recommended that a "Property Management/Caretaker Costs" line item be added back as an obligation to cover basewide property management costs, should they be demonstrated.

As a result of EPS's Phase II CIP Review analysis in FY 11/12 and FY 12/13, FORA ~~has~~ agreed to reimburse its five member jurisdictions up to $660,000 in annual funding for these expenses based on past experience, provided sufficient land sales revenue is available and jurisdictions are able to demonstrate property management/caretaker costs. Additional detail concerning this analysis is provided under Appendix D. These expenses are shown in Table 5 – Land Sales as a deduction prior to net land sales proceeds. The expenses in this category (FY 1~~3~~4/1~~4~~5 through Post-FORA) are planning numbers and are not based on identified costs. EPS's analysis also assumes that, as jurisdictions sell former Fort Ord property, their property management/caretaker costs will diminish.

III. FY 201~~3~~4/201~~4~~5 THROUGH POST-FORA CAPITAL IMPROVEMENT PROGRAM

Background Information/Summary Tables

Table 1 graphically depicts fiscal offsets of completed projects that have reduced BRP obligations. Since 1995, FORA has advanced approximately $7~~5~~6M in capital projects and BRP obligations. These projects have been predominantly funded by EDA grants, loan proceeds and developer fees. Developer fees are the primary funding source for FORA to continue meeting its mitigation obligations under the BRP. Table 1 includes fiscal offsets inclusive of not only completed projects, but also funded projects to-be-completed during the course of the next fiscal year. As previously noted, work concluded in conjunction with TAMC and AMBAG has resulted in modification of transportation obligations for consistency with current transportation planning at the regional level.

Table 2 details current TAMC recommendations that are compatible with the RTP, and "time places" transportation and transit obligations over the CIP time horizon.

A summary of the CIP project elements and their forecasted costs and revenues are presented in Table 3. Annual updates of the CIP will continue to contain like summaries and account for funding received and applied against required projects.

Table 4, Community Facilities District Revenue, reflects forecasted annual revenue from CFD fee collection. On an annual basis, FORA requests updated development forecasts from its member agencies as a component of FORA's CIP preparation process. The five land use jurisdictions and other agencies with land use authority on former Fort Ord provide updated development forecasts for Table A1: Residential Annual Land Use Construction and Table A2: Non-Residential Annual Land Use Construction (Appendix B). FORA staff reviews the submitted development forecasts to ensure that BRP resource limitations are met (i.e. 6,160 New Residential Unit limit, etc.). FORA staff may make adjustments to the forecasts based on past experience. In previous years, jurisdictions' forecasts have been overly optimistic. In this FY 201~~3~~4/1~~4~~5 CIP, FORA staff included development forecasts as submitted by the land use jurisdictions in ~~July~~ April 201~~3~~4. See '1) Periodic CIP Review and Reprogramming' on page 3 of this document for additional information.

FORA staff applied the anticipated FORA CFD special tax/Development Fee Schedule rates anticipated as of July 1, 201~~3~~4 according to EPS's Phase III CIP study analysis to the forecasted development to produce Table 4 – Community Facilities District Revenue projections (see Appendix A for more information).

Table 5 - Land Sale Revenue reflects land sales projections resulting from EPS's Phase III CIP Review. EPS projected future FORA land sales from July 1, 2014 through June 30, 2022~~0~~. EPS's land sales projections are shown in Table B-1~~D-2~~ included in Attachment C~~A~~ to Item 10b~~7c CIP Review – Phase II Study~~, May 16~~0~~, 2014~~3~~ FORA Board Packet. For this FY 201~~3~~4/1~~4~~5 CIP, FORA staff based its land sale revenue forecasts using the same underlying assumptions as Table B-1~~D-2~~. Using past land sales transactions on former Fort Ord where FORA received 50% of the proceeds, EPS determined an underlying land value of $188~~0~~,000 per acre of land. This value was applied to future available development acres to forecast land sale revenue, assuming the land sale would precede actual development by two years. As in Table B-1~~D-2~~, FORA staff calculated FORA's 50% share of the projected land sales proceeds, then deducted estimated caretaker costs, FORA costs, and other obligations (Initiatives, Petitions, Pollution Legal Liability Insurance, etc.) from the land sales revenue projections. Finally, FORA staff applied a discount rate of 4.85~~5.3~~% prior to determining net FORA land sales proceeds.

Project #	Project Title	Project Limits	TAMC Reallocation Study 2005 TOTAL COST	FORA PORTION	FORA Offsets 2005-2014	FORA Remaining Obligation	FORA Remaining Obligation Inflated
Regional Improvements							
R3	Hwy 1-Seaside Sand City	Widen highway 1 from 4 lanes to 6 lanes from Fremont Avenue Interchange south to the Del Monte Interchange	45,000,000	15,282,245	-	21,332,350	21,844,326
R10	Hwy 1-Monterey Rd. Interchange	Construct new interchange at Monterey Road	19,100,000	2,496,648	-	3,485,049	3,568,690
R11	Hwy 156-Freeway Upgrade	Widen existing highway to 4 lanes and upgrade highway to freeway status with appropriate interchanges. Interchange modification as needed at US 156 and 101	197,000,000	7,092,169	-	9,899,896	10,137,494
R12	Hwy 68 Operational Improvements	Operational improvements at San Benancio, Laureles Grade and at Corral De Tierra including left turn lanes and improved signal timing	9,876,000	223,660	312,205	-	-
	Subtotal Regional		270,976,000	25,094,722	312,205	34,717,295	35,550,510
Off-Site Improvements					-		
1	Davis Rd n/o Blanco	Widen to 4 lanes from the SR 183 bridge to Blanco	3,151,000	506,958	-	707,658	724,642
2B	Davis Rd s/o Blanco	Widen to 4 lanes from Blanco to Reservation; Build 4 lane bridge over Salinas River	22,555,000	8,654,502	462,978	11,594,107	11,872,366
4D	Widen Reservation-4 lanes to WG	Widen to 4 lanes from existing 4 lane section East Garrison Gate to Watkins Gate	10,100,000	3,813,916	476,584	4,747,829	4,861,777
4E	Widen Reservation, WG to Davis	Widen to 4 lanes from Watkins Gate to Davis Rd	5,500,000	2,216,321	-	3,093,742	3,167,992
8	Crescent Ave extend to Abrams	Extend existing Crescent Court Southerly to join proposed Abrams Dr (FO2)	906,948	906,948	-	1,266,001	1,296,385
	Subtotal Off-Site		42,212,948	16,098,645	939,562	21,409,337	21,923,161
On-Site Improvements							
FO2	Abrams	Construct a new 2-lane arterial from intersection with 2nd Ave easterly to intersection with Crescent Court extension	759,569	759,569	-	1,060,275	1,085,722
FO5	8th Street	Upgrade/construct new 2-lane arterial from 2nd Ave to Intergarrison Rd	4,340,000	4,340,000	-	6,017,440	6,161,859
FO6	Intergarrison	Upgrade to a 4-lane arterial from Eastside Rd to Reservation	4,260,000	4,260,000	1,559,469	4,079,909	4,177,827
FO7	Gigling	Upgrade/Construct new 4-lane arterial from General Jim Moore Blvd easterly to Eastside Rd	5,722,640	5,722,640	353,510	7,542,368	7,723,385
FO9B (Ph-II)	GJM Blvd-Normandy to McClure	Widen from 2 to 4 lanes from Normandy Rd to McClure			6,252,156	-	-
FO9B (Ph-III) [1]	GJM Blvd-s/o McClure to s/o Coe	Widen from 2 to 4 lanes from McClure to Coe	24,065,000	24,065,000	3,476,974	-	-
FO9C	GJM Blvd-s/o Coe to S Boundary	Widen from 2 to 4 lanes from s/o Coe to South Boundary Rd			13,698,746	986,813	1,010,497
FO11	Salinas Ave	Construct new 2 lane arterial from Reservation Rd southerly to Abrams Dr	3,038,276	3,038,276	-	4,241,102	4,342,888
FO12	Eucalyptus Rd	Upgrade to 2 lane collector from General Jim Moore Blvd to Eastside Rd to Parker Flats cut-off	5,800,000	5,800,000	5,328,055	485,159	496,803
FO13B	Eastside Pkwy (New alignment)	Construct new 2 lane arterial from Eucalyptus Rd to Parker Flats cut-off to Schoonover Dr	12,536,370	12,536,370	510,000	16,950,540	17,357,353
FO14	S Boundary Road Upgrade	Upgrade to a 2 lane arterial, along existing alignment from General Jim Moore Blvd to York Rd	2,515,064	2,515,064	338,986	3,076,067	3,149,893
	Subtotal On-Site		63,036,919	63,036,919	31,517,896	44,439,673	45,506,225
	Transportation Totals		376,225,867	104,230,286	32,769,663	100,566,305	102,979,896
[1] Remaining construction may be phased in future CIP documents based on available funds and habitat/environmental clearance.							
Transit Capital Improvements							
T3	Transit Vehicle Purchase/Replace	15 busses	15,000,000	6,298,254	378,950	8,344,527	8,544,796
T22	Intermodal Centers	(PFIP T-31) includes 3 elements: 1. Intermodal Transportation Center @ 1st. Avenue South of 8th. Street 2. Park and Ride Facility @ 12th Street and Imjin, and 3. Park and Ride Facility @ 8th. Street and Gigling	3,800,000	4,786,673		6,681,673	6,655,674
	Transit Totals		18,800,000	11,084,926	378,950	15,026,200	15,200,470
	Transportation/Transit Totals		395,025,867	115,315,212	33,148,613	115,592,505	118,180,366

Previous Offsets 1995 - 2004

1. Transportation/Transit - TAMC Study 1995	
FORA offsets against obligations for transportation/transit network per 1995 TAMC Study from 1995-2004. Funded by EDA grant funds, state and local matching funds, revenue bond proceeds, development fees.	32,235,648
2. Storm Drainage System	
Retain/Percolate stormwater; eliminate discharge of stormwater to Monterey Bay Sanctuary. Project completed/financial obligation met in 2004. Funded by EDA grant proceeds.	1,631,951
TOTAL CUMULATIVE OFFSETS AGAINST TRANSPORTATION/TRANSIT AND STORM DRAINAGE PROJECTS TO DATE	67,016,212

TABLE 1

TRANSPORTATION NETWORK AND TRANSIT ELEMENTS

Lead Agency	Regional Improvements										
	Proj#	Description	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
TAMC/Caltrans	R3a	Hwy 1-Del Monte-Fremont-MBL							21,844,326	21,844,326	R3
TAMC/Caltrans	R10	Hwy 1-Monterey Rd. Interchange							3,568,690	3,568,690	R10
TAMC/Caltrans	R11	Hwy 156-Freeway Upgrade					5,000,000	5,137,494		10,137,494	R11
	Subtotal Regional		-	-	-	-	5,000,000	5,137,494	25,413,016	35,550,510	
	Off-Site Improvements										
	Proj#	Description	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
Monterey County	1	Davis Rd north of Blanco			724,642					724,642	1
Monterey County	2B	Davis Rd south of Blanco	472,199			6,500,000	2,500,000	2,400,167		11,872,366	2B
Monterey County	4D	Widen Reservation-4 lanes to WG					2,440,000	2,421,777		4,861,777	4D
Monterey County	4E	Widen Reservation, WG to Davis			616,220	616,220	1,935,552			3,167,992	4E
City of Marina	8	Crescent Ave extend to Abrams			650,000	646,384				1,296,385	8
	Subtotal Off-Site		472,199	-	1,990,862	7,762,604	6,875,552	4,821,944	-	21,923,161	
	On-Site Improvements										
	Proj#	Description	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
City of Marina	FO2	Abrams			545,000	540,722				1,085,722	FO2
City of Marina	FO5	8th Street			3,090,000	3,071,859				6,161,859	FO5
FORA	FO6	Intergarrison			4,177,827					4,177,827	FO6
FORA	FO7	Gigling			2,500,000		5,223,385			7,723,385	FO7
FORA	FO9C	GJM Blvd			1,010,497					1,010,497	FO9C
City of Marina	FO11	Salinas Ave			2,130,000	2,212,888				4,342,888	FO11
FORA	FO12	Eucalyptus Road				496,802				496,803	FO12
FORA	FO13B	Eastside Parkway			8,712,577	8,644,776				17,357,353	FO13B
FORA	FO14	South Boundary Road Upgrade		1,500,000	1,649,892					3,149,893	FO14
	Subtotal On-Site		-	1,500,000	23,815,793	14,967,047	5,223,385	-	-	45,506,225	
	Transportation Totals		472,199	1,500,000	25,806,655	22,729,651	17,098,937	9,959,438	25,413,016	102,979,896	
	Transit Capital Improvements										
	Proj#	Description	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
MST	T3	Transit Vehicle Purchase/Replace		1,715,634	1,715,634	1,715,634	1,715,643	1,682,251		8,544,796	T3
MST	T22	Intermodal Centers						3,340,000	3,315,674	6,655,674	T22
	Subtotal Transit		-	1,715,634	1,715,634	1,715,634	1,715,643	5,022,251	3,315,674	15,200,470	
	Transportation and Transit GRAND TOTALS		472,199	3,215,634	27,522,289	24,445,285	18,814,580	14,981,689	28,728,690	118,180,366	

TABLE 2

SUMMARY OF CAPITAL IMPROVEMENT PROGRAM 2014/15 - POST FORA

	2005-14 (1)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post FORA	2014-15 to Post FORA Total
A. CIP PROJECTS FUNDED BY CFD DEVELOPMENT FEES									
Dedicated Revenues									
Development Fees	24,171,322	5,104,000	11,771,000	18,762,000	26,635,000	30,773,000	22,392,000	47,736,000	163,173,000
Other Revenues									
Property Taxes (2)	5,796,078	208,467	497,366	846,755	1,610,582	2,412,112	5,645,454	-	11,220,736
Loan Proceeds (3)	7,926,754								-
Federal Grants (4)	6,426,754								-
CSU Mitigation fees	2,326,795								-
Miscellaneous Revenues (Rev Bonds, CFD credit) (11)	2,762,724	-	-	-	-	-	-	-	-
TOTAL REVENUES	**49,410,427**	**5,312,467**	**12,268,366**	**19,608,755**	**28,245,582**	**33,185,112**	**28,037,454**	**47,736,000**	**174,393,736**
Expenditures									
Projects									
Transportation/Transit	33,148,613	472,199	3,215,634	27,522,289	24,445,285	18,814,580	14,981,689	28,728,690	118,180,366
Water Augmentation (5) CEQA Mitigation	561,780		1,177,100	1,876,200	2,663,500	3,077,300	2,239,200	12,982,348	24,015,648
Storm Drainage System [*Completed by 2005*] (6)	[Table 1]								-
Habitat Management (7)	6,042,831	1,541,408	3,378,277	5,666,124	8,043,770	9,293,446	6,144,144		34,067,169
Fire Rolling Stock	1,160,000								-
Property Management/Caretaker Costs (8)	20,000	-	-	-	-	-	-	-	-
Total Projects	**40,933,223**	**2,013,607**	**7,771,011**	**35,064,613**	**35,152,555**	**31,185,326**	**23,365,033**	**41,711,038**	**176,263,183**
Other Costs & Contingency (9)									
Additional CIP Costs	3,014,400	-	-	-	-	-	-	17,727,055	17,727,055
Habitat Mgt. Contingency	842,104	90,000	-	-	-	-	-	20,193,097	20,283,097
CIP/FORA Costs	925,690	404,509	400,000	400,000	400,000	400,000	395,491	-	2,400,000
Other Costs (Debt Service) (14)	3,695,010	2,800,000	3,992,624	-	-	-	-	-	6,792,624
Total Other Costs & Contingency	**8,477,204**	**3,294,509**	**4,392,624**	**400,000**	**400,000**	**400,000**	**395,491**	**37,920,152**	**47,202,776**
TOTAL EXPENDITURES	**49,410,427**	**5,308,116**	**12,163,635**	**35,464,613**	**35,552,555**	**31,585,326**	**23,760,524**	**79,631,190**	**223,465,959**
Net Annual Revenue		4,352	104,731	(15,855,858)	(7,306,973)	1,599,786	4,276,930	(31,895,190)	
Beginning Balance		-	4,352	109,082	(15,746,776)	(23,053,749)	(21,453,963)	(17,177,033)	
Ending Balance CFD & Other	**-**	**4,352**	**109,082**	**(15,746,776)**	**(23,053,749)**	**(21,453,963)**	**(17,177,033)**	**(49,072,223)**	**(49,072,223)**
B. CIP PROJECTS FUNDED BY LAND SALE REVENUES									
Dedicated Revenues									
Land Sales (10)	15,680,714	-	34,821,117	9,011,094	13,887,758	5,862,610	3,689,508	3,933,720	71,205,808
Land Sales - Credits (11)	6,767,300			6,750,000	-	-	12,659,700	-	19,409,700
Other Revenues (12)	1,425,000				-	-	-	-	-
Loan Proceeds (3)	7,500,000	-	-	-	-	-	-	-	-
Total Revenues	**31,373,014**	**-**	**34,821,117**	**15,761,094**	**13,887,758**	**5,862,610**	**16,349,208**	**3,933,720**	**90,615,508**
Expenditures									
Projects (13)									
Building Removal	28,767,300	2,605,714	3,594,286	6,750,000			12,659,700	-	25,609,700
Other Costs (Loan Pay-off) (14)	-	-	18,000,000	-	-	-	-	-	18,000,000
TOTAL PROJECTS	**28,767,300**	**2,605,714**	**21,594,286**	**6,750,000**	**-**	**-**	**12,659,700**	**-**	**43,609,700**
Net Annual Revenue	2,605,714	(2,605,714)	13,226,831	9,011,094	13,887,758	5,862,610	3,689,508	3,933,720	
Beginning Balance	-	2,605,714	-	13,226,831	22,237,925	36,125,684	41,988,294	45,677,802	
Ending Balance Land Sales & Other	**2,605,714**	**-**	**13,226,831**	**22,237,925**	**36,125,684**	**41,988,294**	**45,677,802**	**49,611,522**	**49,611,522**
TOTAL ENDING BALANCE-ALL PROJECTS		**4,352**	**13,335,914**	**6,491,149**	**13,071,935**	**20,534,331**	**28,500,769**	**539,299**	**539,299**

Table 3 CIP Summary Table Footnotes

(1) This column summarizes CIP revenues and expenses from July 2005 through June 2014~~3~~. These totals are not included in the 2014~~3~~-15~~4~~ to Post FORA totals.

(2) "Property Taxes" (former Tax Increment)~~"~~ revenue has been designated for operations and as a back-up to FORA CIP projects; to date, approximately $5.8M was spent on ET/ESCA change orders and CIP road projects. See Tables A-1, A-2 and A-3 from the EPS Phase III Study for more information.

(3) "Loan Proceeds": In FY 05-06 FORA obtained a line of credit (LOC) to ensure CIP obligations be met despite cash flow fluctuations. The LOC draw-downs were used to pay road design, construction and building removal costs and were partially repaid by available CIP funding sources. In FY 09-10 FORA repaid the remaining $9M LOC debt ($1.5M in transportation and $7.5M in building removal) through a loan secured by FORA's share of Preston Park. The loan also provided $6.4M matching funds to US Department of Commerce EDA/American Recovery and Reinvestment Act (~~"~~ARRA~~"~~) grant funds.

(4) "Federal grants": In FY 2010 FORA received ARRA funding to finance construction of General Jim Moore Boulevard (GJMB) and Eucalyptus Road. FORA obtained a loan against its 50% share in Preston Park revenues to provide required match to the ARRA grant (see #3 "Loan Proceeds").

(5) "Water Augmentation" is FORA's financial obligation for ~~the approved~~a CEQA required water augmentation project. The ~~original~~ indexed CEQA obligation ($24~~3~~,015~~452~~,648~~781~~) is included in the total. The previous "voluntary contribution" has been subsumed in MCWD's capacity charge and FORA developer fee reduced commensurately so as not to double charge. ~~The FORA Board approved an additional contribution ($21,655,302) to keep MCWD capacity charges in check. Please refer to Section II g) Water and Wastewater Collection Systems.~~

(6) FORA's "Storm Water Drainage System" mitigation has been retired. ~~Through agreement with the California Department of Parks and Recreation, FORA is obligated to remove storm water disposal facilities west of Highway 1 following replacement of the outfall storm drains with on-site storm water disposal. Funding for this work is shown under Other Costs & Contingencies.~~

(7) "Habitat Management" amounts are estimates. Habitat management endowment final amount is subject to approval by USFWS and CDFW. Please refer to Section II d) Habitat Management Requirements.

(8) "Property Management/Caretaker Costs" amounts are deducted from net land sales revenue. As a result of EPS's CIP Review – Phase II Study analysis, FORA has agreed to reimburse its five member jurisdictions up to $660,000 in annual funding for these expenses, provided sufficient land sales/lease revenue is available and jurisdictions are able to demonstrate property management/caretaker costs. Please refer to Section II h) Property Maintenance and Caretaker Costs.

(9) "Other Costs & Contingencies" are subject to cash flow and demonstrated need. ~~Primarily, this item is not funded until distant "out-years" of the program.~~

"Additional ~~Transportation~~ CIP Costs" are ~~potential and unknown additional basewide~~ expenditures not included in current cost estimates for transportation projects (e.g. contract change orders to the ESCA, general consulting, etc.)~~street landscaping, unknown site conditions, project changes, habitat/environmental mitigation, etc.)~~ and unknown additional basewide expenditures (street landscaping, unknown site conditions, project changes, additional habitat/environmental mitigation, Board discretion, etc.).

"Habitat Management Contingency" provides interim funding for the University of California Fort Ord Natural Reserve until adoption of the HCP and as a result of CIP Review policy decisions, includes sufficient funding for Habitat Conservation Plan endowments should a lower endowment payout rate be required by Regulatory Agencies.

"CIP/FORA Costs" provides for FORA CIP staff, overhead, and direct CIP consulting costs (EPS, legal, etc.). These FORA costs were included as a part of transportation and other projects through FY 2012/13. During the FY 2013/14 budgeting process, in an effort to synchronize the FORA annual budget and CIP budget, the presentation format for both were revised (reporting FORA costs as a separate line item in the CIP budget) to provide consistent information.

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~~“Additional Utility and Storm Drainage Costs” provides for restoration of storm drainage sites in State Parks land and relocation of utilities.~~

(10) “Land Sales” revenue projections were evaluated by EPS as a component of their CIP Review – Phase II and III Studies~~y~~. The same approach of determining a residual land value factor based on past FORA or Land Use Jurisdictions’ land sales transactions (resulting in $188~~0~~,000 per acre) was used. The factor was then applied to non-transacted remaining development acres. The land sales revenue projections shown are net revenue after deducting identified costs, which include $660,000 annually in property management/caretaker costs (obligation reduced as land is reused) and $250,000 annually in other obligations (Initiatives, Petitions, Pollution Legal Liability Insurance, Etc.).

(11) “CFD/Land Sales – Credit” is credit due specific developers who perform roadway improvements/building removal by agreement with FORA. The value of the work is subtracted from the developer’s CFD fee/land sale proceeds due FORA. Regarding CFD fees, FORA entered into agreement with East Garrison Partners for a total credit of $2,075,621.Regarding land sale proceeds, FORA entered into two such agreements with Marina Community Partners ($24M) and East Garrison Partners ($2.1M) for a total land sale credit of $26,177,000.

(12) “Other Revenues” applied against building removal include Abrams B loan repayment of $1,425,000.

(13) “Projects” total include building removal at 1) Dunes on Monterey Bay ($46M), 2) Imjin Office ($400K), 3) East Garrison ($2.177M), and remaining to be completed 4) Stockade ($2.2M), and 5) Surplus II ($4M).

(14) "Other Costs (Debt Service)" payment of borrowed funds, principal and interest (see #3 “Loan Proceeds”). The $7.9~~6~~M repayment of remaining principal by FORA Development Fees/CFD special taxes, anticipated ~~in~~ through FY 15~~3~~-16~~4~~, will be retained in the FORA Reserve fund. On May 10, 2013, the FORA Board approved a 23.6% reduction in the Basewide FORA Development Fee Schedule and FORA CFD special tax as a result of EPS’s CIP Review - Phase II Study. The study showed that FORA operations costs through 2020 will be offset by the $7.9~~6~~ M loan repayment from FORA Development Fees/CFD special taxes. The actual Preston Park loan will be paid off upon Preston Park disposition.

TABLE 4

Community Facilities District Revenue

	Number	Jurisdiction	Post FORA Total	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post-FORA
New Residential										
Marina Heights	1050	MAR	$ 23,689,000	$ 451,000	$ 1,715,000	$ 3,249,000	$ 4,061,000	$ 4,196,000	$ 4,061,000	$ 5,956,000
The Promontory		MAR	-	-	-	-	-	-	-	-
Dunes on Monterey Bay	1237	MAR	25,469,000	1,128,000	1,354,000	2,030,000	2,030,000	2,030,000	2,030,000	14,867,000
TAMC Planned	200	MAR	4,512,000	-	-	-	-	2,256,000	2,256,000	-
CSUMB Planned		CSU	555,000	-	-	-	169,200	169,200	169,200	47,400
UC Planned	240	UC	5,412,000	-	-	902,000	902,000	902,000	902,000	1,804,000
East Garrison I	1472	MCO	29,372,000	2,076,000	2,030,000	2,030,000	4,399,000	3,835,000	3,835,000	11,167,000
Seaside Highlands Homes	152	SEA	-	-	-	-	-	-	-	-
Seaside Resort Housing	126	SEA	2,775,000	45,000	23,000	90,000	135,000	1,241,000	1,241,000	-
Seaside Planned	987	SEA	22,266,000	-	-	564,000	3,384,000	3,384,000	3,316,000	11,618,000
Del Rey Oaks Planned	691	DRO	15,589,000	-	-	2,933,000	6,475,000	6,181,000	-	-
Other Residential Planned	8	Various	180,000	-	-	-	-	-	-	180,000
Existing/Replacement Residential										
Preston Park	352	MAR	$ 3,265,000	$ -	$ 3,265,000	$ -	$ -	$ -	$ -	$ -
Cypress Knolls	400	MAR	9,024,000	-	-	2,256,000	2,256,000	2,256,000	2,256,000	-
Abrams B	192	MAR	-	-	-	-	-	-	-	-
MOCO Housing Authority	56	MAR	-	-	-	-	-	-	-	-
Shelter Outreach Plus	39	MAR	-	-	-	-	-	-	-	-
Veterans Transition Center	13	MAR	-	-	-	-	-	-	-	-
Interim Inc	11	MAR	-	-	-	-	-	-	-	-
Sunbay (former Thorson Park)	297	SEA	-	-	-	-	-	-	-	-
Brostrom	225	SEA	-	-	-	-	-	-	-	-
Seaside Highlands	228	SEA	-	-	-	-	-	-	-	-
Office										
Del Rey Oaks Planned		DRO	$ 38,000	$ -	$ -	$ 19,000	$ -	$ 19,000	$ -	$ -
Monterey Planned		MRY	139,000	-	-	23,000	23,000	23,000	35,000	35,000
East Garrison I Office Development		MCO	6,000	3,000	2,000	1,000	-	-	-	-
Imjin Office Park		MAR	2,000	2,000	-	-	-	-	-	-
Dunes on Monterey Bay		MAR	139,000	29,000	10,000	10,000	-	19,000	19,000	52,000
Cypress Knolls Community Center		MAR	3,000	-	-	3,000	-	-	-	-
Interim Inc. - Rockrose Gardens		MAR	-	-	-	-	-	-	-	-
TAMC Planned		MAR	8,000	-	-	-	-	4,000	4,000	-
Seaside Planned		SEA	17,000	-	-	5,000	5,000	5,000	2,000	-
UC Planned		UC	67,000	-	-	8,000	8,000	27,000	8,000	16,000
Industrial										
Monterey Planned		MRY	$ 36,000	$ -	$ -	$ -	$ -	$ 12,000.00	$ 12,000.00	$ 12,000.00
Industrial -- City Corp. Yard		MAR	-	-	-	-	-	-	-	-
Dunes on Monterey Bay		MAR	-	-	-	-	-	-	-	-
Cypress Knolls Support Services		MAR	1,000	-	-	1,000	-	-	-	-
Marina Planned		MAR	40,000	5,000	5,000	5,000	5,000	5,000	5,000	10,000
TAMC Planned		MAR	6,000	-	-	-	-	3,000	3,000	-

TABLE 4

Community Facilities District Revenue

	Number	Jurisdiction	Post FORA Total	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post-FORA
Seaside Planned		SEA	27,000	-	-	13,000	8,000	6,000	-	-
UC Planned		UC	18,000	-	-	3,000	3,000	3,000	3,000	6,000
Retail										
Del Rey Oaks Planned		DRO	$ 112,000	$ -	$ -	$ 112,000	$ -	$ -	$ -	$ -
East Garrison I Retail		MCO	224,000	-	-	112,000	112,000	-	-	-
Cypress Knolls Community Center		MAR	168,000	-	-	168,000	-	-	-	-
Dunes on Monterey Bay		MAR	1,120,000	862,000	258,000	-	-	-	-	-
TAMC Planned		MAR	420,000	-	-	-	-	210,000	210,000	-
Seaside Resort Golf Clubhouse		SEA	91,000	-	91,000	-	-	-	-	-
Seaside Planned		SEA	5,664,000	-	-	560,000	560,000	3,693,000	851,000	-
UC Planned		UC	2,056,000	-	-	294,000	440,000	294,000	294,000	734,000
Hotel (rooms)										
Del Rey Oaks Planned	550	DRO	$ 2,767,000	$ -	$ -	$ 2,767,000	$ -	$ -	$ -	$ -
Dunes - Limited Service	100	MAR	503,000	503,000	-	-	-	-	-	-
Dunes - Full Service	400	MAR	2,012,000	-	2,012,000	-	-	-	-	-
Seaside Golf Course Hotel	330	SEA	1,660,000	-	-	-	1,660,000	-	-	-
Seaside Golf Course Timeshares	170	SEA	855,000	-	-	-	-	-	-	855,000
Seaside Planned	570	SEA	2,867,000	-	1,006,000	604,000	-	-	880,000	377,000
UC Planned	0	UC	-	-	-	-	-	-	-	-
Total			**$ 163,173,000**	**$ 5,104,000**	**$ 11,771,000**	**$ 18,762,000**	**$ 26,635,000**	**$ 30,773,000**	**$ 22,392,000**	**$ 47,736,000**

	Adopted 2002	Effective 7/1/13	Fee Adjustment	Effective 7/5/14
New Residential (per du)	$ 34,324	$ 27,180	-17.0%	$ 22,560
Existing Residential (per du)	10,320	8,173	-17.0%	6,780
Office & Industrial (per acre)	4,499	3,567	-17.0%	2,960
Retail (per acre)	92,768	73,471	-17.0%	60,980
Hotel (per room)	7,653	6,065	-17.0%	5,030

TABLE 5

Land Sale Revenue

	Jurisdiction	**2014-15 to Post-FORA**	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post-FORA
New Residential									
Seaside Planned	SEA	32,977,620		795,719	4,842,058	4,914,688	4,888,641	6,744,229	10,792,285
Del Rey Oaks Planned	DRO	22,382,858		4,140,794	9,258,014	8,984,050			
Other Residential Planned	Various	273,405							273,405
Existing/Replacement Residential									
Preston Park	MAR	56,900,558		56,900,558					
Cypress Knolls	MAR	13,010,436		3,180,333	3,228,038	3,276,459	3,325,606		
Office									
Del Rey Oaks Planned	DRO	2,541,044	-	1,251,607	-	1,289,437			
Monterey Planned	MRY	9,339,947	-	1,508,841	1,531,474	1,554,446	2,354,931	2,390,255	
Cypress Knolls Community Center	MAR	200,257	-	200,257					
Seaside Planned	SEA	1,109,523	-	312,902	317,595	348,148	130,878		
Industrial									
Monterey Planned	MRY	2,476,923	-	-	-	813,379	825,580	837,964	
Cypress Knolls Support Services	MAR	65,709	-	65,709					
Seaside Planned	SEA	1,498,335	-	547,653	555,792	394,890			
Retail									
Del Rey Oaks Planned	DRO	350,450	-	350,450					
Cypress Knolls Community Center	MAR	525,675	-	525,675					
Seaside Planned	SEA	18,221,234	-	1,752,250	1,778,534	11,905,370	2,785,080		
Hotel (rooms)									
Del Rey Oaks Planned	DRO	2,761,868	-	2,761,868					
Seaside Planned	SEA	2,910,710	989,474	602,589	-	-	918,917	399,729	
Subtotal: Estimated Transactions		$167,546,552	989,474	74,897,207	21,511,504	33,480,868	15,229,633	10,372,176	11,065,690
FORA Share - 50%		83,773,276	494,737	37,448,604	10,755,752	16,740,434	7,614,816	5,186,088	5,532,845
Estimated Caretaker/Property Mgt. Costs		($2,577,939)	(494,737)	(673,437)	(576,204)	(451,043)	(239,591)	(142,927)	
Other obligations (Initiatives, Petitions, PLL, etc.)		($1,408,116)		(265,225)	(273,182)	(281,377)	(289,819)	(298,513)	(306,307)
FORA Costs								(69,336)	
Net FORA Land Sales Proceeds		79,787,221	(0)	36,509,942	9,906,366	16,008,014	7,085,406	4,675,312	5,226,538
Net Present Value (4.85% Discount Rate)		71,205,808	(0)	34,821,117	9,011,094	13,887,758	5,862,610	3,689,508	3,933,720

Note #1: FORA and local jursdiction split land sales revenue 50/50 with FORA paying sales costs from its share. Actual land sales revenue may vary from that shown here.

Note #2: Assumes per acre value of $188,000 and that values escalate by 1.5% annually.

Appendix A

Protocol for Review/Reprogramming of FORA CIP
(Revised June 21, 2013)

1.) Conduct quarterly meetings with the CIP Committee and joint committee meetings as needed with members from the FORA Administrative Committee. Staff representatives from the California Department of Transportation (CALTRANS), TAMC, AMBAG, and MST may be requested to participate and provide input to the joint committee.

These meetings will be the forum to review developments as they are being planned to assure accurate prioritization and timing of CIP projects to best serve the development as it is projected. FORA CIP projects will be constructed during the program, but market and budgetary realities require that projects must "queue" to current year priority status. The major criteria used to prioritize project placement are:

- Project is necessary to mitigate reuse plan
- Project environmental/design is complete
- Project can be completed prior to FORA's sunset
- Project uses FORA CIP funding as matching funds to leverage grant dollars
- Project can be coordinated with projects of other agencies (utilities, water, TAMC, PG&E, CALTRANS, MST, etc.)
- Project furthers inter-jurisdictional equity
- Project supports jurisdictional "flagship" project
- Project nexus to jurisdictional development programs

The joint committee will balance projected project costs against projected revenues as a primary goal of any recommended reprogramming/reprioritization effort.

2.) Provide a mid-year and/or yearly report to the Board (at mid-year budget and/or annual budget meetings) that will include any recommendations for CIP modifications from the joint committee and staff.

3.) Anticipate FORA Board annual approval of a CIP program that comprehensively accounts for all obligatory projects under the BRP.

These basewide project obligations include transportation/transit, water augmentation, storm drainage, habitat management, building removal and firefighting enhancement.

This protocol also describes the method by which the basewide development fee (Fee) and Fort Ord Reuse Authority Community Facilities District Special Tax (Tax) are annually indexed. The amount of the Fee is identical to the CFD Tax. Landowners pay either the Fee or the Tax, never both, depending on whether the land is within the Community Facilities District. For indexing purposes, FORA has always used the change in costs from January 1 to December 31. The reason for that choice is that the Fee and CFD Tax must be in place on July 1, and this provides the time necessary to prepare projections, vet, and publish the document. The second idea concerns measurement of construction costs. Construction costs may be measured by either the San Francisco Metropolitan index, or the "20-City Average." FORA has always used the 20-City Average index because it is generally more in line with the actual experience in suburban areas like the Monterey Peninsula. It should be noted that San Francisco is one of the cities used for the 20-City Average.

The Fee was established in February 1999 by Resolution 99-1. Section 1 of that Resolution states that "(FORA) shall levy a development fee in the amounts listed for each type of development in the… fee schedule until such time as … the schedule is amended by (the) board." The CFD Tax was established in February 2002 by Resolution 02-1. Section IV of that CFD Resolution, beginning on page B-4, describes "Maximum Special Tax Rates" and "Increase in the Maximum Special Tax Rates." That section requires the Tax to be established on the basis of costs during the "…immediately preceding Fiscal Year..." The Tax is adjusted annually on the basis of "…Construction Cost Index applicable to the area in which the District is located…"[1]

The CFD resolution requires the adjusted Tax rate to become effective on July 1. It would be difficult to meet that deadline if the benchmark were set for a date later than January. FORA staff uses the adjusted Tax rate to reprogram the CIP. FORA staff requests development forecast projections from the land use jurisdictions in January. The forecasts allow staff to balance CIP revenues and expenditures, typically complete by April, for Administrative Committee review. The FORA Board typically adopts the CIP, and consequently updates the "Notice of Special Tax Lien" (Notice) in June.

Additionally, the Notice calls for "… (2) percentage change since the immediately preceding fiscal year in the (ENRs CCI) applicable to the area in which the District is located..." To assure adequate time for staff analysis, public debate and FORA Board review of modifications to the Special Tax Levy, it is prudent to begin in January. In addition, the FORA Board adopted a formulaic approach to monitoring the developer fee program which is typically conducted in the spring – as will be the case in 2014. If the anticipated Fee adjustment is unknown at the time of the formulaic calculation then the level of certainty about the appropriateness of the Fee is impaired. This factor supports that the Fee should be established in January.

To determine the percentage change, the CCI (Construction Cost Index) of the immediately prior January is subtracted from the CCI in January of the current year to define the arithmetic value of the change (increase or decrease). This dollar amount is divided by the CCI of the immediately prior January. The result is then multiplied by 100 to derive a percentage of change (increase or decrease) during the intervening year. The product of that calculation is the rate presented to the FORA Board.

Since the start of the CIP program in FY 2001/02, FORA has employed the CCI for the "20-City Average" as presented in the ENR rather than the San Francisco average. The current 20-City Average places the CCI in the range of $9K to $10K while the San Francisco CCI is in the $10K to $11K range. The difference in the two relates to factors which tend to drive costs up in an urban environment as opposed to the suburban environment of Fort Ord. These factors would include items such as time required for transportation of materials and equipment plus the Minimum Wage Rates in San Francisco as compared to those in Monterey County. Over a short term (1 year) one index may yield a lower percentage increase than the other index for the same time period.

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[1] The pertinent paragraph reads as follows:

> *"On each July 1, commencing July 1, 2002, the Maximum Special Tax Rates shown in Table 1 shall be increased by an amount equal to the lesser of (1) five percent (5%) or (2) the percentage change since the immediately preceding Fiscal Year in the Engineering News Record's (ENRs) Construction Cost Index (CCI) applicable to the area in which the District is located (or, if such index is no longer published, a substantially equivalent index selected by the CFD Administrator)."*

Table A1: Residential Annual Land Use Construction *(dwelling units)*

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Land Use Type	Juris-diction	Existing 7/1/14	Existing to 2021-22 Total	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
New Residential											
Marina Heights	MAR		1,050	20	76	144	180	186	180	141	123
The Promontory	MAR										
Dunes on Monterey Bay	MAR	108	1,237	50	60	90	90	90	90	50	609
TAMC Planned	MAR		200					100	100		
Marina Subtotal			2,487								
CSUMB Planned	CSU						150	150	150	42	
UC Planned	UC		240			40	40	40	40	40	40
East Garrison I	MCO	170	1,472	92	90	90	195	170	170	170	325
Seaside Highlands Homes	SEA	152	152								
Seaside Resort Housing	SEA	3	126	2	1	4	6	55	55		
Seaside Planned	SEA		987			25	150	150	147	200	315
Seaside Subtotal			1,265								
Del Rey Oaks Planned	DRO		691			130	287	274			
Other Residential Planned	Various	-	8	-	-	-	-	-	-	-	8
Subtotal		433	6,163	164	227	523	948	1,065	782	601	1,420
TOTAL NEW RESIDENTIAL			6,160								
Existing/Replacement Residential											
Preston Park	MAR	352	352								
Cypress Knolls	MAR		400			100	100	100	100		
Abrams B	MAR	192	192								
MOCO Housing Authority	MAR	56	56								
Shelter Outreach Plus	MAR	39	39								
Veterans Transition Center	MAR	13	13								
Interim Inc	MAR	11	11								
Sunbay (former Thorson Park)	SEA	297	297								
Brostrom	SEA	225	225								
Seaside Highlands	SEA	228	228	-	-	-	-	-	-	-	-
Subtotal		1,413	1,813	-	-	100	100	100	100	-	-
TOTAL EXISTING RESIDENTIAL			1,813								
Total		1,846	7,976	164	227	623	1,048	1,165	882	601	1,420

Table A2: Non-Residential Annual Land Use Construction (building square feet or hotel rooms)

DRAFT DRAFT DRAFT

Land Use Type	Juris-diction	Existing 7/1/14	Existing to 2021-22 Total	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Office											
Del Rey Oaks Planned	DRO		200,000			100,000		100,000			
Monterey Planned	MRY		721,524			120,552	120,552	120,552	179,934	179,934	
East Garrison I Office Development	MCO		35,000	18,000	12,000	5,000					
Imjin Office Park	MAR	37,000	46,000	9,000	-						
Dunes on Monterey Bay	MAR	40,000	760,000	150,000	50,000	50,000		100,000	100,000		270,000
Cypress Knolls Community Center	MAR		16,000			16,000					
Interim Inc. - Rockrose Gardens	MAR	14,000	14,000	-							
TAMC Planned	MAR		40,000					20,000	20,000		
Seaside Planned	SEA		87,000			25,000	25,000	27,000	10,000		
UC Planned	UC	-	340,000	-	-	40,000	40,000	140,000	40,000	40,000	40,000
Subtotal		91,000	2,259,524	177,000	62,000	356,552	185,552	507,552	349,934	219,934	310,000
Industrial											
Monterey Planned	MRY		216,275					72,092	72,092	72,092	
Industrial -- City Corp. Yard	MAR	12,300	12,300								
Dunes on Monterey Bay	MAR		-	-	-	-	-				
Cypress Knolls Support Services	MAR		6,000			6,000					
Marina Planned	MAR	250,000	486,000	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500
TAMC Planned	MAR		35,000					17,500	17,500		
Seaside Planned	SEA		160,320			75,320	50,000	35,000			
UC Planned	UC	38,000	158,000	-	-	20,000	20,000	20,000	20,000	20,000	20,000
Subtotal		300,300	1,073,895	29,500	29,500	130,820	99,500	174,092	139,092	121,592	49,500
Retail											
Del Rey Oaks Planned	DRO		20,000			20,000					
East Garrison I Retail	MCO		40,000	-	-	20,000	20,000				
Cypress Knolls Community Center	MAR		30,000			30,000					
Dunes on Monterey Bay	MAR	368,000	568,000	154,000	46,000						
TAMC Planned	MAR		75,000	-	-	-	-	37,500	37,500	-	-
Seaside Resort Golf Clubhouse	SEA		16,300		16,300						
Seaside Planned	SEA		1,011,500	-		100,000	100,000	659,500	152,000	-	-
UC Planned	UC		367,000	-	-	52,500	78,500	52,500	52,500	52,500	78,500
Subtotal		368,000	2,127,800	154,000	62,300	222,500	198,500	749,500	242,000	52,500	78,500
Hotel (rooms)											
Del Rey Oaks Planned	DRO		550			550					
Dunes - Limited Service	MAR		100	100							
Dunes - Full Service	MAR		400		400						
Seaside Golf Course Hotel	SEA		330				330				
Seaside Golf Course Timeshares	SEA		170							170	
Seaside Planned	SEA		570		200	120			175	75	
UC Planned	UC	-	-	-	-	-	-	-	-	-	-
Subtotal		-	2,120	100	600	670	330	-	175	245	-

Appendix C

Building Removal Program to Date

<u>FORA Pilot Deconstruction Project (PDP) 1996</u>

In 1996, FORA deconstructed five wooden buildings of different types, relocated three wooden buildings, and remodeled three buildings. The potential for job creation and economic recovery through opportunities in deconstruction, building reuse, and recycling was researched through this effort.

Lessons learned from the FORA PDP project:

- *A structure's type, size, previous use, end-use, owner, and location are important when determining the relevance of lead and asbestos regulations.*
- *Profiling the building stock by type aids in developing salvage and building removal projections.*
- *Specific market needs for reusable and recycled products drive the effectiveness of deconstruction.*
- *Knowing the history of buildings is important because:*
    - *Reusing materials is complicated by the presence of Lead Based Paint (LBP), which was originally thinned with leaded gasoline and resulted in the hazardous materials penetrating further into the substrate material.*
    - *Over time, each building develops a unique use, maintenance and repair history, which can complicate hazardous material abatement survey efforts.*
- *Additional field surveys were needed to augment existing U.S. Army environmental information. The PDP surveys found approximately 30 percent more Asbestos Containing Material (ACM) than identified by the Army.*
- *Hazardous material abatement accounts for almost 50 percent of building deconstruction costs on the former Fort Ord.*
- *A robust systematic program is needed for evaluating unknown hazardous materials early in building reuse, recycling and cleanup planning*.

<u>FORA Survey for Hidden Asbestos 1997</u>

In 1997, FORA commissioned surveys of invasive asbestos on a random sample of buildings on Fort Ord to identify hidden ACM. Before closure, the U.S. Army performed asbestos surveys on all exposed surfaces in every building on Fort Ord for their operation and maintenance needs. The Army surveys were not invasive and therefore did not identify asbestos sources, which could be spread to the atmosphere during building deconstruction or renovation. In addition to commissioning the survey for hidden asbestos, FORA catalogued the ACM found during the removal of seventy Fort Ord buildings.

The survey for hidden asbestos showed:

- *The Army asbestos surveys were conducted on accessible surfaces only which is not acceptable to the Monterey Bay Unified Air Pollution Control District (MBUAPCD).*
- *Approximately 30 percent more ACM lies hidden than was identified in the Army surveys.*
- *The number one cause for slow-downs and change orders during building deconstruction is hidden asbestos (see FORA website).*

- *A comprehensive asbestos-containing materials survey must identify all ACM.*
- *All ACM must be remediated before building deconstruction begins. It is important to note that this includes non-friable ACM that has a high probability of becoming or has become friable - crumbled, pulverized, or reduced to powder by the forces expected to act on the material in the course of deconstruction.*
- *All ACM must be disposed of legally.*

<u>FORA Hierarchy of Building Reuse 1998</u>

In response to the PDP project, FORA developed a Hierarchy of Building Reuse (HBR) protocol to determine the highest and best method to capture and save both the embodied energy and materials that exist in the buildings on Fort Ord. The HBR is a project-planning tool. It provides direction, helps contractors achieve higher levels of sustainability, and facilitates dialogue with developers in order to promote salvage and reuse of materials in new construction projects. The HBR protocol has only been used on WWII era wooden buildings. The HBR protocol prioritizes activities in the following order:

1. *Reuse of buildings in place*
2. *Relocation of buildings*
3. *Deconstruction and salvage of building materials*
4. *Deconstruction with aggressive recycling of building materials*

<u>FORA Request for Qualifications (RFQ) for Building Deconstruction Contractors 1998</u>

FORA went through an RFQ process in an attempt to pre-qualify contractors throughout the U.S. to meet the Fort Ord communities' needs for wooden building deconstruction (removal), hazardous material abatement, salvage and recycling, and identifying cost savings. The RFQ also included a commitment for hiring trainees in deconstruction practices.

<u>FORA Lead-Based Paint Remediation Demonstration Project 1999</u>

FORA initiated the LBP Remediation Demonstration Program in 1999 to determine the extent of LBP contamination in Fort Ord buildings and soil, field test possible solutions, and document the findings. The first step in controlling LBP contamination is to accurately identify the amount and characteristics of the LBP. This ensures that LBP is properly addressed during removal and reuse activities, in ways that protect the public, environment, and workers.

The FORA Compound and Water City Roller Hockey Rink were used as living laboratories to test the application of LBP encapsulating products. Local painting contractors were trained to apply various encapsulating products and the ease, effectiveness and expected product life was evaluated. This information was shared with the jurisdictions, other base closure communities and the regulatory agencies so that they could use the lessons learned if reusing portions of their WWII building stock.

<u>FORA Waste Characterization Protocol 2001</u>

A Basewide Waste Characterization Protocol was developed for building debris generated during the deconstruction of approximately 1,200 WWII era wooden structures. By profiling standing buildings utilizing the protocol, contractors are able to make more informed waste management and diversion decisions resulting in savings, greater implementation of sustainable practices, and more environmentally sensitive solutions.

The following assumptions further assist decision-making for a large-scale source-based recovery program:

- *Individual buildings have been uniquely modified over time within each building type.*
- *The basewide characterization protocol was verified by comparing it with the actual waste generated during the 12th street building removal.*

<u>FORA Building Removal for 12th Street/Imjin Parkway 2002</u>

FORA, in 2002, remediated and removed 25 WWII era buildings as the preparatory work for the realignment of 12th Street, later to be called Imjin Parkway.

<u>FORA Building Removal for 2nd Avenue Widening 2003</u>

FORA, in 2003, remediated and removed 16 WWII era buildings and also the remains of a theater that had burned and been buried in place by the Army years before the base was scheduled for closure.

<u>FORA/CSUMB oversight Private Material Recovery Facility Project 2004</u>

In 2004, FORA worked with CSUMB to oversee a private-sector pilot Material Recovery Facility (MRF), with the goal of salvaging and reusing LBP covered wood from 14 WWII era buildings. FORA collaborated in the development of this project by sharing its research on building deconstruction and LBP abatement. CSUMB and their private-sector partner hoped to create value added products such as wood flooring that could be sold to offset deconstruction costs. Unfortunately the MRF operator and equipment proved to be unreliable and the LBP could not be fully removed from the wood or was cost prohibitive.

<u>Dune WWII Building Removal 2005</u>

FORA, in partnership with Marina and Marina Community Partners, removed 406 WWII era buildings. Ninety percent of the non-hazardous materials from these building were recycled. FORA volunteered to be the Hazardous Waste Generator instead of the City of Marina and worked with the California Department of Toxic Substance Control, the State Board of Equalization and the hazardous waste disposal facility so that as stipulated by state law, State Hazardous Waste Generator taxes could be avoided.

<u>East Garrison Building Removal 2006 thru 2007</u>

FORA, in 2006, provided the East Garrison developer with credits/funds to remove 31select WWII and after buildings from East Garrison.

<u>Imjin Office Park Building Removal 2007</u>

FORA, in partnership with Marina and Marina Community Partners, removed 13 WWII era buildings to prepare the Imjin Office Park site.

FORA Removal of Building 4470 in Seaside 2011

In 2011, FORA had a concrete building in Seaside removed. Building 4470 was one of the first Korean War era concrete buildings removed on the former Fort Ord. Removal revealed the presence of hidden asbestos materials. The knowledge gained during this project will be helpful in determining removal costs of remaining Korean War era concrete buildings in Seaside and on CSUMB.

FORA/CSUMB Korean War Concrete Building Removal Business Plan Grant Application 2011

In 2011, FORA approached the U.S. Office of Economic Adjustment (OEA) about the possibility of applying for grant funds to assist in the removal of Korean War era concrete buildings located on CSUMB and Seaside property. The OEA was receptive to the idea and encouraged an application, noting that the amount available would likely be less than $500,000. Since a large portion of the Korean War era concrete buildings are located on CSUMB property, FORA asked CSUMB to co-apply for the grant funds, which would be used to accurately identify hazardous materials in the buildings both on CSUMB and Seaside property, and to develop a Business Plan that would harness market forces to reduce building removal costs and drive economically sound building removal decisions. FORA and CSUMB have completed the grant application and submitted it to the OEA, who will consider it once federal funding becomes available.

Continuing FORA support for CSUMB Building Removal Projects

Over the years, FORA has shared knowledge gained through various deconstruction projects with CSUMB and others, and CSUMB has reciprocated by sharing their lessons learned. Over the years FORA has supported CSUMB with shared contacts, information, review and guidance as requested for the following CSUMB building removal efforts:

- 2003 removal of 22 campus buildings
- 2006 removal of 87 campus buildings
- 2007 removal of 9 campus buildings
- 2009 removal of 8 campus buildings
- 2010 removal of 33 campus buildings
- 2011 removal of 78 campus buildings
- 2013 removal of 24 campus buildings

Distributed at 7/18/12 Administrative Committee Meeting

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APPENDIX D

Materials for Item 7(d)(ii)
Admin. Comm. Meeting, 7/18/12

MEMORANDUM

Date: July 18, 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 7(d)(ii)

DRAFT

The purpose of this memo is to provide background 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 since 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. This line item is wholly dependent on whether sufficient revenue is received during the fiscal year. In its current CIP, FORA maintains a $12.2 million dollar line item for caretaker costs. FORA Assessment District Counsel opined that FORA Community Facilties 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 the City of Marina, the City of Seaside, and the County of Monterey. Below are two tables summarizing the agreement periods, amounts of funding involved, and an example of tasks included in these agreements. It is noted that these tables are not a comprehensive summary of the Army's caretaker agreements with the jurisdictions, but provide additional information on the subject.

Cooperative/Caretaker Agreements between the U.S. Army and former Fort Ord Jurisdictions

Summary of Caretaker Agreement Periods	Marina Funding	Seaside Funding	County Funding
July 2000 – June 2001		$647,512	
July 2002 – December 2002	$50,694		
July 2002 – June 2003		$52,736	$49,500
July 2002 – June 2003	$49,902	$57,808	$156,672
October 2003- June 2004	$7,875	$37,773	$74,754
Totals	**$324,308**	**$364,154**	**$496,763**

Description of tasks in Marina Caretaker Agreement for Period July – December 2002

Task #	Description	Budget
1	Tree Trimming	$6,240
2	Mowing	$10,000
3	Pavement Patching	$3,425
4	Centerline/Stenciling	$5,560
5	Barricades	$3,100
6	Traffic Signs	$2,080
7	Catch Basin/Storm Drain Maint.	$1,600
8	Vacant Buildings	$7,025
9	Vegetation Control/Spraying	$2,055
13	Paving/Slurry Seal	$5,000
14	Administration (10% of total)	$4,608.50
	Totals	**$50,693.50**

Attachment B to Item 8b
FORA Board Meeting, 6/13/14

FORT ORD REUSE AUTHORITY
Resolution 14-XX

Resolution of the Fort Ord Reuse Authority Board adjusting the FORA Community Facilities District Special Tax Rates and the Basewide Development Fee Schedule.

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

A. Government Code section 67679(e) authorizes the Fort Ord Reuse Authority (hereinafter referred to as "Authority") Board of Directors (hereinafter referred to as "Board") to levy development fees on a development project within the area of the base in compliance with Government Code section 66000, *et seq.* The section stipulates that "No local agency shall issue any building permit for any development within the area of the former Fort Ord until the Board has certified that all development fees have been paid."

B. The Authority Board adopted Resolution 99-1 to establish Basewide Development Fees for all of the former Fort Ord area primarily to pay for basewide obligations intended to mitigate the costs associated with the impact of development of the Fort Ord territory. The basewide public facilities are identified in the Base Reuse Plan and the Public Facilities Improvement Plan and are annually approved by the Board as part of the Board's adopted Capital Improvement Plan (hereinafter referred to as "CIP"), in particular the transportation, habitat management and other impacts caused by development as identified in the Final Environmental Impact Report, adopted by this Board on June 13, 1997.

C. On January 18, 2002, the Authority Board adopted Resolution No. 02-1 establishing the Fort Ord Reuse Authority Basewide Community Facilities District (hereinafter referred to as the "CFD") under State Law that approved a rate and method of apportionment of special taxes (the "RMA") and provided for the levy of special taxes (the "Special Taxes") on real property in selected areas of the former Fort Ord, and, on October 14, 2005, the Authority Board adopted Resolution No. 05-15, which effectively amended the CFD RMA in order to provide a special tax structure that would encourage and benefit the development of affordable and workforce housing.

D. The Board heard testimony from professional consultants, affected businesses, and community representatives on August 29, 2012, and through adoption of resolution 12-5, authorized Implementation Agreement Amendments with Fort Ord land use jurisdictions. The Board directed calculation of a formula, which analyzes CIP contingent expenses and anticipated revenues to calibrate FORA's Development Fee Schedule and CFD Special Tax to the appropriate level. The formula calculation will be used as a basis for Board consideration of adjustments in the maximum Special Taxes for the CFD and Fee Policy.

E. As part of their CIP Review – Phase III Study contract work for the Authority, Economic and Planning Systems, Inc. ("EPS") performed the Board-directed formula calculation (**Attachment D~~C~~** to Item 8~~10~~b, FORA Board meeting June~~May~~ 13~~16~~, 2014), recommending an immediate proportional 17.0~~1~~% reduction in FORA's Development Fee Schedule and CFD Special Tax. There is a reasonable relationship between the need for the public projects included in the CIP and the type of development project on which the development fee or Special Tax is imposed. There is also a reasonable relationship between the amount of the development fee or Special Tax and the cost of the public projects attributable to the development on which the fee or Special Tax is imposed and the Board has determined that the fee and Special Tax structure will continue to provide sufficient fees and Special Taxes to meet its State Law obligations and basewide expenses.

F. The purpose of this Resolution is to amend Resolution 99-1 and to provide for levies of Special Taxes in the CFD at rates lower than the authorized maximum Special Tax rates in the RMA in order to lower the fees charged to, and the Special Taxes levied on, development occurring on the former Fort Ord, while maintaining the financial resources to meet the Authority's mitigation measure and basewide expense obligations and to sustain parity between the Special Taxes levied within the CFD and the development fees charged in non-CFD areas.

G. Section 6.01.010 of the Authority Master Resolution provides that all fees, penalties, refunds, reimbursements and charges imposed by the Authority may be adopted by resolution and amended by the Board. In addition, the Authority has entered into separate Implementation Agreements with each of its member land use jurisdictions. Those Agreements require all development projects to pay their fair share of the Authority's costs to mitigate development impacts. The Authority Board has approved further agreements with individual jurisdictions and/or their developers to carry out the Implementation Agreements and the other authoritative documents cited in this Resolution.

H. The Board's annually approved CIP lists each project for which the Fort Ord Reuse Authority CFD special taxes and Basewide Development Fees are to be used and accompanying text describing the need for the project.

I. The Basewide Development Fees and Special Tax rates listed in **Table 1** reflect a proportional 17.0~~1~~% reduction. There is a reasonable relationship between the need for the public projects included in the CIP and the type of development project on which the development fee or Special Tax is imposed. There is also a reasonable relationship between the amount of the development fee or Special Tax and the cost of the public projects attributable to the development on which the fee or Special Tax is imposed and the Board has determined that the fee and Special Tax structure will continue to provide sufficient fees and Special Taxes to meet its State Law obligations and basewide expenses.

J. Government Code Section 66001 requires the Authority to do the following before adopting or amending a development impact fee:

1. Account for and expend the fees.
2. For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, make all of the following findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:
    i. Identify the purpose of the fee (as described in "E." above).
    ii. Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements listed in the CIP.
    iii. Designate the approximate dates on which the funding necessary to complete the project is expected to be deposited into the appropriate account or fund serving the CIP.

K. Any development fee so adopted shall be effective on July 5~~1~~, 2014.

NOW THEREFORE the Board hereby resolves that:

1. The CFD Special Tax and the Basewide Development Fee is amended in the amounts listed for each type of development in the attached fee schedule (**Table 1**) and these fees will hereafter be levied as Special Taxes at the maximum Special Tax rates in the attached schedule (**Table 1**).

2. This Basewide Development fee schedule and CFD maximum Special Tax shall be fixed to the CFD maximum Special Tax rates and indexed in the same manner on July 1st of every year as evidenced in the attached **Table 1** – Taxable Property Classifications and Maximum Development Fee Rates.

3. The adjusted Development Fees and the revised maximum Special Tax rates shall become effective July 5~~1~~, 2014.

4. Proceeds of Development Fees and Special Tax levies shall be appropriately segregated through use of generally accepted government fund accounting methods according to the Board's adopted Capital Improvement Program budget as provided for in section B and G of this resolution.

Upon motion by ________, seconded by _________, the foregoing Resolution was passed on this ___ day of ________, _____, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

____
Mayor Jerry Edelen, Chair

ATTEST:

____
Michael A. Houlemard, Jr., Secretary

TABLE 1 – TAXABLE PROPERTY CLASSIFICATIONS AND MAXIMUM DEVELOPMENT FEE RATES
(Figures as of July 5~~1~~, 2014)

PROPERTY CLASSIFICATION	Maximum Development Fee Rates (One-time Development Fee Payments)
Undeveloped Property	$ - 0 -
Developed Property	
New Residential	$ 22,560~~22,530~~ / Dwelling Unit
Existing Residential	$ 6,780 / Dwelling Unit
Office	$ 2,960 / Acre
Industrial	$ 2,960 / Acre
Retail	$ 60,980~~60,910~~ / Acre
Hotel	$ 5,030 / Room

On July 1, commencing July 1, 2015, the Maximum Development Fee Rates shown in Table 1 shall be increased by an amount equal to the lesser of (1) five percent (5%) or (2) the percentage change since the immediately preceding Fiscal Year in the Engineering News Record's Construction Cost Index applicable to the area in which the fee overlay is located (or, if such index is no longer published, a substantially equivalent index selected by the Development Fee Administrator)

TABLE 1 – TAXABLE PROPERTY CLASSIFICATIONS AND
MAXIMUM SPECIAL TAX RATES
(Figures as of July 5~~1~~, 2014)

PROPERTY CLASSIFICATION	Maximum Special Tax Rates (One-time Special Tax Payments)
Undeveloped Property	$ - 0 -
Developed Property	
New Residential	$ 22,560~~22,530~~ / Dwelling Unit
Existing Residential	$ 6,780 / Dwelling Unit
Office	$ 2,960 / Acre
Industrial	$ 2,960 / Acre
Retail	$ 60,980~~60,910~~ / Acre
Hotel	$ 5,030 / Room

On July 1, commencing July 1, 2015, the Maximum Special Tax Rates shown in Table 1 shall be increased by an amount equal to the lesser of (1) five percent (5%) or (2) the percentage change since the immediately preceding Fiscal Year in the Engineering News Record's Construction Cost Index applicable to the area in which the District is located (or, if such index is no longer published, a substantially equivalent index selected by the CFD Administrator)

FORT ORD REUSE AUTHORITY BOARD REPORT	
NEW BUSINESS	
Subject:	FY 2014/15 Capital Improvement Program
Meeting Date: May 16, 2014 **Agenda Number:** 10b	**INFORMATION/ACTION**

RECOMMENDATION:

i. Receive a Fort Ord Reuse Authority (FORA) FY 2014/15 Capital Improvement Program (CIP) staff presentation;
ii. Receive an Economic & Planning Systems (EPS) CIP Review – Phase III Study presentation;
iii. Provide direction on the FY 2014/15 CIP (**Attachment A**); and
iv. Approve Resolution 14-xx (**Attachment B**) to implement a Community Facilities District (CFD) Special Tax and Base-wide Development Fee adjustment.

BACKGROUND/DISCUSSION:

i. Annually, FORA staff provides a CIP overview, including reprogramming updates and text editing. The most significant updates this year include: 1) budget adjustments reflecting actual CFD tax/development fee collection ($1.5M) versus FY 2013/14 forecasts ($11M); 2) moving transportation projects and other CIP expenditures forward to accommodate CFD tax/ development fee collection, land sales and property tax collection and development forecasts; 3) incorporating market methodology for current and future fiscal year forecasting (described through text edits); 4) removal of the Marina Coast Water District (MCWD) "voluntary contribution" per MCWD request and EPS recommendation, and 5) budget adjustments reflecting actual Land sale proceeds collection ($1.1M) versus FY 2013/14 forecasts ($6.3M). FORA staff will provide a PowerPoint presentation on these and other relevant issues.

ii. In December 2013, the FORA Board approved a CIP Review - Phase III Study by EPS, to follow on their first two studies and to further review: 1) the appropriate cost-index; 2) transportation costs and contingencies; 3) other contingency costs (including Habitat Conservation Plan endowment funding, additional utility/storm drainage, and other costs); 4) water augmentation costs; 5) any surplus fund balance; 6) calibration of FORA CFD fee/ development fee as a result of contingency reductions; and 7) removing the CIP Capital expense line item MCWD "voluntary contribution" (since it is not a California Environmental Quality Act obligation and there is no mechanism in place to transfer funds to MCWD). EPS will present their findings and recommendations, as well as their suggested fee adjustment (The EPS work product is included as **Attachment C**). It is noted that at the May 7th Administrative Committee meeting, members of the public/development community requested that the Board consider retaining the "voluntary contribution" in the FORA CIP, direct FORA and MCWD staff to enter into an agreement to collect and transfer FORA funds to MCWD, and for MCWD to subsequently include this funding in their rate study and commensurately reduce their proposed capacity charge. FORA staff notes that if the Board considers that request, it would require an agreement that the Monterey Local Area Formation Commission/State legislature would have to review/approve as a part of the future FORA dissolution process. Such agreement must address a mechanism for the collection and transfer of the funds to MCWD post-FORA. Alternatively, EPS and MCWD consultants recommend removing this "voluntary contribution" from the FORA CIP. Board direction on this matter is desired, including suggestions for the Administrative/Capital Improvement Program Committees to assess.

iii. Annually, staff requests updated reuse forecasts from the land use jurisdictions. FORA staff reviews the forecasts to ensure that resource-constrained limits of the Base Reuse Plan and associated environmental documentation/Sierra Club Settlement Agreement are met and that forecasts are realistic. Using reuse forecasts and other data, FORA staff coordinated with EPS to estimate CIP funding sources, including CFD fees/development fees, land sales, property taxes, grants, etc. anticipated to be received per fiscal year. The estimated revenue stream is used to place in time FORA expenditures on transportation/transit, water augmentation, habitat management, property management/caretaker costs, and building removal.

The CIP Phase III Study work product recommends a 17.1% CFD fee/development fee reduction to balance CIP revenues and expenditures through FORA's legislated dissolution on June 30, 2020. The draft FY 2014/15 CIP currently assumes CFD fee/development fee rates consistent with the proposed fee reduction.

Due to the nature of forecasting, today's best reuse forecasts may differ from what may be realized in current market conditions. Recognizing this, CIP reprogramming continues to be a routine procedure every fiscal year to assure that mitigation projects are implemented in the best possible sequence with reuse needs. Next year's CIP may differ, based on updated jurisdiction forecasts and actual fee collection. The CIP is typically presented to the FORA Board for its initial review in May each year. The CIP has either been adopted at this first presentation or at the June meeting in order to implement the program and CFD fee/ development fee adjustments by the start of the fiscal year on July 1. The draft FY 2014/15 CIP is included as **Attachment A** for Board consideration and/or direction.

iv. In August 2012, the FORA Board adopted a formula for calculating periodic CFD Special Tax and Base-wide Development Fee adjustments on a biennial or material change basis. Resolution 14-xx (**Attachment B**) implements a fee adjustment consistent with the formula, indicating that a 17.1% fee reduction is appropriate. The recommended fee reduction calibrates the CFD Special Tax and Development Fee with CIP adjustments. Those adjustments include removing FORA's MCWD "Voluntary Contribution" and other expenditure and funding source factors. If the Board adopts Resolution 14-xx, the fee reduction would take effect on July 1, 2014. If the Board does not adopt Resolution 14-xx, the existing fee ($27,180/new residential unit, et.al.) would be indexed, increasing by 2.4% on July 1, 2014.

FISCAL IMPACT:
Reviewed by FORA Controller _____
Staff time and consultant (EPS) cost are included in the approved FY 13-14 annual budget.

COORDINATION:
Administrative Committee, CIP Committee

Prepared by________________________ Approved by __________________________________
Crissy Maras Michael A. Houlemard, Jr.

The Economics of Land Use

Discussion Tables

FORA Phase III CIP Review

Prepared for:

Fort Ord Reuse Authority (FORA)

Prepared by:

Economic & Planning Systems, Inc. (EPS)

June 5, 2014

EPS #132143

Economic & Planning Systems, Inc.
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List of Tables

Detailed Land Sale Revenue Calculations

Detailed CDP Endowment Calculations

DRAFT

Table 1-1
FORA Phase III CIP Review
CFD Special Tax Options

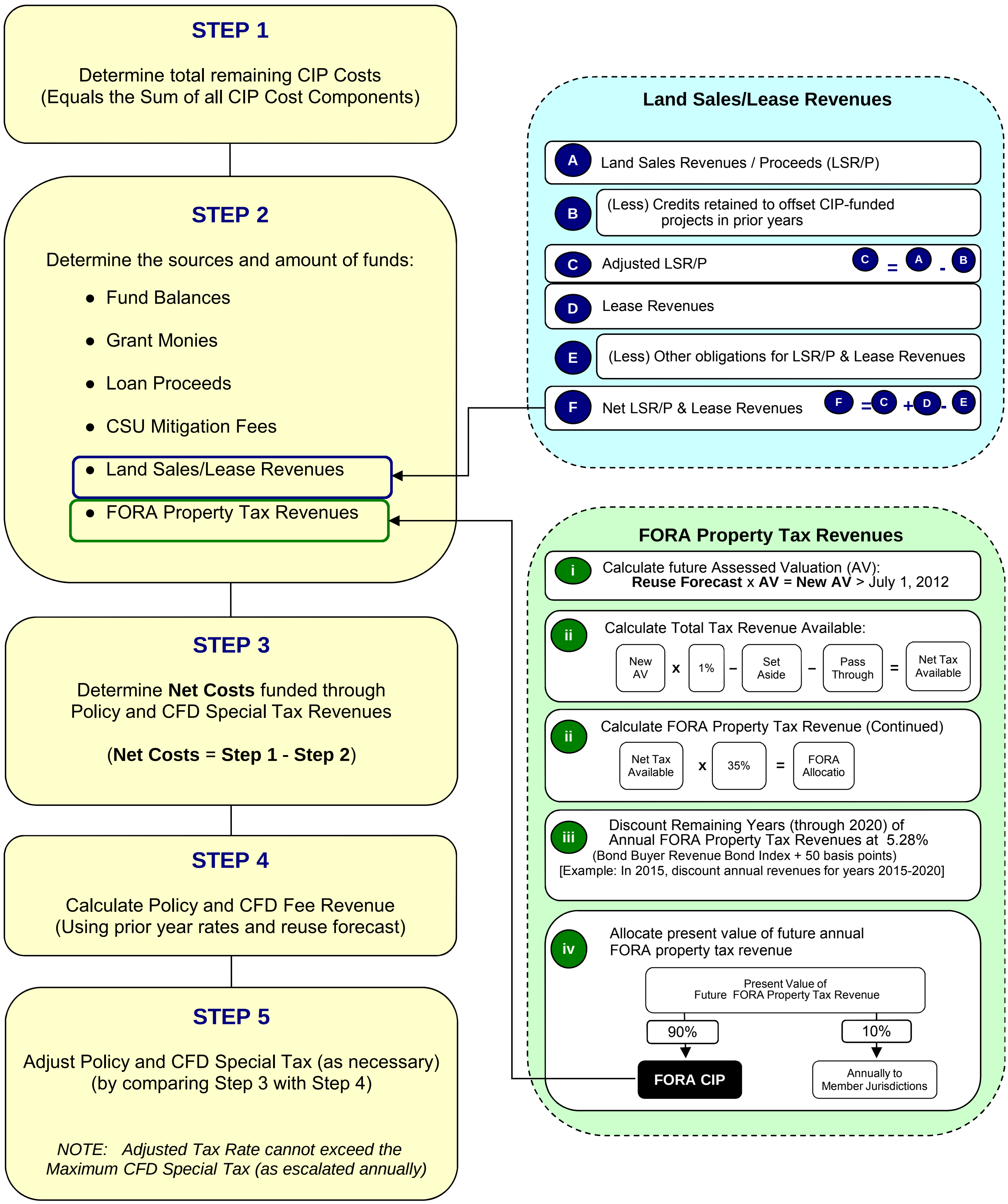
		Development Fee Policy/CFD Special Tax			
Land Use	**Basis**	**Existing Rate**	Preliminary Adjusted Rate	Difference	Percentage Change
		July 1, 2013	*June 5, 2014*		
			ROUNDED		
New Residential	per du	**$27,180**	**$22,560**	($4,620)	-17.0%
Existing Residential	per du	**$8,173**	**$6,780**	($1,393)	-17.0%
Office & Industrial	per acre	**$3,567**	**$2,960**	($607)	-17.0%
Retail	per acre	**$73,471**	**$60,980**	($12,491)	-17.0%
Hotel	per room	**$6,065**	**$5,030**	($1,035)	-17.0%

prel_tax

Sources: FORA and EPS.

Figure 1-1
Periodic Process to Update
Basewide Development Fee Schedule
and CFD Special Tax

DRAFT



process

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Table 1-2
FORA Phase III CIP Review
Calculation of CFD Special Tax Funding Required

Step/	Item	Calculation	Amount
STEP 1 (Tables 3-1, 3-2a & b, Appendix C)	**Remaining Capital Improvement Program and Other Costs**		
	Transportation/Transit	a	$118,180,000
	Water Augmentation - CEQA mitigation	b	$24,016,000
	Water Augmentation - voluntary contribution	c	$0
	HCP Endowment [1]	d	$40,110,000
	HCP Endowment Contingency	e	$20,283,000
	Fire Fighting Equipment	f	$0
	Contingency (MEC, Soil mgt. plans, insurance retention, etc.)	g	$17,727,000
	Additional Utility and Storm Drainage Costs	h	$0
	Other Costs (PLL Insurance)	i	$0
	Other Costs (CFD Administration)	j	$2,400,000
	Subtotal CIP Costs	**k = sum (a to j)**	**$222,716,000**
	Preston Park Land Sale Loan Repayment [2]	l	$18,000,000
	Developer Fee Repayment to Land Sale Revenue Account [3]	m	$6,793,000
	Total Costs	**n = k + l + m**	**$247,509,000**
STEP 2 (Tables 4-1, 4-2, Appendices A & B)	**Estimated Sources of Funds**		
	Existing Fund Balances [4]	o	$0
	Existing Fund Balance for HCP Endowment [5]	p	$6,043,000
	Grants	q	$0
	CSU Mitigation Fees	r	$0
	Loan Proceeds	s	$0
	FORA Property Tax Revenues	u	$11,221,000
	Land Sale Revenues [6]	t	$67,612,000
	Other Revenues	v	$0
	Total Sources of Funds	w = sum (o to v)	**$84,876,000**
STEP 3	**CFD Special Tax Revenue Required**		
	CFD Special Tax Revenue	x = n - w	**$162,633,000**
	FORA CFD Special Tax Revenue Summary		
STEP 4 (Table 1-3)	Estimated Policy & CFD Special Tax Revenue - Current Estimates [7]	y	$195,943,000
	Net Cost Funded by Policy and CFD Special Tax Revenue	z = x	$162,633,000
	CFD Special Tax Required as a % of Maximum	aa = z / y	**83.0%**
STEP 5	**Adjustment Factor Applied to Prior Year CFD Special Tax Rate**	(Rounded)	**83.0%**

cip_fund_1

Source: FORA and EPS.

Amounts rounded to the nearest thousand.

[1] Includes existing fund balance for habitat mitigation.
[2] Reflects entire loan amount outstanding against Preston Park property to be paid off by land sale revenues.
[3] Reflects amount borrowed against land sale revenue account to construct CIP improvements. This amount must be repaid by developer fee revenues, and may be used to offset FORA operation costs (see Table B-1).
[4] Existing fund balance provided by FORA as of April 2014.
[5] Equals existing fund balance for habitat mitigation as of April 2014.
[6] Reflects land sale revenue available after building removal obligations are met.
[7] Based on remaining development subject to Basewide Development Fee Policy & CFD Special Tax and current rates.

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Table 1-3
FORA Phase III CIP Review
Estimated CFD Tax Revenues

Land Use	**Remaining Development**	**Existing CFD Tax Rate** (FY 2013/14)	**Total CFD Revenue**
Residential	*Units*		
New Residential [1,2]	6,130	$27,180	$166,613,400
Employer Based Housing [3]	492	$1,359	$668,628
Existing/Replacement Residential	0	$8,173	$0
Total Residential	**6,622**		**$167,282,028**
Nonresidential Revenues	*Acres*		
Office	142.2	$3,567	$507,354
Industrial	44.4	$3,567	$158,369
Retail	161.6	$73,471	$11,872,752
	Rooms		
Hotel	2,120	$6,065	$12,857,800
Total Nonresidential			**$25,396,275**
Total Residential and Nonresidential [4]			**$192,678,303**
Plus Preston Park			$3,265,000
TOTAL CFD Revenue			**$195,943,303**

tax_rev

[1] Cypress Knolls units charged the new residential rate.
[2] Includes 400 Cypress Knolls units, which do not count towards the 6,160 unit threshold.
[3] CSUMB North Campus housing anticipated to meet employer based housing requirements and would be charged the associated reduced rate equal to 1/20 of the new residential rate.
[4] Assumes no discount for affordable housing above the minimum requirement.

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Table 2-1
FORA Phase III CIP Review
Jurisdictional Forecasts: Projected Absorption by Land Use [1]

Item	Residential [2,3]	**Nonresidential** Office	Industrial	Retail	Hotel
Year	*units*	*square feet*			*rooms*
2013-14	233	14,000	0	0	0
2014-15	164	177,000	29,500	154,000	100
2015-16	227	62,000	29,500	62,300	600
2016-17	623	356,552	130,820	222,500	670
2017-18	1,048	185,552	99,500	198,500	330
2018-19	1,165	507,552	174,092	749,500	0
2019-20+	2,903	879,867	310,183	373,000	420
Total	**6,363**	**2,182,524**	**773,595**	**1,759,800**	**2,120**

abs

Source: FORA.

[1] Reflects jurisdictional forecasts used for purposes of FY 2014/15 CIP.
[2] Includes demand for both affordable and market rate housing. Excludes CSUMB Employer Based housing units.
[3] Includes 174 units from The Promontory Project and 400 Cypress Knolls units, which do not count towards the 6,160 unit threshold.

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Table 2-2
FORA Phase III CIP Review
Summary of Total Annual Forecasted Development - Taxable Uses

	Taxable Land Uses				
		Nonresidential [2]			
Item	Residential [1]	Office	Industrial	Retail	Hotel
Year	*units*	*square feet*			*rooms*
2013-14	198	14,000	0	0	0
2014-15	139	177,000	14,750	154,000	100
2015-16	193	62,000	14,750	62,300	600
2016-17	530	336,552	106,070	222,500	670
2017-18	891	165,552	74,750	198,500	330
2018-19	990	437,552	149,342	749,500	0
2019-20+	2,468	819,867	235,933	373,000	420
Total	**5,409**	**2,012,524**	**595,595**	**1,759,800**	**2,120**

land_use

Source: FORA and EPS.

[1] Excludes residential non-taxable uses: CSUMB, Portion of Marina Dunes, Preston Park, Abrams B, MOCO Housing Authority, Shelter Outreach Plus, Veterans Transition Center, Army Housing, and Interim Inc.

[2] Excludes nonresidential non-taxable uses: Veteran's Cemetery, Marina Corp. Yard, Seaside Corp. Yard, Monterey City Corp. Yard, CSUMB. Assumes 50 percent of UC MBEST and Marina Industrial Airport Area office and industrial development will be taxable.

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Table 2-3
FORA Phase III CIP Review
Forecasted Acreage Absorption for Transferrable Land [1]

	Total	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
New Residential									
Seaside Planned	164.5	0.0	0.0	4.2	25.0	25.0	24.5	33.3	52.5
Del Rey Oaks Planned	115.2	0.0	0.0	21.7	47.8	45.7	0.0	0.0	0.0
Other Residential Planned	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3
Subtotal New Residential	**281.0**	**0.0**	**0.0**	**25.9**	**72.8**	**70.7**	**24.5**	**33.3**	**53.8**
Existing/ Replacement Residential									
Cypress Knolls	66.7	0.0	0.0	16.7	16.7	16.7	16.7	0.0	0.0
TOTAL RESIDENTIAL	**347.7**	**0.0**	**0.0**	**42.5**	**89.5**	**87.4**	**41.2**	**33.3**	**53.8**
Office									
Del Rey Oaks Planned	13.1	0.0	0.0	6.6	0.0	6.6	0.0	0.0	0.0
Monterey Planned	47.3	0.0	0.0	7.9	7.9	7.9	11.8	11.8	0.0
Cypress Knolls Community Center	1.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0
Seaside Planned	5.7	0.0	0.0	1.6	1.6	1.8	0.7	0.0	0.0
Subtotal Office	**67.2**	**0.0**	**0.0**	**17.2**	**9.5**	**16.2**	**12.5**	**11.8**	**0.0**
Industrial									
Monterey Planned	12.4	0.0	0.0	0.0	0.0	4.1	4.1	4.1	0.0
Cypress Knolls Support Services	0.3	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Seaside Planned	7.7	0.0	0.0	2.9	2.9	2.0	0.0	0.0	0.0
Subtotal Industrial	**20.5**	**0.0**	**0.0**	**3.2**	**2.9**	**6.1**	**4.1**	**4.1**	**0.0**
Retail									
Del Rey Oaks Planned	1.8	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0.0
Cypress Knolls Community Center	2.8	0.0	0.0	2.8	0.0	0.0	0.0	0.0	0.0
Seaside Planned	92.9	0.0	0.0	9.2	9.2	60.6	14.0	0.0	0.0
Subtotal Retail	**97.5**	**0.0**	**0.0**	**13.8**	**9.2**	**60.6**	**14.0**	**0.0**	**0.0**
Hotel									
Del Rey Oaks Planned	14.5	0.0	0.0	14.5	0.0	0.0	0.0	0.0	0.0
Seaside Planned	15.0	0.0	5.3	3.2	0.0	0.0	4.6	2.0	0.0
Subtotal Hotel	**29.5**	**0.0**	**5.3**	**17.6**	**0.0**	**0.0**	**4.6**	**2.0**	**0.0**
Total All Uses	**562.3**	**0.0**	**5.3**	**94.3**	**111.1**	**170.3**	**76.3**	**51.2**	**53.8**

trans

Source: Fort Ord Reuse Authority.

[1] Long term land sales are uncertain but will be reviewed and updated in the future.

Prepared by EPS 5/8/2014

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Table 3-1
FORA Phase III CIP Review
2013 Summary of Capital Improvement Program (CIP) 2012/13-2021/22

Item	Total	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post FORA
CIP Projects Funded by CFD Development Fees									
CIP Projects									
Transportation/Transit	$118,180,366		$472,199	$3,215,634	$27,522,289	$24,445,285	$18,814,580	$14,981,689	$28,728,690
Water Augmentation - CEQA Mitigation	$24,015,648		$0	$1,176,300	$1,874,300	$2,660,200	$3,073,600	$2,236,500	$12,994,748
Water Augmentation - Voluntary Contribution	$0		$0	$0	$0	$0	$0	$0	$0
Storm Drainage System [Completed by 2005]	$0		$0	$0	$0	$0	$0	$0	$0
Habitat Management	$34,067,054	$0	$1,537,614	$3,378,680	$5,652,005	$8,023,233	$9,269,888	$6,205,635	$0
Fire Rolling Stock	$0		$0	$0	$0	$0	$0	$0	$0
Total CIP Projects	**$176,263,068**		**$2,009,813**	**$7,770,614**	**$35,048,594**	**$35,128,718**	**$31,158,068**	**$23,423,824**	**$41,723,438**
Other Costs and Contingencies									
CIP Contingency	$17,727,055		$70,830	$482,345	$4,128,343	$3,666,793	$2,822,187	$2,247,253	$4,309,304
HCP Contingency	$20,283,097		$915,476	$2,011,624	$3,365,133	$4,776,932	$5,519,175	$3,694,757	$0
Additional Utility and Storm Drainage Costs	$0		$0	$0	$0	$0	$0	$0	$0
PLL Insurance	$0		$0	$0	$0	$0	$0	$0	$0
CFD Administration	$2,400,000		$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$0
Total Other Costs and Contingencies	**$40,410,152**		**$1,386,306**	**$2,893,969**	**$7,893,476**	**$8,843,725**	**$8,741,362**	**$6,342,010**	**$4,309,304**
Total Expenditures [1]	**$216,673,220**		**$3,396,118**	**$10,664,583**	**$42,942,070**	**$43,972,443**	**$39,899,430**	**$29,765,834**	**$46,032,742**

rev_cip_1

Source: FORA.

[1] Excludes Preston Park loan repayment.

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Table 3-2a
FORA Phase III CIP Review
Summary of CFD Tax Revenue Required for HCP Funding - Before Fee Adjustment

FY Ending	Total CFD Revenue	Habitat Mgmt. Revenue % of CFD Rev.	Habitat Mgmt. Revenue Net Revenue
2014	$0	0.0%	$0
2015	$6,150,454	25.0%	$1,537,614
2016	$13,514,721	25.0%	$3,378,680
2017	$22,608,020	25.0%	$5,652,005
2018	$32,092,931	25.0%	$8,023,233
2019	$37,079,551	25.0%	$9,269,888
2020	$26,981,020	23.0%	$6,205,635
TOTAL	**$195,943,303**		**$34,067,054**

cfd sum

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Table 3-2b
FORA Phase III CIP Review
Summary of CFD Tax Revenue Required for HCP Funding - After Fee Adjustment

FY Ending	Total CFD Revenue	Habitat Mgmt. Revenue	
		% of CFD Rev.	Net Revenue
2014	$0	0.0%	$0
2015	$5,104,559	30.1%	$1,537,614
2016	$11,770,026	28.7%	$3,378,680
2017	$18,762,346	30.1%	$5,652,005
2018	$26,636,435	30.1%	$8,023,233
2019	$30,776,640	30.1%	$9,269,888
2020	$22,394,049	27.7%	$6,205,635
Post FORA	$47,738,989	0.0%	$0
TOTAL	**$163,183,046**		**$34,067,054**

cfd sum adjust

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Table 3-3
FORA Phase III CIP Review
Summary of General Assumptions - HCP Endowment Funding

Item			
Permit Term Begins			2015
Post Permit Term Begins			2065
Endowment (2014 $)	*Maximum Needed*	*Annual Return*	*Annual Revenue*
Habitat Conservation Plan (HCP)	$25,285,002	4.50%	$1,137,825
University of California (UC)	$5,446,621	4.20%	$228,758
Implementation Assurances Fund (IAF)	$3,574,974	4.50%	$160,874
Borderlands Management (BL)	$3,980,432	4.50%	$179,119
Total	**$38,287,029**		**$1,706,576**
Beginning Endowment Balance (2014 $)			
Initial Balance			**$6,042,831**
Initial Balance Uses			
Habitat Conservation Plan (HCP)			$3,550,180
University of California (UC)			$2,492,651
Implementation Assurances Fund (IAF)			$0
Borderlands Management (BL)			$0
Total			**$6,042,831**
Starting Special Tax Rate			
New Residential		$27,180	per Unit
Employer Based Housing		$1,359	per Unit
Existing/Replacement Residential		$8,173	per Unit
Office		$3,567	per Acre
Industrial		$3,567	per Acre
Retail		$73,471	per Acre
Hotel		$6,065	per Room
Annual Special Tax Escalation			0.0%

assump2

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Table 3-4
FORA Phase III CIP Review
Summary of Initial and Ongoing Costs - Individual Endowments

Permit Year	FY Ending	HCP Endowment Initial Costs	HCP Endowment Ongoing Costs	HCP Endowment Total	UC Endowment Initial Costs	UC Endowment Ongoing Costs	UC Endowment Total	IAF Endowment Initial Costs	IAF Endowment Ongoing Costs	IAF Endowment Total	Borderlands Endowment Initial Costs	Borderlands Endowment Ongoing Costs	Borderlands Endowment Total
	2014	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**
	2015	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**
1	2016	($321,487)	($538,636)	**($860,122)**	($823,746)	($52,977)	**($876,723)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2017	$0	($875,146)	**($875,146)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2018	$0	($875,146)	**($875,146)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2019	$0	($875,146)	**($875,146)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2020	$0	($875,146)	**($875,146)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2021	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2022	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2023	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2024	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
10	2025	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2026	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2027	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2028	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2029	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2030	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2031	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2032	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2033	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2034	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
20	2035	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2036	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2037	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2038	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2039	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2040	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2041	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2042	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2043	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2044	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
30	2045	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2046	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2047	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2048	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**

Prepared by EPS 5/8/2014

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Table 3-4
FORA Phase III CIP Review
Summary of Initial and Ongoing Costs - Individual Endowments

		HCP Endowment			UC Endowment			IAF Endowment			Borderlands Endowment		
Permit Year	FY Ending	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total
	2049	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2050	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2051	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2052	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2053	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2054	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
40	2055	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2056	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2057	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2058	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2059	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2060	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2061	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2062	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2063	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2064	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
50	2065	$1	($1,137,825)	**($1,137,824)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	Post Permit												
	2065 +	$0	($720,685)	**($720,685)**	$0	($191,677)	**($191,677)**	$0	($34,011)	**($34,011)**	$0	($179,119)	**($179,119)**

costs_indiv

Source: Fort Ord Reuse Authority.

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Table 4-1
FORA Phase III CIP Review
Net Present Value of FORA Property
Tax Revenue after July 1, 2012

Item	FORA Property Tax	90% of FORA Property Tax
Reference	Table A-3	
Factor		90%
Fiscal Year		
2014-15	$231,630	$208,467
2015-16	$579,431	$521,488
2016-17	$1,034,313	$930,882
2017-18	$2,062,746	$1,856,471
2018-19	$3,239,132	$2,915,219
2019-20+	$7,948,745	$7,153,870
Total	**$15,095,997**	**$13,586,397**
Net Present Value		
4.85% Discount Rate [1]		**$11,220,736**

npv

[1] Based on proposed Bond Buyers Revenue Bond Index annual average as of June 2013 plus 50 basis points.

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Table 4-2
FORA Phase III CIP Review
Land Sales Revenue for CIP Projects

Item	Source/ Reference	Amount
Land Sales Revenues [1]		
Land Sale Account Balance		$2,606,000
Preston Park [2]	FORA	$0
Marina Community Partners (credits)	FORA	$19,400,000
Other Future Transfers	Table B-1	$71,206,000
Total		**$93,212,000**
Expenditures		
Marina Community Partners - Dunes	FORA	$19,400,000
Stockade (Marina)	FORA	$2,200,000
Surplus II (Seaside)	FORA	$4,000,000
Total Other Sources		**$25,600,000**
Land Sales Revenue for CIP Projects		**$67,612,000**

lsr_calc

Source: FORA and EPS.

Amounts rounded to the nearest thousand.

[1] Long term land sales revenues are uncertain but will be reviewed and updated in the future.
[2] Included in Table B-1. Loan payoff requirement is denoted in Table 1-2.

Table A-1
FORA Phase III CIP Review
Estimated Assessed Value from Total Forecasted Development

Item	Land Uses: Residential	Office	Industrial	Retail	Hotel	Annual Total
	per unit	*per sq. ft.*	*per sq. ft.*	*per sq. ft.*	*per room*	
Estimated Finished Value [1]	$400,000	$215	$100	$255	$141,000	
Year [2]						
2014-15	$79,200,000	$3,010,000	$0	$0	$0	**$82,210,000**
2015-16	$56,434,000	$38,625,825	$1,497,125	$39,859,050	$14,311,500	**$150,727,500**
2016-17	$79,533,370	$13,732,899	$1,519,582	$16,366,669	$87,157,035	**$198,309,556**
2017-18	$221,683,816	$75,663,982	$11,091,511	$59,329,177	$98,785,236	**$466,553,721**
2018-19	$378,269,969	$37,777,911	$7,933,693	$53,723,570	$49,385,246	**$527,090,388**
2019-20+	$1,490,099,234	$291,238,513	$41,505,059	$308,359,080	$63,796,759	**$2,194,998,645**
Total	**$2,305,220,389**	**$460,049,130**	**$63,546,969**	**$477,637,546**	**$313,435,776**	**$3,619,889,810**

av

Source: EPS.

[1] See Table A-4 & Table A-5 for commercial finished value assumptions as of 2014. Assumes an annual market appreciation rate of 1.5%. Estimated finished values amounts for nonresidential building square feet rounded to nearest $5.
[2] For purposes of this analysis, the absorption schedule has a one year lag to reflect when the estimated assessed value would be reflected on the assessor's tax roll.

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Table A-2
FORA Phase III CIP Review
Estimated Change in FORA Assessed Value Since July 1, 2012

Item	Percent	Formula	July 1, 2012	July 1, 2013	Difference
Property Taxes Received [1]		*A*	$1,300,000	$1,332,000	$32,000
Total Net Property Tax Generated	35.0%	*B = A / 35.0%*	$3,714,286	$3,805,714	$91,429
Plus Pass Throughs					
Tier 1 Pass Throughs	13.5%		$667,439	$683,868	$16,429
Tier 2 Pass Throughs	11.3%		$560,649	$574,449	$13,801
Subtotal Pass Throughs	**24.8%**	***C***	**$1,228,088**	**$1,258,318**	**$30,230**
Property Tax Net of Housing Set Aside	**75.2%**	***D = B / (1 - C)***	**$4,942,374**	**$5,064,032**	**$121,658**
Plus Housing Set Aside	20.0%	*E*	$1,235,593	$1,266,008	$30,415
Total Property Tax (1%)		*F = D / (1 - E)*	$6,177,967	$6,330,040	$152,073
Total Assessed Value	**1.0%**	***G = F / 1.0%***	**$617,796,721**	**$633,004,025**	**$15,207,304**
Total Assessed Value (Rounded)			**$617,797,000**	**$633,004,000**	**$15,207,000**

base

Source: FORA.

[1] As of April 2014, FORA has received $754,199.57 in property tax revenues. A second payment is anticipated in May or June. This calculation assumes the second installment will be lower than the first installment, as it has been in prior years. EPS assumes that the second payment will be the same proportion of the first payment as experienced in FY 12/13 (roughly 77%).

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Table A-3
FORA Phase III CIP Review
Estimated FORA Property Tax Revenue for Development After July 1, 2012

Item	Beginning AV	Annual 2% Growth	New AV Added to Roll [2]	Ending AV	New AV Since July 1, 2012	Property Tax (Formerly T.I.) *1%*	Less: Other Agency Pass-Throughs [3]: Less: Housing Set Aside *20%*	Property Tax Net of Housing Set Aside	Tier 1 *Years 1-45* *13.5%*	Tier 2 *Years 11-45* *11.3%*	Tier 3 *Years 31-45* *7.6%*	Annual Net Property Tax	FORA Property Tax (35% of Annual Net Tax) [4]: Annual	Cumulative
Formula						*a*	*b*	*c = a + b*	*d*	*e*	*f*	*e = c + d + e + f*		
Base Assessed Value (July 1, 2012) [1]	*$617,797,000*												*35%*	
Current Assessed Value (July 1, 2013) [1]	*$633,004,000*													
2014-15	$633,004,000	$12,660,080	$82,210,000	$727,874,080	**$110,077,080**	$1,100,771	($220,154)	$880,617	($118,922.21)	($99,894.66)	$0	**$661,800**	**$231,630**	$231,630
2015-16	$727,874,080	$14,557,482	$150,727,500	$893,159,062	**$275,362,062**	$2,753,621	($550,724)	$2,202,896	($297,489)	($249,890)	$0	**$1,655,518**	**$579,431**	$811,061
2016-17	$893,159,062	$17,863,181	$198,309,556	$1,109,331,798	**$491,534,798**	$4,915,348	($983,070)	$3,932,278	($531,032)	($446,067)	$0	**$2,955,180**	**$1,034,313**	$1,845,374
2017-18	$1,109,331,798	$22,186,636	$466,553,721	$1,598,072,155	**$980,275,155**	$9,802,752	($1,960,550)	$7,842,201	($1,059,044)	($889,597)	$0	**$5,893,560**	**$2,062,746**	$3,908,120
2018-19	$1,598,072,155	$31,961,443	$527,090,388	$2,157,123,986	**$1,539,326,986**	$15,393,270	($3,078,654)	$12,314,616	($1,663,018)	($1,396,935)	$0	**$9,254,663**	**$3,239,132**	$7,147,252
2019-20+	$2,157,123,986	$43,142,480	$2,194,998,645	$4,395,265,111	**$3,777,468,111**	$37,774,681	($7,554,936)	$30,219,745	($4,081,003)	($3,428,042)	$0	**$22,710,700**	**$7,948,745**	$15,095,997

ti

Source: Monterey County and EPS.

[1] See Table A-2.
[2] See Table A-1. Assumes an annual market appreciation rate of 1.5%.
[3] Pass-Through based on calculation below. Model assumes RDA commenced in FY 1997-98.

	Tier 1	Tier 2	Tier 3
Pass-through	*25.0%*	*21.0%*	*14.0%*
Share	*54.0%*	*54.0%*	*54.0%*
Derived Rate	*13.5%*	*11.3%*	*7.6%*

[4] This analysis estimates net new property tax to FORA based upon estimates of new development and growth in existing assessed values.

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Table A-4
FORA Phase III CIP Review
Estimated Retail, Office, Industrial Finished Values

Retail, Office, Industrial/R&D

Item	Retail			Office			Industrial/ R&D		
	Assumption		Amount	Assumption		Amount	Assumption		Amount
DEVELOPMENT PROGRAM ASSUMPTIONS									
Site Area (Acres)			10.00			10.00			10.00
Land Square Feet			435,600			435,600			435,600
Assumed FAR			0.25			0.35			0.40
Gross Building Square Feet			108,900			152,460			174,240
Net Leasable Area (Sq. Ft.)			87,120			121,968			139,392
Rent per Sq. Ft.			$30.00			$25.00			$10.00
REVENUE ASSUMPTIONS									
Gross Lease Revenue (Weighted Average)	$30.00	/NLA sq. ft./year	$2,613,600	$25.00	/NLA sq. ft./year	$3,049,200	$10.00	/NLA sq. ft./year	$1,393,920
(less) Vacancy	5.0%		($130,680)	5.0%		($152,460)	5.0%		($69,696)
(less) Leasing Commissions	3.0%	5 years' rent	($372,438)	3.0%	5 years' rent	($434,511)	3.0%	5 years' rent	($198,634)
(less) Replacement/Reserve	5.0%		($130,680)	5.0%		($152,460)	5.0%		($69,696)
Subtotal, Annual Net Operating Income			**$1,979,802**			**$2,309,769**			**$1,055,894**
Capitalized Value	7.10%	cap rate	**$27,884,535**	7.10%	cap rate	**$32,531,958**	7.10%	cap rate	**$14,871,752**
Finished Value per Gross Bldg. Sq. Ft.			**$256**			**$213**			**$85**

comm_val

Source: CoStar and EPS.

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Table A-5
FORA Phase III CIP Review
Hotel Development Finished Value

Hotel

Item	**Assumption**		**Total**
DEVELOPMENT PROGRAM ASSUMPTIONS			
Number of Rooms	100		
Average Room Rate	$150		
Square Footage Per Room	375		37,500
Efficiency Ratio	70%		
Gross Building Sq. Ft. (Rounded)			55,000
Occupancy Rate	70%		
REVENUE ASSUMPTIONS			
Gross Room Revenue			$3,832,500
Other Operating Revenue [1]	25%		$958,125
Total Revenue			**$4,790,625**
Less Operating Expenses [2]	75%		**$3,592,969**
Annual Net Operating Income			**$1,197,656**
Capitalized Value	8.50%	cap rate	**$14,090,074**
Value per Room (Rounded)			**$141,000**

hotel

Sources: STR Hospitality, PKF Consulting, and EPS.

[1] Includes F & B, telecommunications, and other.
[2] Includes departmental, overhead, management fee, and fixed expenses.

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Table B-1
FORA Phase III CIP Review
Estimated Land Sale Revenues to FORA

Item	Total Acres	Subtotal Land Value	Plus Other Transactions	Total Land Value	FORA Share - 50%	Est. Caretaker/ Property Management Costs	FORA Costs	Other Obligations (Initiatives, Petitions, Etc.)	Net FORA Land Sale Proceeds
		[1]	[2]			[3]	[4]	[5]	[6]
Year [7]									
2014-15	5.3	$989,474		**$989,474**	**$494,737**	($494,737)	$0	$0	**$0**
2015-16	94.3	$17,996,649	$56,900,558	**$74,897,207**	**$37,448,604**	($673,437)	$0	($265,225)	**$36,509,941**
2016-17	111.1	$21,511,504		**$21,511,504**	**$10,755,752**	($576,204)	$0	($273,182)	**$9,906,366**
2017-18	170.3	$33,480,868		**$33,480,868**	**$16,740,434**	($451,043)	$0	($281,377)	**$16,008,014**
2018-19	76.3	$15,229,633		**$15,229,633**	**$7,614,816**	($239,591)	$0	($289,819)	**$7,085,406**
2019-20	51.2	$10,372,176		**$10,372,176**	**$5,186,088**	($142,927)	($69,336)	($298,513)	**$4,675,312**
Post FORA	53.8	$11,065,690		**$11,065,690**	**$5,532,845**	$0	$0	($306,307)	**$5,226,538**
Total	**562.3**	**$110,645,994**	**$56,900,558**	**$167,546,552**	**$83,773,276**	**($2,577,940)**	**($69,336)**	**($1,714,423)**	**$79,411,577**
Net Present Value									
4.9% Discount Rate		**$95,882,435**	**$54,268,534**	**$150,150,970**	**$75,075,485**	**($2,363,489)**	**($54,716)**	**($1,451,472)**	**$71,205,807**

land$

[1] Assumes per acre value of $188,000 and that values escalate by 1.5% percent annually.
[2] Preston Park transaction. Reflects FORA's share of anticipated transaction price net of developer fee obligation and cost of sale.
[3] Caretaker costs in FY 2012-13 estimated based on FORA memorandum to Administrative Committee dated July 26, 2012 and funded only to the extent that land sale revenues are available. Costs assumed to escalate 3.0% annually and are prorated based on the estimated remaining acreage maintained by public agencies.
[4] Operations costs offset by repayment of $6.3 million of borrowed funds from the CFD. FY 2012/13 costs provided by FORA and assumed to escalate by 3.0% annually. See detailed calculation below.

Year	Operations Cost	Developer Fee Repayment	Net Operations Cost
2014-15	($1,060,900)	$1,060,900	$0
2015-16	($1,092,727)	$1,092,727	$0
2016-17	($1,125,509)	$1,125,509	$0
2017-18	($1,159,274)	$1,159,274	$0
2018-19	($1,194,052)	$1,194,052	$0
2019-20	($1,229,874)	$1,160,538	($69,336)
Total	**($6,862,336)**	**$6,793,000**	**($69,336)**

[5] Estimates provided by FORA reflect anticipated PLL insurance, special election and other costs related to legislative initiatives, petitions, etc.
[6] Reflects land sale proceeds available to offset infrastructure costs.
[7] For purposes of land sale revenue analysis, the absorption schedule is accelerated 2 years to reflect when the land transaction would actually occur. Land sale revenues for FY 2015/16 absorption shown in FY 2014/15.

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Table B-2
FORA Phase III CIP Review
FORA Land Transactions to Date

Property [1]	Acreage	Transaction Price	Price per Acre
		[2]	
Marina Heights	248.0	$10,620,000	$42,823
Imjin Office Park	4.6	$1,616,947	$348,480
Monterey County/ East Garrison	244.0	$3,673,270	$15,054
Young Nak Church	1.5	$298,000	$205,517
Salinas Valley Memorial Healthcare System	5.6	$2,400,000	$431,655
Interim #2	3.3	$240,000	$72,072
Dunes on Monterey Bay	290.0	$48,000,000	$165,517
The Promontory	8.54	$1,900,000	$222,482
Total	**805.5**	**$68,748,217**	**$85,346**
Average Price per Acre per Transaction			**$187,950**

lsr

Source: FORA.

[1] Some of the identified transactions anticipate future FORA participation in profits or other terms that influence the net transaction price.
[2] Reflects total transaction price, not just amount accruing to FORA.

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Table C-1
FORA Phase III CIP Review
Special Tax Revenue Generated for Habitat Management by Year

FY Ending	New Residential [1]	Employer Based Housing	Exist./Replac. Residential [2]	Office	Industrial	Retail	Hotel	Total CFD Revenue	Habitat Mgmt. Revenue % of CFD Rev. [3]	Habitat Mgmt. Revenue Net Revenue
Special Tax Rate [3]	$27,180 *Per Unit*	$1,359 *Per Unit*	$8,173 *Per Unit*	$3,567 *Per Acre*	$3,567 *Per Acre*	$73,471 *Per Acre*	$6,065 *Per Room*		*See Table C-2*	
2015	$4,457,520	$0	$0	$41,411	$6,039	$1,038,984	$606,500	$6,150,454	25.0%	$1,537,614
2016	$6,169,860	$0	$3,265,000	$14,506	$6,039	$420,316	$3,639,000	$13,514,721	25.0%	$3,378,680
2017	$16,933,140	$0	$0	$83,420	$26,781	$1,501,129	$4,063,550	$22,608,020	25.0%	$5,652,005
2018	$28,484,640	$203,850	$0	$43,412	$20,369	$1,339,210	$2,001,450	$32,092,931	25.0%	$8,023,233
2019	$31,664,700	$203,850	$0	$118,748	$35,640	$5,056,613	$0	$37,079,551	25.0%	$9,269,888
2020	$23,972,760	$203,850	$0	$81,871	$28,475	$1,632,689	$1,061,375	$26,981,020	23.0%	$6,205,635
2021+	$54,930,780	$57,078	$0	$123,985	$35,025	$883,811	$1,485,925	$57,516,604	0.0%	$0
TOTAL	**$166,613,400**	**$668,628**	**$3,265,000**	**$507,354**	**$158,369**	**$11,872,752**	**$12,857,800**	**$195,943,303**		**$34,067,054**

tax_rev

[1] Includes 400 Cypress Knolls units charged the new residential rate.
[2] Includes fee revenue from the already constructed Preston Park in FY 2015/16.
[3] Represents the estimated annual percentage to meet endowment funding needs and accelerate capitalization.

Table C-2
FORA Phase III CIP Review
Summary of Assumptions Varying by Year

FY Ending	Share of CFD Special Tax Allocated to FORA Habitat Mgmt [1]	Special Tax Revenues Available for Habitat Management Allocation			
		HCP	UC	IAF	BL Mgmt
2014	0.0%	64.7%	10.9%	11.0%	13.4%
2015	25.0%	64.7%	10.9%	11.0%	13.4%
2016	25.0%	64.7%	10.9%	11.0%	13.4%
2017	25.0%	64.7%	10.9%	11.0%	13.4%
2018	25.0%	64.7%	10.9%	11.0%	13.4%
2019	25.0%	64.7%	10.9%	11.0%	13.4%
2020	23.0%	64.7%	10.9%	11.0%	13.4%

assump1

[1] Represents the estimated annual percentage to meet endowment funding needs and accelerate capitalization.

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Table C-3
FORA Phase III CIP Review
Endowment Requirements

Item	Permit Term		Post-Permit Term		
	Assumed Payout	Annual Revenue	2014$	Assumed Payout	Annual Revenue
		[1]			[1]
HCP Endowment Fund	4.50%	$1,137,825	$16,015,233	4.50%	$720,685
UC/NRS Endowment Fund	4.20%	$228,758	$4,563,727	4.20%	$191,677
Implementation Assurances Fund					
Remedial Measures	4.50%	$118,606	$0		$0
BLM and State Parks	4.50%	$34,011	$755,794	4.50%	$34,011
Contingency (5%)	4.50%	$8,257	$0		$0
Subtotal	**4.50%**	**$160,874**	**$755,794**	**4.50%**	**$34,011**
Borderlands Management Cost	4.50%	$179,119	$3,980,432	4.50%	$179,119
TOTAL ENDOWMENTS		**$1,706,576**	**$25,315,187**		**$1,125,492**

cost

Source: FORA

[1] Adjusted from Phase II estimates based on CPI change between December 2011 and December 2013.

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Table C-4
FORA Phase III CIP Review
Planned Land Use Summary by Year

FY Ending	New Residential	Employer Based Housing	Existing/Replac. Residential	Office	Industrial	Retail	Hotel
	Units	*Units*	*Units*	*Acres*	*Acres*	*Acres*	*Rooms*
2015	164	0	0	11.6	1.7	14.1	100
2016	227	0	0	4.1	1.7	5.7	600
2017	623	0	0	23.4	7.5	20.4	670
2018	1,048	150	0	12.2	5.7	18.2	330
2019	1,165	150	0	33.3	10.0	68.8	0
2020	882	150	0	23.0	8.0	22.2	175
Post-FORA	2,021	42	0	34.8	9.8	12.0	245
TOTAL	**6,130**	**492**	**0**	**142.2**	**44.4**	**161.6**	**2,120**

LU_planned

Source: FORA.

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Table C-5
FORA Phase III CIP Review
Tax Revenues Allocated by Endowment

FY	Special Tax Revenue		HCP		UC		IAF		BL Mgmt	
Ending	Annual [1]	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2015	$1,537,614	$1,537,614	$995,144	$995,144	$166,985	$166,985	$169,291	$169,291	$206,194	$206,194
2016	$3,378,680	$4,916,294	$2,186,682	$3,181,825	$366,925	$533,910	$371,993	$541,284	$453,081	$659,275
2017	$5,652,005	$10,568,299	$3,657,978	$6,839,803	$613,808	$1,147,717	$622,286	$1,163,570	$757,934	$1,417,209
2018	$8,023,233	$18,591,532	$5,192,636	$12,032,439	$871,323	$2,019,040	$883,358	$2,046,928	$1,075,916	$2,493,124
2019	$9,269,888	$27,861,420	$5,999,471	$18,031,911	$1,006,710	$3,025,750	$1,020,615	$3,067,542	$1,243,092	$3,736,216
2020	$6,205,635	**$34,067,054**	$4,016,287	**$22,048,197**	$673,932	**$3,699,682**	$683,240	**$3,750,783**	$832,176	**$4,568,392**
TOTAL	**$34,067,054**		**$22,048,197**		**$3,699,682**		**$3,750,783**		**$4,568,392**	

rev_alloc

[1] See net revenue projected in Table C-1.

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Table C-6
FORA Phase III CIP Review
Preliminary Endowment Cash Flow - All Endowments

All Endowments

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
	2014	$6,042,831	$264,449	$0	$0	$6,307,280	$0	$0	$6,307,280
	2015	$6,307,280	$276,036	$1,537,614	$0	$8,120,929	$0	$0	$8,120,929
1	2016	$8,120,929	$356,822	$3,378,680	$0	$11,856,431	($2,076,838)	$0	$9,779,593
	2017	$9,779,593	$432,629	$5,652,005	$0	$15,864,226	($1,443,898)	$0	$14,420,329
	2018	$14,420,329	$639,994	$8,023,233	$0	$23,083,555	($1,443,898)	$0	$21,639,658
	2019	$21,639,658	$962,561	$9,269,888	$0	$31,872,107	($1,443,898)	$0	$30,428,209
	2020	$30,428,209	$1,355,241	$6,205,635	$0	$37,989,084	($1,443,898)	$0	$36,545,187
	2021+	$36,545,187	$1,628,580	$0	$0	$38,173,767	($1,706,576)	$0	$36,467,190
	2022	$36,467,190	$1,625,086	$0	$0	$38,092,277	($1,706,576)	$0	$36,385,700
	2023	$36,385,700	$1,621,436	$0	$0	$38,007,136	($1,706,576)	$0	$36,300,560
	2024	$36,300,560	$1,617,623	$0	$0	$37,918,183	($1,706,576)	$0	$36,211,606
10	2025	$36,211,606	$1,613,638	$0	$0	$37,825,244	($1,706,576)	$0	$36,118,668
	2026	$36,118,668	$1,609,475	$0	$0	$37,728,143	($1,706,576)	$0	$36,021,566
	2027	$36,021,566	$1,605,125	$0	$0	$37,626,691	($1,706,576)	$0	$35,920,115
	2028	$35,920,115	$1,600,581	$0	$0	$37,520,696	($1,706,576)	$0	$35,814,119
	2029	$35,814,119	$1,595,833	$0	$0	$37,409,952	($1,706,576)	$0	$35,703,375
	2030	$35,703,375	$1,590,872	$0	$0	$37,294,247	($1,706,576)	$0	$35,587,670
	2031	$35,587,670	$1,585,688	$0	$0	$37,173,359	($1,706,576)	$0	$35,466,782
	2032	$35,466,782	$1,580,273	$0	$0	$37,047,055	($1,706,576)	$0	$35,340,479
	2033	$35,340,479	$1,574,615	$0	$0	$36,915,094	($1,706,576)	$0	$35,208,517
	2034	$35,208,517	$1,568,703	$0	$0	$36,777,220	($1,706,576)	$0	$35,070,644
20	2035	$35,070,644	$1,562,527	$0	$0	$36,633,171	($1,706,576)	$0	$34,926,594
	2036	$34,926,594	$1,556,073	$0	$0	$36,482,667	($1,706,576)	$0	$34,776,091
	2037	$34,776,091	$1,549,331	$0	$0	$36,325,421	($1,706,576)	$0	$34,618,845
	2038	$34,618,845	$1,542,286	$0	$0	$36,161,131	($1,706,576)	$0	$34,454,554
	2039	$34,454,554	$1,534,925	$0	$0	$35,989,480	($1,706,576)	$0	$34,282,903
	2040	$34,282,903	$1,527,235	$0	$0	$35,810,139	($1,706,576)	$0	$34,103,562
	2041	$34,103,562	$1,519,200	$0	$0	$35,622,763	($1,706,576)	$0	$33,916,186
	2042	$33,916,186	$1,510,805	$0	$0	$35,426,992	($1,706,576)	$0	$33,720,415
	2043	$33,720,415	$1,502,034	$0	$0	$35,222,449	($1,706,576)	$0	$33,515,873
	2044	$33,515,873	$1,492,870	$0	$0	$35,008,743	($1,706,576)	$0	$33,302,166
30	2045	$33,302,166	$1,483,295	$0	$0	$34,785,461	($1,706,576)	$0	$33,078,885
	2046	$33,078,885	$1,473,291	$0	$0	$34,552,176	($1,706,576)	$0	$32,845,599
	2047	$32,845,599	$1,462,838	$0	$0	$34,308,438	($1,706,576)	$0	$32,601,861
	2048	$32,601,861	$1,451,917	$0	$0	$34,053,779	($1,706,576)	$0	$32,347,202
	2049	$32,347,202	$1,440,507	$0	$0	$33,787,709	($1,706,576)	$0	$32,081,133
	2050	$32,081,133	$1,428,585	$0	$0	$33,509,718	($1,706,576)	$0	$31,803,142
	2051	$31,803,142	$1,416,129	$0	$0	$33,219,271	($1,706,576)	$0	$31,512,694
	2052	$31,512,694	$1,403,115	$0	$0	$32,915,809	($1,706,576)	$0	$31,209,233
	2053	$31,209,233	$1,389,517	$0	$0	$32,598,750	($1,706,576)	$0	$30,892,174
	2054	$30,892,174	$1,375,310	$0	$0	$32,267,484	($1,706,576)	$0	$30,560,907
40	2055	$30,560,907	$1,360,466	$0	$0	$31,921,374	($1,706,576)	$0	$30,214,797
	2056	$30,214,797	$1,344,957	$0	$0	$31,559,754	($1,706,576)	$0	$29,853,178
	2057	$29,853,178	$1,328,753	$0	$0	$31,181,930	($1,706,576)	$0	$29,475,354
	2058	$29,475,354	$1,311,822	$0	$0	$30,787,176	($1,706,576)	$0	$29,080,599
	2059	$29,080,599	$1,294,132	$0	$0	$30,374,732	($1,706,576)	$0	$28,668,155
	2060	$28,668,155	$1,275,650	$0	$0	$29,943,805	($1,706,576)	$0	$28,237,229
	2061	$28,237,229	$1,256,339	$0	$0	$29,493,568	($1,706,576)	$0	$27,786,991
	2062	$27,786,991	$1,236,162	$0	$0	$29,023,154	($1,706,576)	$0	$27,316,577
	2063	$27,316,577	$1,215,081	$0	$0	$28,531,659	($1,706,576)	$0	$26,825,082
	2064	$26,825,082	$1,193,056	$0	$0	$28,018,138	($1,706,576)	$0	$26,311,561
50	2065 +								
	Post Permit								
	2065 +	$25,775,028	$1,145,998	$0	$0	$26,921,026	($1,125,492)	$0	$25,795,533

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Table C-7
FORA Phase III CIP Review
Preliminary Endowment Cash Flow - Habitat Conservation Plan

HCP Endowment

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
Source			*Table 3-3*	*Table C-5*			*Table 3-4*		
Annual Return Starting in FY 2014			*4.50%*						
	2014	$3,550,180	$159,758	$0	$0	$3,709,938	$0	$0	$3,709,938
	2015	$3,709,938	$166,947	$995,144	$0	$4,872,028	$0	$0	$4,872,028
1	2016	$4,872,028	$219,241	$2,186,682	$0	$7,277,952	($860,122)	$0	$6,417,829
	2017	$6,417,829	$288,802	$3,657,978	$0	$10,364,609	($875,146)	$0	$9,489,463
	2018	$9,489,463	$427,026	$5,192,636	$0	$15,109,125	($875,146)	$0	$14,233,979
	2019	$14,233,979	$640,529	$5,999,471	$0	$20,873,979	($875,146)	$0	$19,998,833
	2020	$19,998,833	$899,947	$4,016,287	$0	$24,915,067	($875,146)	$0	$24,039,921
	2021+	$24,039,921	$1,081,796	$0	$0	$25,121,718	($1,137,825)	$0	$23,983,892
	2022	$23,983,892	$1,079,275	$0	$0	$25,063,168	($1,137,825)	$0	$23,925,343
	2023	$23,925,343	$1,076,640	$0	$0	$25,001,983	($1,137,825)	$0	$23,864,158
	2024	$23,864,158	$1,073,887	$0	$0	$24,938,045	($1,137,825)	$0	$23,800,220
10	2025	$23,800,220	$1,071,010	$0	$0	$24,871,230	($1,137,825)	$0	$23,733,405
	2026	$23,733,405	$1,068,003	$0	$0	$24,801,408	($1,137,825)	$0	$23,663,583
	2027	$23,663,583	$1,064,861	$0	$0	$24,728,444	($1,137,825)	$0	$23,590,619
	2028	$23,590,619	$1,061,578	$0	$0	$24,652,197	($1,137,825)	$0	$23,514,372
	2029	$23,514,372	$1,058,147	$0	$0	$24,572,519	($1,137,825)	$0	$23,434,693
	2030	$23,434,693	$1,054,561	$0	$0	$24,489,255	($1,137,825)	$0	$23,351,430
	2031	$23,351,430	$1,050,814	$0	$0	$24,402,244	($1,137,825)	$0	$23,264,419
	2032	$23,264,419	$1,046,899	$0	$0	$24,311,318	($1,137,825)	$0	$23,173,493
	2033	$23,173,493	$1,042,807	$0	$0	$24,216,300	($1,137,825)	$0	$23,078,475
	2034	$23,078,475	$1,038,531	$0	$0	$24,117,006	($1,137,825)	$0	$22,979,181
20	2035	$22,979,181	$1,034,063	$0	$0	$24,013,244	($1,137,825)	$0	$22,875,419
	2036	$22,875,419	$1,029,394	$0	$0	$23,904,813	($1,137,825)	$0	$22,766,988
	2037	$22,766,988	$1,024,514	$0	$0	$23,791,502	($1,137,825)	$0	$22,653,677
	2038	$22,653,677	$1,019,415	$0	$0	$23,673,093	($1,137,825)	$0	$22,535,268
	2039	$22,535,268	$1,014,087	$0	$0	$23,549,355	($1,137,825)	$0	$22,411,530
	2040	$22,411,530	$1,008,519	$0	$0	$23,420,048	($1,137,825)	$0	$22,282,223
	2041	$22,282,223	$1,002,700	$0	$0	$23,284,923	($1,137,825)	$0	$22,147,098
	2042	$22,147,098	$996,619	$0	$0	$23,143,718	($1,137,825)	$0	$22,005,893
	2043	$22,005,893	$990,265	$0	$0	$22,996,158	($1,137,825)	$0	$21,858,333
	2044	$21,858,333	$983,625	$0	$0	$22,841,958	($1,137,825)	$0	$21,704,133
30	2045	$21,704,133	$976,686	$0	$0	$22,680,819	($1,137,825)	$0	$21,542,994
	2046	$21,542,994	$969,435	$0	$0	$22,512,428	($1,137,825)	$0	$21,374,603
	2047	$21,374,603	$961,857	$0	$0	$22,336,460	($1,137,825)	$0	$21,198,635
	2048	$21,198,635	$953,939	$0	$0	$22,152,574	($1,137,825)	$0	$21,014,749
	2049	$21,014,749	$945,664	$0	$0	$21,960,413	($1,137,825)	$0	$20,822,587
	2050	$20,822,587	$937,016	$0	$0	$21,759,604	($1,137,825)	$0	$20,621,779
	2051	$20,621,779	$927,980	$0	$0	$21,549,759	($1,137,825)	$0	$20,411,934
	2052	$20,411,934	$918,537	$0	$0	$21,330,471	($1,137,825)	$0	$20,192,646
	2053	$20,192,646	$908,669	$0	$0	$21,101,315	($1,137,825)	$0	$19,963,490
	2054	$19,963,490	$898,357	$0	$0	$20,861,847	($1,137,825)	$0	$19,724,022
40	2055	$19,724,022	$887,581	$0	$0	$20,611,603	($1,137,825)	$0	$19,473,778
	2056	$19,473,778	$876,320	$0	$0	$20,350,098	($1,137,825)	$0	$19,212,272
	2057	$19,212,272	$864,552	$0	$0	$20,076,825	($1,137,825)	$0	$18,939,000
	2058	$18,939,000	$852,255	$0	$0	$19,791,255	($1,137,825)	$0	$18,653,430
	2059	$18,653,430	$839,404	$0	$0	$19,492,834	($1,137,825)	$0	$18,355,009
	2060	$18,355,009	$825,975	$0	$0	$19,180,984	($1,137,825)	$0	$18,043,159
	2061	$18,043,159	$811,942	$0	$0	$18,855,101	($1,137,825)	$0	$17,717,276
	2062	$17,717,276	$797,277	$0	$0	$18,514,554	($1,137,825)	$0	$17,376,729
	2063	$17,376,729	$781,953	$0	$0	$18,158,681	($1,137,825)	$0	$17,020,856
	2064	$17,020,856	$765,939	$0	$0	$17,786,795	($1,137,825)	$0	$16,648,970
50	2065 +	$16,648,970	$749,204	$0	$0	$17,398,173	($1,137,824)	$0	$16,260,349
	Post Permit								
	2065 +	$16,260,349	$731,716	$0	$0	$16,992,065	($720,685)	$0	$16,271,380

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Table C-8
FORA Phase III CIP Review
Preliminary Endowment Cash Flow - University of California

UC Endowment

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
Source			*Table 3-3*	*Table C-5*			*Table 3-4*		
Annual Return Starting in FY 2014			*4.20%*						
	2014	$2,492,651	$104,691	$0	$0	$2,597,342	$0	$0	$2,597,342
	2015	$2,597,342	$109,088	$166,985	$0	$2,873,415	$0	$0	$2,873,415
1	2016	$2,873,415	$120,683	$366,925	$0	$3,361,024	($876,723)	$0	$2,484,301
	2017	$2,484,301	$104,341	$613,808	$0	$3,202,449	($228,758)	$0	$2,973,691
	2018	$2,973,691	$124,895	$871,323	$0	$3,969,909	($228,758)	$0	$3,741,151
	2019	$3,741,151	$157,128	$1,006,710	$0	$4,904,989	($228,758)	$0	$4,676,231
	2020	$4,676,231	$196,402	$673,932	$0	$5,546,565	($228,758)	$0	$5,317,807
	2021+	$5,317,807	$223,348	$0	$0	$5,541,155	($228,758)	$0	$5,312,396
	2022	$5,312,396	$223,121	$0	$0	$5,535,517	($228,758)	$0	$5,306,759
	2023	$5,306,759	$222,884	$0	$0	$5,529,643	($228,758)	$0	$5,300,885
	2024	$5,300,885	$222,637	$0	$0	$5,523,522	($228,758)	$0	$5,294,764
10	2025	$5,294,764	$222,380	$0	$0	$5,517,144	($228,758)	$0	$5,288,386
	2026	$5,288,386	$222,112	$0	$0	$5,510,498	($228,758)	$0	$5,281,740
	2027	$5,281,740	$221,833	$0	$0	$5,503,573	($228,758)	$0	$5,274,815
	2028	$5,274,815	$221,542	$0	$0	$5,496,357	($228,758)	$0	$5,267,599
	2029	$5,267,599	$221,239	$0	$0	$5,488,838	($228,758)	$0	$5,260,080
	2030	$5,260,080	$220,923	$0	$0	$5,481,004	($228,758)	$0	$5,252,245
	2031	$5,252,245	$220,594	$0	$0	$5,472,840	($228,758)	$0	$5,244,082
	2032	$5,244,082	$220,251	$0	$0	$5,464,333	($228,758)	$0	$5,235,575
	2033	$5,235,575	$219,894	$0	$0	$5,455,469	($228,758)	$0	$5,226,711
	2034	$5,226,711	$219,522	$0	$0	$5,446,233	($228,758)	$0	$5,217,475
20	2035	$5,217,475	$219,134	$0	$0	$5,436,609	($228,758)	$0	$5,207,851
	2036	$5,207,851	$218,730	$0	$0	$5,426,580	($228,758)	$0	$5,197,822
	2037	$5,197,822	$218,309	$0	$0	$5,416,131	($228,758)	$0	$5,187,373
	2038	$5,187,373	$217,870	$0	$0	$5,405,243	($228,758)	$0	$5,176,484
	2039	$5,176,484	$217,412	$0	$0	$5,393,897	($228,758)	$0	$5,165,139
	2040	$5,165,139	$216,936	$0	$0	$5,382,075	($228,758)	$0	$5,153,316
	2041	$5,153,316	$216,439	$0	$0	$5,369,756	($228,758)	$0	$5,140,998
	2042	$5,140,998	$215,922	$0	$0	$5,356,920	($228,758)	$0	$5,128,161
	2043	$5,128,161	$215,383	$0	$0	$5,343,544	($228,758)	$0	$5,114,786
	2044	$5,114,786	$214,821	$0	$0	$5,329,607	($228,758)	$0	$5,100,849
30	2045	$5,100,849	$214,236	$0	$0	$5,315,085	($228,758)	$0	$5,086,327
	2046	$5,086,327	$213,626	$0	$0	$5,299,952	($228,758)	$0	$5,071,194
	2047	$5,071,194	$212,990	$0	$0	$5,284,184	($228,758)	$0	$5,055,426
	2048	$5,055,426	$212,328	$0	$0	$5,267,754	($228,758)	$0	$5,038,996
	2049	$5,038,996	$211,638	$0	$0	$5,250,634	($228,758)	$0	$5,021,876
	2050	$5,021,876	$210,919	$0	$0	$5,232,795	($228,758)	$0	$5,004,037
	2051	$5,004,037	$210,170	$0	$0	$5,214,206	($228,758)	$0	$4,985,448
	2052	$4,985,448	$209,389	$0	$0	$5,194,837	($228,758)	$0	$4,966,079
	2053	$4,966,079	$208,575	$0	$0	$5,174,654	($228,758)	$0	$4,945,896
	2054	$4,945,896	$207,728	$0	$0	$5,153,624	($228,758)	$0	$4,924,866
40	2055	$4,924,866	$206,844	$0	$0	$5,131,710	($228,758)	$0	$4,902,952
	2056	$4,902,952	$205,924	$0	$0	$5,108,876	($228,758)	$0	$4,880,118
	2057	$4,880,118	$204,965	$0	$0	$5,085,083	($228,758)	$0	$4,856,325
	2058	$4,856,325	$203,966	$0	$0	$5,060,290	($228,758)	$0	$4,831,532
	2059	$4,831,532	$202,924	$0	$0	$5,034,456	($228,758)	$0	$4,805,698
	2060	$4,805,698	$201,839	$0	$0	$5,007,538	($228,758)	$0	$4,778,780
	2061	$4,778,780	$200,709	$0	$0	$4,979,488	($228,758)	$0	$4,750,730
	2062	$4,750,730	$199,531	$0	$0	$4,950,261	($228,758)	$0	$4,721,503
	2063	$4,721,503	$198,303	$0	$0	$4,919,806	($228,758)	$0	$4,691,048
	2064	$4,691,048	$197,024	$0	$0	$4,888,072	($228,758)	$0	$4,659,314
50	2065 +	$4,659,314	$195,691	$0	$0	$4,855,005	($228,758)	$0	$4,626,247
	Post Permit								
	2065 +	$4,626,247	$194,302	$0	$0	$4,820,549	($191,677)	$0	$4,628,873

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Table C-9
FORA Phase III CIP Review
Preliminary Endowment Cash Flow - Implementation Assurances Fund

IAF Endowment

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
Source			*Table 3-3*	*Table C-5*			*Table 3-4*		
Annual Return Starting in FY 2014			*4.50%*						
	2014	$0	$0	$0	$0	$0	$0	$0	$0
	2015	$0	$0	$169,291	$0	$169,291	$0	$0	$169,291
1	2016	$169,291	$7,618	$371,993	$0	$548,902	($160,874)	$0	$388,028
	2017	$388,028	$17,461	$622,286	$0	$1,027,775	($160,874)	$0	$866,901
	2018	$866,901	$39,011	$883,358	$0	$1,789,270	($160,874)	$0	$1,628,396
	2019	$1,628,396	$73,278	$1,020,615	$0	$2,722,289	($160,874)	$0	$2,561,415
	2020	$2,561,415	$115,264	$683,240	$0	$3,359,919	($160,874)	$0	$3,199,045
	2021+	$3,199,045	$143,957	$0	$0	$3,343,002	($160,874)	$0	$3,182,128
	2022	$3,182,128	$143,196	$0	$0	$3,325,324	($160,874)	$0	$3,164,450
	2023	$3,164,450	$142,400	$0	$0	$3,306,850	($160,874)	$0	$3,145,977
	2024	$3,145,977	$141,569	$0	$0	$3,287,545	($160,874)	$0	$3,126,672
10	2025	$3,126,672	$140,700	$0	$0	$3,267,372	($160,874)	$0	$3,106,498
	2026	$3,106,498	$139,792	$0	$0	$3,246,290	($160,874)	$0	$3,085,417
	2027	$3,085,417	$138,844	$0	$0	$3,224,260	($160,874)	$0	$3,063,387
	2028	$3,063,387	$137,852	$0	$0	$3,201,239	($160,874)	$0	$3,040,365
	2029	$3,040,365	$136,816	$0	$0	$3,177,182	($160,874)	$0	$3,016,308
	2030	$3,016,308	$135,734	$0	$0	$3,152,042	($160,874)	$0	$2,991,168
	2031	$2,991,168	$134,603	$0	$0	$3,125,770	($160,874)	$0	$2,964,896
	2032	$2,964,896	$133,420	$0	$0	$3,098,317	($160,874)	$0	$2,937,443
	2033	$2,937,443	$132,185	$0	$0	$3,069,628	($160,874)	$0	$2,908,754
	2034	$2,908,754	$130,894	$0	$0	$3,039,648	($160,874)	$0	$2,878,774
20	2035	$2,878,774	$129,545	$0	$0	$3,008,319	($160,874)	$0	$2,847,445
	2036	$2,847,445	$128,135	$0	$0	$2,975,580	($160,874)	$0	$2,814,706
	2037	$2,814,706	$126,662	$0	$0	$2,941,368	($160,874)	$0	$2,780,494
	2038	$2,780,494	$125,122	$0	$0	$2,905,617	($160,874)	$0	$2,744,743
	2039	$2,744,743	$123,513	$0	$0	$2,868,256	($160,874)	$0	$2,707,382
	2040	$2,707,382	$121,832	$0	$0	$2,829,215	($160,874)	$0	$2,668,341
	2041	$2,668,341	$120,075	$0	$0	$2,788,416	($160,874)	$0	$2,627,542
	2042	$2,627,542	$118,239	$0	$0	$2,745,782	($160,874)	$0	$2,584,908
	2043	$2,584,908	$116,321	$0	$0	$2,701,229	($160,874)	$0	$2,540,355
	2044	$2,540,355	$114,316	$0	$0	$2,654,671	($160,874)	$0	$2,493,797
30	2045	$2,493,797	$112,221	$0	$0	$2,606,018	($160,874)	$0	$2,445,144
	2046	$2,445,144	$110,031	$0	$0	$2,555,176	($160,874)	$0	$2,394,302
	2047	$2,394,302	$107,744	$0	$0	$2,502,045	($160,874)	$0	$2,341,171
	2048	$2,341,171	$105,353	$0	$0	$2,446,524	($160,874)	$0	$2,285,650
	2049	$2,285,650	$102,854	$0	$0	$2,388,505	($160,874)	$0	$2,227,631
	2050	$2,227,631	$100,243	$0	$0	$2,327,874	($160,874)	$0	$2,167,000
	2051	$2,167,000	$97,515	$0	$0	$2,264,515	($160,874)	$0	$2,103,642
	2052	$2,103,642	$94,664	$0	$0	$2,198,305	($160,874)	$0	$2,037,432
	2053	$2,037,432	$91,684	$0	$0	$2,129,116	($160,874)	$0	$1,968,242
	2054	$1,968,242	$88,571	$0	$0	$2,056,813	($160,874)	$0	$1,895,939
40	2055	$1,895,939	$85,317	$0	$0	$1,981,257	($160,874)	$0	$1,820,383
	2056	$1,820,383	$81,917	$0	$0	$1,902,300	($160,874)	$0	$1,741,426
	2057	$1,741,426	$78,364	$0	$0	$1,819,790	($160,874)	$0	$1,658,916
	2058	$1,658,916	$74,651	$0	$0	$1,733,568	($160,874)	$0	$1,572,694
	2059	$1,572,694	$70,771	$0	$0	$1,643,465	($160,874)	$0	$1,482,591
	2060	$1,482,591	$66,717	$0	$0	$1,549,308	($160,874)	$0	$1,388,434
	2061	$1,388,434	$62,480	$0	$0	$1,450,914	($160,874)	$0	$1,290,040
	2062	$1,290,040	$58,052	$0	$0	$1,348,092	($160,874)	$0	$1,187,218
	2063	$1,187,218	$53,425	$0	$0	$1,240,643	($160,874)	$0	$1,079,769
	2064	$1,079,769	$48,590	$0	$0	$1,128,358	($160,874)	$0	$967,484
50	2065 +	$967,484	$43,537	$0	$0	$1,011,021	($160,874)	$0	$850,147
	Post Permit								
	2065 +	$850,147	$38,257	$0	$0	$888,404	($34,011)	$0	$854,393

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Table C-10
FORA Phase III CIP Review
Preliminary Endowment Cash Flow - Borderlands Management

Borderlands Endowment

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
Source			*Table 3-3*	*Table C-5*			*Table 3-4*		
Annual Return Starting in FY 2014			*4.50%*						
	2014	$0	$0	$0	$0	$0	$0	$0	$0
	2015	$0	$0	$206,194	$0	$206,194	$0	$0	$206,194
1	2016	$206,194	$9,279	$453,081	$0	$668,554	($179,119)	$0	$489,434
	2017	$489,434	$22,025	$757,934	$0	$1,269,393	($179,119)	$0	$1,090,273
	2018	$1,090,273	$49,062	$1,075,916	$0	$2,215,251	($179,119)	$0	$2,036,132
	2019	$2,036,132	$91,626	$1,243,092	$0	$3,370,849	($179,119)	$0	$3,191,730
	2020	$3,191,730	$143,628	$832,176	$0	$4,167,533	($179,119)	$0	$3,988,414
	2021+	$3,988,414	$179,479	$0	$0	$4,167,893	($179,119)	$0	$3,988,773
	2022	$3,988,773	$179,495	$0	$0	$4,168,268	($179,119)	$0	$3,989,149
	2023	$3,989,149	$179,512	$0	$0	$4,168,660	($179,119)	$0	$3,989,541
	2024	$3,989,541	$179,529	$0	$0	$4,169,070	($179,119)	$0	$3,989,951
10	2025	$3,989,951	$179,548	$0	$0	$4,169,498	($179,119)	$0	$3,990,379
	2026	$3,990,379	$179,567	$0	$0	$4,169,946	($179,119)	$0	$3,990,826
	2027	$3,990,826	$179,587	$0	$0	$4,170,414	($179,119)	$0	$3,991,294
	2028	$3,991,294	$179,608	$0	$0	$4,170,902	($179,119)	$0	$3,991,783
	2029	$3,991,783	$179,630	$0	$0	$4,171,413	($179,119)	$0	$3,992,294
	2030	$3,992,294	$179,653	$0	$0	$4,171,947	($179,119)	$0	$3,992,828
	2031	$3,992,828	$179,677	$0	$0	$4,172,505	($179,119)	$0	$3,993,385
	2032	$3,993,385	$179,702	$0	$0	$4,173,088	($179,119)	$0	$3,993,968
	2033	$3,993,968	$179,729	$0	$0	$4,173,697	($179,119)	$0	$3,994,577
	2034	$3,994,577	$179,756	$0	$0	$4,174,333	($179,119)	$0	$3,995,214
20	2035	$3,995,214	$179,785	$0	$0	$4,174,998	($179,119)	$0	$3,995,879
	2036	$3,995,879	$179,815	$0	$0	$4,175,694	($179,119)	$0	$3,996,574
	2037	$3,996,574	$179,846	$0	$0	$4,176,420	($179,119)	$0	$3,997,300
	2038	$3,997,300	$179,879	$0	$0	$4,177,179	($179,119)	$0	$3,998,060
	2039	$3,998,060	$179,913	$0	$0	$4,177,972	($179,119)	$0	$3,998,853
	2040	$3,998,853	$179,948	$0	$0	$4,178,801	($179,119)	$0	$3,999,682
	2041	$3,999,682	$179,986	$0	$0	$4,179,667	($179,119)	$0	$4,000,548
	2042	$4,000,548	$180,025	$0	$0	$4,180,573	($179,119)	$0	$4,001,453
	2043	$4,001,453	$180,065	$0	$0	$4,181,518	($179,119)	$0	$4,002,399
	2044	$4,002,399	$180,108	$0	$0	$4,182,507	($179,119)	$0	$4,003,387
30	2045	$4,003,387	$180,152	$0	$0	$4,183,540	($179,119)	$0	$4,004,420
	2046	$4,004,420	$180,199	$0	$0	$4,184,619	($179,119)	$0	$4,005,500
	2047	$4,005,500	$180,247	$0	$0	$4,185,747	($179,119)	$0	$4,006,628
	2048	$4,006,628	$180,298	$0	$0	$4,186,926	($179,119)	$0	$4,007,807
	2049	$4,007,807	$180,351	$0	$0	$4,188,158	($179,119)	$0	$4,009,039
	2050	$4,009,039	$180,407	$0	$0	$4,189,445	($179,119)	$0	$4,010,326
	2051	$4,010,326	$180,465	$0	$0	$4,190,790	($179,119)	$0	$4,011,671
	2052	$4,011,671	$180,525	$0	$0	$4,192,196	($179,119)	$0	$4,013,077
	2053	$4,013,077	$180,588	$0	$0	$4,193,665	($179,119)	$0	$4,014,546
	2054	$4,014,546	$180,655	$0	$0	$4,195,200	($179,119)	$0	$4,016,081
40	2055	$4,016,081	$180,724	$0	$0	$4,196,804	($179,119)	$0	$4,017,685
	2056	$4,017,685	$180,796	$0	$0	$4,198,481	($179,119)	$0	$4,019,361
	2057	$4,019,361	$180,871	$0	$0	$4,200,233	($179,119)	$0	$4,021,113
	2058	$4,021,113	$180,950	$0	$0	$4,202,063	($179,119)	$0	$4,022,944
	2059	$4,022,944	$181,032	$0	$0	$4,203,976	($179,119)	$0	$4,024,857
	2060	$4,024,857	$181,119	$0	$0	$4,205,975	($179,119)	$0	$4,026,856
	2061	$4,026,856	$181,209	$0	$0	$4,208,064	($179,119)	$0	$4,028,945
	2062	$4,028,945	$181,303	$0	$0	$4,210,248	($179,119)	$0	$4,031,128
	2063	$4,031,128	$181,401	$0	$0	$4,212,529	($179,119)	$0	$4,033,409
	2064	$4,033,409	$181,503	$0	$0	$4,214,913	($179,119)	$0	$4,035,793
50	2065 +	$4,035,793	$181,611	$0	$0	$4,217,404	($179,119)	$0	$4,038,285
	Post Permit								
	2065 +	$4,038,285	$181,723	$0	$0	$4,220,007	($179,119)	$0	$4,040,888

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Table C-11
FORA Phase III CIP Review
Comparison of Annual Interest Earnings and Costs

		HCP Endowment			UC Endowment			IAF Endowment			Borderlands Endowment		
Permit Year	Year	Interest Earnings	Annual Costs	Difference	Interest Earnings	Annual Costs	Difference	Interest Earnings	Annual Costs	Surplus/ (Deficit)	Interest Earnings	Annual Costs	Surplus/ (Deficit)
Source		*Table C-7*	*Table C-7*		*Table C-8*	*Table C-8*		*Table C-9*	*Table C-9*		*Table C-10*	*Table C-10*	
	2014	$159,758	$0	**$159,758**	$104,691	$0	**$104,691**	$0	$0	**$0**	$0	$0	**$0**
	2015	$166,947	$0	**$166,947**	$109,088	$0	**$109,088**	$0	$0	**$0**	$0	$0	**$0**
1	2016	$219,241	($860,122)	**($640,881)**	$120,683	($876,723)	**($756,039)**	$7,618	($160,874)	**($153,256)**	$9,279	($179,119)	**($169,841)**
	2017	$288,802	($875,146)	**($586,344)**	$104,341	($228,758)	**($124,417)**	$17,461	($160,874)	**($143,413)**	$22,025	($179,119)	**($157,095)**
	2018	$427,026	($875,146)	**($448,120)**	$124,895	($228,758)	**($103,863)**	$39,011	($160,874)	**($121,863)**	$49,062	($179,119)	**($130,057)**
	2019	$640,529	($875,146)	**($234,617)**	$157,128	($228,758)	**($71,630)**	$73,278	($160,874)	**($87,596)**	$91,626	($179,119)	**($87,494)**
	2020	$899,947	($875,146)	**$24,801**	$196,402	($228,758)	**($32,356)**	$115,264	($160,874)	**($45,610)**	$143,628	($179,119)	**($35,492)**
	2021+	$1,081,796	($1,137,825)	**($56,029)**	$223,348	($228,758)	**($5,410)**	$143,957	($160,874)	**($16,917)**	$179,479	($179,119)	**$359**
	2022	$1,079,275	($1,137,825)	**($58,550)**	$223,121	($228,758)	**($5,637)**	$143,196	($160,874)	**($17,678)**	$179,495	($179,119)	**$375**
	2023	$1,076,640	($1,137,825)	**($61,185)**	$222,884	($228,758)	**($5,874)**	$142,400	($160,874)	**($18,474)**	$179,512	($179,119)	**$392**
10	2024	$1,073,887	($1,137,825)	**($63,938)**	$222,637	($228,758)	**($6,121)**	$141,569	($160,874)	**($19,305)**	$179,529	($179,119)	**$410**
	2025	$1,071,010	($1,137,825)	**($66,815)**	$222,380	($228,758)	**($6,378)**	$140,700	($160,874)	**($20,174)**	$179,548	($179,119)	**$428**
	2026	$1,068,003	($1,137,825)	**($69,822)**	$222,112	($228,758)	**($6,646)**	$139,792	($160,874)	**($21,081)**	$179,567	($179,119)	**$448**
	2027	$1,064,861	($1,137,825)	**($72,964)**	$221,833	($228,758)	**($6,925)**	$138,844	($160,874)	**($22,030)**	$179,587	($179,119)	**$468**
	2028	$1,061,578	($1,137,825)	**($76,247)**	$221,542	($228,758)	**($7,216)**	$137,852	($160,874)	**($23,021)**	$179,608	($179,119)	**$489**
	2029	$1,058,147	($1,137,825)	**($79,678)**	$221,239	($228,758)	**($7,519)**	$136,816	($160,874)	**($24,057)**	$179,630	($179,119)	**$511**
	2030	$1,054,561	($1,137,825)	**($83,264)**	$220,923	($228,758)	**($7,835)**	$135,734	($160,874)	**($25,140)**	$179,653	($179,119)	**$534**
	2031	$1,050,814	($1,137,825)	**($87,011)**	$220,594	($228,758)	**($8,164)**	$134,603	($160,874)	**($26,271)**	$179,677	($179,119)	**$558**
	2032	$1,046,899	($1,137,825)	**($90,926)**	$220,251	($228,758)	**($8,507)**	$133,420	($160,874)	**($27,453)**	$179,702	($179,119)	**$583**
	2033	$1,042,807	($1,137,825)	**($95,018)**	$219,894	($228,758)	**($8,864)**	$132,185	($160,874)	**($28,689)**	$179,729	($179,119)	**$609**
20	2034	$1,038,531	($1,137,825)	**($99,294)**	$219,522	($228,758)	**($9,236)**	$130,894	($160,874)	**($29,980)**	$179,756	($179,119)	**$637**
	2035	$1,034,063	($1,137,825)	**($103,762)**	$219,134	($228,758)	**($9,624)**	$129,545	($160,874)	**($31,329)**	$179,785	($179,119)	**$665**
	2036	$1,029,394	($1,137,825)	**($108,431)**	$218,730	($228,758)	**($10,028)**	$128,135	($160,874)	**($32,739)**	$179,815	($179,119)	**$695**
	2037	$1,024,514	($1,137,825)	**($113,311)**	$218,309	($228,758)	**($10,450)**	$126,662	($160,874)	**($34,212)**	$179,846	($179,119)	**$726**
	2038	$1,019,415	($1,137,825)	**($118,410)**	$217,870	($228,758)	**($10,888)**	$125,122	($160,874)	**($35,752)**	$179,879	($179,119)	**$759**
	2039	$1,014,087	($1,137,825)	**($123,738)**	$217,412	($228,758)	**($11,346)**	$123,513	($160,874)	**($37,360)**	$179,913	($179,119)	**$793**
	2040	$1,008,519	($1,137,825)	**($129,306)**	$216,936	($228,758)	**($11,822)**	$121,832	($160,874)	**($39,042)**	$179,948	($179,119)	**$829**
	2041	$1,002,700	($1,137,825)	**($135,125)**	$216,439	($228,758)	**($12,319)**	$120,075	($160,874)	**($40,798)**	$179,986	($179,119)	**$866**
	2042	$996,619	($1,137,825)	**($141,206)**	$215,922	($228,758)	**($12,836)**	$118,239	($160,874)	**($42,634)**	$180,025	($179,119)	**$905**
	2043	$990,265	($1,137,825)	**($147,560)**	$215,383	($228,758)	**($13,375)**	$116,321	($160,874)	**($44,553)**	$180,065	($179,119)	**$946**
30	2044	$983,625	($1,137,825)	**($154,200)**	$214,821	($228,758)	**($13,937)**	$114,316	($160,874)	**($46,558)**	$180,108	($179,119)	**$988**
	2045	$976,686	($1,137,825)	**($161,139)**	$214,236	($228,758)	**($14,522)**	$112,221	($160,874)	**($48,653)**	$180,152	($179,119)	**$1,033**
	2046	$969,435	($1,137,825)	**($168,390)**	$213,626	($228,758)	**($15,132)**	$110,031	($160,874)	**($50,842)**	$180,199	($179,119)	**$1,079**
	2047	$961,857	($1,137,825)	**($175,968)**	$212,990	($228,758)	**($15,768)**	$107,744	($160,874)	**($53,130)**	$180,247	($179,119)	**$1,128**
	2048	$953,939	($1,137,825)	**($183,886)**	$212,328	($228,758)	**($16,430)**	$105,353	($160,874)	**($55,521)**	$180,298	($179,119)	**$1,179**
	2049	$945,664	($1,137,825)	**($192,161)**	$211,638	($228,758)	**($17,120)**	$102,854	($160,874)	**($58,020)**	$180,351	($179,119)	**$1,232**
	2050	$937,016	($1,137,825)	**($200,809)**	$210,919	($228,758)	**($17,839)**	$100,243	($160,874)	**($60,630)**	$180,407	($179,119)	**$1,287**
	2051	$927,980	($1,137,825)	**($209,845)**	$210,170	($228,758)	**($18,589)**	$97,515	($160,874)	**($63,359)**	$180,465	($179,119)	**$1,345**
	2052	$918,537	($1,137,825)	**($219,288)**	$209,389	($228,758)	**($19,369)**	$94,664	($160,874)	**($66,210)**	$180,525	($179,119)	**$1,406**
	2053	$908,669	($1,137,825)	**($229,156)**	$208,575	($228,758)	**($20,183)**	$91,684	($160,874)	**($69,189)**	$180,588	($179,119)	**$1,469**
40	2054	$898,357	($1,137,825)	**($239,468)**	$207,728	($228,758)	**($21,030)**	$88,571	($160,874)	**($72,303)**	$180,655	($179,119)	**$1,535**

Prepared by EPS 5/8/2014

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Table C-11
FORA Phase III CIP Review
Comparison of Annual Interest Earnings and Costs

		HCP Endowment			UC Endowment			IAF Endowment			Borderlands Endowment		
Permit Year	**Year**	Interest Earnings	Annual Costs	Difference	Interest Earnings	Annual Costs	Difference	Interest Earnings	Annual Costs	Surplus/ (Deficit)	Interest Earnings	Annual Costs	Surplus/ (Deficit)
Source		*Table C-7*	*Table C-7*		*Table C-8*	*Table C-8*		*Table C-9*	*Table C-9*		*Table C-10*	*Table C-10*	
	2055	$887,581	($1,137,825)	**($250,244)**	$206,844	($228,758)	**($21,914)**	$85,317	($160,874)	**($75,557)**	$180,724	($179,119)	**$1,604**
	2056	$876,320	($1,137,825)	**($261,505)**	$205,924	($228,758)	**($22,834)**	$81,917	($160,874)	**($78,957)**	$180,796	($179,119)	**$1,676**
	2057	$864,552	($1,137,825)	**($273,273)**	$204,965	($228,758)	**($23,793)**	$78,364	($160,874)	**($82,510)**	$180,871	($179,119)	**$1,752**
	2058	$852,255	($1,137,825)	**($285,570)**	$203,966	($228,758)	**($24,792)**	$74,651	($160,874)	**($86,223)**	$180,950	($179,119)	**$1,831**
	2059	$839,404	($1,137,825)	**($298,421)**	$202,924	($228,758)	**($25,834)**	$70,771	($160,874)	**($90,103)**	$181,032	($179,119)	**$1,913**
	2060	$825,975	($1,137,825)	**($311,850)**	$201,839	($228,758)	**($26,919)**	$66,717	($160,874)	**($94,157)**	$181,119	($179,119)	**$1,999**
	2061	$811,942	($1,137,825)	**($325,883)**	$200,709	($228,758)	**($28,049)**	$62,480	($160,874)	**($98,394)**	$181,209	($179,119)	**$2,089**
	2062	$797,277	($1,137,825)	**($340,548)**	$199,531	($228,758)	**($29,227)**	$58,052	($160,874)	**($102,822)**	$181,303	($179,119)	**$2,183**
	2063	$781,953	($1,137,825)	**($355,872)**	$198,303	($228,758)	**($30,455)**	$53,425	($160,874)	**($107,449)**	$181,401	($179,119)	**$2,281**
50	2064	$765,939	($1,137,825)	**($371,887)**	$197,024	($228,758)	**($31,734)**	$48,590	($160,874)	**($112,284)**	$181,503	($179,119)	**$2,384**
	Post Permit												
	2065 +	$731,716	($720,685)	**$11,030**	$194,302	($191,677)	**$2,626**	$38,257	($34,011)	**$4,246**	$181,723	($179,119)	**$2,603**

performance