

FORA

ANNUAL REPORT 2012-2013

Strengthening Our Commitment

Executive Officer's Message

The Fort Ord Reuse Authority (FORA) was created by the California State Legislature in 1994 to facilitate conversion of the former Fort Ord from military to civilian activities that support our local and regional communities.

The conversion effort focuses on property transfer and development for economic reuse by local jurisdictions, educational reuse, and environmental protection and conservation. This legislatively mandated mission is directed by the 1997 Fort Ord Base Reuse Plan (BRP). In 2012, FORA performed a comprehensive community-wide BRP Reassessment to review what has been accomplished and where we can still improve. The FORA Board formally received the BRP Reassessment Report in December 2012 and is now examining policy questions that surfaced during the Reassessment process.

In 2012, Assemblymember Bill Monning and co-authors Senator Sam Blakeslee, Senator Anthony Canella, and Assemblymember Luis Alejo, introduced Assembly Bill (AB) 1614 to extend FORA's statutory authority to June 30, 2020. The legislation was signed into law by Governor



Leon Panetta and Executive Officer, Michael Houlemard.

nor Jerry Brown in September 2012. Governor Brown also approved AB 1842, authored by Assemblymember Monning, which assists in establishing the California Central Coast Veterans Cemetery.

Also in 2012, the Joint Department of Defense/Department of Veterans Affairs (VA) received entitlements for a 150,000 square foot/14 acre Monterey Health Care Center Project to provide health services for Veterans. The project was approved by the FORA Board for consistency with the FORA Base Reuse Plan. The new facility was championed by Congressman Sam Farr and will eventually replace the current outpatient Veterans' clinic on the former Fort Ord.

At every juncture, we continue to examine ways to strengthen our commitment to Fort Ord habitat. Over

the last year, FORA staff has diligently furthered major open space restoration, conservation, and remediation through efforts to obtain an approved Fort Ord Habitat Conservation Plan (HCP) and advancing Environmental Services Cooperative Agreement (ESCA) munitions and explosives remedial/removal work. The region also saw conclusion of a four-year effort to seek national recognition of Fort Ord public lands with the designation of Fort Ord National Monument status by President Barack Obama.

FY 2012/13 saw major economic revitalization projects open or move towards construction, including the VA Monterey Health Care Center Project, the California Central Coast Veterans Cemetery, the South County Housing University Villages Apartments project, and the Mid-Peninsula Housing Coalition Manzanita Place project. These major projects are supported by FORA's completion of the General Jim Moore Boulevard/Eucalyptus Road project and the conclusion of much of the remaining field work under the U.S. Army ESCA contract.

With these successes, the past year has also reinforced the need to emphasize blight removal and complete the Regional Urban Design Guidelines – two significant remaining goals of the reuse effort. By pulling together and focusing on common objectives, Fort Ord revitalization efforts will succeed. We look forward to the coming year's challenges!

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— Michael A. Houlemard, Jr.
Executive Officer

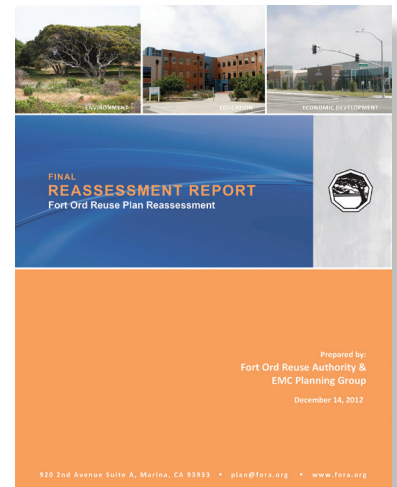
Base Reuse Plan Reassessment

Throughout 2012, FORA conducted a comprehensive reassessment of its 1997 Fort Ord Base Reuse Plan (BRP) to evaluate progress toward implementing economic recovery and reuse of land at the former Fort Ord.

The process, in collaboration with the Ventana Chapter of the Sierra Club and led by EMC Planning Group, Inc., an experienced locally-based land use consulting firm, included assessment of the approved plan and review of current and future local and regional needs. An extensive public participation program engaged interested members of the public, numerous community and business organizations, and local land-use jurisdictions in a series of five community workshops and several FORA Board study sessions. A Final Reassessment Report was received in December.

The Reassessment Report identified main findings into five categories:

- I. Modifications and Corrections (typographical and editorial errors, outdated references in the BRP, and minor clarifications);
- II. Prior Board Actions and Regional Plan Consistency;
- III. Implementation of Policies and Programs;
- IV. Policy and Program Modifications; and
- V. FORA Procedures and Operations.



The final report is available on FORA's web site at:
www.fora.org/BRPReassessment.html

On May 17, 2013, the 2012 Reassessment Report received an Award of Merit for Best Planning Practices from the Northern California Chapter of the American Planning Association.

California Central Coast Veterans Cemetery

Veterans in the Monterey Bay Region are not adequately served by the San Joaquin National Cemetery, which is currently the closest available Veterans Cemetery.

The County of Monterey, City of Seaside, and the Fort Ord Reuse Authority (FORA) agreed to dedicate and transfer approximately 78 acres of former Fort Ord land to the State of California to establish the California Central Coast Veterans Cemetery (CCCVC).

The largest obstacle to building the cemetery has been obtaining the initial funding to complete plans and

designs. The recent recession made funding efforts even more challenging. The CCCVC Foundation has committed more than \$200,000 and Senator Bill Monning has legislative support for up to \$1.5 million dollars to comprise most of the local funding support for the Veterans Cemetery.

In the past, FORA has taken a number of indirect steps to aid and support this worthy project. This current year



FORA assisted in the completion of local documentation needed to transfer ownership of the dedicated parcels to the State of California for submission to the U.S. Department of Veterans Affairs in order to apply for grants to construct and operate the CCCVC. The application is currently in process.

Visit the FORA website for more information: www.fora.org.

Habitat Conservation Plan

The Base Reuse Plan 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 the HMP implementation.

Although this 1996 HMP Implementing/Management Agreement was never approved, for the HMP to be implemented and to allow FORA and its member agencies to meet the requirements of 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 approve the Fort Ord Habitat Conservation Plan (HCP) and its associated agreements (including a revised Implementing Agreement).

The HCP provides the framework for ensuring conservation and enhancement of 19 special status plant and animal species (HCP species) and the natural communities that support them on former Fort Ord that contribute to species recovery.

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.

Based upon recent dictates by the regulatory agencies, habitat obligations are projected to be ± \$39.1M.* As part of the FY 2010-11 FORA Capital Improvement Program (CIP) Phase II Review process conducted at the FORA Board's April 8, 2011 direction, the CIP contingency was increased an additional amount to cover potential HCP short falls.

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 includes line items for wild life conservation measures, weed abatement, vehicles, tools and personnel as well as monitoring and reporting. It is

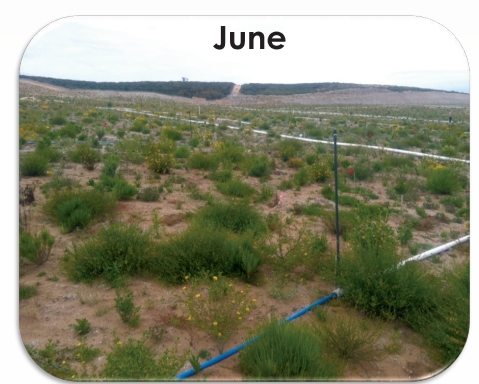


The Sand Gilia making a comeback.

expected that the final endowment amount will be agreed upon in the upcoming fiscal year.

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 implementation funds. Of the annual costs necessary for HCP implementation 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. The HCP is expected to be in public review this coming year. Visit the FORA website for more information: www.fora.org.

** (Reference: CIP Report Table 3 column '2005-13' amount of \$5,654,084 plus column '2013-14 to Post FORA Total' amount of \$33,437,419).*



Environmental Services Cooperative Agreement

In Spring 2005, the U.S. Army and FORA entered into negotiations to execute an Army-funded Environmental Services Cooperative Agreement (ESCA), providing funding for “cleanup”/remediation of Munitions and Explosives of Concern (MEC) on 3,340 acres of former Fort Ord land. In early 2007, the Army awarded FORA approximately \$100M to perform MEC cleanup on these ESCA parcels. The ESCA allows FORA, as Army’s contractor, to address safety issues resulting from previous munitions training operations conducted at the former Fort Ord.

The former Fort Ord consists of approximately 28,000 acres of land. Of this amount, the Base Reuse Plan allows development on only about 6,700 acres of land known as Economic Development Conveyance (EDC) properties. The ESCA grant provides funds to remove MEC on the EDC properties that had not received clearance from regulating agencies responsible for certifying that property can be reused/transitioned from military to civilian use.

In 2012/2013 FORA completed MEC remediation in Parker Flats and future East Garrison parcels. To date, approximately 65% of the required MEC work has been done. The remainder of MEC work is expected to be finished by 2015.

FORA does not have the authority to decide future use of property, impose or limit zoning, determine property density or make land use decisions. Those responsibilities belong to the local land use jurisdictions (cities and county) where the property lies within the boundaries of the former Fort Ord.

For more information about ESCA or MEC work, please visit the ESCA website at www.fora-esca-rp.com.

Capital Improvement Program

The FORA Capital Improvement Program (CIP) originated as part of the Base Reuse Plan as the Public Facilities Improvement Plan (PFIP). The CIP, required under the California Environmental Quality Act, mitigates Base Reuse Plan impacts, and provides for habitat management.

When Fort Ord closed, it was determined that most of the existing Army infrastructure (such as roads, water, sewer and other utility systems which had been built over many decades) was outdated and/or not built to current required standards. Therefore, the PFIP identified several categories of required improvements which are currently outlined and annually updated in the Capital Improvement Program.

and telecommunication lines, as well as supportive infrastructure for the Aquifer Storage & Recovery Water Project for the Seaside water basin. Work progressed to construction of new lanes, bike lanes and bus stops, paving, installation of street lights and signals, landscaping and erosion control. Over \$7.5 million in grant funds provided the ability to construct over \$34 million in GJMB and Eucalyptus Road improvements.



General Jim Moore Boulevard looking south from Seaside to Del Rey Oaks.

CIP progress over FY 2012-13 includes: In 2012, FORA completed General Jim Moore Boulevard (GJMB), one of the most significant roadways within the former Fort Ord. Eucalyptus Road was completed in conjunction with the GJMB project. The work along GJMB began with initial grading and installation of utilities such as water, recycled water, sewer, drainage,

2012-2013 activity also included 90% completion of roadway designs for Eastside Parkway, Inter-Garrison Road and Gigling Road. Roadway design plans for South Boundary Road and a remaining portion of GJMB are 100% complete and construction-ready once the Habitat Conservation Plan (HCP) is finalized.

Visit the FORA website for more information: www.fora.org/CIP.html.

FY 2012-13 Budget Summary

Budget Revenues	\$8,949,379
Budgeted Expenditures	\$7,405,266
Excess Revenues over (under) Expenditures	\$1,544,113
Beginning Fund Balance (7-1-2012)	\$5,461,505
Ending Fund Balance (6-30-2013)	\$7,005,618

The complete FY 12-13 Budget is available on the FORA website at www.fora.org.

FY 2012-13 Audits

Forensic Audit

A forensic audit requested by the FORA Board regarding business expense reimbursements was completed in November 2012 by the auditing firm RGL Forensics. The audit was accepted by the Board.

Annual Financial Audit

In August 2012, the FORA Board hired Moss, Levy & Hartzheim (Auditor) to provide audit services for FORA to cover the fiscal year ending June 30, 2012 (FY 11-12).

The Auditor's letter expressed the opinion that, except for the effect, if any, of not having an actuarial study for other post-employment benefits as required by the Governmental Accounting Standards Board Statement No. 45, the financial statements present fairly, in all material respects, FORA's financial position as of June 30, 2012 and the results of FORA operations for the year concluded in conformity with accounting principles generally accepted in the United States of America. FORA has since obtained the actuarial study and it will be included in the FY 12-13 audit report.

A copy of the forensic audit and the June 30, 2012 annual financial report are posted on the FORA website at www.fora.org.

Accomplishments

In Fiscal Year 2012-13, FORA expanded its ongoing community engagement efforts in several ways. First, the format and accessibility of the FORA website were improved to ease public use and highlight ongoing activities. The Facebook presence was increased and other social media environments were added. As well, the use of traditional media increased with press releases and ads.

The opening of the new Community Information Center (CIC) at the FORA offices in Marina provides community members the opportunity to review maps, documents, banners and posters designed to communicate the full scope of the economic, environmental and educational commitment of the recovery program. The room has electronic/computer screen support and is available for FORA related group meetings/presentations. The CIC is open during regular business hours.



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Who We Are

Executive Office:

Executive Officer	Michael Houlemard
Assistant Executive Officer	Steve Endsley
Deputy Clerk	Lena Spilman
Authority Counsel	Jon Giffen

Staff Members:

Senior Project Manager	Jim Arnold
Controller/Finance Manager	Ivana Bednarik
Administrative Assistant	Rosalyn Charles
Real Property & Facilities Manager	Standen Cook
Accounting Officer	Marcela Fridrich
Senior Planner	Jonathan Garcia
Grants & Contracts Coordinator	Crissy Maras
Principal Analyst	Robert Norris
Communications Coordinator	Jen Simon
ESCA Program Coordinator	Laura Vidaurri

FORA Board Member Agencies

- City of Carmel-by-the-Sea
- City of Del Rey Oaks
- City of Marina
- City of Monterey
- City of Pacific Grove
- City of Sand City
- City of Salinas
- City of Seaside
- County of Monterey

Ex-Officio Members

- 17th Congressional District
- 27th State Assembly District
- 15th State Senate District
- California State University Monterey Bay
- Marina Coast Water District
- Monterey Peninsula College
- Monterey Peninsula Unified School District
- Monterey-Salinas Transit
- Transportation Agency for Monterey County
- U.S. Army/Base Realignment and Closure Office
- University of California Santa Cruz



FORT ORD REUSE AUTHORITY

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