



Fort Ord Reuse Authority

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

BOARD OF DIRECTORS MEETING
Friday, June 8, 2012 at 3:00 p.m.
910 2nd Avenue, Marina, CA 93933 (Carpenter's Union Hall)

AGENDA

1. CALL TO ORDER AND ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. ACKNOWLEDGEMENTS

4. LEGISLATIVE SESSION

PRESENTATIONS

- a. Alec Arago (representing Congressman Sam Farr) – 17th Congressional District
- b. Assemblymember Bill Monning – 27th State Assembly District
- c. Senator Sam Blakeslee or representative – 15th State Senate District
- d. Assemblymember Luis Alejo or representative – 28th State Assembly District
- e. Senator Anthony Canella or representative – 12th State Senate District

5. ANNOUNCEMENTS, AND CORRESPONDENCE

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

7. CONSENT AGENDA

- a. May 11, 2012 FORA Board Meeting Minutes ACTION
- b. General Jim Moore Boulevard/Eucalyptus Road Completion Project –
Authorization to file a Notice of Completion ACTION

8. OLD BUSINESS

- a. Base Reuse Plan Reassessment Update INFORMATION

9. NEW BUSINESS

- a. Preston Park FY 2012/13 Budget INFORMATION/ACTION
- b. FY 2012/13 – 2021/22 Capital Improvement Program - Approval INFORMATION/ACTION
- c. Capital Improvement Program Review – Phase II Study
 - i. Resolution 12-5 to Adopt a Formulaic Approach to
Development Fees INFORMATION
 - ii. Amendment #1 to the FORA-jurisdictions Implementation Agreements INFORMATION
- d. FORA FY 2012-13 Preliminary Budget ACTION
- e. Ord Community Water and Wastewater Systems Proposed
Budgets and Rates for FY 2012/13
 - i. Presentation by FORA INFORMATION

- ii. Presentation by Marina Coast Water District INFORMATION
- iii. Resolution Nos. 12-6 and 12-7 Adopting a Compensation Plan and Setting Rates, Fees and Charges for Base-wide Water and Sewer Services on the former Fort Ord ACTION
- f. Master Resolution/Settlement Agreement – Appeal Fee Proposed Amendment to FORA Master Resolution (Section 8.01.050(a)) INFORMATION
- g. Records Retention Policy INFORMATION/ACTION

10. EXECUTIVE OFFICER’S REPORT

- a. Outstanding Receivables INFORMATION
- b. Administrative Committee INFORMATION
- c. Finance Committee INFORMATION
- d. Legislative Report INFORMATION
- e. Water/Wastewater Oversight Committee INFORMATION
- f. Habitat Conservation Plan INFORMATION
- g. Executive Officer’s Travel INFORMATION

11. ITEMS FROM MEMBERS

12. CLOSED SESSION

Public Comment – Closed Session Items

- a. Public Employee Performance Evaluation – Executive Officer (Gov Code 54957)

11. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

12. ADJOURNMENT

NEXT MEETING JULY 13, 2012



Fort Ord Reuse Authority

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BOARD OF DIRECTORS BOARD MEETING

Friday, May 11, 2012 at 3:30 p.m.

910 2nd Ave, Marina (Carpenter's Union Hall)

Minutes

1. CALL TO ORDER AND ROLL CALL

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

Voting Members Present:

Chair/Supervisor Potter (County of Monterey)
Mayor Burnett (City of Carmel by the Sea)
Mayor ProTem O'Connell (City of Marina)
Councilmember Brown (City of Marina)
Councilmember Selfridge (City of Monterey)
Nick Chiulos (County of Monterey)

Supervisor Parker (County of Monterey)
Councilmember Lutes (City of Salinas)
Mayor Pendergrass (City of Sand City)
Mayor Bachofner (City of Seaside)
Councilmember Oglesby (City of Seaside)

Absent:

1st Vice Chair Mayor Edelen (City of Del Rey Oaks), Supervisor Calcagno (Monterey County), Mayor Donahue (City of Salinas), Mayor ProTem Kampe (City of Pacific Grove)

Ex-Officio Members Present:

Alec Arago (17th Congressional District) @ 3:50 p.m.
Nicole Charles (27th State Assembly District)
Dr. Margon (University of California)
Kevin Saunders (CSUMB)
Dianne Harrison (CSUMB)
Dr. Garrison (MPC)

Dan Albert, Jr. (Monterey Peninsula Unified School District)
Debbie Hale (Transportation Agency of Monterey County)
COL Clark (US Army)
Bill Collins (Fort Ord BRAC Office)
Howard Gustafson (Marina Coast Water District)

2. PLEDGE OF ALLEGIANCE

CSUMB President Dianne Harrison led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS/ANNOUNCEMENTS, AND CORRESPONDENCE

Executive Officer Michael Houlemard encouraged members of the public wishing to address the Board to complete a Public Comment Form, noting completion was voluntary. He announced that the meeting was being recorded by Access Monterey Peninsula (AMP) Media and was tentatively scheduled to broadcast on the Seaside and Marina local government channels (channel 25) on Monday evening. Chair Potter welcomed Mayor Burnett to his first FORA Board meeting. Mayor Burnett stated that he was looking forward to working with the FORA Board and staff. Supervisor Parker discussed the May 10, 2012 Mid-Peninsula Housing Coalition Manzanita Place project groundbreaking ceremony.

a. Resolution of Appreciation for CSUMB President Dianne Harrison

Mr. Houlemard read the resolution into the record. Dianne Harrison thanked the FORA Board for their continued support of the University's growth. She stated that CSUMB was on a positive trajectory and expressed confidence that the relationship between CSUMB and FORA would continue under her successor.

MOTION: Supervisor Parker moved, seconded by Mayor Bachofner, and the motion passed unanimously to adopt Resolution 12-4, in appreciation of CSUMB President Dianne Harrison.

4. PUBLIC COMMENT

LeVonne Stone discussed issues related to unemployment on the Monterey Peninsula.

5. CONSENT AGENDA

a. April 13, 2012 FORA Board Meeting Minutes

MOTION: Supervisor Parker moved, seconded by Mayor Pro-Tem O'Connell, and the motion passed to approve the minutes as written. Abstentions: Mayor Burnett and Councilmember Brown

6. OLD BUSINESS

a. University of California, Santa Cruz Monterey Bay Education, Science, and Technology Center Visioning Principles Letter

Mr. Houlemard presented item, noting it had already been reviewed and approved by many of the signatories. He explained that the visioning process anticipated a stronger program and increased coordination between the various stakeholders. The letter presented an opportunity for the stakeholders to show their support for implementing that vision. Supervisor Parker requested confirmation that the letter was meant to serve as a strategy for moving forward with University of California (UC) properties and did not seek modification to the Base Reuse Plan. Chair Potter stated that was correct.

LeVonne Stone discussed the lack of employment for local university educated youth.

Chair Potter stated he found the visioning process to be very useful and hoped that all stakeholders would remain dedicated to the vision for a more aggressive utilization of the UC properties.

MOTION: Councilmember Oglesby moved, seconded by Supervisor Parker, and the motion passed to authorize the Chair of the Board to execute the University of California, Santa Cruz Monterey Bay Education, Science, and Technology Center Visioning Group Principles Letter.

b. Base Reuse Plan Reassessment Update

i. Status Update

ii. Review Modified Scope of Work with EMC Planning

Associate Planner Darren McBain explained that staff had received requests from the Board and members of the public to increase the level of public outreach included in the reassessment process. In response, staff proposed a modified Scope of Work that would add a fifth workshop, jointly hosted by FORA and the City of Seaside, and would employ targeted stakeholder outreach to include traditionally underrepresented segments of the population. Mr. McBain emphasized that since additional funding was unavailable for these activities, they would be funded by deferring portions of the EMC Planning contract to FY 2013, additional funds would be requested for this purpose. He stated that staff would provide a progress report to the Board in June regarding the additional outreach.

Mayor Pro-Tem O'Connell appreciated that the objections to the original workshop schedule had been considered and inquired as to the times of the various workshops.

Supervisor Parker asked for confirmation that the modified Scope of Work did not require allocation of additional funds at this time, but would in the next fiscal year. Mr. McBain stated that was correct. Supervisor Parker asked several clarifying questions relating to the Scope of

Services document, specifically requesting information on the difference between lands classified as “developed” and “disturbed.” Mr. McBain replied that the terms were used to distinguish between visibly developed areas of the former base areas and those areas that were less visibly impacted by human activities, but still required significant clean-up and remediation. Supervisor Parker asked that a description of current habitat areas be included. She inquired as to whether EMC would be completing a full traffic study or relying on data compiled by the Transportation Agency of Monterey County (TAMC). Mr. McBain stated that a full traffic study was not anticipated. Ralph Rubio, Carpenters Local 605, remarked that ecotourism was an emerging industry on the former Fort Ord. He stated he would like to see an analysis of how many jobs a fully developed ecotourism industry could bring to the region. LeVonne Stone, Fort Ord Environmental Justice Network, asked whether the original community plan would be included in the reassessment process. She also inquired as to how the composition of the Board would change to become more inclusive. Mr. Houlemard stated that ecotourism was a component of the job creation analysis to be conducted during the reassessment process. He noted that the original community plan became part of background documentation for the 1994 and 1997 Base Reuse Plans. In that regard, the original community plan continued to be a part of the process. He noted that modification of the Board’s composition would not be a part of the reassessment process. Debbie Hale stated she looked forward to coordinating with FORA regarding existing TAMC traffic analysis resources.

MOTION: Supervisor Parker moved, seconded by Councilmember Brown, to approve the Base Reuse Plan Reassessment Scope of Work modification, with the removal of “classification of lands as previously developed, disturbed, or undisturbed; and” from section 2.4 of the document.

Supervisor Parker stated she was uncomfortable with the terms “disturbed” and “undisturbed” because labeling previously undeveloped lands as “disturbed” could potentially provide rationale for future development. Alec Arago stated that any type of activity would be far less likely on land labeled as being associated with unexploded ordinance. Chair Potter stated that the Board required a more thorough explanation on the item and suggested that the item be continued to the next Board meeting. Supervisor Parker agreed.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER: That “classification of lands as previously developed, disturbed, or undisturbed; and” from section 2.4 not be removed from the document, but returned for discussion at the June Board meeting.

Mayor Pro-Tem O’Connell stated that he would also like to see his comments regarding the workshops addressed at the next Board meeting.

VOTE: Unanimous

c. California Central Coast Veterans Cemetery Update – AB 1842

Mr. Houlemard stated that AB 1842 had passed through the Assembly Governance and Finance Committee several days prior and was expected to receive unanimous support on the Senate floor. Supervisor Parker stated that the bill would provide FORA the opportunity to take a more direct financing role in the Veterans Cemetery project. Chair Potter deemed the report received without exception. Nicole Charles offered appreciation on behalf of Assemblymember Bill Monning for FORA’s support of AB 1842 and the Veterans Cemetery project.

d. FORA Extension Update – AB 1614

Mr. Houlemard announced that the legislation would likely appear before a Senate policy committee in June, but that the specific date had not been determined. Chair Potter deemed the report received without exception.

e. Fort Ord National Monument Update

Mr. Arago stated that a public National Monument dedication ceremony was likely to take place on the afternoon of May 19, 2012, but that the date had yet to be officially confirmed. LeVonne Stone stated that the public should be allowed to participate in the event.

7. NEW BUSINESS

a. FY 12-13 Capital Improvement Program (CIP) Review

Assistant Executive Officer Steve Endsley stated that for the last few years, staff had been holding a Board workshop in May to provide background information regarding the CIP. As such, he provided an overview of the purpose and history of the FORA CIP. Mayor Pro-Tem O'Connell inquired as to the amount of outstanding loan debt held by FORA. Controller Ivana Bednarik stated that FORA currently had \$18.7 million in loans. LaVonne Stone asked for a copy of the Mr. Endsley's presentation, which Mr. Houlemard agreed to provide. Supervisor Parker requested that future CIPs be presented to the Board more than a month before adoption to permit time for review and discussion prior to the June adoption date. Mr. Endsley and Mr. Houlemard agreed that the annual CIP could be presented to the Board prior to the May meeting, with the understanding that it would include some items not yet reviewed by the Finance Committee. Supervisor Parker stated that would be helpful. Ms. Hale stated that TAMC had not had as significant a role in the development of the CIPs transportation program as they would have liked, and indicated that they looked forward to the opportunity more actively contribute in the future. Chair Potter deemed the report received without exception.

b. FORA FY 2012-13 Preliminary Budget (Action in June)

Mr. Houlemard stated that a copy of the draft FY 2012-13 Budget had been provided for review and was intended for Board action at the June meeting. He noted that because the future of FORA's tax increment revenue was still unclear, it had not been included in the Budget. The Finance Committee had directed staff to incorporate only 50% of the revenue projected in the development forecasts received from developers and jurisdictions into the budget. The Budget included revenue from the sale of Preston Park, which staff was currently pursuing at the direction of the Board. He stated that the budget was projected to be balanced. Supervisor Parker indicated that her request for earlier review of the CIP applied also to the preliminary Budget. Chair Potter deemed the report received without exception.

8. EXECUTIVE OFFICER'S REPORT

a. Outstanding Receivables

b. Administrative Committee

c. Finance Committee

d. Legislative Committee

i. Review Minutes

ii. SB 1094 and AB 1827 – Consider Support and Inclusion in the FORA Legislative Agenda

Mr. Houlemard stated that two bills had surfaced since formal Board adoption of the legislative agenda. He provided an overview of SB 1094 and AB 1827, explaining that both bills would directly benefit FORA's efforts.

MOTION: Councilmember Oglesby moved, Seconded by Mayor Pro-Tem O'Connell, and the motion passed unanimously to approve support for SB 1094 and AB 1827 and inclusion of the bills in the current legislative agenda.

e. Water/Wastewater Oversight Committee

- f. **Habitat Conservation Plan**
- g. **Executive Officer's Travel**

Chair Potter deemed the report received without exception.

9. ITEMS FROM MEMBERS

Mr. Houlemard provided a report on the 2012 Annual Federal Legislative Mission to Washington, D.C. Chair Potter stated that FORA partnered with TAMC while there to assist in advocating for their TIGER Grant application.

10. CLOSED SESSION – the Board adjourned into closed session at 5:09 p.m.

a. Conference with Legal Counsel - Existing Litigation (Gov Code 54956.9) – 2 Cases

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

b. Public Employee Performance Evaluation – Executive Officer (Gov Code 54957)

Public Comment – Closed Session Items

Gayle Martin, Fort Ord Rec Users, discussed Item A on the closed session agenda and expressed her desire that the Board consider development of a written records retention policy in open session. Jason Campbell, City of Seaside resident, stated that the Board should discuss the issue of records retention in open session. He also discussed issues related to the ARCADIS ESCA insurance policy. A member of the public agreed that FORA should discuss the records retention issue in open session and expressed concern over FORA's lack of transparency. LaVonne Stone inquired as to how the National Monument would benefit veterans.

Mayor Pro-Tem O'Connell stated that the Board would only discuss the records retention policy in closed session as it pertained to existing litigation. Authority Counsel Jerry Bowden stated that was accurate. Supervisor Parker indicated a desire to see FORA develop a written policy, which would be discussed in an open session. Chair Potter stated there had not been time to add the item to the current Board agenda, but the issue of records retention would be discussed in open session at the next Board meeting. Councilmember Oglesby clarified that the Board had no intention of discussing policy matters in closed session. Chair Potter concurred.

11. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION – the Board readjourned into open session at 5:25 p.m.

Authority Counsel Jerry Bowden announced no reportable action taken.

12. ADJOURNMENT

Chair Potter adjourned the meeting at 5:25 p.m.

Minutes prepared by Lena Spilman, Deputy Clerk

Approved by:

Michael A. Houlemard, Jr.

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

Subject:	General Jim Moore Boulevard / Eucalyptus Road Completion Project – Authorization to file a Notice of Completion	
Meeting Date:	June 8, 2012	ACTION
Agenda Number:	7b	

RECOMMENDATION:

Authorize filing a Notice of Completion (“NOC”) for the General Jim Moore Boulevard / Eucalyptus Road Completion Project (the “Completion Project”).

BACKGROUND/DISCUSSION:

At the June 2011 Fort Ord Reuse Authority (“FORA”) Board meeting, the Board authorized a construction contract with Top Grade Construction Inc. for the Completion Project. The project will be complete by June 30th to allow all final payments to be made within this current fiscal year. If authorized, staff will withhold filing the NOC until that time. Filing the NOC causes the start of the thirty (30) day lien filing period and release of retention.

FISCAL IMPACT:

Reviewed by FORA Controller 

The approved contract amount of \$3,918,475 (plus 10% contingency) was financed by remaining American Recovery and Reinvestment Act grant funds received from the Economic Development Administration (“EDA”) and local matching funds (through a loan secured by FORA’s 50% share of Preston Park). The project was completed within the Board authorized amount.

COORDINATION:

Administrative Committee, CIP Committee, Executive Committee, City of Seaside, City of Del Rey Oaks, EDA,

Prepared by



Crissy Maras

Approved by



Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Base Reuse Plan Reassessment update

Meeting Date: June 8, 2012

Agenda Number: 8a

INFORMATION

RECOMMENDATION(S):

Receive a status report

DISCUSSION:

- 1) **Community Workshops:** FORA is co-hosting a series of five reassessment-related community workshops with its member jurisdictions and the Sierra Club. Four workshops, co-hosted with Monterey County and the Cities of Marina, Monterey, Del Rey Oaks, and Seaside were held between May 21 and May 30. Public attendance at the workshops ranged from approximately 20 at the first meeting to 150 at the last meeting, with attendance at the the second and third meetings near the middle of that range. Each workshop included presentations by FORA and jurisdictional staff, as well as group discussions by the attendees.

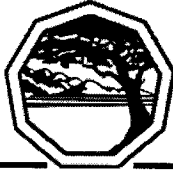
The fifth and final public workshop of the current scoping and information-gathering phase of the reassessment will be co-hosted with the Sierra Club on Saturday, June 2. Background information and details for all the workshops are provided on the attached flyer (**Attachment A**).

All public input gathered in the workshops and through other formats (e-mail, US mail, fax) during the current scoping phase of the reassessment is being compiled and will be summarized in the Summary Scoping Report, as well as attached to the report as a full-text appendix. The Summary Scoping Report will integrate and report on the results of the community workshops and the economic analysis that is also currently taking place. The report, anticipated to be presented to the Board in August 2012, will serve as the foundation for recommendations on changes to the Fort Ord Reuse Plan that will be presented in the final Reassessment Document.

- 2) **Maps/Graphics:** At the May 11, 2012 Board meeting, concern was expressed regarding the contents and purpose of two implementation-status graphics listed in the reassessment consultants' scope of work, item 2.4. One of the maps in question was described in the scope as "land uses at the time of base closure." Staff has confirmed that the purpose of the map (**Attachment B**) is to delineate which exact areas of Fort Ord were developed with Army buildings, structures, parking lots, and other similar improvements at the time the base closed (1994).

The other map was described in the scope as "classification of lands as previously developed, disturbed, or undisturbed." The purpose of this exhibit was to present a more comprehensive snapshot of physical conditions, including munitions areas, at the end of active military use of Fort Ord. The map has been clarified to label munitions areas as such, and is consolidated into the map showing Army buildings and structures (Attachment B, described above). Those two basic categories of previous use are depicted differently on the map. The map is also available in color on FORA's web site.

- 3) **Additional community workshops and other supplemental budget.** As discussed at the previous Board meeting, EMC Planning Group is proposing two additional community workshops, to occur in conjunction with Board meetings. The proposed additional Board meeting workshops enhance the public outreach component of the reassessment closer to completion of the process, and would provide enhanced economic reporting and analysis. Potential scheduling opportunities for these workshops include the August and October, 2012 Board meetings. However, staff will continue to work with



FORT ORD REUSE AUTHORITY

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Website: www.fora.org

REUSE OF THE FORMER FORT ORD

Come to a Base Reuse Plan Study Workshop!

The Fort Ord Reuse Authority (FORA) is reassessing the 1997 Fort Ord Base Reuse Plan. Public participation in the reassessment is welcomed. Please consider coming to any of the workshops listed below to learn more about the Plan and share your views on the reassessment study.

Date: Monday, May 21

Time: 6:30 – 9 p.m.

Location: Salinas Community Center
940 North Main Street, Salinas

Co-host: Monterey County

Date: Tuesday, May 22

Time: 6:30 – 9 p.m.

Location: Carpenter's Hall
910 2nd Ave. (off Imjin Parkway), Marina

Co-host: City of Marina

Date: Tuesday, May 29

Time: 6:30 – 9 p.m.

Location: Monterey Conference Center –
Ferrante Room
1 Portola Plaza, Monterey

Co hosts: Cities of Del Rey Oaks and Monterey

Date: Wednesday, May 30

Time: 6:30 – 9 p.m.

Location: Oldemeyer Multi-Use Center
986 Hilby Avenue, Seaside

Co-host: City of Seaside

Date: Saturday, June 2

Time: 9:30 a.m. – noon

Location: Carpenter's Hall
910 2nd Avenue (off Imjin Parkway), Marina

Co-Host: Sierra Club Ventana Chapter

Background Information: The former Fort Ord was an active military base from 1917 to 1994. Over 35,000 people and 18,000 jobs left the Monterey Bay region due to the base's closure. After considerable input from the entire region, the Plan was adopted in 1997 to guide conversion of the base's 27,800 acres from military to civilian use. The Plan's three primary goals are Economic Development, Education, and Environmental Protection.

Economic Development: Existing and future development areas for job-creating retail/commercial and light industrial businesses, and housing for future employees and other regional needs, are limited to 10,000 of the former base's 27,800 acres. The Plan was structured for development to be long-term and gradually paced. Dependent upon having adequate water supply, the Plan currently caps housing development at 6,160 new units and 1,813 existing units to be replaced. Within the existing resource constraints, the plan anticipates a replacement population of 37,370 persons and generation of 18,340 jobs to replace the military's economic engine on the former base.

Education: Six higher-educational and research institutions (California State University – Monterey Bay, the University of California, Monterey College of Law, Monterey Institute of Research Astronomy, Monterey Peninsula College, Chapman College) now have locations on the former Fort Ord, and will continue to expand services over time. Marshall Elementary, Chartwell, Marina High School, and Central Coast High School are also located on the former base.

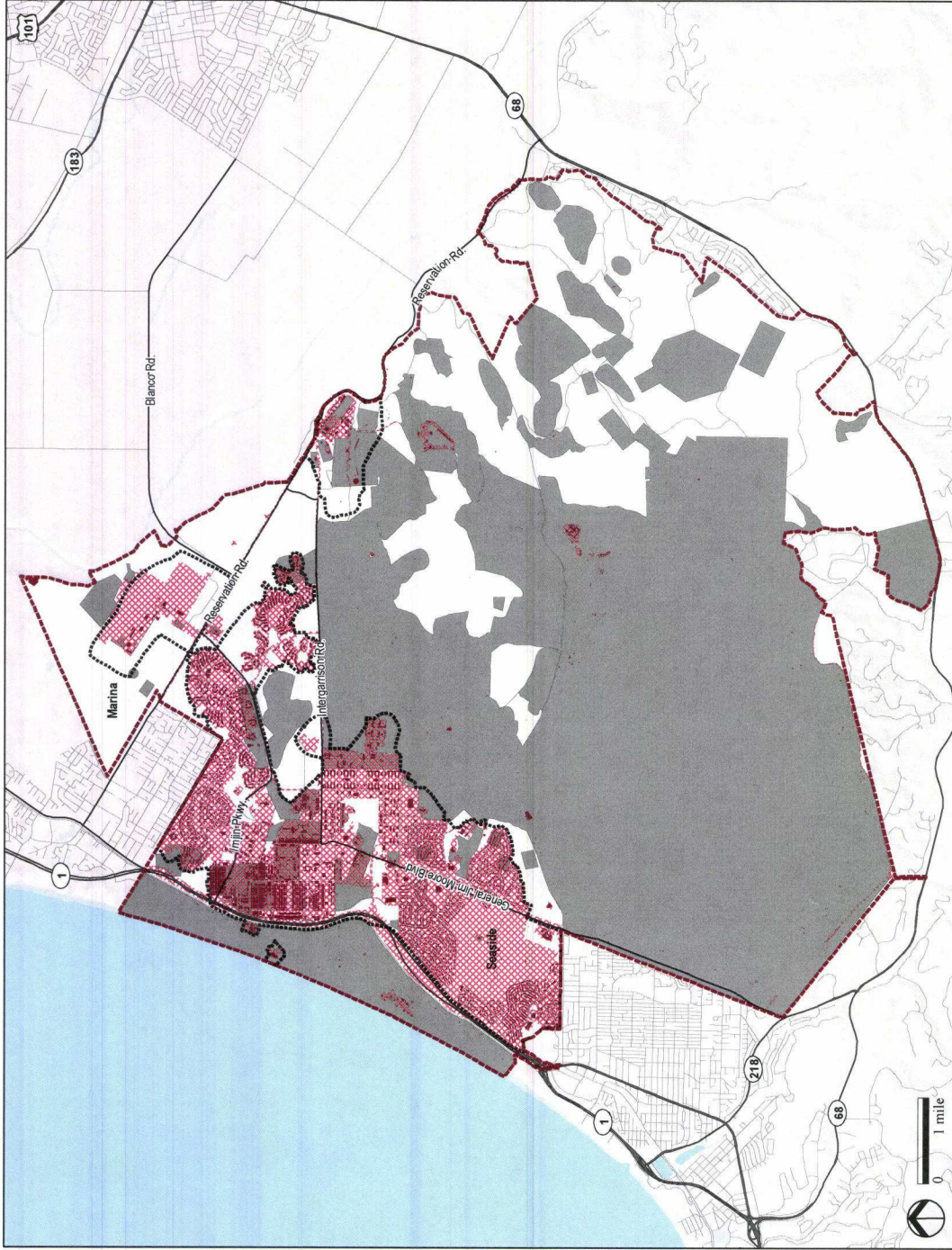
Environment: About two-thirds of the former base is being set aside for open space, recreational trails, habitat conservation, and protection of the natural environment. The Fort Ord National Monument, designated in April 2012 by President Obama, preserves more than 14,600 acres as permanent open space. The base's beachfront is now the 979-acre Fort Ord Dunes State Park. More than 2,000 additional acres of habitat, recreational, and open space land uses have been designated throughout the former base. A 78-acre Veterans Cemetery is also planned.

To Submit Comments: Come to any of the meetings; email: plan@fora.org; FAX: 831-883-3675; or send U.S. mail to: FORA, 920 2nd Avenue, Suite A, Marina CA 93933

For More Information: Visit the FORA website at www.fora.org or contact Darren McBain at FORA, 831-883-3672.

Si necesita informacion o traduccion en espanol, favor de llamar a Jonathan Garcia o Darren McBain al 831-883-3672.





Legend

- Fort Ord Boundary
- Army Urbanized Footprint (see note 1)
- Built Areas (see note 2)
- Structure/Building Footprints (see note 3)
- Army Munitions Areas (see note 4)
- Munitions Areas

Map Description

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

Notes

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

Source: U.S. Army Corps of Engineers GIS Database 2012, ESRI 2009

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject: Preston Park Fiscal Year ("FY") 2012/13 Budget

Meeting Date: June 08, 2012

Agenda Number: 9a

ACTION

RECOMMENDATION(S):

Approve FY 2012/13 Preston Park Housing Area Budget.

BACKGROUND/DISCUSSION:

The Fort Ord Reuse Authority ("FORA") staff has reviewed the Preston Park FY 2012/13 Operating Budget and Capital Improvement Program (CIP) Assessment and is prepared to recommend approval of both budgets with the following scenarios:

Option A

- Approve the Operating and Capital Improvement Program budgets (attachments **A** and **B**) reflecting a rental income 3% increase and implementing capital improvements. The rental increase assures that revenues keep pace with budgeted expenses and sustains the Replacement Reserve.

Option B

- Approve the Operating Budget and defer the rental increase and the proposed Capital Improvement Program work for a future owner of the property.

Staff recommends **Option A** considering; 1) the Board postponed rental increases by this past year, 2) an increase in accordance with the adopted rent formula keeps revenues tracking with expenses, and 3) key Capital Improvement Program expenditures will drain reserves.

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

FISCAL IMPACT:

Reviewed by FORA Controller 

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

COORDINATION:

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

Prepared by 
Robert J. Norris, Jr.

Approved by 
Michael A. Houlemard, Jr.

May 23, 2012

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

Re: Preston Park 2012-2013 Proposed Budget

Dear Mr. Houlemard:

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

Revenues

The primary source of revenue is rents, Section 8 voucher payments from the Housing Authority of the County of Monterey and associated charges to residents such as late fees. The proposed budget reflects projected revenues according to the formulas. The market rent for new move-ins is calculated by comparable market rent levels in the competitive market throughout the year.

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

Current Market Rent Conditions

The average two bedroom apartment in Marina rents for between \$1,100 and \$1,423 per month, which does not include utilities. Additionally, the comparables as outlined in the attached market survey of March 2012 are significantly smaller in square footage than units at Preston Park.

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

Preston Park residents are responsible for paying their own utilities; such as gas, water, electricity, sewer and trash. The market rate rent is adjusted to compensate for the cost of water

use, utility costs and garbage not paid by residents at other communities in the area. Therefore, the budget assumes adjustments in rental rates in order to compensate such costs.

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

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

Market Rents - In Place Residents

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

In-Place Market Rate Rents			
Unit Size	Current Rent Range FY11/12	Proposed FY12/13 Rent	Change 8/1/12
Two Bedroom	\$1,146 - \$1,530	\$1,180 - \$1,576	\$34 - \$46
Three Bedroom	\$1,485 - \$1,830	\$1,529 - \$1,885	\$44 - \$55

As shown on the attached Market Survey of March 2012, the proposed in-place market rents are within range of comparable units in the Marina/Seaside rental market. With the Marina City Council approved rent formula, in 2010.

The rent increases above reflects a 3% increase which translates to between \$34 and \$55 respectively. Where an in place resident falls in that rent increase range will depend on their tenure at the property and move-in date. Please note, as no rent increase was given during the 2011/2012 fiscal year, the 3% increase proposed represents the first increase in rent in the last 24 months.

Should FORA elect to forego the proposed 2012/2013 rent increase which is represented in the budget provided, the potential income will be reduced by \$101,906.00.

Market Rents - Incoming Residents

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

Unit Size	Current Rent Range for Incoming Market Rate Residents
Two Bedroom	\$1,505 - \$1,555
Three Bedroom	\$1,830 - \$1,855

*Incoming rates are subject to change on an ongoing basis

Affordable Rental Rates

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

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

2011/2012 Rent	Two Bedroom	Four Bedroom
50% (very low)	\$656	\$777
60% (low)	\$807	\$959

Maximum Household Income Limits for 2012.

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

Rental Increase Implementation & Lease Signing

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

Occupancy

The budget assumes an average occupancy rate of 97.7% for the fiscal year. The proposed occupancy rate factor allows enough time to prepare units immediately after a resident vacates the community, as well as sufficient time to place qualified applicants. Based on the local and surrounding counties, the occupancy rate is well within the acceptable range. When a unit is vacated, Alliance strives to fill the vacant unit within 5 to 10 business days, working from the waiting list if applicable. The average economic vacancy loss during the 2011/2012 fiscal year

was only 1.9%, approximately 1% more than the properties physical vacancy. This indicates that the average unit vacated was turned and reoccupied within one week from the previous resident's date of move-out.

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

<u>Expenses</u> Account	Proposed 2013	Projected 2012	Variance	%	Comments
SALARIES	\$320,601	\$311,823	(\$8,778)	-2.7%	Increase due to annual salary increases (2.7%) as well as the State of California's approval of a Workers' comp increase of 38%.
PAYROLL TAXES	\$33,576	\$26,228	(\$7,347)	-28.0%	
PAYROLL BURDEN/BEN	\$67,450	\$60,685	(\$6,764)	-11.1%	
LANDSCAPING	\$70,700	\$70,865	\$165	0.2%	Based on 2011 actual expense.
UTILITIES	\$96,660	\$93,075	(\$3,585)	-3.1%	Increase assumes a 3% rate increase obtained by utility companies.
REDECORATING	\$81,744	\$82,160	\$416	0.5%	Based on 2011 actual expense.
MAINTENANCE	\$82,332	\$81,542	(\$790)	-1.0%	Based on 2011 actual expense.
MARKETING	\$13,047	\$7,883	(\$5,164)	-65.5%	Increase due to the addition of Property Solutions, a comprehensive on line system which combines the properties branded webpage with a rich Resident Portal, lead management system, marketing control program, and telephone training portal.
ADMINISTRATIVE	\$57,606	\$57,189	(\$417)	-0.7%	Increase due to addition of Reserve bank account and associated fees.

PROFESSIONAL SERVICES	\$144,229	\$130,924	(\$13,305)	-4.1%	Alliance management fee remains 2.5% per contract, but increased rent revenue would result in increase in management fees paid to Alliance. Variance primarily driven by allowance for bi-annual audit.
INSURANCE	\$185,020	\$174,426	(\$10,594)	-6.1%	Based on renewed insurance contract bound in December 2011.
AD-VALOREM TAXES	\$103,104	\$101,727	(\$1,377)	-1.4%	Increase based on estimated taxes per Accounting assumptions.
NON ROUTINE MAINTENANCE	\$14,000	\$17,623	\$3,623	20.6%	Reduced number of anticipated door replacements in 2013 as is presently budgeted as a planned capital replacement item.

Capital Reserves Fund

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

Capital Improvement Program

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

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

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

Accomplishments

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

Some of Alliance’s accomplishments include:

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

Summary of Preston Park FY2012/2013 Budget

	<u>2012/13 Budget</u>	<u>2011/12 Projected</u>	<u>Variance</u>
Total Income	\$5,449,171	\$5,251,798	\$197,373
Total Operating Expense	\$836,135	\$802,773	(\$33,352)
Net Operating	\$4,166,694	\$4,024,326	\$142,368

Income			
Net Income	\$3,985,606	\$3,802,478	\$183,128

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

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

Regards,

Corinne Carmody
Regional Manager

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

Attachments: 2012/2013 Budget; Market Survey

Capital Improvement Plan (CIP)



PRESTON PARK 2013 STANDARD BUDGET CONSOLIDATION & SIGN-OFF

Description	2013		2012		Variance	Variance %
	Total	%	Projected	%		
Physical Occupancy		98.01 %		99.01 %		
Economic Occupancy		99.52 %		96.70 %		
Gross Market Potential	\$5,431,325		\$5,386,452		\$44,874	0.8%
Market Gain/Loss to Lease	\$146,130		(\$87,610)		\$233,740	266.8%
Affordable Housing	\$0		\$0		\$0	0.0%
Non-Revenue Apartments	(\$63,216)		(\$37,260)		(\$25,956)	-68.7%
Rental Concessions	\$0		\$0		\$0	0.0%
Delinquent Rent	\$0		\$0		\$0	0.0%
Vacancy Loss	(\$108,009)		(\$52,696)		(\$55,313)	-105.0%
Prepaid/Previous Paid Rent	\$0		\$0		\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0		\$493		(\$493)	-100.0%
Bad Debt Expense	(\$935)		(\$583)		(\$352)	-60.4%
Other Resident Income	\$36,244		\$36,084		\$150	0.4%
Miscellaneous Income	\$7,632		\$6,909		\$723	10.5%
Corp Apartment Income	\$0		\$0		\$0	0.0%
Retail Income	\$0		\$0		\$0	0.0%
TOTAL INCOME	\$5,449,171		\$5,251,798		\$197,373	3.8%
PAYROLL	\$434,036		\$410,059		(\$23,977)	-5.8%
LANDSCAPING	\$70,700		\$70,965		\$165	0.2%
UTILITIES	\$96,660		\$93,075		(\$3,585)	-3.9%
REDECORATING	\$81,744		\$82,160		\$416	0.5%
MAINTENANCE	\$82,332		\$81,542		(\$790)	-1.0%
MARKETING	\$13,047		\$7,883		(\$5,164)	-65.5%
ADMINISTRATIVE	\$57,606		\$57,189		(\$417)	-0.7%
RETAIL EXPENSE	\$0		\$0		\$0	0.0%
PROFESSIONAL SERVICES	\$144,229		\$130,924		(\$13,305)	-10.2%
INSURANCE	\$185,020		\$174,426		(\$10,594)	-6.1%
AD-VALOREM TAXES	\$103,104		\$101,727		(\$1,377)	-1.4%
NON ROUTINE MAINTENANCE	\$14,000		\$17,623		\$3,623	20.6%
TOTAL OPERATING EXP	\$1,282,478		\$1,227,473		(\$55,005)	-4.5%
NET OPERATING INCOME	\$4,166,694		\$4,024,326		\$142,368	3.6%
DEBT SERVICE	\$0		\$0		\$0	0.0%
DEPRECIATION	\$173,088		\$215,698		\$42,610	19.8%
AMORTIZATION	\$0		\$0		\$0	0.0%
PARTNERSHIP	\$8,000		\$6,150		(\$1,850)	-30.1%
EXTRAORDINARY COST	\$0		\$0		\$0	0.0%
NET INCOME	\$3,985,606		\$3,802,478		\$183,128	4.8%
CAPITAL EXPENDITURES	\$4,223,985		\$191,785		(\$4,032,200)	-2,02.5%
MORTGAGE PRINCIPAL	\$0		\$0		\$0	0.0%
TAX ESCROW	\$0		\$0		\$0	0.0%
INSURANCE ESCROW	\$0		\$0		\$0	0.0%
INTEREST ESCROW	\$0		\$0		\$0	0.0%
REPLACEMENT RESERVE	\$734,976		\$734,976		\$0	0.0%
REPLACEMENT RESERVE REIMBURSEM	(\$4,223,985)		(\$203,652)		\$4,020,333	1973.8%
WIP	\$0		\$0		\$0	0.0%
OWNER DISTRIBUTIONS	\$3,423,718		\$3,295,087		(\$128,631)	-3.9%
DEPRECIATION AND AMORTIZATION	(\$173,088)		(\$215,698)		(\$42,610)	-19.8%
NET CASH FLOW	(\$0)		\$0		(\$0)	-386.3%

Approvals

Owner _____ Date _____

Asset Manager _____ Date _____

COO _____ Date _____

VP _____ Date _____

Regional Manager _____ Date _____

Business Manager _____ Date _____

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

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	FY 2012/13 - 2021/22 Capital Improvement Program Approval	
Meeting Date:	June 8, 2012	INFORMATION/ACTION
Agenda Number:	9b	

RECOMMENDATION:

- Receive a presentation on the Fort Ord Reuse Authority (“FORA”) Capital Improvement Program (“CIP”) and updates made to the FY 2011/12 CIP, and
- Approve the FY 2012/13 through 2021/22 CIP (**Attachment A**).

BACKGROUND:

The 1997 Fort Ord Base Reuse Plan (“BRP”) identified capital improvement obligations required to mitigate the reuse of the former Fort Ord. Those obligations were described in Appendix B to the BRP, the Public Facilities Improvement Plan (“PFIP”). The PFIP outlined the following categories of required mitigations: Transportation and Transit, Water Augmentation, Storm Drainage System, Habitat Management and Fire Fighting Enhancement. Essentially, the PFIP served as the baseline CIP and this list of capital improvement obligations has been annually updated, reprogrammed and adopted by the FORA Board of Directors.

Over the years, it became necessary to review the CIP, validate the transportation obligations and ensure that projects adequately met FORA Land Use Jurisdiction (“LUJ”) reuse forecasts. In coordination with the Transportation Agency for Monterey County (“TAMC”), a FORA Fee Reallocation Study was prepared and subsequently adopted by the FORA Board in April 2005. The study resulted in increased FORA share/percentage of contribution toward on-site transportation projects and updating the projects no longer consistent with TAMC’s Regional Transportation Plan (e.g. Reservation Road and Del Monte Boulevard widening in Marina and Seaside). The findings were incorporated into the 2005/06 FORA Board adopted CIP.

The draft FY 2012/13 CIP incorporates current reuse forecasts provided by FORA LUJs. The forecasts provide annual cash flow anticipated from the payment of Community Facilities District (“CFD”) fees and land sale/lease proceeds. Land sale/lease proceeds are allocated to the building removal program. Although the BRP did not identify building removal as a *mitigation obligation*, the FORA Board adopted the program as a *base-wide obligation*. CFD fees are allocated to the mitigation categories outlined above; 25% is first diverted to the Habitat Management obligation and the residual funds the remaining categories in various percentages. Once satisfied, CIP obligations are retired and the percentage of CFD fees previously allocated toward that obligation are distributed among remaining projects. For example, FORA met its obligation to the Storm Drainage System by securing a grant and removing the storm water outfalls that had been discharging into the Monterey Bay. Additionally, a lease/purchase agreement for wild land fire-fighting equipment (four fire trucks and one water tender) is in place and we are two years from retiring the Fire Fighting Enhancement obligation.

DISCUSSION:

Annually, staff works with the FORA Administrative and CIP Committees (Joint Committee) by requesting updated reuse forecasts from the jurisdictions and their developers. This process begins late in the calendar year. This year, the jurisdictions confirmed their forecasts at the May 2nd and May 30th Joint Committee meetings. The forecasts are used to time place capital improvement obligations. Minor adjustments were made to transportation project funding and/or timing to accommodate annual anticipated revenue. The Joint Committee approved the time placement of transportation and transit projects at their May 16th and May 30th meetings.

Additionally, the FY 2012/13 draft CIP includes modifications recommended from last year's CIP review concluded by Economic & Planning Systems ("EPS"). EPS' recommendations, including consolidating contingencies and an across-the-board 27% developer fee reduction, were adopted by the FORA Board last May during the review of the FY 2011/12 CIP. EPS is currently working through Phase II of their CIP review which the Board will receive an update on later in this meeting (New Business item 9c). As necessary, the outcome from that work will be included in the FY 2013/14 CIP.

Due to the nature of forecasting, today's best reuse forecasts may differ from reality. 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 forecasts, actual fee collection and EPS Phase II study results.

FISCAL IMPACT:

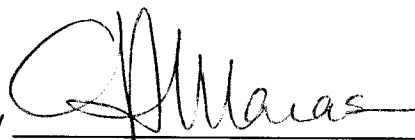
Reviewed by FORA Controller 

Staff time for this item is included in the approved FY 11-12 budget and, as noted throughout the CIP, the primary revenue sources expected to pay for obligatory CIP projects are developer fees and land sale proceeds.

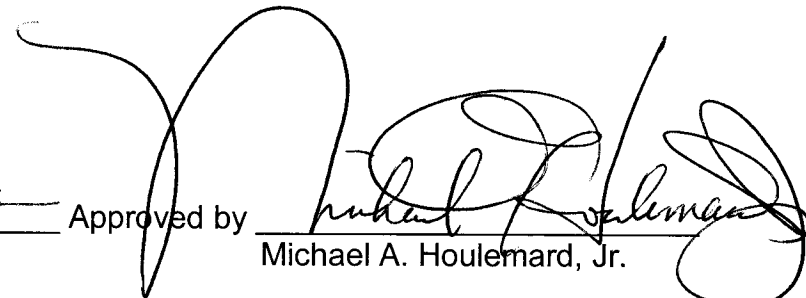
COORDINATION:

TAMC, EPS, Administrative Committee, CIP Committee, land use jurisdiction staff and development partners

Prepared by


Crissy Maras

Approved by


Michael A. Houlemard, Jr.

Fort Ord Reuse Authority



Capital Improvement Program Fiscal Year 2012/13 through 2021/22

Adopted by the FORA Board _____

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I EXECUTIVE SUMMARY

1) Overview

The Fort Ord Reuse Authority ("FORA") Capital Improvement Program ("CIP") describes mitigation obligations from the 1997 Fort Ord Base Reuse Plan ("BRP"). The BRP includes mitigation obligations defined in its Appendix B as the Public Facilities Implementation Plan ("PFIP"). The PFIP serves as the reuse plan baseline CIP, and is re-visited annually by the FORA Board to assure that required projects are implemented on a timely basis. The PFIP spans a twenty-year development horizon (1996-2015) predicated upon best at-the-time reuse forecasts.

The current CIP document (FY 2012/13 – FY 2021/22) has been updated with the most current reuse forecasts, as anticipated by the FORA land use jurisdictions. New forecasts are enumerated in the CIP Appendix B, Table 4. Based upon current information, capital project "placement in time" has been contrasted with last year's programming, showing minor adjustments. The reader's attention is directed to Tables 2 and 3, demonstrating CIP project forecasts.

Current State law sets FORA's sunset on June 30, 2014 (or when 80% of the BRP has been implemented, whichever occurs first). The sunset is prior to the 2021/22 CIP end. The revenues and obligations herein may need to be addressed under the Local Agency Formation Commission if FORA is dissolved.

2) Periodic CIP Review and Reprogramming

Due to the uncertainty of reuse forecasting, annual updates are the best method for keeping the CIP current. Consequently, FORA annually reviews and adjusts its CIP to reflect project implementation and market changes. A protocol for the review and reprogramming of the CIP was approved by the FORA Board on June 8, 2001. Appendix A, herein, defines how FORA and its Member Agencies review reuse timing to accurately reflect revenue for mitigation projects. A March 8, 2010 revision incorporated additional protocol by which projects could be prioritized or placed in time. Once approved by the FORA Board, this CIP as revised will affirm project priorities.

In May 2011 the FORA Board adopted an across-the-board 27% Community Facilities District ("CFD")/Developer Fee reduction. This CIP sustains that 27% reduction. Future CIP adjustments will follow completion of the Board directed developer fee study – Phase II.

3) CIP Costs

The cost assigned to individual elements of the CIP were first estimated in May 1995 and published in the draft 1996 BRP. This current CIP has inflated costs to January 2012, applying the Engineering News Record ("ENR") Construction Cost Index ("CCI") factor of inflation. This continues to be a routine procedure each year. However, Phase II of the developer fee study will likely produce a formulaic approach to costs estimating, and potentially revenues, for Board consideration.

4) CIP Revenues

The primary CIP revenue sources are developer fees and land sale/lease proceeds. These primary sources are augmented by tax increment revenue, which is the subject of discussion for future years. The FORA developer fee policy accommodates CIP costs for Transportation/Transit projects, Habitat Management obligations, Water Augmentation, Storm Drainage System improvements and Fire Fighting Enhancement improvements. The FORA Board developer fee policy is predominantly implemented by the basewide Community Facilities District ("CFD"), adopted in 2001. The CFD has been adjusted annually to account for inflation, with an annual cap of 5%. Land sale (and lease) proceeds are earmarked to cover costs associated with the Building Removal Program and management, operations and oversight. Some land sale/lease revenues have been advanced to

match grants for developer fee obligations and are an outstanding obligation of the developer fee program.

Appendix B herein contains 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.

5) Projects Accomplished to Date

FORA has actively implemented capital improvement projects since 1995. As of this writing, FORA has successfully completed approximately \$70M in capital improvements, predominantly funded by grants received from the US Department of Commerce, Economic Development Administration ("EDA"), FORA CFD fees, loan proceeds, tax increment, and a FORA bond issue. \$63M was applied directly against FORA obligations and \$7M funded capital improvements instrumental to base reuse, such as improvements to the water and wastewater systems. In addition to the \$70M in capital improvements, close to \$6M has been expended against Habitat Management, Fire Fighting Enhancement and Water Augmentation obligations.

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

II. OBLIGATORY PROGRAM OF PROJECTS – DESCRIPTION OF CIP ELEMENTS

As noted in the Executive Summary, the obligatory elements of the BRP CIP include Transportation/Transit, Water Augmentation, Storm Drainage, Habitat Management, Fire Fighting Enhancement and Building Removal. The first five elements noted are to be funded by developer fees. Land sale (and lease) proceeds are earmarked to fund the Building Removal Program. Summary descriptions of each element of the BRP CIP follow:

a) Transportation/Transit Elements

During the preparation of the BRP and the associated Final Environmental Impact Report ("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 the 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.



Eucalyptus Road – Phase II

Toward that goal, and following Board action directing staff to coordinate a work program with TAMC, FORA and TAMC entered into a cooperative agreement to move forward with the re-evaluation work. TAMC, working in concert with the Association of Monterey Bay Area Governments ("AMBAG"), has since completed its work program with FORA. 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.

FORA's work with TAMC and AMBAG resulted in the 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.

Transit

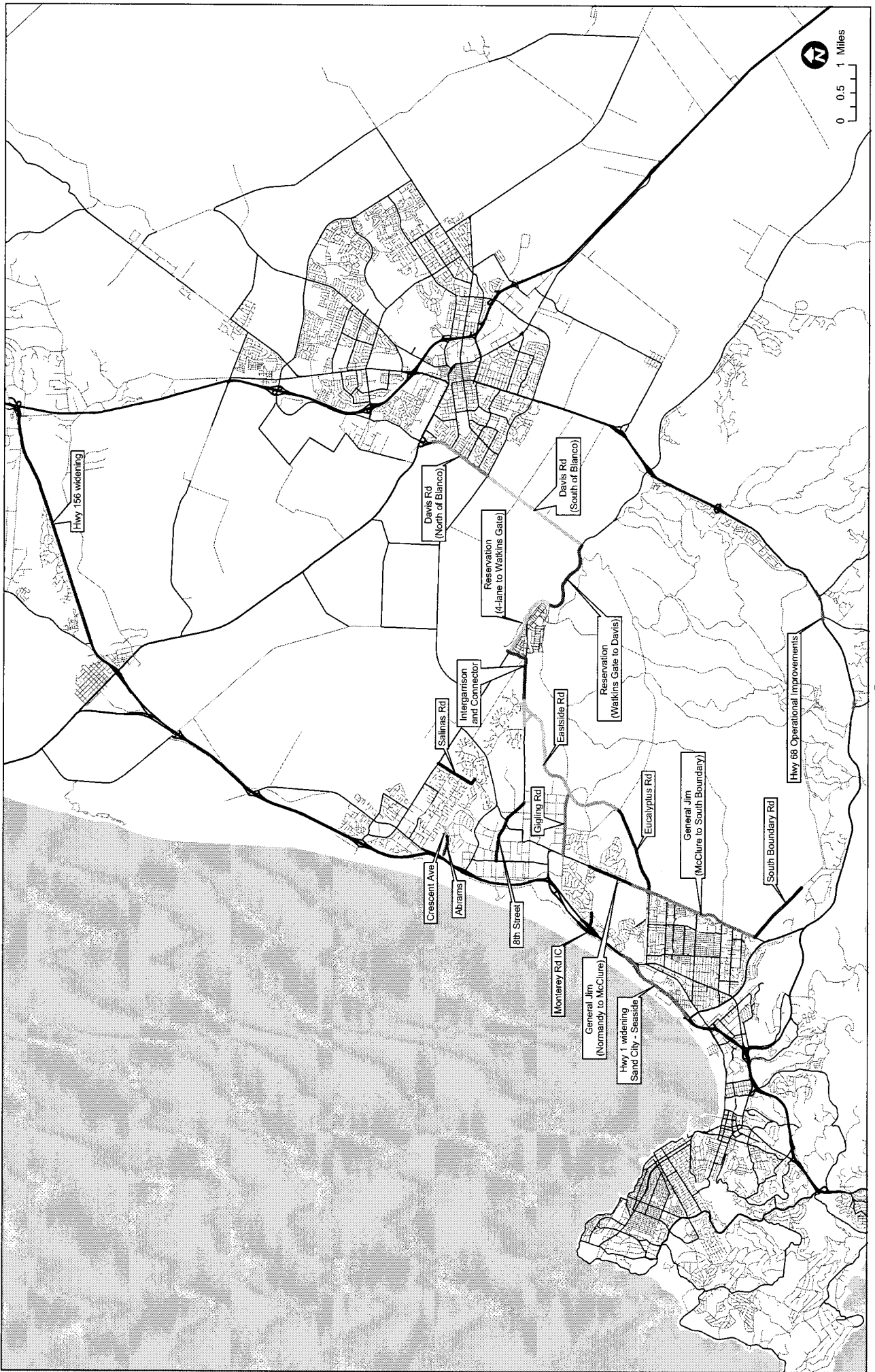
The transit obligations enumerated in Table 1 remain unchanged from the 1997 TAMC Study and adopted BRP. However, current long range planning by TAMC and Monterey-Salinas Transit ("MST") reflect an alternate route to the multi-modal corridor than denoted in the BRP. The BRP currently provides for a multi-modal corridor along the Imjin Parkway/Blanco Road corridor serving to and from the Salinas area to the TAMC/MST intermodal center planned in the Dunes on Monterey Bay area in the City of Marina portion of the former Fort Ord. Long range planning for transit service focuses on the alternative Intergarrison / Reservation / Davis Roads corridor to fulfill transit service needs between the Salinas area and the proposed intermodal center in the Dunes on Monterey Bay area.

A series of stakeholder meetings have been conducted to advance adjustments and refinements to the proposed multi-modal corridor plan-line. Stakeholders include, but are not limited to, TAMC, MST, FORA, City of Marina, Monterey County, California State University Monterey Bay ("CSUMB"), University of California Monterey Bay Education, Science and Technology Center ("UCMBEST") and Golden Gate University ("GGU"). 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.

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 will 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 requisite transportation projects. Other like agreements may be structured as development projects are implemented and those agreements will be noted for the record herein.



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 requires 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 worked with Marina Coast Water District ("MCWD") to implement an appropriate 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). The EIR is available for review on the Internet at www.mcwd.org (under the Engineering tab).

In June 2005, MCWD staff and consultants, working in concert with FORA staff and Administrative Committee, recommended the hybrid project to FORA and MCWD Boards of Directors. Additionally, FORA staff recommended increasing FORA-CIP water augmentation funding from the 2005 indexed \$20M value to approximately \$37M, removing \$17M from the MCWD capital improvement program to avert capital charge increases.

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 by summer 2008; and the significant economic downturn. These factors deferred the need for the augmentation program and provided an opportunity to consider the "Regional Plan" as the preferred project for the water augmentation program. This project appears to be better for the environment and considerably less expensive than other evaluated augmentation proposals. Appendix C herein provides a description of the Regional Plan from which the augmenting source of water for the former Fort Ord would be derived.

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 has been 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. There are still permitting, financing and regulatory hurdles to clear before the project is realized.

c) Storm Drainage System Projects

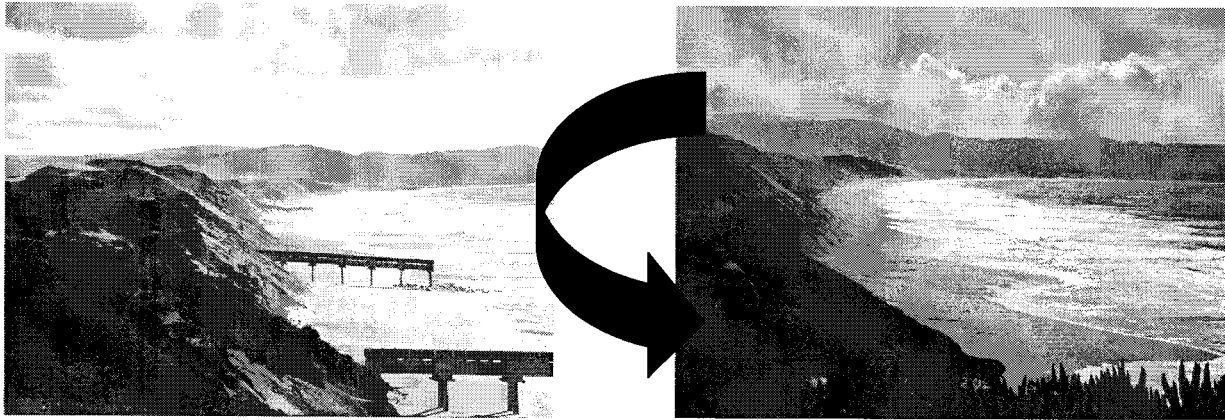
The adopted BRP recognized the need to eliminate the discharge of storm water runoff from the former Fort Ord to the Monterey Bay National Marine Sanctuary ("Sanctuary"). In addition, the BRP FEIR specifically addressed the need to remove the four storm water outfalls that discharged storm water runoff 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) 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 advance the design and construction of alternative disposal (retention) systems for storm water runoff that allowed for the removal of the outfalls. FORA advanced to the construction and demolition project, with the work having been completed as of January 2004. Table 3 herein therefore reflects this obligation as having been met.



Storm drainage outfall removal – Before and After

d) Habitat Management Requirements

The BRP Appendix A, Volume 2 contains the Habitat Management Program ("HMP") Implementation 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 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 U.S. Fish and Wildlife Service ("USFWS") and the California Department of Fish and Game ("CDFG") must approve the Fort Ord Habitat Conservation Plan ("HCP") and its funding program.

The funding program is predicated on an earnings rate assumption acceptable to USFWS and CDFG 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 secure the services of appropriately experienced habitat manager(s) via a formal selection process. FORA will not control expenditure of the annual line items, but merely fund the endowment, and the initial and capital costs, to the agreed upon levels.

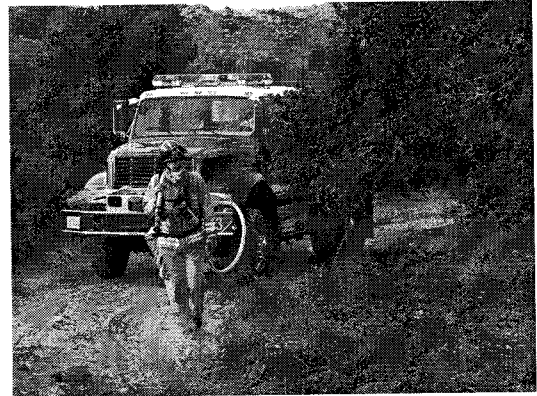
FORA has provided upfront funding for management, planning, capital costs and Habitat Conservation Plan preparation. In addition, FORA has earmarked \$1 out of every \$4 collected to build to a total endowment of principal funds necessary to produce an annual income sufficient to carry out required habitat 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. Therefore, this document contains a \pm \$37.6M line item of forecasted requisite expenditures. As part of the FY 2010-11 FORA CIP Review process conducted by Economic & Planning Systems, TAMC, and FORA and the FORA Board's April 8, 2011 direction, \$18.8 million has been held as a CIP contingency for additional habitat management costs should the assumed earnings rate for the \$37.6 million endowment be less than the current 4.5% assumption. USFWS and CDFG 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 as part of the Phase II CIP Review Study.

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. The equipment recipients include the Cities of Marina, Monterey and Seaside, the Ord Military Community Fire Department and the Salinas Rural Fire Department.



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

This lease purchasing of equipment accommodates FORA's capital obligations under the BRP to enhance the fire fighting capabilities on the former Fort Ord in response to the proposed development. The lease payments began July 2004, and are projected to be paid through 2013/14. Once the lease payments, funded by developer fees, have been satisfied, FORA's obligation for fire fighting enhancement will have been fully met.

f) Building Removal Program

As a base-wide obligation, the BRP includes the removal of building stock to make way for redevelopment in certain areas of the former Fort Ord. Building removal is funded from land sale revenue and/or credited against land sale valuation. Two Memorandums of Agreement ("MOA") 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 land sale proceeds. FORA's Building removal obligation was completed as directed 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 area 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.

In these agreements, the hierarchy of building reuse is observed – the FORA Board policy that prioritizes the most efficient reuse of obsolete buildings by focusing on renovation and reuse in place; relocation and renovation; deconstruction and reuse of building materials; and, mechanical demolition with aggressive recycling.

FORA's remaining building removal obligations include the former Fort Ord stockade within the City of Marina (± \$2.2M) and buildings in the City of Seaside's Surplus II area (± \$3.9M). In 2011 FORA, at the direction of the city of Seaside, removed a building in the Surplus II area which reduced FORA's financial obligation by \$100,000. FORA will continue to work closely with the Cities of Marina and Seaside as new specific plans are prepared for those areas.

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 continue to coordinate system(s) needs with respect to anticipated development. MCWD is fully engaged in the FORA CIP process, and adjusts its program for the noted systems to be coincident with the FORA CIP.

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 the proper 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 as outlined above. Therefore, the water and wastewater capital improvements are not duplicated in this document.

h) Property Management and Caretaker Costs

During the FORA CIP Review process in FY 10/11, FORA jurisdictions expressed concern over accepting 1,200+ acres of former Fort Ord habitat properties without sufficient resources to manage them. Since the late 1990's, FORA carried a CIP contingency line item for "caretaker costs." The recent CIP Review identified \$16M in FORA CIP contingencies to cover such costs. These obligations are not BRP required California Environmental Quality Act 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 as an obligation to cover basewide property management costs, should they be demonstrated. \$20,000 was a property management/caretaker expense in FY 11/12, which was FORA's contribution to the Fort Ord Regional Habitat Area Master Plan effort. The remaining expenses in this category (FY 13/14 through FY 21/22) are planning numbers and are not based on identified costs.

III. FY 2012/2013 THROUGH 2021/22 CAPITAL IMPROVEMENT PROGRAM

Background Information/Summary Tables

Table 1 graphically depicts fiscal offsets of completed projects that have reduced the BRP obligations. Since 1995, FORA has advanced approximately \$70M in capital projects and BRP obligations. These projects have been predominantly funded by EDA grants, loan proceeds and developer fees. Developer fees should begin transitioning to the forefront as 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, the work concluded by TAMC and AMBAG 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" 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 will account for funding received and applied against required projects.

CAPITAL IMPROVEMENT PROGRAM - OBLIGATORY PROJECT OFFSETS AND REMAINING OBLIGATIONS

Project #	Project Title	Project Limits	TAMC Reallocation Study 2005 TOTAL COST	FORA PORTION	FORA Offsets 2005-2012	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	-	20,751,313
R10	Hwy 1-Monterey Rd. Interchange	Construct new interchange at Monterey Road	19,100,000	2,496,648	-	3,390,125
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	-	9,630,249
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	-	303,701
Subtotal Regional			270,976,000	25,094,722		34,075,389
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	-	688,363
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	251,664	11,484,645
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	4,618,511
4E	Widen Reservation, WG to Davis	Widen to 4 lanes from Watkins Gate to Davis Rd	5,500,000	2,216,321	-	3,009,477
8	Crescent Ave extend to Abrams	Extend existing Crescent Court Southerly to join proposed Abrams Dr. (FO2)	906,948	906,948	-	1,231,518
Subtotal Off-Site			42,212,948	16,098,645	728,248	21,032,535
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	-	1,031,396
FO5	8th Street	Upgrade/construct new 2-lane arterial from 2 nd Ave to Intergrarrison Rd	4,340,000	4,340,000	-	5,863,541
FO6	Intergrarrison	Upgrade to a 4-lane arterial from Eastside Rd to Reservation	4,260,000	4,260,000	1,544,469	3,988,783
FO7	Gigling	Upgrade/Construct new 4-lane arterial from General Jim Moore Blvd easterly to Eastside Rd	5,722,640	5,722,640	307,400	7,336,934
FO9B (Ph-I)	GJM Blvd-Normandy to McClure	Widen from 2 to 4 lanes from Normandy Rd to McClure			6,252,156	-
FO9B (Ph-II) [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			12,773,797	1,027,000
FO11	Salinas Ave	Construct new 2 lane arterial from Reservation Rd southerly to Abrams Dr	3,038,276	3,038,276	-	4,125,586
FO12	Eucaalyptus Rd	Upgrade to 2 lane collector from General Jim Moore Blvd to Eastside Rd to Parker Flats out-off	5,800,000	5,800,000	4,998,230	-
FO13B	Eastside Phwy (New alignment)	Construct new 2 lane arterial from Eucaalyptus Rd to Parker Flats out-off to Schoonover Dr	12,536,370	12,536,370	456,934	16,541,918
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	294,770	2,992,283
Subtotal On-Site			63,036,919	63,036,919	30,104,730	42,877,441
Transportation Totals			376,225,867	104,230,286	30,832,978	97,985,364
[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 buses	15,000,000	6,298,254	279,950	8,213,548
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 Imjlin, and 3. Park and Ride Facility @ 8th Street and Gigling	3,800,000	4,786,673		6,499,682
Transit Totals			18,800,000	11,084,926	279,950	14,713,230
Transportation/Transit Totals			395,025,867	115,315,212	31,112,928	112,698,595
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, revenue bond proceeds, development fees.						
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.						
TOTAL CUMULATIVE OFFSETS AGAINST TRANSPORTATION/TRANSIT AND STORM DRAINAGE PROJECTS TO DATE						64,980,527

CAPITAL IMPROVEMENT PROGRAM - TRANSPORTATION NETWORK AND TRANSIT ELEMENTS

Regional Improvements													
Proj#	Description	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	TOTALS	Proj#
R3a	Hwy 1-Dei Montie-Fremont-MBL			1,751,313	4,000,000	7,000,000						20,751,313	R3
R10	Hwy 1-Monterey Rd. Interchange			1,130,035	1,130,045	1,130,045						3,390,125	R10
R11	Hwy 156-Freeway Upgrade		317,500	1,266,335	1,046,415	104,017	5,895,982	1,000,000				9,630,249	R11
R12	Hwy 68 Operational Improvements	303,701										303,701	R12
	Subtotal Regional	303,701	317,500	4,147,683	2,176,460	5,234,062	12,895,982	9,000,000				34,075,369	

Off-Site Improvements													
Proj#	Description	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	TOTALS	Proj#
1	Davis Rd north of Blanco	147,298	541,085									688,383	1
2B	Davis Rd south of Blanco	515,121	881,632	3,603,013	2,000,000	557,560	3,927,319					11,484,645	2B
4D	Widen Reservation-4 lanes to WG		200,000	1,472,837	1,472,837	1,472,837						4,618,511	4D
4E	Widen Reservation, WG to Davis		200,000	936,492	1,872,985							3,009,477	4E
8	Crescent Ave extend to Abrams	231,518	500,000	500,000								1,231,518	8
	Subtotal Off-Site	893,937	2,322,717	6,512,342	5,345,822	2,030,397	3,927,319					21,032,535	

On-Site Improvements													
Proj#	Description	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	TOTALS	Proj#
F02	Abrams	231,396	400,000	400,000								1,031,396	F02
F05	8th Street	327,048	400,000	400,000	2,726,493	2,000,000						5,853,541	F05
F06	Intergarrison			104,340	962,461	2,901,982						3,968,783	F06
F07	Gigling			1,000,000	4,350,827	1,986,107						7,336,934	F07
F09C	GJM Blvd	527,000	500,000									1,027,000	F09C
F011	Salinas Ave	325,586	400,000	400,000	1,500,000							4,125,586	F011
F013B	Eastside Parkway	194,266	400,000	4,224,032	3,899,568	4,000,000	4,224,032					16,541,918	F013B
F014	South Boundary Road Upgrade	1,500,000	1,492,283									2,992,283	F014
	Subtotal On-Site	3,105,296	3,192,283	6,528,372	13,439,369	12,388,089	4,224,032					42,877,441	

Transportation Totals	4,302,934	5,832,500	17,188,397	20,961,651	19,652,548	21,047,334	9,000,000					97,985,364
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Transit Capital Improvements													
Proj#	Description	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	TOTALS	Proj#
T3	Transit Vehicle Purchase/Replace	763,153	100,000	151,026	1,229,596	1,144,696	4,825,077					8,213,548	T3
T22	Intermodal Centers		100,000	819,930	1,229,397	350,000	4,000,155					6,499,682	T22
	Subtotal Transit	763,153	200,000	970,956	2,458,993	1,494,696	8,825,232					14,713,230	

Transportation and Transit GRAND TOTALS	5,066,087	6,032,500	18,159,353	23,420,844	21,147,244	29,872,566	9,000,000					112,698,595
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TABLE 2

SUMMARY OF CAPITAL IMPROVEMENT PROGRAM 2012/13 - 2021/22

	2005-12 (1)	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2012-13 to 2021-22 Total
A. CIP PROJECTS FUNDED BY CFD DEVELOPMENT FEES												
Dedicated Revenues	18,382,893	8,637,000	9,932,000	31,623,000	46,263,000	40,875,000	31,303,000	27,924,000	27,292,000	14,624,000	20,029,000	258,502,000
Development Fees												
Other Revenues	5,796,078											
Tax Increment (2)	7,926,754											
Loan Proceeds (3)*	6,426,754											
Federal Grants (4)	2,000,000											
CSU Mitigation fees	2,162,171											326,795
Miscellaneous Revenues (Rev Bonds, CFD credit) (11)**												
Total Revenues	43,294,650	8,963,795	9,932,000	31,623,000	46,263,000	40,875,000	31,303,000	27,924,000	27,292,000	14,624,000	20,029,000	258,828,795
Expenditures												
Projects												
Transportation/Transit	31,112,928	5,066,087	6,032,500	18,159,353	23,420,844	21,147,244	29,872,565	9,000,000				112,698,595
Water Augmentation (5)	561,780				10,000,000	9,500,000		3,407,581				22,907,581
CEQA Mitigation								13,000,000				21,655,302
Voluntary Contribution									8,655,302			
Storm Drainage System [Completed by 2005] (6)	[Table 1]											
Habitat Management (7)	4,595,723	2,159,250	2,483,000	7,905,750	11,565,750	8,883,421						32,997,171
Fire Rolling Stock	928,000	116,000	116,000									232,000
Property Management/Caretaker Costs (8)	20,000			1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	2,000,000	2,000,000	2,180,000	12,180,000
Total Expenditures	37,218,431	7,341,337	8,631,500	27,265,103	46,186,594	40,730,665	31,072,565	26,607,581	10,655,302	2,000,000	2,180,000	202,670,648
Net Annual Revenue	6,076,219	1,622,458	1,300,500	4,357,897	76,406	144,335	230,435	1,316,419	16,636,698	12,624,000	17,849,000	
Beginning Balance		1,345,160	199,669	169	380,394	456,800	601,135	831,570	2,147,988	18,784,686	31,408,686	
Ending Balance Before Other Costs & Contingency	6,076,219	2,967,618	1,500,169	4,358,066	456,800	601,135	831,570	2,147,988	18,784,686	31,408,686	49,257,686	
Other Costs & Contingency (9)												
Additional Transportation Costs	2,960,105											11,574,033
Habitat Mgt. Contingency	671,920	84,000										18,800,000
Add. Util. & Storm Drainage												3,500,000
Other Costs (Debt Service) (14)***	1,099,034	2,683,949	1,500,000	3,977,672								15,383,653
Total Other Costs & Contingency	4,731,059	2,767,949	1,500,000	3,977,672								49,257,686
Ending Balance	1,345,160	199,669	169	380,394								0
B. CIP PROJECTS FUNDED BY LAND SALE REVENUE												
Dedicated Revenues												
Land Sales (10)	14,682,395	28,450,279		9,051,000	16,401,000		2,527,000	2,527,000				58,956,279
Land Sales - Credits (11)**	6,767,300	6,750,000		12,659,700								19,409,700
Other Revenues (12)	1,425,000	2,449,082	1,500,000	3,977,672								7,926,754
Loan Proceeds (3)*	7,500,000											
Total Revenues	30,374,695	37,649,361	1,500,000	25,688,372	16,401,000		2,527,000	2,527,000				86,292,733
Expenditures												
Projects (13)												
Building Removal	29,167,300	6,750,000	6,200,000	12,659,700								25,609,700
Other Costs (Debt Service) (14)***		18,325,900										18,325,900
Total Expenditures	29,167,300	25,075,900	6,200,000	12,659,700								43,935,600
Net Annual Revenue	1,207,395	12,573,461	(4,700,000)	13,028,672	16,401,000		2,527,000	2,527,000				42,357,133
Beginning Balance	1,207,395	13,780,856	13,780,856	9,080,856	22,109,528	38,510,528	38,510,528	41,037,528	43,564,528	43,564,528	43,564,528	1,207,395
Ending Balance	1,207,395	13,780,856	9,080,856	22,109,528	38,510,528	38,510,528	41,037,528	43,564,528	43,564,528	43,564,528	43,564,528	43,564,528

Table 3 CIP Summary Table Footnotes

- (1) This column summarizes CIP revenues and expenses from July 2005 through June 2012. These totals are not included in the 2012-13 to 2021-22 Totals.
- (2) "Tax Increment" revenue is designated for operations and as a back up to FORA CIP projects; to date, approximately \$6M was spent on ET/ESCA change orders and CIP road projects. It is unclear whether this source will be available in FY 2012-13 due to State phase-out. Re=programming of funds may occur at the mid-year budget review.
- (3) "Loan Proceeds": In FY 2006 FORA obtained a line of credit ("LOC") to ensure CIP obligations could be met in a timely manner, despite cash flow fluctuations. The LOC draw downs were used to pay road design, construction and building removal invoices and were partially repaid by any available revenues committed to the CIP. In FY 2010 FORA repaid the \$9M LOC debt (\$1.5M in transportation and \$7.5M in building removal) through a loan secured by FORA's share of Preston Park (PP Loan). The PP 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 the 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.
- (5) "Water Augmentation" is FORA's financial obligation for the approved water augmentation project. The original CEQA obligation (\$23,469,361) is included in the total. The FORA Board approved an additional contribution (\$21,655,302) to keep MCWD capacity charges in check. Please refer to Section II b) Water Augmentation.
- (6) FORA's "Storm Water Drainage System" obligation 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 US Fish and Wildlife Service and California Department of Fish & Game. Please refer to Section II d) Habitat Management Requirements.
- (8) "Property Management/Caretaker Costs" amounts after FY 11/12 are estimates. As a result of CIP Review policy decisions, \$12.2M in funding for these expenses is derived from CFD Special Tax. 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 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, street landscaping, unknown site conditions, project changes, habitat/environmental mitigation, etc.)
"Habitat Management Contingency" provides interim funding for the University of California Fort Ord Natural Reserve management 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 accepted by Regulatory Agencies.
"Additional Utility and Storm Drainage Costs" provides for restoration of storm drainage sites in State Parks land and relocation of utilities.
"Other Costs" provides for additional Pollution Legal Liability Insurance Coverage after 2014.
- (10) "Land Sales" revenues are regularly evaluated to apply any changes in local development fees, market realities, and other factors to adjust land prices in the region.
- (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; and regarding land sale proceeds, FORA entered into two such agreements with Marina Community Partners (\$24M) and East Garrison Partners (\$2.177M) 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 and repayment of development fee obligations (see note 14).
- (13) "Projects" include building removal at 1) Dunes on Monterey Bay (\$46M), 2) Imjin Office (\$400K), 3) East Garrison (\$2.177M), 4) Stockade (\$2.2M), and 5) Surplus II (\$4M).
- (14) "Debt Service – Interest and Principal" in FY 2011 the FORA Board directed a development fee study and a financial evaluation of CIP costs and revenues. The consultant's report determined that there exists an outstanding obligation to repay funds advanced from land sales/lease revenues to pay for development fee obligations. That amount is about \$8M and the FORA Board directed staff to carry this inter-account debt forward in coming CIP budgets. The 1st repayment is anticipated in FY 2013 to come from the Preston Park disposition.

Appendix A

Protocol for Review/Reprogramming of FORA CIP (Revision #3, March 8, 2010)

- 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, 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 fire fighting enhancement.

APPENDIX B
Community Facilities District Revenue

Jurisdiction	2012-13 to 2021-22 Total	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
New Residential											
Marina Heights (3)	36,339,000		692,000	1,038,000	8,618,000	3,738,000	3,703,000	3,703,000	3,703,000	3,703,000	7,441,000
Interim - Lexington Court (3)	346,000	346,000									
Dunes on Monterey Bay (3)	42,813,000	1,142,000	1,523,000	9,068,000	9,137,000	10,383,000	6,991,000	4,015,000	554,000		
TAMC TOD (1)	6,922,000			3,461,000	3,461,000						
CSUMB North Campus Housing (1)	853,000	260,000	260,000	260,000	73,000						
UC 8th Street (1)	11,419,000		5,538,000	8,133,000	1,384,000	1,384,000	1,384,000	1,384,000	1,384,000	1,384,000	3,115,000
East Garrison (3)	48,628,000	3,115,000			6,230,000	7,095,000	6,749,000	5,884,000	5,884,000		
Monterey Horse Park (1)											
Monterey Horse Park (1)	13,498,000							2,769,000	3,703,000	5,365,000	1,661,000
UC East Campus - SF (1)											
UC East Campus - MF (1)											
UC/MCO											
SEA											
SEA	4,260,000	35,000	35,000	35,000	35,000	104,000	208,000	1,904,000	1,904,000		
Seaside Resort Housing (3)											
Seaside Housing (Eastside) (1)											
Seaside Affordable Housing Obligation (1)	2,492,000								2,492,000		
Workforce Housing (Army to Build) (1)	4,845,000						1,592,000	1,592,000	1,661,000		
Market Rate Housing (Army to Build) (1)	2,249,000						692,000	692,000	865,000		
Workforce Housing (Seaside) (1)											
Del Rey Oaks (1)	23,915,000			4,499,000	9,933,000	9,463,000					
Other Residential	0										
Existing/Replacement Residential											
Preston Park (4)	3,265,443	3,265,443									
Cypress Knolls (1)	13,844,000					3,461,000	3,461,000	3,461,000	3,461,000		
Patton Park (3)											
Abrams B (4)											
Sheller Outreach Plus (4) & (1)											
Sunbay (4)											
Stillwell Kidney - WFH (Army to Build) (1)											7,337,000
Office											
Del Rey Oaks Office (1)	60,000			30,000		30,000					
Monterey City Office (1)											
Monterey County Office											
Horse Park (1)	14,000		7,000	7,000							
Landfill Commercial Development (1)											
Intergration Rd Office Park (1)	190,000			38,000	38,000	38,000	38,000	38,000			
East Garrison I Office Development (3)	11,000		2,000	4,000	4,000	1,000					
MST Bus Maint & Opns Facility (1)											
Imjin Office Park (3)	3,000		3,000								
Dunes on Monterey Bay (3)	45,000		45,000			5,000					
Airport Economic Development Area (1)	5,000										
SVMHS Development (1)											
TAMC TOD (office/public facilities) (1)	12,000			6,000	6,000			8,000			
Main Gate Conference (1)	8,000										
Seaside Office (Monterey Blues) (1)											
Charwell School (1)											
Monterey Peninsula Trade & Conf Cntr (1)	74,000								74,000		
Seaside Resort Golf Buildings (3)											
UC East Campus (1)	30,000					30,000					
UC/MCO											
UC Central South Campus (1)	108,000		12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
UC Central North & West Campuses (1)											
Industrial											
Airport Economic Development Area (1)	63,000		7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Industrial -- City Corp. Yard (1)	0										

(1) Project proposed
(2) Project approved by local jurisdiction
(3) Project found consistent with Base Reuse Plan
(4) Project completed

APPENDIX B
Community Facilities District Revenue

Jurisdiction	2012-13 to 2021-22 Total	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
TAMC TOD (1)	10,000	10,000	-	5,000.00	5,000.00	-	-	-	-	-	-
Dunes on Monterey Bay (3)	72,000	21,000	21,000	21,000	10,000	10,000	-	-	-	-	-
Industrial - City Corp. Yard (1)	65,000	-	-	65,000	65,000	-	-	-	-	-	-
Industrial - Public/Private (1)	226,000	-	31,000	65,000	65,000	65,000	-	-	-	-	-
Monterey County Light Ind. (1)	0	-	-	-	-	-	-	-	-	-	-
Horse Park (1)	35,000	13,000	13,000	13,000	9,000	-	-	-	-	-	-
Landfill Industrial Park (1)	0	-	-	-	-	-	-	-	-	-	-
MST Bus Maint & Opns Facility (1)	0	-	-	-	-	-	-	-	-	-	-
Seaside Corp Yard Shop (1)	7,000	-	-	7,000	7,000	-	-	-	-	-	-
UC Central N. & W. Campuses (1)	45,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Retail											
Del Rey Oaks Retail (1)	172,000	-	-	172,000	-	-	-	-	-	-	-
UC Central N. & W. Campuses (1)	963,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000
UC East Campus (1)	446,000	-	-	-	-	223,000	-	-	-	223,000	-
UC Eight Street (1)	2,752,000	-	-	344,000	344,000	344,000	344,000	344,000	344,000	344,000	344,000
Monterey County Retail	0	-	-	-	-	-	-	-	-	-	-
Landfill Commercial development (1)	0	-	-	-	-	-	-	-	-	-	-
East Garrison I Retail (1)	344,000	-	-	-	-	172,000	172,000	-	-	-	-
Oro Market (4)	0	-	-	-	-	-	-	-	-	-	-
MCO	0	-	-	-	-	-	-	-	-	-	-
Horse Park (1)	3,608,000	-	-	859,000	859,000	859,000	1,031,000	-	205,000	-	-
Main Gate Spa (1)	206,000	-	-	-	-	-	-	-	-	-	-
Main Gate Large Format Retail (1)	752,000	-	-	-	-	-	752,000	-	-	-	-
Main Gate In-Line Shops (1)	2,500,000	-	-	-	-	-	2,500,000	-	-	-	-
Main Gate Department Store Anchor (1)	1,031,000	-	-	-	-	-	1,031,000	-	-	-	-
Main Gate Restaurants (1)	524,000	-	-	-	-	-	524,000	-	-	-	-
Main Gate Hotel Restaurant (1)	69,000	-	-	-	-	-	69,000	-	-	-	-
Seaside Resort Golf Clubhouse (1)	140,000	-	-	140,000	140,000	-	-	-	-	-	-
Dunes on Monterey Bay (3)	1,718,000	464,000	859,000	395,000	140,000	-	-	-	-	-	-
TAMC TOD (1)	644,000	-	-	322,000	322,000	-	-	-	-	-	-
Hotel (rooms) (5)											
Del Rey Oaks Hotel (1) (454 rm)	3,505,000	-	-	803,000	1,930,000	772,000	-	-	-	-	-
Del Rey Oaks Timeshare (1) (96 rm)	740,000	-	-	370,000	370,000	-	-	-	-	-	-
Horse Park (Parker Flat) Hotel (1) (200 rm)	1,544,000	-	-	1,544,000	-	-	-	-	-	-	-
Dunes - Limited Service (3) (100 rm)	772,000	-	772,000	-	-	-	-	-	-	-	-
Dunes - Full Service (3) (400 rm)	3,087,000	-	-	-	3,087,000	-	-	-	-	-	-
Seaside Golf Course Hotel (3) (330 rm)	2,547,000	-	-	-	2,547,000	-	-	-	-	-	-
Seaside Golf Course Timeshares (3) (170 rm)	1,312,000	-	-	-	-	-	-	-	926,000	386,000	-
Main Gate Hotel (1) (250 rm)	1,930,000	-	-	-	-	-	1,930,000	-	-	-	-
UC East Campus (1) (250 rm)	1,930,000	-	-	-	-	-	-	-	-	1,930,000	-
UC Central N. & W. Campuses (1) (150 rm)	1,158,000	-	-	-	-	-	-	-	-	1,158,000	-
Total	\$ 258,502,000	\$ 8,637,000	\$ 9,992,000	\$ 31,623,000	\$ 46,263,000	\$ 40,875,000	\$ 31,303,000	\$ 27,924,000	\$ 27,292,000	\$ 14,624,000	\$ 20,029,000

Note: FOPB Basewide Community Facilities District special tax rates are shown below, inferred to January 2002 based on rate and method of apportionment. Totals in table may not add due to rounding.

Adopted 2002	Effective 7/1/10	Effective 7/1/12	Index 12/13
34,324	46,205	34,610	2.7%
10,320	13,892	10,406	2.7%
4,469	6,056	4,536	2.7%
92,768	124,885	93,545	2.7%
7,653	10,304	7,718	2.7%

APPENDIX B
Land Sale Revenue

Jurisdiction	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	2012-13 to 2021-22 Total									
<u>New Residential</u>										
Marina Heights	N/A									
Cypress Knolls	\$3,650,000		3,650,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dunes on Monterey Bay	19,409,700		12,659,700	N/A	N/A	N/A	N/A	N/A	N/A	N/A
UC 8th Street	-		-	-	-	-	-	-	-	-
East Garrison I	N/A	N/A	N/A	16,000,000	N/A	N/A	N/A	N/A	N/A	N/A
Monterey Horse Park	-		-	-	-	-	-	-	-	-
Monterey Horse Park	-		-	-	-	-	-	-	-	-
UC East Campus - SF	-		-	-	-	-	-	-	-	-
UC East Campus - MF	-		-	-	-	-	-	-	-	-
Seaside Highlands Homes	-		-	-	-	-	-	-	-	-
Seaside Resort Housing	-		-	-	-	-	-	-	-	-
Seaside Housing (Eastside)	-		-	-	-	-	-	-	-	-
Seaside Affordable Housing Obligations	-		-	-	-	-	-	-	-	-
Workforce Housing (Army to Build)	-		-	-	-	-	-	-	-	-
Workforce Housing (Seaside)	-		-	-	-	-	-	-	-	-
Del Rey Oaks	N/A	N/A	5,000,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Residential	5,000,000		-	-	-	-	-	-	-	-
<u>Existing/Replacement Residential</u>										
Preston Park	28,450,279		-	-	-	-	-	-	-	-
Cypress Knolls	-		-	-	-	-	-	-	-	-
Abrams B	-		-	-	-	-	-	-	-	-
Shelter Outreach Plus	-		-	-	-	-	-	-	-	-
Sunbay (former Thorison Park)	-		-	-	-	-	-	-	-	-
Stillwell Kidney - WFH (Army to Build)	-		-	-	-	-	-	-	-	-
<u>Office</u>										
Del Rey Oaks Office	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Monterey City Office	-		-	-	-	-	-	-	-	-
Monterey County Office	-		-	-	-	-	-	-	-	-
Horse Park	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Landfill Commercial Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Intergration Rd Office Park	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
East Garrison I Office Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MST Bus Maint & Bus Opns Facility	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dunes on Monterey Bay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Airport Economic Development Area	-		-	-	-	-	-	-	-	-
SYMHS Development	-		-	-	-	-	-	-	-	-
Young Nak Church	-		-	-	-	-	-	-	-	-
Seaside Office (Monterey Blues)	-		-	-	-	-	-	-	-	-
Chartwell	-		-	-	-	-	-	-	-	-
Monterey College of Law	-		-	-	-	-	-	-	-	-
Monterey Peninsula Trade & Conf Cntr	-		-	-	-	-	-	-	-	-
UC East Campus	-		-	-	-	-	-	-	-	-
UC Central South Campus	-		-	-	-	-	-	-	-	-
UC Central North & West Campuses	-		-	-	-	-	-	-	-	-
<u>Industrial</u>										
Airport Economic Development Area	-		-	-	-	-	-	-	-	-
Industrial - City Corp. Yard	-		-	-	-	-	-	-	-	-
Industrial - City Corp. Yard	-		-	-	-	-	-	-	-	-
Industrial - Public/Private	-		-	-	-	-	-	-	-	-
Monterey County Light Ind.	-		-	-	-	-	-	-	-	-
Horse Park	-		-	-	-	-	-	-	-	-
Landfill Industrial Park	-		-	-	-	-	-	-	-	-
Seaside Corp Yard Shop	-		-	-	-	-	-	-	-	-
UC Central North & West Campuses	-		-	-	-	-	-	-	-	-

Appendix C

Monterey Bay Regional Water Supply Program

Background

The Monterey Bay Regional Water Supply Project (Regional Project) is jointly proposed by the Marina Coast Water District (MCWD), the Monterey County Water Resources Agency (MCWRA), and the California American Water Company (CAW) to provide 13,100 AFY of replacement and new water supplies for the Monterey Peninsula and the former Fort Ord. The water supply is needed to replace existing supplies that are constrained by recent legal decisions affecting the Carmel River and Seaside Groundwater Basin water resources as well as to satisfy MCWD's obligations to provide a water supply adequate to meet the approved redevelopment of the former Fort Ord. The Regional Project would produce desalinated water, convey it to the existing CAW and MCWD distribution systems, and increase the system's use of storage capacity in the Seaside Groundwater Basin. The Regional Project is comprised of numerous projects and programs that, combined, meet the regional water supply needs. A Regional Project approach provides the opportunity for reducing costs, creating a broader base of benefits and beneficiaries, and provides a more environmentally sound, more reliable, and more sustainable water supply.

Project Benefits

- Maximizing sustainability
 - Potential for creating an environmental park in which facilities can be shared and power from the Monterey Regional Waste Management District's landfill can be used
 - Reducing carbon footprint
 - Reducing environmental impacts
 - Eliminating reliability upon outside sources of energy
 - Satisfying SWRCB Order 95-10 and avoiding a 50% reduction in available water supply
- Minimizing environmental impacts
 - Restoring sustainability of over drafted Seaside groundwater basin
 - Restoring flows in the Carmel River, improving and restoring habitat for threatened and endangered steelhead fish
 - Improving condition of seawater intruded Salinas Valley Groundwater Basin
 - Reducing discharges to the Monterey Bay National Marine Sanctuary
 - Creating an intrusion barrier in the Salinas Valley Groundwater Basin
- Maximizing reliability
- Potential for obtaining grant and State Revolving Fund Funding reducing the cost of water

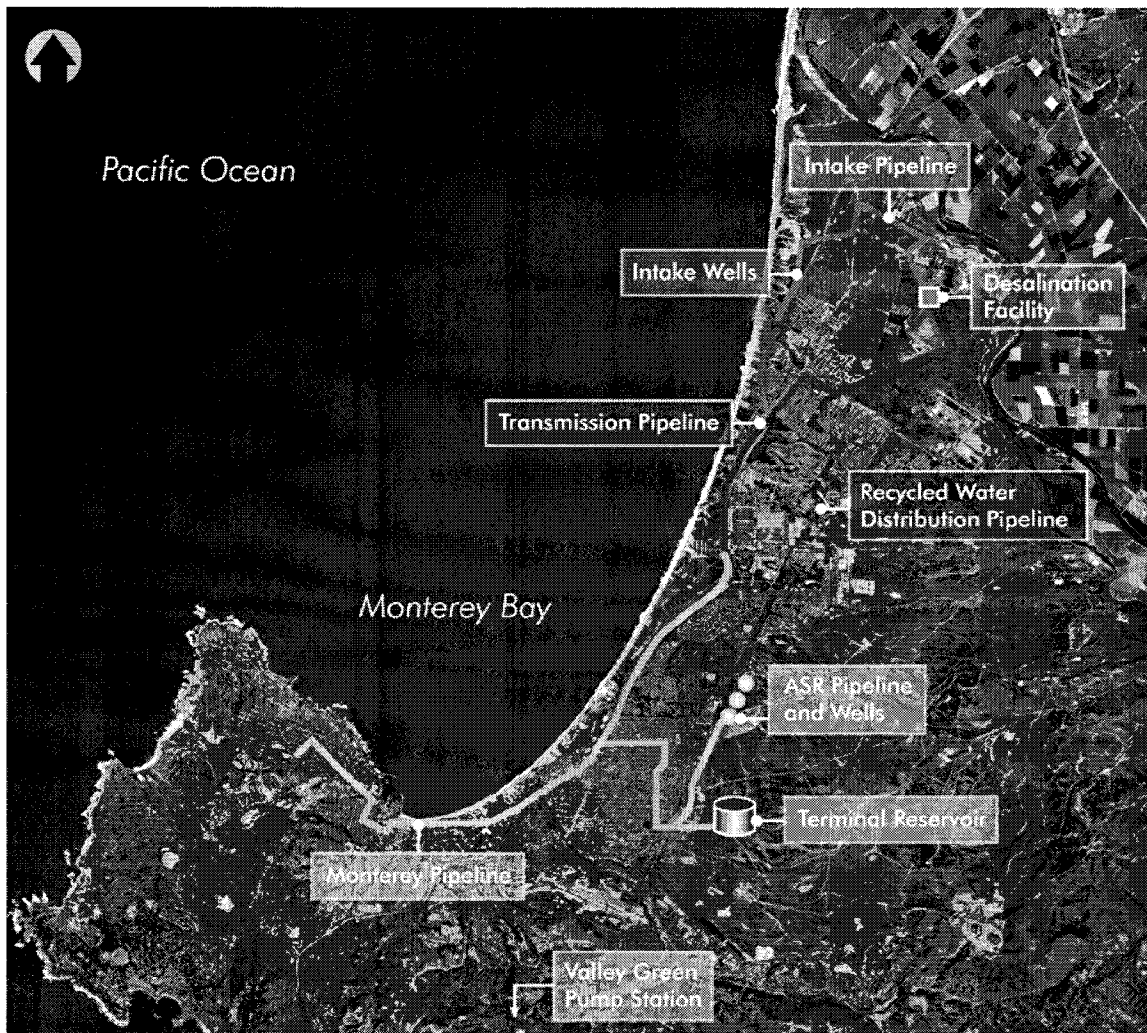
Definitions of Terms

1. **Acre-foot:** Equivalent to the volume of water required to cover 1 acre of land (43,560 square feet) to a depth of 1 foot. Equal to 325,851 gallons or 1,233 cubic meters.
2. **AFY:** Acre-feet per year
3. **Aquifer Storage and Recovery (ASR):** Process in which water is stored underground in a designated aquifer, to be extracted for future use.
4. **Desalination:** Water treatment process for the removal of salts from saline water to produce and provide potable water.
5. **mgd:** Million gallons per day
6. **Potable Water:** Water of a quality suitable for human consumption and which meets all applicable U.S. EPA and California Department of Public Health standards.
7. **Recycled Water or Reclaimed Water:** Wastewater treated to meet California Title 22 requirements. Depending on what level of treatment, recycled water can be used for various applications including irrigation to indirect potable reuse.

Components of the Regional Project

Component	Supply (AFY)	Description
Conservation		Water conservation efforts represent a potential demand reduction on the Monterey Peninsula. While it does not produce additional supply or yield, it is an important component of the analysis and was supported by public stakeholders.
Seaside Aquifer Storage and Recovery (ASR)	1,300	Consists of injecting excess winter flows from the Carmel River into the Seaside Groundwater Basin.
Sand City Desalination	300	This project is currently online.
Regional Urban Water Augmentation Project (RUWAP)	1,000	Recycled water will be produced at the Monterey Regional Water Pollution Control Agency (MRWPCA) and distributed to the MCWD. RUWAP has the capability of future expansion.
Regional Desalination Facility	10,500	Reverse osmosis treatment plant with a peak production rate of 10 million gallons per day (mgd). Source water anticipated to be a blend of ocean water and brackish water from wells located between Hwy 1 and the coastal dunes.
TOTAL	13,100	

Regional Project Overview Map



FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject: Capital Improvement Program Review – Phase II Study update

Meeting Date: June 8, 2012

Agenda Number: 9c

INFORMATION

RECOMMENDATION(S):

- i. Review draft Resolution 12-05, which would implement an annual formulaic approach to establish the Fort Ord Reuse Authority (FORA) development fee schedule and Community Facilities District (CFD) Special Tax rates (**Attachment A**), and
- ii. Review draft Amendment #1 to the FORA-jurisdictions Implementation Agreements, which would codify the annual formulaic approach to establish the FORA development fee schedule and CFD Special Tax rates (**Attachment B**).

BACKGROUND:

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

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

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

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

EPS has been the principal consultant from the inception of the project. David Zehnder is the Managing Principal and Jamie Gomes is the Principal. Each have experience

with California municipalities and county organizations reviewing CIP obligations and fee structures. During their initial CIP review, EPS completed updated development forecasts, a preliminary CIP analysis, a cost-burden analysis, a draft summary report on the CIP, a draft final report, four powerpoint presentations to the Board, and three additional reports in response to Board member questions.

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

DISCUSSION:

In May 2011, the Board adopted resolution 11-02 to reduce the developer fee approximately 27% across all fee categories (from \$46,205 to \$33,700 [also referred to as Option 2C] for new residential units). At the same meeting, the Board also authorized FORA to enter into a contract with EPS to complete a Phase II CIP review study. Due to the uncertainty related to the effects of the State of California's dissolution of redevelopment and endowment holder requirements for the future Habitat Conservation Plan, it was deemed prudent to have EPS study those elements of Phase II first. However, during legislative hearings on FORA's extension (AB1614), the issue of a change in FORA's approach to both the development fee and CFD Special Tax rates was proposed. This is a uniquely FORA issue. It is not one that can be resolved by state legislation.

EPS, working with FORA staff, developed a formula for establishing the development fee. That formula was reviewed by the FORA Administrative Committee at three meetings in May 2012. At its May 30, 2012 meeting, the committee considered the proposed formula as it might be implemented through a draft FORA Board resolution and amendment to the FORA-jurisdictions Implementation Agreements. The proposed formula would match FORA revenue sources with FORA obligations and set an appropriate fee level consistent with obligations. Staff would apply any adjustments to FORA's development fee and CFD Special Tax resulting from the formula within 90 days of adopting the resolution and, thereafter, staff would integrate the formula into the FORA Board's annual consideration of the FORA Capital Improvement Program. The Administrative Committee passed a motion recommending that the draft resolution and draft amendment to the Implementation Agreements be presented to the FORA Board with the following clarifications:

- 1) Throughout the documents, make a general reference to the underlying jurisdictions in lieu of any specific jurisdiction and make consistent references to "tax increment/property tax revenues";
- 2) In section 2.1.2(e), delete language in parentheses concerning a subtraction of FORA operation expenses and replace "administration" with "Fort Ord Reuse;" and
- 3) For section 1.1.6, highlight this section that would exclude Property Management and Caretaker Costs from FORA's list of Capital Improvements for the Board's consideration.

At its May 30, 2012 meeting, the Executive Committee directed staff to prepare this item as an informational report at the June Board meeting because there were still a number of questions about how the formula would be applied, payments to jurisdictions, Property Management/Caretaker Costs, and guidance from the County Controller/Auditor.

FISCAL IMPACT:

Reviewed by FORA Controller 

The funding for EPS's phase II CIP review study work is funded through FORA's annual budget.

COORDINATION:

Administrative Committee, CIP Committee, Executive Committee, Authority Counsel, development teams, Development Planning & Financing Group, Inc., and EPS.

Prepared by  Reviewed by 
Jonathan Garcia Steve Endsley

Approved by 
Michael A. Houlemard, Jr.

Resolution 12-05

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

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

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

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

NOW THEREFORE the Board hereby resolves as follows:

1. Adjustment to the Policy and CFD special taxes.

1.1 The list of authorized CIP improvements to be funded by the Policy and CFD Special Taxes, after first applying all available property tax revenues (formerly tax increment), grant funds, and land sales and lease proceeds, shall be limited to the following CEQA Mitigation Measures and corresponding base-wide obligations in FORA's CIP:

1.1.1 Transportation/Transit improvements, including regional improvements, off-site improvements, on-site improvements, and transit capital improvements identified in the Transportation Agency of Monterey County ("TAMC") FORA Fee Reallocation Study, dated April 8, 2005, or as subsequently updated by TAMC consistent with the FORA Fee Reallocation Study.

1.1.2 Water Augmentation: FORA's financial obligation for the approved water augmentation project capped at 2011/12 CIP amount, as indexed.

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

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

1.1.5 Other Costs and Contingencies shall be limited to the following:

FORA Board contribution toward the water augmentation program (in lieu of increased MCWD capacity charges).

A contingency amount not to exceed 15% of the costs of Transportation/Transit improvements that do not already include a contingency line item (e.g., if a roadway improvement cost estimate includes a contingency line item, then the Other Costs and Contingency category would not include an additional 15% contingency for that improvement).

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

1.1.6 CIP improvements exclude Property Management and Caretaker

Costs.

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

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

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

1.2.3 In accordance with the process set forth in part II of this Agreement, commencing with Section 2.1, the FORA Board will update anticipated construction costs and revenues available to fund the facilities identified in section 1.1 above, which are eligible to be funded by the Policy and CFD Special Taxes, and corresponding adjustments to the Policy and CFD Special Taxes within 90 days of the effective date of this resolution, and annually thereafter concurrently with the annual update of the CIP.

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

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

II. PROCESS

2.1 FORA shall review and update the CIP annually. That procedure must ensure that FORA’s revenue sources, including the Policy and CFD Special Tax revenues, are adequate to carry out the Base Reuse Plan and complete required CEQA Mitigation Measures and Board-determined base-wide obligations in FORA’s CIP identified in Section 1.1 above. The annual process will include the following steps:

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

2.1.2 Determine the source and amount of funds, including, without limitation: a) Fund balances; b) Grant money; c) CSU Mitigation fees; d) Loan proceeds; e) Land sales revenues/proceeds in excess of remaining building removal program estimated costs, and lease revenues (not required for other obligations); and f) tax increment revenues or property tax allocations to FORA net of operations expenses directly attributable to administering the CEQA Mitigation Measures and Board-determined base-wide obligations in FORA’s CIP as set forth in Section 1.1 above and not otherwise available to be funded from other sources. The following assumptions and formula shall be used to calculate the tax increment/property tax revenues, if available:

Assumptions:

- a. Current FORA CIP build-out assumptions as shown to estimate CFD special tax revenue (adjusting build-out assumptions based on the reliability of the previous years’ development forecasts by comparing projected development to actual development occurring and applying this percentage accuracy on the build-out projections).
- b. Current market data assumptions to estimate assessed values for each land use type.

Formula:

- a. Calculate the net present value (NPV) of 90% of the tax increment/property tax stream for all future (new) development anticipated to develop on Fort Ord after July 1, 2012.
- b. The term on the tax increment/property tax stream shall be from the date of the current CIP through the anticipated end date of the proposed FORA extension.

- c. Assume a discount rate of 6%.
- d. Allocate 10% of the NPV to reduce/offset costs of CIP in year 1 and adjust based on actual property tax collected from new development for year 2 and subsequent years. See Table 1 for illustration how to calculate/offset CIP costs.
- e. Allocate 10% of the actual tax increment/property tax revenues collected by FORA after FY 11-12 and generated from parcels in the Fort Ord area of the member jurisdiction to the City or County for Fort Ord Reuse and economic development to support the development of Fort Ord land within the relevant City or County.

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

2.1.4 Calculate Policy and CFD Special Tax using the same calculation as used for tax increment/property tax revenues shown above in Section 2.1.2).

2.1.5 Compare 2.1.4 with 2.1.3 and determine the amount of adjustment, if any, to the Policy and CFD Special Tax.

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

- AYES:
- NOES:
- ABSTENTIONS:
- ABSENT:

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

DATED _____

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

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

RECITALS

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

basewide obligations in FORA's CIP ~~as specifically listed~~ identified in Section 1.1; and

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

AGREEMENTS

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

4. ADJUSTMENT TO THE POLICY AND CFD SPECIAL TAXES.

1.1 The list of authorized CIP improvements to be funded by the Policy and CFD Special Taxes, after first applying all available property tax revenues (formerly tax increment), grant funds, and land sales and lease proceeds, shall be limited to the following specifically listed CEQA Mitigation Measures and the following specifically listed Board-determined corresponding base-wide obligations in FORA's CIP:

1.1.1 Transportation/Transit improvements, including regional improvements, off-site improvements, on-site improvements, and transit capital improvements identified in the Transportation Agency of Monterey County ("TAMC") FORA Fee Reallocation Study, dated April 8, 2005, or as subsequently updated by TAMC consistent with the FORA Fee Reallocation Study.

1.1.2 Water Augmentation: FORA's financial obligation for the approved water augmentation project capped at 2011/12 CIP amount, as indexed.

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

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

1.1.5 Other Costs and Contingencies shall be limited to the following:

FORA Board contribution toward the water augmentation program (in lieu of increased MCWD capacity charges).

A contingency amount not to exceed 15% of the costs of Transportation/Transit improvements that do not already include a contingency line item (e.g., if a roadway improvement cost estimate includes a contingency line item, then the Other Costs and Contingency category would not include an additional 15% contingency for that improvement).

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

~~1.1.6~~ 1.1.6 CIP improvements exclude Property Management and Caretaker Costs.

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

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

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

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

1.2.3 In accordance with the process set forth in part II of this Agreement, (commencing with Section 2.1), the FORA Board will consider refinements to the list of authorized update anticipated construction costs of and revenues available to fund the facilities specifically listed identified in Section 1.1, above, which are eligible to be funded by the Policy and CFD Special Taxes, and corresponding adjustments to the Policy and CFD Special Taxes within 90 days of the effective date of this Agreement, and annually thereafter concurrently with the annual update of the CIP.

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

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

II. PROCESS

2.1 FORA shall review and update the CIP annually. That procedure must ensure that FORA's revenue sources, including the Policy and CFD Special Tax revenues, are adequate to carry out the Base Reuse Plan and complete required CEQA Mitigation Measures and Board-determined base-wide obligations in FORA's CIP as specifically listed identified in Section 1.1 above. The annual process will include the following steps:

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

2.1.2 ~~Quantify all~~ Determine the source and amount sources of funds, including, without limitation: a) Fund balances; b) Grant money; c) CSU Mitigation fees; d) Loan proceeds; e) Land sales revenues/proceeds in excess of remaining building removal program estimated costs, and lease revenues (not required for other obligations); and f) tax increment revenues or property tax allocations to FORA net of operations expenses directly attributable to administering the CEQA Mitigation Measures and Board-determined base-wide obligations in FORA's CIP as set forth in Section 1.1 above and not otherwise available to be funded from other sources. The following assumptions and formula shall be used to calculate the tax increment/property tax revenues, if available:

Assumptions:

- a. Current FORA CIP build-out assumptions as shown to estimate CFD special tax revenue (adjusting build-out assumptions based on the reliability of the previous years' development forecasts by comparing projected development to actual development occurring and applying this percentage accuracy on the build-out projections).
- b. Current market data assumptions to estimate assessed values for each land use type.

Formula:

- a. Calculate the net present value (NPV) of 90% of the tax increment/property tax stream for all future (new) development anticipated to develop on Fort Ord after July 1, 2012.
- b. The term on the tax increment/property tax stream shall be from the date of the current CIP through the anticipated end date of the proposed FORA extension.
- c. Assume a discount rate of 6% to be determined annually based on the then current rate on 10-year US Treasuries.
- d. Allocate ~~40~~10% of the NPV to reduce/offset costs of CIP in year 1 and adjust based on actual property tax collected from new development for year 2 and subsequent years.:
~~See the attached Table 1 for illustrative uses of funding by source, provided that the terms of this Agreement shall control in the event of any conflict or inconsistency with Table 1. See Table 1 for illustration how to calculate/offset CIP costs.~~
- e. Allocate 10% of the actual tax increment/property tax revenues received-collected by FORA after FY 11-12 and generated from parcels in the Fort Ord area of the *underlying member jurisdiction* to the City or County for Fort Ord Reuse and economic development to support the development of Fort Ord land within the relevant City or County.

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2.1.3 Subtract sources of funds available under Section 3.1.22.1.2 from CIP costs to determine net cost to be funded by the Policy and CFD Special Tax.

2.1.4 Calculate Policy and CFD Special Tax using the same calculation as used for tax increment/property tax revenues shown above in Section 3.1.22.1.2).

2.1.5 Compare 3.1.42.1.4 with 3.1.32.1.3 and determine whether the amount of adjustment, if any, to the Policy and CFD Special Tax.

III. ENFORCEMENT

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

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

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recordation]
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Table 1
Fort Ord Reuse Authority
Funding Sources and Uses Summary

Item	Funding Uses				
	FORA Operations Planning, BRP, HCP	CEQA Mitigations (FORA CIP)	Building Removal	Other	
Annual Funding Sources		(1) (2)			(3)
Member Contributions	X	-	-	-	-
Property Tax Revenue – from new projects (4)	X	X	-	-	-
Periodic Funding Sources					
Developer Fee Policy and CFD (5)	X	X	X	-	-
Land Sales Revenue			X	-	-
Lease Revenue	X	-	X	-	-
Grant Revenue - ESCA (5, 6)	X	-	-	-	X
Other Revenue (6)	X	X	X	-	X

Source: FORA and EPS.

(1) Updated annually. Includes repayment of FORA loan to CIP

(2) Amount from Developer Fee Policy and CFD shall be reduced by funding availability from property tax revenue from future (after July 1, 2012) development projects

(3) Other may include job creation and other economic development opportunities

(4) Property Tax from future (new) development projects developed after July 1, 2012. Amounts may be uncertain; to the extent that amounts payable to FORA from this source can be determined, they shall be used in their entirety (subject only to FORA administrative expenses reasonably allocated to this source) to reduce the amounts payable from the Developer Fee Policy and CFD. Amounts from this source shall not be used for building removal or any other purpose, until they no longer required to be used for CEQA Mitigations (FORA CIP)

(5) FORA operations cost is that portion related to administration of this particular item. (Admin is covered in soft costs)

(6) Category of eligible cost depends upon the type of source of funding.

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject: FORA FY 12-13 Preliminary Budget

Meeting Date: June 8, 2012

Agenda Number: 9d

ACTION

RECOMMENDATION:

Approve the Fort Ord Reuse Authority ("FORA") fiscal year 2013 ("FY 12-13") preliminary budget.

BACKGROUND:

In 2008, FORA staff, in coordination with the Finance Committee ("FC"), modified the annual preliminary budget format to depict all FORA revenue sources and expenditures on a single chart. Consequently, an overall illustration of FORA financial position is accessible for Board members in one place. The preliminary annual budget 1) prorates the multi-year FORA/Army Environmental Services Cooperative Agreement ("ESCA") funding to cover the upcoming fiscal year expenditures; this accurately represents FORA finances, as ESCA funding is strictly project specific, and 2) includes anticipated overall budget for capital projects (itemized in the Capital Improvement Program budget). The budget chart also compares the current FY approved, mid-year and year-end projected budgets.

The FC further decided to request staff to prepare longer-term funding projections during the mid-year budget review when essential items such as FORA extension and property tax increment are determined.

DISCUSSION:

Attachments 1 - 4 illustrate the FC recommended preliminary budget for FY 12-13:

Attachment 1 depicts the overall FY 12-13 preliminary budget.

Attachment 2 itemizes expenditures.

Attachment 3 illustrates Preston Park sale transaction.

Attachment 4 provides detail on ESCA budget.

Principal areas of negative budget impact are discussed below:

- **Reuse slowdown and Economic Recession:** The national and state economic downturn/recession of the last five/six fiscal years has significantly slowed Fort Ord reuse and economic recovery. Consequently, FORA developer fee and land sale revenues have been deferred and/or reduced.
- **Property Tax Increment revenue:** In December 2011, the California Supreme Court upheld Assembly Bill AB1x26 that terminated all of California redevelopment agencies. The Successor Agencies must identify payments to FORA as enforceable obligations and submit their Recognized Obligation Payment Schedules ("ROPS") to the County Auditor-Controller who will determine if these property tax distributions will continue.

Other agencies in the state have moved ahead in submitting similar obligations on their ROPS and we have supported legal review/opinion of these obligations. However, the FC has suggested that we move ahead conservatively with our budget and adjust at mid-year once the ongoing ROPS issues are addressed/confirmed.

- **Federal revenue:** In FY 09-10 FORA secured American Recovery and Reinvestment Act (“ARRA”) funding through the United States Economic Development Administration (“EDA”) to finance the construction of the General Jim Moore Boulevard (“GJMB”) and Eucalyptus Road. FORA obtained a loan against its 50% share in Preston Park revenues to primarily match the ARRA grant. The construction is scheduled to complete by July 2012. In FY 12-13 FORA staff will seek and evaluate federal funding, which may be available through various federal departments. Opportunities to gain funding assistance for priority roadway improvements within the former Fort Ord footprint could include the realignment and widening of South Boundary and the last 900 feet of GJMB. However, it is unlikely that funding will be available in the coming year for such projects.

Despite these economic and funding challenges, FORA continues to contain expenses and improve operational efficiencies while continuing its capital program, adding projects and maintaining services.

The following summarizes the preliminary budget figures for FY 12-13 ([Attachment 1](#)):

REVENUES

LOCAL REVENUES

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

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

- **\$275,000 Franchise Fees**

This amount represents MCWD’s projected FY 12-13 payments to FORA from water and sewer operations on Fort Ord and associated administrative fees. The transfer of ownership of the system from the US Army to MCWD occurred in 2001.

- **\$6,000,000 Developer Fees ([Attachment 3](#))**

The amount includes \$3.3 million to be realized in the Preston Park housing project (“Preston Park”) disposition and \$2.7 million from other CIP anticipated projects. As recommended by the FC, jurisdictional forecasts are reduced in the preliminary budget by 50% to reflect concern about the ongoing impact of the economic downturn and housing market conditions. Please refer to CIP budget (Table 4, Appendix B – Community Facilities District Revenue) for detail and long-term projections.

- **\$28,450,279 Land Sale Proceeds ([Attachment 3](#))**

Estimated proceeds from Preston Park disposition. Project forecasts by FORA jurisdictions do not anticipate any land sale revenue in FY 12-13. Please refer to CIP budget (Table 4, Appendix B – Land Sale Revenue) for detail and long-term projections.

- **\$840,000 Lease/Rental Payments**

This amount consists of FORA's 50% share of lease revenue from Preston Park prorated through December 2012 (Preston Park anticipated disposition closure date).

- **\$326,795 Deficit Period payment from California State University ("CSU")**

This is the final payment to repay \$2,326,795 deficit period mitigation costs according to agreement between FORA and CSU.

- **\$135,000 from Investment/Interest Income**

Budgeted income from FORA bank accounts and certificates of deposit and it includes earnings on the Preston Park sale proceeds. It also includes interest payments on the outstanding Pollution Legal Liability insurance premium by the City of Del Rey Oaks until they are able to repay the premium. The investment income does not include earnings from funds set aside for the Habitat Conservation endowment; currently FORA has about \$4.6 million available for the endowment and all earnings are and will be restricted to fund habitat management costs.

FEDERAL FUNDING

- **\$787,690 Environmental Services Cooperative Agreement (Attachment 4)**

In March 2007, FORA was awarded a federal grant in the amount of \$99.3 million to complete munitions removal on Economic Development Conveyance parcels. FORA collected the final amount of \$97.7 million in December 2008, which pre-paid all ESCA management related services and expenditures through the December 2014 project completion (the US Army received \$1.6 million credit for paying ahead of schedule). The preliminary budget includes the FY 12-13 overhead/related expenses portion of the grant.

UNDETERMINED REVENUE

- **Property Tax Revenue**

At the time the FC met on the budget it was unclear if this revenue source would be available in FY 12-13 due to State phase-out and the FC decided not to include this revenue in the preliminary budget until it is clear if this revenue will continue.

UPDATE: FORA Authority Counsel Jerry Bowden, Special Counsel Brent Hawkins, and CIP review consultants have provided County Auditor-Controller documentation of our ongoing obligation claim. County Auditor-Controller has indicated that he agrees with FORA Counsel and consultants and is prepared to directly pay to FORA its historical share of property tax. However, the actual amounts in the future may vary given other factors that remain unclear. FORA staff will be prepared to describe how this may impact the budget at the 6/8/2012 meeting.

- **Loan Reimbursement – East Garrison ("EG")**

Pursuant to the 2005 Monterey County, developer and FORA agreement, FORA borrowed \$4.1 million to pay building removal at the Dunes on Monterey Bay. The loan was to be repaid by the EG developer who only made a partial land payment when they acquired the EG property. Terms of this obligation are being negotiated with the new developer and the County.

EXPENDITURES

- **\$1,959,578 Salaries and Benefits** (Attachment 2)

FORA staffing remains at the approved FY 11-12 level. In January 2012, the FORA Board adopted new salary ranges to bring FORA employees toward equity with other labor market agencies. To continue the equity process, the FC recommended including in the budget a 2% increase in this category should the Executive Committee (“EC”) and or FORA Board approve a compensation adjustment in FY 12-13. The EC reviewed this item but was not able to take an action as the proposal to approve a 2% COLA failed 2 – 2.

- **2% Cost of Living Adjustment.** Fiscal impact up to \$33,040.
Effective July 1, 2012

Both the FC and EC recommend deferring consideration of any other adjustments such as salary step increases and/or benefit adjustments to the mid-year time frame in order that these items may be reviewed in conjunction the long-term budget projections after determinations about certain revenues and extension are clearer.

- **\$193,050 Supplies and Services** (Attachment 2)

A significant reduction in this expense category compared to the previous FY budget due to: 1) Relocation to IOP office concluded in FY 11-12, 2) office equipment (computer and copy machine replacements) purchased in FY 11-12, and 3) Community Information Center (“CIC”) set up (including purchasing equipment and exhibits) was completed in FY 11-12.

The budget provides for routine computer/server upgrades and computer support. The budget for travel remains the same; even though fewer trips are planned, travel costs are projected to rise in the coming fiscal year. In addition, the budget also provides funding for televised Board meetings, increased efforts for community engagement at all levels and anticipated requests for services from jurisdictions.

While product price increases continue, FORA staff has implemented cost saving procedures and/or secured decreased rates for some items such communications, insurance, supplies, and copy charges.

- **\$1,548,750 in Contractual Services** (Attachment 2)

Contractual services are slightly increased from the previous FY level. Besides FORA’s recurring consulting expenses such as Authority Counsel, Auditor, Public Information, Human Resources, Legislative and Financial consultants, and ESCA regulatory response contracts, the preliminary budget includes increased and or significant costs for: 1) Base Reuse Plan reassessment consultant to finish draft reassessment and to implement any BRP adjustments (*see item 8a on this Agenda*), 2) Legal and professional services associated with Preston Park disposition, BRP reassessment, and other issues, and 3) HCP consultant to prepare the final EIS/EIR and HCP.

- **\$4,584,750 in Capital Projects** (Attachment 2)

Capital projects are decreased as compared to the last year as road improvements along GJMB/Eucalyptus Road funded predominantly by EDA grant and FORA matching funds are

now completed. The upcoming budget includes mandated/obligatory expenditures such as habitat management and UC Natural Reserve annual cost. Other capital projects are development fee collection dependent. The FORA Capital Improvement program budget, which provides itemization and timing of capital projects, is presented to the FORA Board for adoption at today's Board meeting (*see item 9b on this Agenda*).

• **\$19,124,340 Debt Service (Principal and Interest) (Attachment 2)**

The FY 12-13 debt service consists of the following liabilities:

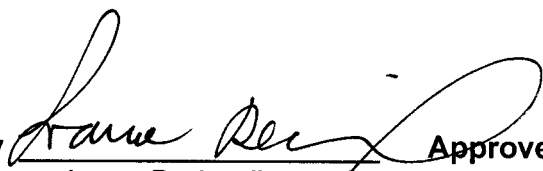
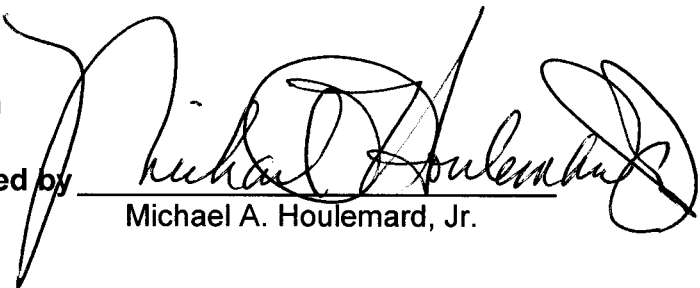
- \$682,440 for Preston Park loan monthly debt service (principal and interest) prorated for six months through December 2012; financed by applying a portion of FORA 50% share of Preston Park revenue.
- \$18,325,900 for Preston Park loan principal pay-off upon Preston Park sale anticipated by December 2012.
- \$116,000 for fire fighting equipment capital lease payment (year 9 of 10); financed by CFD revenue.

ENDING BALANCE/FORA RESERVE:

It is anticipated that FORA will have budget savings of approximately \$15 million at the end of FY 12-13 mainly due to receiving proceeds from the sale of Preston Park. The General Fund ending balance (reserve) is estimated at \$1.2 million. FORA reserve account was established in FY 99-00 to provide for unforeseen expenses. In June 2011, the Finance Committee recommended setting the reserve at six months of operating expenses (\$1.2 million).

COORDINATION:

Finance Committee, Executive Committee. The Finance Committee met on March 28 and May 2, 2012 to review and discuss the preliminary budget. At the May 2 meeting, the Finance Committee made recommendations regarding the FORA Board's approval of the preliminary budget. The Executive Committee reviewed the budget on May 30, 2012. They concurred with the Finance Committee to recommend the Board's approval of the preliminary FY 12-13 budget; however, as noted above they were deadlocked (2-2) on approving the 2% COLA increase.

Prepared by  Approved by 
Ivana Bednarik Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY - FY 12-13 PRELIMINARY BUDGET - ALL FUNDS COMBINED

CATEGORIES	FY 11-12 APPROVED	FY 11-12 MID-YEAR	FY 11-12 Actual/Projected	FY 12-13 PRELIMINARY	NOTES
REVENUES					
Membership Dues	\$ 261,000	\$ 261,000	\$ 261,000	\$ 261,000	Per MCWD draft FY 12-13 budget
Franchise Fees - MCWD	195,000	195,000	250,000	275,000	Anticipated reimbursements in FY 12-13. (See Attachment 4 -ET/ESCA)
Federal Grants - ESCA	963,885	901,698	825,000	787,690	EDA/ARRA grant closed/GJMB-Eucalyptus construction completed in FY 11-12
Federal Grants - EDA	2,109,754	2,105,770	2,105,770	-	PLL Loan paid off in FY 11-12
PLL Loan Payments	727,634	727,634	727,634	-	
Development Fees	34,000	2,224,200	2,220,362	6,000,000	Preston Park (\$3.3M); jurisdictional forecasts (\$5.4M) reduced by 50% (\$2.7M)
Land Sale Proceeds	-	-	-	28,450,279	Preston Park sale by December 2012 (See Attachment 3 - Preston Park sale)
Rental/Lease Payments	1,592,858	1,872,858	1,872,858	840,000	Preston Park lease proceeds, prorated for 6 months
Tax Increment	1,500,000	779,250	837,683	-	Property Tax distribution as yet unknown - subject to external conclusions
CSU Deficit Payment	500,000	500,000	500,000	326,795	Final CSU deficit period mitigation payment
Planning Reimbursements	12,500	12,500	5,500	7,000	ESCA contract assistance - remaining reimbursement carried over to FY 12-13
Loan Reimbursements	287,000	287,000	287,000	-	Terms of remaining obligation negotiated with East Garrison developer/County
Investment/Interest Income	62,500	104,195	104,195	135,000	Anticipated income from money market and COD accounts
TOTAL REVENUES	8,246,131	9,971,105	9,997,002	37,082,763	
EXPENDITURES					
Salaries & Benefits	1,902,101	1,767,040	1,767,040	1,959,578	Full staffing, approved salary ranges (no increases), 2% COLA included
Supplies & Services	227,550	276,219	268,799	193,050	IOP office relocation concluded in FY 11-12
Contractual Services	1,493,250	1,670,650	1,526,610	1,548,750	
Capital Projects (CIP)	5,081,208	5,628,759	5,628,759	4,584,000	Habitat management, roadway projects
Debt Service (P+I)	2,360,423	2,360,423	2,360,423	19,124,340	Preston Park loan pay-off anticipated by January 2013
TOTAL EXPENDITURES	11,064,532	11,703,091	11,551,631	27,409,718	(See Attachment 2 - Itemized Expenditures)
NET REVENUES	(2,818,401)	(1,731,986)	(1,554,629)	9,673,046	
FUND BALANCES					
Budget Surplus - Beginning	5,950,417	6,980,431	6,980,431	5,425,802	
Budget Surplus - Ending	\$ 3,132,016	\$ 5,248,445	\$ 5,425,802	\$ 15,098,847	Ending fund balance/FORA Reserve

Attachment 2 to Item 9d
FORA Board meeting, 6/08/12

**FORT ORD REUSE AUTHORITY
FY 12-13 PRELIMINARY BUDGET**

ITEMIZED EXPENDITURES

EXPENDITURE CATEGORIES	FY 11-12 Approved	FY 11-12 Mid-Year	FY 11-12 Projected	FY 12-13 Preliminary	NOTES
<u>SALARIES & BENEFITS</u>					
	14 positions	14 positions	14 positions	14 positions	
FORA STAFF - Salaries	1,332,435	1,262,916	1,262,916	1,387,046	
FORA STAFF - Benefits/Employer taxes	504,666	474,124	474,124	527,531	
Temporary help/Vacation cash-out/stipends	65,000	30,000	40,000	45,000	
TOTAL SALARIES AND BENEFITS	1,902,101	1,767,040	1,777,040	1,959,578	2% COLA included
<u>SUPPLIES & SERVICES</u>					
Communications	12,000	12,000	12,000	12,000	
Supplies	14,000	14,000	14,000	14,000	
Equipment & Furniture	25,000	20,000	20,000	10,000	
Travel, Auto & Lodging	26,000	26,000	26,000	26,000	Trips may be reduced but costs are rising
Meeting Expenses	8,000	8,000	8,000	8,000	
Building maintenance & security	10,000	8,500	8,500	8,500	
Utilities	13,000	13,000	13,000	13,000	
Insurance	65,900	48,500	48,500	48,500	
Computer support	20,650	20,650	20,650	22,050	
Payroll/Accounting Services	8,000	6,000	6,000	6,000	
Training, Conferences & Seminars	4,000	4,000	4,000	5,000	
Moving Expenses	-	70,649	70,649	-	Relocation to IOP concluded
Community Information center	-	20,000	12,500	7,500	Software, exhibits, meetings
Televised Meetings	-	2,400	1,200	5,000	Board and other select meetings
Other (legal notices, postage, printing, etc.)	21,000	2,520	3,800	7,500	
TOTAL SUPPLIES AND SERVICES	227,550	276,219	268,799	193,050	
<u>CONTRACTUAL SERVICES</u>					
AUTHORITY COUNSEL	131,250	131,250	131,250	131,250	
LEGAL FEES - LITIGATION	125,000	125,000	100,000	125,000	Anticipated reassessment legal needs
LEGAL FEES - SPECIAL PRACTICE	-	-	-	15,000	Environmental/real property/financing
AUDITOR	30,000	30,000	25,960	37,500	Preston Park audit added
SPECIAL COUNSEL (EDC-ESCA)	80,000	80,000	65,000	70,000	ESCA contract legal review
REGULATORY RESPONSE/QUAL ASSURANCE-ESCA	550,000	550,000	450,000	420,000	Reimbursements per ESCA contract
VETERANS CEMETERY CONSULTANTS	-	-	-	-	Not included until bill #1842 passes (fall 2012)
FINANCIAL CONSULTANT	80,000	91,000	91,000	60,000	Phase II CIP review/RDA wind down/restructuring
LEGISLATIVE SERVICES CONSULTANT	30,000	38,400	38,400	40,000	Increased needs - CCCVC, FORA sunset, RDA
PUBLIC INFORMATION/OUTREACH	12,000	12,000	12,000	25,000	Increased public access/community engagement
HCP CONSULTANTS	155,000	313,000	313,000	270,000	Prepare final EIS/EIR and HCP
UC MBEST (VISIONING)	25,000	25,000	25,000	-	
BASE REUSE PLAN REASSESSMENT	250,000	250,000	250,000	325,000	Public participation/engagement increase
OTHER CONSULTING	25,000	25,000	25,000	30,000	HR Consultant/miscellaneous consulting
TOTAL CONTRACTUAL SERVICES	1,493,250	1,670,650	1,526,610	1,548,750	
<u>CAPITAL PROJECTS</u>					
ROADWAY IMPROVEMENTS	4,990,708	4,990,708	4,990,708	3,000,000	Refer to CIP 12-13 budget for project detail
HABITAT MANAGEMENT	90,500	638,050	638,050	1,584,000	HM 25% set aside, UC Natural Reserve annual cost
TOTAL CAPITAL PROJECTS	5,081,208	5,628,758	5,628,758	4,584,000	
<u>DEBT SERVICE (Principal and Interest)</u>					
PRESTON PARK LOAN -DEBT SERVICE	1,364,880	1,364,880	1,364,880	682,440	Preston Park loan payments thru 12/12
PRESTON PARK LOAN -PAY-OFF	-	-	-	18,325,900	Preston Park loan paid off by 1/13
PLL INSURANCE FINANCING	879,543	879,543	879,543	-	PLL loan paid off Jan 2012
FIRE TRUCK LEASE	116,000	116,000	116,000	116,000	Year 9 of 10-year lease
TOTAL DEBT SERVICE	2,360,423	2,360,423	2,360,423	19,124,340	
TOTAL EXPENDITURES	11,064,532	11,703,090	11,561,630	27,409,718	

FORT ORD REUSE AUTHORITY
 FY 12-13 PRELIMINARY BUDGET

Preston Park Sale

PRESTON PARK SALE

	<u>Sale Terms</u>	
February 2012 Appraised value	60,900,000 *	Actual sale price may be adjusted for terms
FORA Development fee	(3,265,443)	27% fee reduction less \$321,285 Dec 2009 payment
Sale Expenses	(125,000)	Direct sale expenses limited to 62.5K FORA/Marina each
Broker/Attorney fee	<u>(609,000)</u>	up to 1% of sale price approved by FORA Board
Net Value	56,900,557	
FORA & Marina 50% share	28,450,279	Land sale proceeds
FORA Development fee	<u>3,265,443</u>	Development fee: 816,361 25% Habitat Management set aside
Total funds to FORA	31,715,722	<u>2,449,082</u> Net Development Fee
Less \$19M loan pay-off	(18,325,900)	3,265,443 Total Development Fee
Net Funds to FORA	13,389,822	
<u>FORA's \$19M loan pay-off</u>		
Pay-off amount	18,325,900	
Funds applied to retire this debt:		
FORA Net Development fee	(2,449,082) **	To partially repay land sale revenues for CIP expenses
FORA Land Sale proceeds	<u>(15,876,818)</u>	
	(18,325,900)	

**FORT ORD REUSE AUTHORITY
FY 12-13 PRELIMINARY BUDGET**

ET/ESCA

CATEGORY	REVENUES		EXPENDITURES		AVAILABLE	
	3/2007 - 6/2009		3/2007 - 6/2012		BALANCE FOR 12-14	
Federal Grant Award March 2007	*	99,316,187				
Credit to Army for early payments		(1,587,578)				
Payments to FORA		97,728,609	(93,591,701)		4,136,908	3,349,218
GRANT FUNDS ALLOCATION						
FORA/Program Management		3,392,656	(2,081,172)		1,311,484	943,794
FORA/Future PLL coverage		916,056	(916,056)		-	-
EPA/DTSC/ERRG Regulatory Response Cost		4,725,000	(1,899,576)		2,825,424	2,405,424
LFR/AIG commutation account	**	88,694,897	(88,694,897)		-	-
TOTALS		97,728,609	(93,591,701)		4,136,908	3,349,218

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

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

The preliminary FY 12-13 includes \$787K of the \$4.1M available balance prorated to cover FY 12-13 expenditures.

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	Ord Community Water and Wastewater Systems Proposed Budgets and Rates for FY 2012/13	
Meeting Date:	June 8, 2012	INFORMATION/ACTION
Agenda Number:	9e	

RECOMMENDATION:

1. Receive a presentation outlining the Fort Ord Reuse Authority ("FORA") and Marina Coast Water District ("MCWD") contractual relationship and an overview of the FORA/MCWD Water/Wastewater Facilities Agreement.
2. Receive a MCWD FY 2012/13 operating and capital budgets presentation for proposed water and wastewater collection systems and corresponding customer rates.
3. Approve Resolutions #12-6 and #12-7 (**Attachments A and B**) adopting a compensation plan and setting rates, fees and charges for former Fort Ord base-wide water sewer services.

BACKGROUND:

Following the May 1997 FORA Board selection of MCWD to operate and own the former Fort Ord water and wastewater collection systems, MCWD began service in July 1997. Between July 1997 and October 2001, MCWD operated the systems under Cooperative Agreement with the U.S. Army which defined the terms of their operations and funding. Following the Economic Development Conveyance (U.S. Army to FORA to MCWD) of the systems' network real and personal property, MCWD has owned the systems under a Water and Wastewater Facilities Agreement (the "Agreement") with FORA since November 2001.

Under the Agreement, MCWD submits an annual draft budget to the FORA Water and Wastewater Oversight Committee ("WWOC") for review and recommendation to the FORA Board. The WWOC was created under the Agreement as a FORA Board-advisory committee to review the budget and recommend Board actions. MCWD bills its former Fort Ord customers according to FORA Board annually approved rates.

A 2005 rate study prepared for MCWD determined that a substantial capacity fee increase would be required to address the costs of repairing and/or updating the extensive former Fort Ord water and wastewater systems supported by a small customer base. The increased capacity fee concerned the development community, and several meetings were convened to identify any more viable alternatives. The FORA Board voluntarily added \$20M of MCWD water augmentation costs into the FORA Capital Improvement Program ("CIP"), eliminating those costs from the MCWD CIP. This allowed MCWD to maintain reasonable capacity fees.

A 2008 rate study demonstrated the need for a considerable rate increase. Rather than initiate the rate increase all at once, MCWD agreed to ramp up increases over a five year period. After a Proposition 218 process, the rate study proposed increases were adopted in 2008/09 (10%), 2009/10 (10%), and 2010/11 (7.8%). However, the recommended 7.8% increase in 2011/12 was actually adopted at 4.9% and the 7.8% increase recommended for 2012/13 is being proposed at 5%.

During last year's budget approval process, the FORA Board directed an audit of the MCWD rates to confirm that increases were adequate and warranted. The audit concluded the rate increases were warranted. A two-year Proposition 218 process and hearing was conducted last year, allowing a rate increase this year without an additional hearing or joint FORA/MCWD Board meeting.

This year, the WWOC has been very pro-active in reviewing the MCWD proposed budgets and rates. MCWD has been diligent in answering committee member questions, meeting with individual committee members and working with them to refine the Ord Community Compensation Plan to include and/or address their suggestions.

DISCUSSION:

The WWOC met in February, March, April and May 2012 to receive MCWD presentations and to review/ recommend action on MCWD's proposed FY 2012/13 budgets and rates. On May 30, 2012 the WWOC voted to recommend FORA Board approval of the attached budgets and rates. The vote was 6-1, with the WWOC representative from California State University Monterey Bay dissenting.

FORA staff and the WWOC recommend that the FORA Board receive the MCWD and FORA staff presentations and approve the adopting Resolutions. These Resolutions are provided to Board members in preparation for the requested Board action. Please note that the MCWD Ord Community Compensation plan is noted as an Exhibit to both Resolution Nos. 12-6 and 12-7. To conserve resources, only one copy of the compensation package is provided.

FISCAL IMPACT:

Reviewed by FORA Controller 

Staff time for this item is included in the approved FY 11-12 budget.

COORDINATION:

MCWD, WWOC, Administrative Committee, Executive Committee

Prepared by  Approved by  for
Crissy Maras Michael A. Houlemard, Jr.

Resolution No. 12-6

Resolution of the Board of Directors
Fort Ord Reuse Authority

Adopting the Budget and the Ord Community Compensation Plan for FY 2012-2013
not including Capacity Charges

June 8, 2012

RESOLVED by the Board of Directors (“Directors”) of the Fort Ord Reuse Authority (“FORA”), at a regular meeting duly called and held on June 8, 2012 at the business office of FORA at 910 2nd Avenue, Marina California as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS,

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

PASSED AND ADOPTED on June 8, 2012, by the Board of Directors of the Fort Ord Reuse Authority by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Dave Potter, Chair

ATTEST:

Michael A. Houlemard, Jr., Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Fort Ord Reuse Authority hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 12-4 adopted June 8, 2012.

Michael A. Houlemard, Jr., Secretary

Resolution No. 12-7

Resolution of the Board of Directors
Fort Ord Reuse Authority

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

June 8, 2012

RESOLVED by the Board of Directors (“Directors”) of the Fort Ord Reuse Authority (“FORA”), at a regular meeting duly called and held on June 8, 2012 at the business office of FORA at 910 2nd Avenue, Marina California as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS,

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

PASSED AND ADOPTED on June 8, 2012, by the Board of Directors of the Fort Ord Reuse Authority by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Dave Potter, Chair

ATTEST:

Michael A. Houlemard, Jr., Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Fort Ord Reuse Authority hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 12-7 adopted June 8, 2012.

Michael A. Houlemard, Jr., Secretary

EXHIBIT A

To Resolution #s 12-6 and 12-7

Ord Community Water/Wastewater Systems

Draft Compensation Plan

For FY 2012-2013

Presented to

Fort Ord Reuse Authority

Board of Directors

June 8, 2012

by

Marina Coast Water District



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Draft FY 2012-2013 Ord Community Service Area Budget Summary

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

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

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

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

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

Cost Centers:

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

Assumptions:

- Revenues (proposed rate increase of 5.0%):
 - Ord Community Water \$5.627 million
 - Ord Community Wastewater Collection \$1.859 million
- Expenses:
 - Ord Community Water \$3.844 million
 - Ord Community Wastewater Collection \$0.764 million

- Debt Service on loans (principal/interest):
 - Ord Community Water \$1.714 million
 - Ord Community Wastewater Collection \$0.668 million

- Capital Replacement Reserve Fund:
 - Ord Community Water \$0.200 million
 - Ord Community Sewer \$0.100 million

Ord Community Water Rates (monthly):

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

Ord Community Wastewater Collection Rates (monthly):

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

Capacity Charge:

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

Monthly Capital Surcharge*:

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

Annual Capital Improvement Programs:

- Ord Community Water \$0.637 million
- Ord Community Wastewater Collection \$0.659 million

District Staffing:

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

**ORD COMMUNITY
WATER & WASTEWATER SYSTEM
RATES, FEES and CHARGES
FY 2012 - 2013
Effective July 1, 2012**

Water Consumption Charge

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

Monthly Minimum Water Charges

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

Monthly Minimum Sewer Charges

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

Temporary Water Service

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

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

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

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

**MARINA & ORD COMMUNITY
WATER & WASTEWATER SYSTEM
RATES, FEES and CHARGES
FY 2012 - 2013
Effective July 1, 2012**

Labor Charges

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

Equipment Charges

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

Miscellaneous Charges

Photocopy Charges	\$0.10 per copy
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Water Meter Installation Fee

(includes box and meter)

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

Actual direct and indirect cost to district.

Advance payment to be based on estimated cost.

Other Fees and Charges

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

Ord Community Water System

MARINA COAST WATER DISTRICT
ORD COMMUNITY WATER SYSTEM OPERATIONS
PROPOSED BUDGET

EXHIBIT W-1

	Actual Ord Community Water Expenses FY 2009-2010	Actual Ord Community Water Expenses FY 2010-2011	Adopted Budget Ord Community Water Expenses FY 2011-2012	Estimated Ord Community Water Expenses FY 2011-2012	Proposed Budget Ord Community Water Expenses FY 2012-2013	BUD vs BUD % CHANGE	BUD vs EST % CHANGE
Administration/Management							
Personnel	\$643,839	\$621,526	\$570,330	\$619,026	\$703,830	23.4%	13.7%
Expenses	\$395,786	\$533,849	\$696,660	\$654,675	\$696,100	-0.1%	6.3%
Insurance	\$48,775	\$54,712	\$67,500	\$66,985	\$62,000	-8.1%	-7.4%
Legal	\$68,770	\$70,818	\$62,100	\$68,531	\$15,000	-75.8%	-78.1%
Interest Expense	\$784,479	\$1,214,441	\$1,158,750	\$1,155,391	\$1,072,122	-7.5%	-7.2%
subtotal	\$1,941,649	\$2,495,346	\$2,555,340	\$2,564,608	\$2,549,052	-0.2%	-0.6%
Operations & Maintenance							
Personnel	\$676,431	\$665,258	\$1,115,890	\$806,010	\$806,363	-27.7%	0.0%
Maintenance Expenses	\$267,449	\$222,368	\$223,990	\$182,984	\$226,900	1.3%	24.0%
Power Costs	\$360,444	\$431,469	\$490,250	\$434,982	\$539,450	10.0%	24.0%
Annual Maintenance	\$2,833	\$61,067	\$50,000	\$30,000	\$50,000	0.0%	66.7%
subtotal	\$1,307,157	\$1,380,162	\$1,880,130	\$1,453,976	\$1,622,713	-13.7%	11.6%
Laboratory							
Personnel	\$164,473	\$134,898	\$157,530	\$84,209	\$109,171	-30.7%	29.6%
Equipment/Expenses	\$23,420	\$29,522	\$44,010	\$44,010	\$49,961	13.5%	13.5%
Lab Contract Services	\$8,229	\$17,633	\$36,000	\$36,000	\$37,800	5.0%	5.0%
subtotal	\$196,122	\$182,053	\$237,540	\$164,219	\$196,932	-17.1%	19.9%
Conservation							
Personnel	\$129,780	\$131,848	\$144,550	\$102,208	\$92,583	-36.0%	-9.4%
Expenses	\$38,042	\$39,200	\$64,205	\$60,806	\$48,460	-24.5%	-20.3%
subtotal	\$167,822	\$171,048	\$208,755	\$163,014	\$141,043	-32.4%	-13.5%
Engineering							
Personnel	\$152,064	\$169,798	\$264,830	\$332,936	\$341,245	28.9%	2.5%
Expenses	\$74,406	\$33,438	\$4,180	\$3,386	\$1,250	-70.1%	-63.1%
Outside Consultants	\$40,620	\$13,746	\$21,000	\$51,882	\$63,750	203.6%	22.9%
subtotal	\$267,090	\$216,982	\$290,010	\$388,204	\$406,245	40.1%	4.6%
Total Operating Expenses	\$3,879,840	\$4,445,591	\$5,171,775	\$4,734,021	\$4,915,985	-4.9%	3.8%

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

EXHIBIT W-2

Project No.	Project Name	Amount
WD-0203	MCWD Fort Ord Office Landscape Project	\$10,250
WD-0115	SCADA System Improvements - Phase I	\$204,000
GW-0211	Regional Desalination (RD) Integration with Potable System	\$26,460
OW-0119	Demolish D-Zone Reservoir	\$167,000
OW-0222	Eastern Distribution System - Phase II	<u>\$230,000</u>
	TOTALS	<u>\$637,710</u>

Capital Improvement Project Sheet

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

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

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

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

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

Capital Improvement Project Sheet

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

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

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

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

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

Capital Improvement Project Sheet

Project: Regional Desal (RD) Integration w/ Potable System
Project No: GW-0211
Cost Center: Ord Community Water; Marina Water

Project Description
 This project is for providing infrastructure needed to integrate a desalinated potable water source into MCWD's existing potable system. The project scope includes water quality and hydraulic modeling, analysis, design, and construction efforts.

Project Justification
 Determining and implementing the infrastructure needed to accommodate a desalinated source of potable water within the current water distribution system in a necessity in the event such a source of water becomes available.

PROJECT COSTS:	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
Cost Category / Phasing								
Planning								
External Services		20,000	625,590					645,590
Internal Services		22,000	72,000					94,000
Design								
External Services				645,590	100,000			745,590
Internal Services				65,000				65,000
Construction								
External Services				3,432,435	3,432,435			6,864,870
Internal Services				65,000	130,000			195,000
Property / Easement Acquisitions								0
Other Project Costs								0
Estimated Cost By Fiscal Year	0	42,000	697,590	4,208,025	3,662,435	0	0	8,610,050

Project Funding / Cost Centers	G L Code	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	OUT YEARS	Total
01 - Marina Water -		37%	0	15,540	258,108	1,556,969	1,355,101	0	0	3,185,719
03 - Ft. Ord Water		63%	0	26,460	439,482	2,651,056	2,307,334	0	0	5,424,332
Funding By Fiscal Year			0	42,000	697,590	4,208,025	3,662,435	0	0	8,610,050

Capital Improvement Project Sheet

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

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

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

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

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

Capital Improvement Project Sheet

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

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

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

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

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

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

EXHIBIT W-3

	Actual FY 2009-2010	Actual FY 2010-2011	Adopted FY 2011-2012	Estimated FY 2011-2012	Proposed FY 2012-2013	BUD vs BUD %	BUD vs EST %
Number of water services							
# Flat Rate Customers	1,200	1,200	1,200	1,100	1,100		
# Metered Customers	2,988	2,808	2,808	2,908	2,908		
Total Customers	4,188	4,008	4,008	4,008	4,008		
Annual Water Usage (in AF)							
Metered use	1,310	1,650	1,780	1,820	1,800		
Unmetered use / Losses	1,350	800	800	770	770		
Total Water Usage	2,660	2,450	2,580	2,590	2,570		
Monthly Service Charges							
Flat Rate Billing	\$74.58	\$80.40	\$84.34	\$84.34	\$88.56		
Metered Service Charge - 3/4" Meter	\$15.13	\$16.31	\$17.11	\$17.11	\$17.97		
Monthly Quantity Rates							
Tier 1 (0-8 hcf)	\$2.06	\$2.22	\$2.30	\$2.30	\$2.45		
Tier 2 (8 - 16 hcf)	\$2.89	\$3.12	\$3.27	\$3.27	\$3.43		
Tier 3 (16+ hcf)	\$3.73	\$4.02	\$4.22	\$4.22	\$4.43		
Monthly Capital Surcharge (per EDU)	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00		
Annual Revenue Calculations							
Flat Rate Accounts	1,263,332	1,196,319	1,253,000	1,121,472	1,177,545	-6.0%	5.0%
Metered Accounts	2,714,635	3,059,444	3,196,000	3,078,378	3,232,297	1.1%	5.0%
Other Water Sales	0	928,836	893,000	914,752	915,000	2.5%	0.0%
Other Fees & Charges	472,054	423,922	62,500	96,613	59,500	-4.8%	-38.4%
Total Operating Revenue	\$4,450,021	\$5,608,521	\$5,404,500	\$5,211,215	\$5,384,342	-0.4%	3.3%
B Capacity Fee (\$5,750 per EDU)	699,198	351,099	50,000	49,434	50,000	0.0%	1.1%
C Capital Surcharge Revenue	47,787	78,815	80,000	81,782	80,000	0.0%	-2.2%
D Bond Revenue	19,882	22,567	19,880	22,565	22,580	13.6%	0.1%
E Grant Revenue	33,243	783,326	800,000	850,920	0	-100.0%	-100.0%
F Non-operating Revenue (Including Interest Income)	289,844	117,212	90,500	105,448	90,540	0.0%	-14.1%
TOTAL REVENUE (A through F)	\$5,539,975	\$6,961,540	\$6,444,880	\$6,321,364	\$5,627,462	-12.7%	-11.0%
G Operating Expenditures	3,715,598	4,135,536	4,828,775	4,388,839	4,559,985	-5.4%	4.1%
H CIP Projects	0	3,804,699	4,835,929	1,100,000	637,710	-86.8%	-42.0%
I General Capital Outlay	133,882	75,993	95,600	90,200	159,940	67.3%	77.3%
J Debt Service	270,000	682,500	612,500	612,500	656,931	7.3%	7.3%
K Capital Replacement Reserve Fund	200,000	200,000	200,000	200,000	200,000	0.0%	0.0%
L Payments to Land Use Jurisdictions/ORA							
Reimb. to Land Use Agencies (5% of OR)	28,772	49,803	30,000	33,039	34,000	13.3%	2.9%
FORA Admin/Liaison Fees	25,000	25,000	25,000	25,000	25,000	0.0%	0.0%
Reimbursements to FORA (5% of OR)	73,470	197,252	250,000	250,143	250,000	0.0%	-0.1%
Mimbship on FORA Bd. of Directors (1% of OR)	37,000	37,000	37,000	37,000	37,000	0.0%	0.0%
TOTAL EXPENDITURES (G through L)	\$4,483,722	\$9,208,783	\$10,915,804	\$6,736,721	\$6,570,566	-39.8%	-2.5%
TRANSFER FROM(TO) RESERVES	(\$1,056,253)	\$2,247,243	\$4,470,924	\$415,357	\$943,104		
NET REVENUE	\$0	\$0	\$0	\$0	\$0		

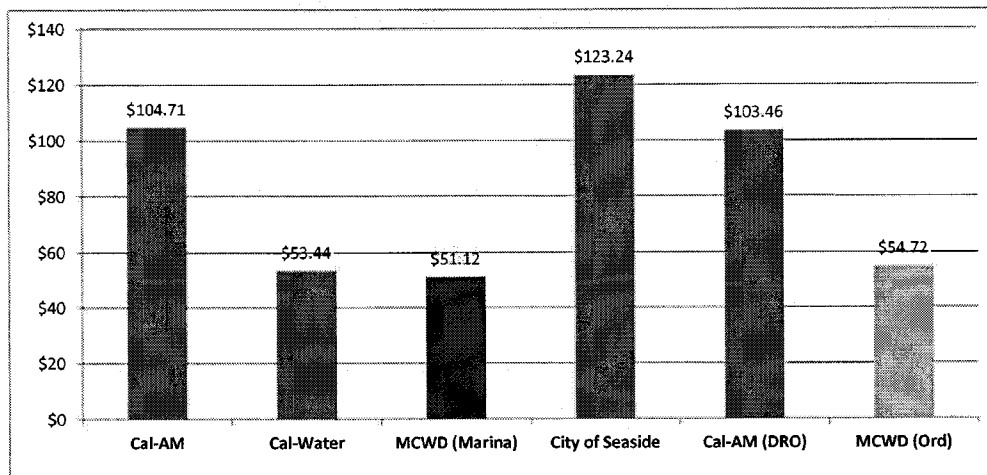
MONTHLY WATER RATES FOR REGION SURROUNDING THE ORD COMMUNITY

Revised March 12, 2012

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

- 1. Rates effective as of July 1, 2011.
- 2. Proposed rates effective as of July 1, 2012.

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



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

EXHIBIT W-5

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

Notes:

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

Footnotes:

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

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

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

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

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

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

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

Ord Community Wastewater System

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

	Actual Ord Community Wastewater Expenses FY 2009-2010	Actual Ord Community Wastewater Expenses FY 2010-2011	Adopted Budget Ord Community Wastewater Expenses FY 2011-2012	Estimated Ord Community Wastewater Expenses FY 2011-2012	Proposed Budget Ord Community Wastewater Expenses FY 2012-2013	BUD vs BUD % CHANGE	BUD vs EST % CHANGE
Administration/Management							
Personnel	\$180,898	\$160,948	\$116,190	\$132,736	\$154,850	33.3%	16.7%
Expenses	\$44,393	\$66,762	\$80,220	\$76,196	\$89,030	11.0%	16.8%
Insurance	\$13,705	\$13,640	\$13,750	\$13,705	\$13,640	-0.8%	-0.5%
Legal	\$17,396	\$16,865	\$12,650	\$14,100	\$3,300	-73.9%	-76.6%
Interest Expense	\$301,475	\$467,421	\$466,560	\$460,709	\$395,300	-15.3%	-14.2%
subtotal	\$557,867	\$725,636	\$689,370	\$697,446	\$656,120	-4.8%	-5.9%
Operations & Maintenance							
Personnel	\$185,755	\$198,580	\$233,100	\$272,321	\$230,318	-1.2%	-15.4%
Maintenance Expenses	\$42,206	\$93,134	\$96,520	\$41,147	\$109,510	13.5%	166.1%
Power Costs	\$49,521	\$50,056	\$57,100	\$48,010	\$52,825	-7.5%	10.0%
Annual Maintenance	\$5,270	\$809	\$10,000	\$10,000	\$15,000	50.0%	50.0%
subtotal	\$282,752	\$342,579	\$396,720	\$371,478	\$407,653	2.8%	9.7%
Engineering Department							
Personnel	\$126,911	\$159,077	\$68,820	\$90,841	\$77,761	13.0%	-14.4%
Expenses	\$1,709	\$994	\$1,100	\$1,853	\$275	-75.0%	-85.2%
Outside Consultants	\$7,642	\$10,560	\$5,500	\$47,598	\$17,850	224.5%	-62.5%
subtotal	\$136,262	\$170,631	\$75,420	\$140,292	\$95,886	27.1%	-31.7%
TOTAL	\$976,881	\$1,238,846	\$1,161,510	\$1,209,216	\$1,159,659	-0.2%	-4.1%

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

EXHIBIT WW-2

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

Capital Improvement Project Sheet

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

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

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

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

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

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

EXHIBIT WW-3

	Actual FY 2009-2010	Actual FY 2010-2011	Adopted FY 2011-2012	Estimated FY 2011-2012	Proposed FY 2012-2013	BUD vs BUD %	BUD vs EST %
Estimated # of EDU's	5,490	5,599	5,595	5,530	5,530		
Flat Rate Billing per EDU	\$22.60	\$24.36	\$25.56	\$25.56	\$26.84		
Monthly Capital Surcharge (per EDU)	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00		
Annual Revenue - Flat Rate Billing	1,488,795	1,636,658	1,713,300	1,693,559	1,778,237	3.8%	5.0%
Other Fees & Charges	49,615	15,075	11,000	5,794	5,000	-54.5%	-13.7%
A Total Operating Revenue	1,538,410	1,651,733	1,724,300	1,699,353	1,783,237	3.4%	4.9%
B Capacity Fee (\$2,150 per EDU)	110,880	40,632	10,000	4,623	4,000	-60.0%	-13.5%
C Capital Surcharge Revenue	10,511	18,370	18,000	18,570	18,000	0.0%	-3.1%
D Bond Revenue	7,809	8,561	7,800	8,552	8,550	9.6%	0.0%
E Non-Operating Revenue (including Interest Income)	130,207	54,674	43,500	45,526	44,760	2.9%	-1.7%
TOTAL REVENUE (A through E)	\$1,797,817	\$1,773,970	\$1,803,600	\$1,776,624	\$1,858,547	3.0%	4.6%
F Operating Expenditures	1,001,696	1,226,910	1,149,510	1,197,216	1,147,659	-0.2%	-4.1%
G CIP Projects	0	351,564	1,459,985	0	659,135	-54.9%	0.0%
H General Capital Outlay	25,513	13,715	15,400	14,300	27,555	78.9%	92.7%
I Debt Service (principal)	160,000	277,700	265,300	265,300	272,896	2.9%	2.9%
J Capital Replacement Reserve Fund	100,000	100,000	100,000	100,000	100,000	0.0%	0.0%
K Reimb. To Land Use Agencies (5% of OR)	-24,815	11,936	12,000	12,000	12,000	0.0%	0.0%
TOTAL EXPENDITURES (F through K)	\$1,282,394	\$1,981,825	\$3,002,195	\$1,588,816	\$2,219,245	-26.1%	39.7%
Transfer From/(To) Reserves	(\$535,423)	\$207,855	\$1,198,595	(\$187,808)	\$360,698		
BALANCE	\$0	\$0	\$0	\$0	\$0		

MONTHLY WASTEWATER COLLECTION RATES FOR REGION SURROUNDING THE ORD COMMUNITY

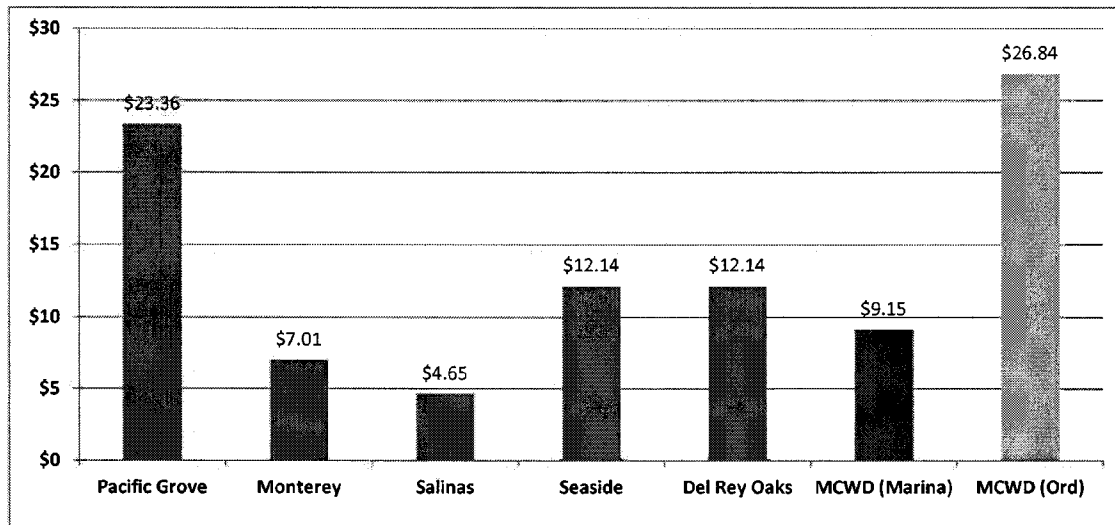
Revised March 12, 2012

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

¹Rate is 173% of MRWPCA rate

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

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



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

Ord Community Reserves

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

EXHIBIT RES-1

<u>Description</u>	Ord Water	Ord Sewer	TOTALS
Debt Reserve Fund (2006 Bond)*	1,664,919	649,091	2,314,010
Debt Reserve Fund (2010 Bond)*	433,245	101,940	535,185
IOP CD Account*	1,683,239	396,056	2,079,295
Sub-total	<u>3,781,403</u>	<u>1,147,087</u>	<u>4,928,490</u>
Capital Reserves			
Bond Series 2006 Construction Funds**	-	912,065	912,065
Capacity Charge/Capital Surcharge**	1,934,670	273,954	2,208,623
Capital Replacement**	813,558	407,025	1,220,583
Sub-total	<u>2,748,228</u>	<u>1,593,044</u>	<u>4,341,272</u>
General Operating Reserve (#)	1,181,088	2,071,647	3,252,735
Total Projected Reserve as of 06-30-2012	<u>7,710,719</u>	<u>4,811,778</u>	<u>12,522,497</u>
<u>FY 2012-2013 Operating Reserve</u>			
Beginning operating reserve	1,181,088	2,071,647	3,252,735
A Proposed transfers to operations	(305,394)	-	(305,394)
Due to/(Due From) Interfund Transfers	1,289,105	(1,525,000)	(235,895)
B Proposed transfers from operations		298,437	298,437
Projected Ending Balance @ 06-30-2013	<u>2,164,799</u>	<u>845,084</u>	<u>3,009,883</u>
6 mths avg operating expenses required by Board***	2,159,976	550,888	2,710,864
Projected available Operating Reserve @ 06-30-2013	<u>4,823</u>	<u>294,196</u>	<u>299,019</u>
<u>FY 2012-2013 Capital Reserve</u>			
Beginning capital reserve	2,748,228	1,593,044	4,341,272
Proposed transfer to capital reserve	200,000	100,000	300,000
C Proposed transfer from capital reserve	(637,710)	(659,135)	(1,296,845)
Projected Ending Balance @ 06-30-2013	<u>2,310,518</u>	<u>1,033,909</u>	<u>3,344,427</u>
Capital minimum balance required by Board***	1,000,000	1,000,000	2,000,000
Projected available Capital Reserve @ 06-30-2013	<u>1,310,518</u>	<u>33,909</u>	<u>1,344,427</u>
Proposed Net Transfers from (To)/From Reserves (A+B+C)	(943,104)	(360,698)	(1,303,802)

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

* Held by external Agencies

** Restricted to only capital spending

***Per Board Policy

Marina Coast Water District

Ord Community Water & Wastewater
Five Year Capital Improvement Planning Budget
FY 2012/13-16/17

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CAPITAL IMPROVEMENT PROJECTS - SUMMARY SHEET
General Water (GW) - Summary

CIP No.	PROJECT DESCRIPTION	PRIOR YEARS	FY 12/13 Current Year	FY 13/14 Proposed	FY 14/15 Proposed	FY 15/16 Proposed	FY 16/17 Proposed	TOTAL
GW-0211	Regional Desal (RD) Integration w/ Potable System	0	42,000	697,590	4,208,025	3,662,435	0	8,610,050
GW-0112	"A1/A2" Zone Tanks & B/C Booster Sta @ CSUMB	0	0	1,299,640	7,659,210	0	0	8,958,850
GW-0300	Marina & Ord Water Master Plan	0	0	350,000	0	0	0	350,000
GW-0112A	"A3" Zone Tank @ CSUMB	0	0	0	0	0	2,427,473	2,427,473
GW-0123	"B2" Zone Tank @ CSUMB	0	0	0	0	0	2,379,581	2,379,581
	TOTALS	0	42,000	2,347,230	11,867,235	3,662,435	4,807,054	22,725,954

Cost Centers	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	Total
01 - Marina Water	30%	0	12,600	704,169	3,560,171	1,098,731	1,442,116	6,817,786
02 - Marina Sewer	9%	0	3,780	211,251	1,068,051	329,619	432,635	2,045,336
03 - Ft Ord Water	50%	0	21,000	1,173,615	5,933,618	1,831,218	2,403,527	11,362,977
04 - Ft Ord Sewer	11%	0	4,620	258,195	1,305,396	402,868	528,776	2,499,855
Funding By Fiscal Year		0	42,000	2,347,230	11,867,235	3,662,435	4,807,054	22,725,954

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CAPITAL IMPROVEMENT PROJECTS - SUMMARY SHEET
Ord Water (OW) - Summary

CIP No.	PROJECT DESCRIPTION	PRIOR YEARS	FY 12/13 Current Year	FY 13/14 Proposed	FY 14/15 Proposed	FY 15/16 Proposed	FY 16/17 Proposed	TOTAL
OW-0119	Demolish D-zone Reservoir	0	167,000	0	0	0	0	167,000
OW-0222	Eastern Distribution System - Phase II	20,000	230,000	0	0	0	0	250,000
OW-0169	Intergarrison Road PRV	0	0	171,000	0	0	0	171,000
OW-0206	Inter-Garrison Road Pipeline Up-Sizing	0	0	162,240	506,189	0	0	668,429
OW-0201	Gigling Transmission from D Booster to JM Blvd	0	0	80,000	400,000	0	0	480,000
OW-0211	Eastside Parkway (D-Zone pipeline)	0	0	407,482	2,401,427	0	0	2,808,909
OW-0202	South Boundary Road Pipeline	0	0	502,578	502,578	502,578	0	1,507,736
OW-0128	Lightfighter "B" Zone Pipeline Extension	0	0	0	396,731	0	0	396,731
OW-0167	2nd Ave extension to Gigling Rd	0	0	0	221,512	0	0	221,512
OW-0200	Surplus Area 2 Pipelines	0	0	0	1,002,102	0	0	1,002,102
OW-0127	Pipeline Up-Sizing - Commercial on CSU	0	0	0	108,712	640,679	0	749,391
OW-0203	7th Avenue and Gigling Rd	0	0	0	38,099	224,531	0	262,630
OW-0212	Reservoir "D2" + D-BPS Up-Size	0	0	0	540,241	3,061,363	0	3,601,604
OW-0122	Replace D & E Reservoir Off-Site Piping	0	0	0	0	181,492	0	181,492
OW-0166	CSU Pipeline Improvements	0	0	0	0	134,651	0	134,651
OW-0204	2nd Ave Connection, Reindollar to Imjin	0	0	0	0	1,169,859	0	1,169,859
OW-0208	Pipeline Up-Sizing - to Stockade	0	0	0	0	711,976	0	711,976
OW-0209	Pipeline Up-Sizing - between Dunes & MainGate	0	0	0	0	220,167	0	220,167
OW-0210	Sand Tank Demolition	0	0	0	0	434,268	0	434,268
OW-0118	"B4" Zone Tank @ East Garrison	0	0	0	0	399,179	2,352,496	2,751,675
TOTALS		20,000	397,000	1,323,300	6,117,590	7,680,743	2,352,496	17,891,129

Cost Centers	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	Total
03 - Ft Ord Water	100%	20,000	397,000	1,323,300	6,117,590	7,680,743	2,352,496	17,891,129
Funding By Fiscal Year		20,000	397,000	1,323,300	6,117,590	7,680,743	2,352,496	17,891,129

DRAFT

CAPITAL IMPROVEMENT PROJECTS - SUMMARY SHEET

Ord Sewer (OS) - Summary

CIP No.	PROJECT DESCRIPTION	PRIOR YEARS	FY 12/13 Current Year	FY 13/14 Proposed	FY 14/15 Proposed	FY 15/16 Proposed	FY 16/17 Proposed	TOTAL
OS-0200	Clark Lift Station Improvement	0	395,000	0	0	0	0	395,000
OS-0150	East Garrison Lift Station Improvements	324,020	217,000	97,000	0	0	731,000	1,369,020
OS-0154	Del Rey Oaks -- Collection System Planning	0	0	54,080	0	0	0	54,080
OS-0208	Parker Flats Collection System	0	0	15,600	91,936	0	0	107,536
OS-0205	Imjin LS & Force Main Improvements -- Phase I	0	0	334,338	1,970,364	0	0	2,304,702
OS-0153	Misc. Lift Station Improvements	0	0	450,000	400,000	350,000	250,000	1,450,000
OS-0152	Booker, Hatten, Neeson LS Improvements Project	0	0	0	700,000	0	0	700,000
OS-0214	Intergarrison/8th Ave SS (for Eastside Pkwy developments)	0	0	0	1,124,864	0	0	1,124,864
OS-0202	DRO Gravity Sewer Main and GJMB Improvements	0	0	0	1,801,678	10,617,888	0	12,419,566
OS-0203	Giggling LS and FM Improvements	0	0	0	267,892	1,578,777	0	1,846,669
OS-0147	Ord Village Sewer Pipeline & Lift Station Impr Project	0	0	0	0	560,877	0	560,877
OS-0204	CSUMB Developments	0	0	0	0	0	568,649	568,649
OS-0207	Seaside Resort Sewer Imps. Project	0	0	0	0	0	303,739	303,739
OS-0148	Marina Heights Sewer Pipeline Improvements Project	0	0	0	0	0	761,465	761,465
OS-0149	Dunes Sewer Pipeline Replacement Projects	0	0	0	0	0	430,267	430,267
OS-0151	Cypress Knolls Sewer Pipeline Improvements Project	0	0	0	0	0	94,603	94,603
OS-0209	Imjin LS & Force Main Improvements -- Phase II	0	0	0	0	0	712,290	712,290
	TOTALS	324,020	612,000	951,018	6,356,734	13,107,542	3,852,013	25,203,327

Cost Centers	% Cost Splits	Prior Years	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	Total
04 - Ft Ord Sewer	100%	324,020	612,000	951,018	6,356,734	13,107,542	3,852,013	25,203,327
Funding By Fiscal Year		324,020	612,000	951,018	6,356,734	13,107,542	3,852,013	25,203,327

FORT ORD REUSE AUTHORITY BOARD REPORT	
NEW BUSINESS	
Subject:	Master Resolution/Settlement Agreement Amendment – Appeal Fee Proposed Amendment to Section 8.01.050(a)
Meeting Date:	June 8, 2012
Agenda Number:	9f
INFORMATION	

RECOMMENDATION(S):

Receive a report regarding a Sierra Club/FORA staff-generated proposal to amend section 8.01.050(a) of the FORA Master Resolution/Sierra Club Settlement Agreement to adjust FORA's Consistency Determination appeal fee basis from the County of Monterey's land use appeal fee to an average of FORA's jurisdictions' land use appeal fees, as described in **Attachment A**.

BACKGROUND/DISCUSSION:

Each of the past 9 months, FORA has hosted stakeholder meetings with the Ventana Chapter of the Sierra Club, LandWatch Monterey County, the League of Women Voters, and others to discuss issues pertaining to the proposed FORA extension legislation and the Base Reuse Plan Reassessment process. From the beginning, stakeholders stated concerns with the FORA appeal fee for Consistency Determinations being at a level that make it difficult for local community members to participate in the appeal process due to the fee being pegged to the County of Monterey's appeal fee, which is currently \$5,040 per appeal.

The Sierra Club noted this concern in their letter to Assembly Member Bill Monning, in which they supported his proposed legislation (AB1614) extending FORA's sunset. Sierra Club representatives have clarified that, when the Sierra Club and FORA signed the settlement agreement and set FORA's appeal fee to be the same as the County of Monterey's appeal fee, the County of Monterey's appeal fee level was similar to the surrounding land use jurisdictions. However, since 1998, the County's appeal fee has risen to \$5,040 per appeal. FORA staff and Authority Counsel discussed the issue with Sierra Club representatives and created a proposal, in which the FORA Board might consider amending section 8.01.050(a) to establish an appeal fee based on the average of FORA's jurisdictions' land use appeal fees (after excluding the highest and lowest appeal fees from the calculation) (**Attachment B**). If the Board adopts this proposed amendment, FORA's appeal fee would change from \$5,040 per appeal to \$737.69 per appeal.

At its May 30, 2012 meeting, the Administrative Committee discussed this issue in-depth and concluded that, since strong arguments could be made in favor of and against implementing the proposed appeal fee amendment, this was a policy issue the Board should decide. One argument made in favor of implementing the proposed amendment was that the high fee precluded participation of many members of the public, which infringed upon their right to petition their government for redress of grievances. Arguments made against implementing the proposed amendment were that lowering the fee will not allow FORA to recover the actual costs of processing an appeal, and might encourage frivolous appeals. At its May 30, 2012 meeting, the FORA Executive Committee directed staff to place this item on the June FORA Board agenda as an information item and to include an option for a tiered appeal fee approach prior to the July FORA Board meeting, based on a set of circumstances and their cost implications.

FISCAL IMPACT:

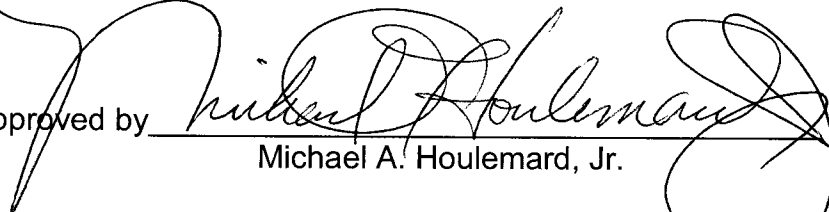
Reviewed by FORA Controller 

Staff time for this item is included in the approved FY 11-12 budget. Staff does not expect that a reduction in the appeal fee would affect FORA's operating budget significantly.

COORDINATION:

Administrative Committee, Executive Committee, Authority Counsel, and Sierra Club representatives.

Prepared by  Reviewed by 
Jonathan Garcia Steve Endsley

Approved by 
Michael A. Houlemard, Jr.

Proposed Appeal Fee Amendment to Section 8.01.050 (a) of the FORA Master Resolution

8.01.050 REVIEW OF DEVELOPMENT ENTITLEMENTS BY APPEAL TO AUTHORITY BOARD.

a. Within 10 days of a land use agency approving a development entitlement, any person aggrieved by that approval and who participated either orally or in writing, in that agency's hearing on the matter, may file a written appeal of such approval with the Executive Officer, specifically setting forth the grounds for the appeal, which shall be limited to issues raised at the hearing before the land use agency. The person filing the appeal shall pay a filing fee in an amount equal to the average of the planning decision appeal fees established by the nine member agencies of the Authority's Board omitting the highest and the lowest, not to exceed the Authority's reasonable cost to prepare the appeal. The appeal fee may be reimbursed not more than once yearly to an appellant who signs a declaration under penalty of perjury that s/he qualifies as "very low income" under low income eligibility standards set by the U.S. Department of Housing and Urban Development. The Authority Board must conduct a public hearing on the appeal within 60 days.

Attachment B to Item 9f
FORA Board meeting, 6/8/12

FORA Jurisdiction	Land Use Appeal Fee	w/out highest & lowest
County	\$ 5,040.00	
Pacific Grove	\$ 2,385.00	\$ 2,385.00
Salinas	\$ 659.00	\$ 659.00
Del Rey Oaks	\$ 550.00	\$ 550.00
Marina	\$ 460.00	\$ 460.00
Sand City	\$ 439.83	\$ 439.83
Monterey	\$ 370.00	\$ 370.00
Seaside	\$ 300.00	\$ 300.00
Carmel	\$ 295.00	
Total		\$ 5,163.83
Average appeal fee:		\$ 737.69

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject: Records Retention Policy

Meeting Date: June 8, 2012

Agenda Number: 9g

INFORMATION/ACTION

RECOMMENDATION(S):

Provide Board direction regarding records retention policy.

BACKGROUND:

At the May 11, 2012 Board meeting, the Board instructed staff to schedule a discussion regarding the establishment of a records retention policy. For comparative purposes, the Board suggested a review of the current records retention policies of local/regional agencies. This item was agendaized in response to public concern regarding FORA's current records retention practices, which have not been memorialized in a formally adopted policy. The Board also expressed a desire to consider a policy that is more prescriptive than the current practice or than legally required.

Records retention policies should be tailored to meet the needs of the agency. For that reason, policies vary considerably from agency to agency. The policies we have seen, however, share some common themes. For example, most agencies operate with limited server space for the vast quantity of emails received by their employees in the course of their duties. Many public agencies have established a specific time frame in which emails must be deleted from the system. Most rely on individual employees to determine whether their email correspondence constitutes a public record, in which case the document is retained and stored outside of the email system. Staff obtained the results of a survey conducted in May 2009, comparing the email retention periods for 45 California Cities. The survey (inset below) shows the statewide variation in retention periods.

Email Retention Period	# of Cities
No Limit	12
1 year	1
6 months	2
120 days	1
90 days	10
60 days	3
45 days	2
30 days	14

To accomplish the Board assigned task, staff compiled 18 email retention policies from public agencies across the state, as well as general Records Retention Policies from the Cities of Monterey and Del Rey Oaks, the Salinas Valley Solid Waste Authority, and the Monterey Bay Unified Air Pollution Control Agency. Staff has also obtained, for reference, the Secretary of State's Local Government Records Management Guidelines (currently in use by the City of Carmel-by-the-Sea).

Records Retention Policies/Schedules vary in length and scope. The City of Monterey's Records Retention Policy is 15 pages long and is accompanied by a 38 page retention schedule. The Monterey Bay Unified Air Pollution Control District's policy and schedule, on the other hand, total only 8 pages. By contrast, the City of Carmel-by-the-Sea has not established a written policy. Instead, it adheres to the Secretary of State's Local Government Records Management Guidelines. Similar to FORA, the County of Monterey does not have a written Records Retention Policy and also relies on adhering to State Law.

The retention period for many documents may be defined or dictated by state and federal law. The best practice for dealing with records that pertain to anticipated or pending litigation is to

establish a formal retention policy. The retention period for other documents more specific to the work of FORA would need to be drafted with special consideration for FORA's needs. After reviewing the common themes and the highlights from various Records Retention Policies received to date, staff recommends consideration of a policy that shares the most common features of these sample policies.

FISCAL IMPACT:

Reviewed by FORA Controller 

Staff time for this item is included in the approved FY 11-12 budget.

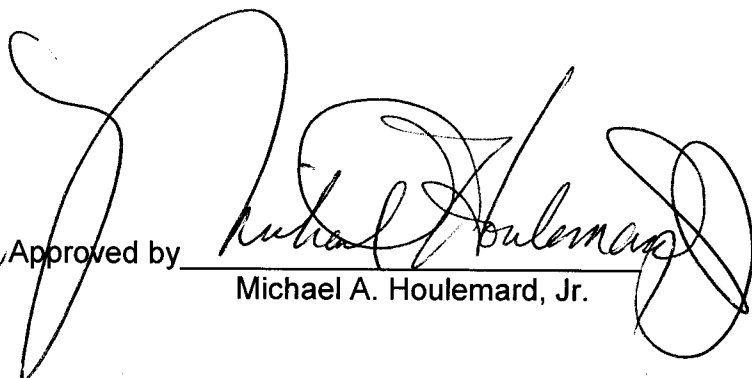
COORDINATION:

Executive Committee

Prepared by


Lena Spilman

Approved by


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Outstanding Receivables	
Meeting Date:	June 8, 2012	INFORMATION
Agenda Number:	10a	

RECOMMENDATIONS:

Receive a Fort Ord Reuse Authority (FORA) outstanding receivables update as of May 31, 2012.

BACKGROUND/DISCUSSION:

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

	Item Description	Amount Owed	Amount Paid	Amount Outstanding
City of Del Rey Oaks	PLL Loan Payment 09-10	182,874	-	182,874
	PLL Loan Payment 10-11	256,023	-	256,023
	PLL Loan Payment 11-12	256,023	-	256,023
	<i>DRO Total</i>			
City of Marina	Tax Increment 08-09	108,862	108,862	-
	Tax Increment 07-08	111,246	55,623	55,623
	Preston Park Excess Revenue	230,000	230,000	-
	<i>Marina Total</i>			
City of Seaside	Tax Increment 03-10	358,830	270,000	88,830
Total Outstanding Receivables				\$ 839,373

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

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

Payment status: First Vice Chair Mayor Edelen informed both the Board and Executive Committee that DRO anticipates making a substantial payment against this obligation in this FY.

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

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

Marina retained a portion of FORA's tax increment in FY 07-08 and FY 08-09. At the July 2011 meeting, FORA Board approved an MOA with Marina for a phased (2 payments) repayment of the FY 08-09 tax increment obligation and this underpayment has been paid off in November 2011.

Regarding the FY 07-08 underpayment, after lengthy communications between FORA and Marina, the City Council and the FORA Board approved an MOA for repayment of this obligation. The MOA for a phased repayment (2 payments) was executed in January 2012.

Payment status: Marina paid the first installment on time; the second (last) installment is due **June 30, 2012**.

3. **City of Seaside (Seaside)**

- **Tax increment:** Please see paragraph 2 above regarding Seaside tax increment underpayment. At the February 2011 meeting, the FORA Board approved an MOA with Seaside for a phased (4 payments) repayment of this obligation.

Payment status: Seaside paid the first three installments on time. The last installment payment is due **June 30, 2012**.

FISCAL IMPACT:

FORA must expend resources or borrow funds until these receivables are collected. The majority of FORA revenues come from member/jurisdiction/agencies and developers. FORA's ability to conduct business and finance its capital obligations depends on a timely collection of these revenues.

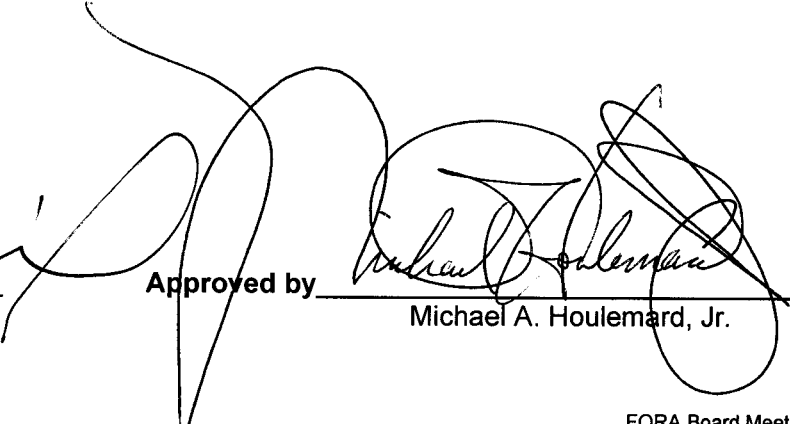
COORDINATION:

Finance Committee, Executive Committee

Prepared by


Ivana Bednarik

Approved by


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT	
EXECUTIVE OFFICER'S REPORT	
Subject:	Administrative Committee Report
Meeting Date:	June 8, 2012
Agenda Number:	10b
INFORMATION	

RECOMMENDATION:

Receive a report from the Administrative Committee (AC).

BACKGROUND/DISCUSSION:

The approved minutes from the May 2, 2012 and May 16, 2012 Administrative Committee meetings (**Attachments A and B**) and the May 16, 2012 Joint Administrative/Capital Improvement Program Committee (**Attachment C**) are attached for your review.

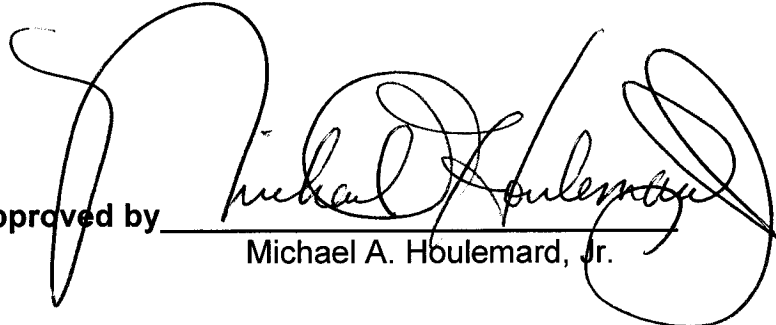
FISCAL IMPACT:

Reviewed by the FORA Controller 

Staff time for the Administrative Committee is included in the approved FY 2011/12 budget.

COORDINATION:

Administrative Committee

Prepared by  Approved by 
Lena Spilman Michael A. Houlemard, Jr.



Fort Ord Reuse Authority

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

Attachment A to Item 10b
FORA Board Meeting, 06/08/12

ADMINISTRATIVE COMMITTEE MEETING

8:15 A.M. WEDNESDAY, MAY 2, 2012

910 2nd Avenue, Marina CA 93933 (on the former Fort Ord)

MINUTES

1. CALL TO ORDER

Administrative Committee Co-Chair Michael Houlemard called the meeting to order at 8:18 a.m. noting a quorum of voting members. The following people, as indicated by signatures on the roll sheet, were present:

Daniel Dawson, City of Del Rey Oaks*

Elizabeth Caraker, City of Monterey*

Carl Holm, County of Monterey*

John Dunn, City of Seaside*

Debby Platt, City of Marina*

Greg Nakanishi, CCVC

Patrick Breen, MCWD

Diana Ingersoll, City of Seaside

Lisa Brinton, City of Seaside

Tim O'Halloran, City of Seaside

Nick Nichols, County of Monterey

Graham Bice, UCSC

Carl Niizawa, MCWD

Ron Sisseem, EMC Planning Group

Paul Greenway, County of Monterey DPW

Vicki Nakamura, MPC

Bob Rench, CSUMB

Bob Schaffer, MCP

Kathleen Lee, Sup Potter's Office

Beth Palmer, Monterey Downs

Chuck Lande, Marina Heights

Kelly Cadiente, MCWD

Michael Houlemard, FORA

Steve Endsley, FORA

Jonathan Garcia, FORA

Jim Arnold, FORA

Darren McBain, FORA

Crissy Maras, FORA

Robert Norris, FORA

Lena Spilman, FORA

* Voting Members

2. PLEDGE OF ALLEGIANCE

Carl Holm led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Graham Bice announced that he needed to leave early in order to attend an Economic Development meeting at CSUMB.

4. PUBLIC COMMENT PERIOD

No comments were received.

5. APPROVAL OF APRIL 4, 2012 MEETING MINUTES

Deputy Clerk Lena Spilman explained that revised minutes had been distributed, which clarified the motion to agendaize discussion of tax increment.

MOTION: Debby Platt moved, seconded by Graham Bice, and the motion passed unanimously to approve the revised minutes.

6. MAY 11, 2012 FORA BOARD MEETING AGENDA REVIEW

Senior Planner Jonathan Garcia reviewed the items to be presented at the May 11, 2012 Board meeting. He stated that Graham Bice had provided a draft of the UCMBEST Visioning Principles Letter, copies of which were available at the meeting. Mr. Bice explained that the UC MBEST Visioning Stakeholders had reviewed the document and appeared ready to sign. Mr. Garcia announced that AB 1842 would be heard by the Senate Governance and Finance Committee at a future date unknown. He discussed the National Monument designation, noting that a date had not yet been confirmed for the formal designation ceremony. Co-Chair Houlemard indicated that the ceremony would likely take place later in the month. Mr. Garcia noted that staff would present the FY 2012-13 Preliminary Budget as an informational item at the May meeting, but that the item would return in June for Board action. Co-Chair Houlemard explained that staff planned to recommend the addition of two bills to the FORA Legislative Agenda under the Executive Officer's report on the Legislative Committee.

7. OLD BUSINESS

a. Capital Improvement Program (CIP)

i. Development Forecasts/Updates

Mr. Garcia explained that the item would be discussed during the Joint Administrative/CIP Committee meeting.

ii. Presentation to FORA Board

Co-Chair Houlemard stated the CIP was the central document that defined how FORA would meet their future infrastructure obligations. Due to some Board member turn over in the previous two years, staff felt it was time to provide a formal presentation on the history and purpose of the FORA CIP. The presentation would occur at the May Board meeting.

iii. Formulaic Approach to Developer Fees

Co-Chair Houlemard explained that staff had worked with various jurisdictions/developers to consider a revised approach to setting developer fees within the existing policy. Assistant Executive Officer Steve Endsley discussed a study completed by Economic and Planning Systems (EPS) the previous year regarding FORA developer fees. At that time, the Board had accepted the EPS recommendation to reduce developer fees and had approved a phase II EPS Study to determine whether further reductions could be made. Mr. Garcia explained that the draft agreement would require the fees to be recalculated on an annual basis, according to a mutually agreed upon formula. He added that adoption of this approach could eliminate the need for a formal phase II study. Mr. Endsley stated that the formulaic approach would not allow FORA to raise the rates beyond previously established levels, and provide increased predictability for developers.

b. Habitat Conservation Plan (HCP)

Mr. Garcia stated that the HCP was currently undergoing review by several wildlife agencies. The review period would close at the end of June.

c. Base Reuse Plan (BRP) Reassessment Update

Associate Planner Darren McBain distributed a revised scope of work from EMC Planning to present it for additional Board review at the May Board meeting. Mr. Endsley discussed the likelihood that staff would need additional funds in the next fiscal year to support requests received from the community and Board members for additional community workshops, an increased number of televised meetings, translation services, and a more exhaustive economic analysis.

Co-Chair Houlemard asked that the Committee suspend consideration of Item 7d until after consideration of Item 8. The Committee concurred.

8. NEW BUSINESS

a. **Inter-Garrison Road Connection at Reservation Road**

Paul Greenway, Monterey County Public Works, provided background regarding the Inter-Garrison Road connection at Reservation Road, noting that the infrastructure necessary for construction would likely be completed in June. Senior Project Manager Jim Arnold stated that FORA was coordinating with the county to determine the best means of managing the flow of traffic at the intersection. A representative from CSUMB expressed concern regarding the management of traffic through the campus. It was pointed out that the CIP Transportation Program was designed to minimize the traffic flowing directly through the campus.

7. OLD BUSINESS (CONTINUED FROM ABOVE)

d. **Status of Current State Legislation Affecting FORA**

i. **Proposed FORA Extension Legislation (AB 1614)**

Co-Chair Houlemard stated that the item had been discussed under review of the Board Agenda.

ii. **Proposed Veterans Cemetery Legislation (AB 1842)**

Co-Chair Houlemard announced that he had testified in support of the bill at the Assembly Veterans Affairs Committee hearing on April 24, 2012. The bill had been approved by the Veterans Affairs Committee and referred to the Senate Governance and Finance Committee.

iii. **Proposed HCP Endowment Legislation (SB 1094)**

Co-Chair Houlemard provided an overview of SB 1094, stating he had testified in support of the bill at the Senate Local Government Committee hearing the previous week. Although the bill was not currently listed on the FORA Legislative Agenda, Staff planned to recommend its addition at the May 11, 2012 Board meeting.

iv. **California Military Base Reuse and Preservation Act (AB 1644, AB 1827, etc.)**

Co-Chair Houlemard discussed AB 1827, noting that staff was also recommending its inclusion in the FORA Legislative Agenda. At present, there was no movement on AB 1644. He recommended the Committee members familiarize themselves with AB 1827, AB 1828, and AB 2144.

Debby Platt asked when the previously approved tax increment item would appear on the agenda. Co-Chair Houlemard stated that it would be placed on the next Administrative Committee Agenda for discussion in coordination with the CIP.

9. ADJOURNMENT

Co-Chair Houlemard adjourned the meeting at 9:40 a.m.

Minutes Prepared by Lena Spilman, Deputy Clerk

Approved by:

Michael A. Houlemard, Jr., Executive Officer



Fort Ord Reuse Authority

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

Attachment B to Item 10b
FORA Board Meeting, 06/08/12

ADMINISTRATIVE COMMITTEE MEETING

8:15 A.M. WEDNESDAY, MAY 16, 2012

910 2nd Avenue, Marina CA 93933 (on the former Fort Ord)

MINUTES

1. CALL TO ORDER

Administrative Committee Chair Daniel Dawson called the meeting to order at 8:15 a.m. noting a quorum of voting members. The following people, as indicated by signatures on the roll sheet, were present:

Daniel Dawson, City of Del Rey Oaks*

Nick Chiulos, County of Monterey*

John Dunn, City of Seaside*

Elizabeth Caraker, City of Monterey*

Debby Platt, City of Marina*

Patrick Breen, MCWD

Rob Robinson, BRAC

Tim O'Halloran, City of Seaside

Graham Bice, UC MBEST

Bob Schaffer, MCP

Chuck Lande, Marina Heights

Kathleen Lee, Sup Potter's Office

Vicki Nakamura, MPC

Paul Greenway, County of Monterey DPW

Greg Nakanishi, CCVC

Beth Palmer, Monterey Downs

Carl Niizawa, MCWD

Hank Myers, TAMC

Steve Endsley, FORA

Jonathan Garcia, FORA

Jim Arnold, FORA

Darren McBain, FORA

Crissy Maras, FORA

Robert Norris, FORA

Lena Spilman, FORA

* Voting Members

2. PLEDGE OF ALLEGIANCE

John Dunn led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Deputy Clerk Lena Spilman stated that the Base Reuse Plan Reassessment Public Workshop schedule had been included in the Agenda packet.

4. PUBLIC COMMENT PERIOD

No comments were received.

5. APPROVAL OF APRIL 4, 2012 MEETING MINUTES

Chair Dawson noted that he had not been present at the April 4, 2012 meeting and asked that the minutes reflect that.

MOTION: Chair Dawson moved, seconded by John Dunn, and the motion passed unanimously to approve the minutes of the April 4, 2012 Administrative Committee as amended.

6. FOLLOW UP FROM THE MAY 11, 2012 FORA BOARD MEETING

Senior Planner Jonathan Garcia stated that Supervisor Parker had expressed concern at the May 11, 2012 Board meeting regarding the analysis of what she categorized as “disturbed areas” in the Base Reuse Plan Reassessment Scope of Work. As such, the Board decided to continue the item to the June Board meeting. There was also discussion at the May 11th Board meeting regarding the amount of time permitted for Board review of the annual budget and Capital Improvement Program (CIP) documents prior to their targeted June adoption dates. In response, staff planned to provide an additional month for review of these items when presented the following fiscal year.

7. OLD BUSINESS

a. Habitat Conservation Plan (HCP)

Mr. Garcia stated that the HCP was currently undergoing review by the U.S. Fish and Wildlife Service and the California Department of Fish and Game. The three-month review period was scheduled to conclude in June 2012. He stated the only recent comments received had been from California State University, Monterey Bay.

b. Tax Increment

i. History of FORA Tax Increment Dedication

Mr. Garcia reviewed the information regarding historical tax increment collections and expenditures included in the packet, noting that staff was still uncertain as to the amount of tax increment that would be collected for the current fiscal year. Authority Counsel Jerry Bowden explained the basis for FORA’s assertion that it had a statutory right to collect tax increment. Assistant Executive Officer Steve Endsley stated that, to be safe, the Fiscal Year 2012-13 Budget had not included tax increment revenue.

ii. Future Allocation

Mr. Endsley provided an overview of recent discussions regarding FORA developer fees, as they related to tax increment. He explained that the purpose of the proposed formulaic approach to the establishment of developer fees was to provide a higher degree of certainty to all parties and to promote equality among the jurisdictions, while ensuring enough revenue for FORA to complete its CEQA and other obligations. The committee heard from several developers, both in support and in opposition of the proposal, and expressed a desire for further review of the item.

c. Department of Toxic Substances Control (DTSC) Annual Reports on Land Use Covenants

Mr. Garcia explained that in 2007-8 staff presented the Committee with a Memorandum of Agreement (MOA) between FORA and the DTSC regarding annual reporting on three land use covenants: the land fill area, groundwater areas, and soil areas. The five land use jurisdictions, MPC, CSUMB, and UC agreed to submit annual reports to FORA regarding their compliance with these covenants. Per the MOA, the reports for 2010 were due to be filed. Mr. Garcia requested that the reporting entities submit their reports by July 11, 2012. He asked that all reporting entities coordinate through him, but added that eventually the Monterey County Health Department would replace FORA as the party responsible for coordination of the filing.

d. Capital Improvement Program – Formulaic Approach to Developer Fees

Mr. Endsley stated that the item had already been addressed under Item 7bii.

8. NEW BUSINESS

a. Master Resolution/Settlement Agreement Compliance

i. **Deed Notice required by Section 8.01.010 (j) and (k) of the FORA Master Resolution and Section 2(a) of the FORA-jurisdiction Implementation Agreements**

Mr. Endsley explained that the Obligations Implementation Agreement with the Sierra Club required deed notices to be filed for each land conveyance from FORA to the member jurisdictions. FORA had included the required notices in the Implementation Agreements with the member jurisdictions. However, staff had recently become aware that notices had not been filed for all conveyances. FORA was working diligently to file all necessary notices and working closely with the various jurisdictions and end-users to ensure compliance. Mr. Bowden emphasized that the notices did not impose any new limitations on the properties, but simply alerted buyers to existing limitations.

ii. **Proposed Appeal Fee Amendment to section 8.01.050 (a) of the FORA Master Resolution**

Mr. Endsley explained that FORA had received a number of objections regarding their appeal fee. Staff had worked with several stakeholders to develop the proposed process, whereby the fee would be set based on the average appeal fee of surrounding jurisdictions. Use of this methodology would result in a significant fee reduction for FORA. The Committee discussed the process by which the proposed methodology was developed, received input from members of the public, and discussed the merits of alternative methodologies.

MOTION: Doug Yount moved, seconded by John Dunn, and the motion passed unanimously to continue the item to the next Administrative Committee meeting on May 30, 2012.

9. ADJOURNMENT

Chair Dawson adjourned the meeting at 9:40 a.m.

Minutes Prepared by Lena Spilman, Deputy Clerk

Approved by:

Michael A. Houlemard, Jr., Executive Officer



Fort Ord Reuse Authority

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

Attachment C to Item 10b
FORA Board Meeting, 06/08/12

JOINT ADMINISTRATIVE AND CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING

9:15 A.M. WEDNESDAY, MAY 16, 2012
910 2nd Avenue, Marina CA 93933 (on the former Fort Ord)

MINUTES

1. **CALL TO ORDER AT 9:15 AM (or following the Administrative Committee meeting)**
Confirming a quorum, Administrative Committee co-chair Daniel Dawson called the meeting to order at 9:40 AM. The following people, indicated by signatures on the roll sheet, attended:

Tim O'Halloran, City of Seaside	Graham Bice, UCMBEST	Chuck Lande, Marina Heights
Paul Greenway, Mo. Co. DPW	Doug Yount, City of Marina	Jim Arnold, FORA
Debby Platt, City of Marina	Bob Schaffer, MCP	Crissy Maras, FORA
Elizabeth Caraker, City of Monterey	Steve Endsley, FORA	Carl Niizawa, MCWD
Vicki Nakamura, MPC	Jonathan Garcia, FORA	Hank Meyers, TAMC
Kathleen Lee, Supervisor Potter	Pat Ward, Bestor	Scott Hilke, MCP
Chuck Lande, Marina Heights	Hank Meyers, TAMC	Robert Norris, FORA
Mike McCullough, MRWPCA		
2. **PUBLIC COMMENT PERIOD:** None
3. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE:** None
4. **APPROVAL OF MINUTES: April 18, 2012 and May 2, 2012**
Graham Bice requested that the April 18th minutes be corrected as follows: page 2, item 4a, "Graham Bice reported that...entitlements for a building to serve the Naval Postgraduate School..." On a motion made by Doug Yount and seconded by Graham Bice, the April 18th minutes were approved as corrected and the May 2nd minutes were approved as presented.
5. **OLD BUSINESS**
 - a. **Capital Improvement Program – table review**
FORA Senior Planner Jonathan Garcia reviewed Tables 1, 2, 3 and 5 with the committees. Other tables were reviewed and approved at previous meetings. FORA Assistant Executive Officer Steve Endsley noted that scheduled projects would not move forward unless FORA receives FY 12/13 forecasted development fees. Mr. Yount requested that Table 3 be revised to include forecasted Tax Increment (TI) collection and that any surplus TI revenue be provided to the land use jurisdictions. Mr. Bice disagreed with listing TI as a funding source because currently, the status of TI collection is uncertain and dependent on a pending lawsuit.

Scott Hilke asked for the Table 3 footnotes, but as they were not updated, they were not included with meeting materials. The entire CIP, including updated footnotes, text, and all previously reviewed tables will be presented at the next Administrative Committee meeting.

Mr. Endsley noted that CIP reprogramming begins in December with FORA requesting development updates from land use jurisdictions. The process relies heavily on receiving timely development forecasts so that all capital projects and expenditures can be sequenced to meet development needs and available revenue for each year. In prior years, FORA staff presented a draft CIP to the Board in May anticipating a June approval. However over the last few years, development forecasts were not received in a way to

allow a draft CIP presentation in May. FORA has instead had to present both the draft CIP and request approval of the CIP in June. When the reprogramming process begins again at the end of this year, Mr. Endsley urged committee members to work with their developers early so forecasts could be submitted timely, allowing for a May draft presentation next year.

Mr. Endsley additionally noted that during last year's reprogramming, FORA worked with Monterey County and TAMC to revise the protocol for reprogramming the CIP (the protocol is Appendix B of the document) to include "matching/leveraging grant funds" as a way to receive priority funding for specific CIP projects. Using the revised protocol, FORA was able to fund a local match to the grant received by Monterey County for the Davis Road bridge project. Available anticipated funding did not allow consideration of all of TAMC's suggested project reprogramming. TAMC representative Hank Myers suggested that Todd Muck would attend the next meeting with any additional TAMC comments.

6. NEW BUSINESS – none

7. ADJOURNMENT TO JOINT ADMINISTRATIVE/WATER WASTEWATER OVERSIGHT COMMITTEE

The meeting was adjourned at 9:55.

Minutes prepared by Crissy Maras, Grants and Contracts Coordinator

FORT ORD REUSE AUTHORITY BOARD REPORT**EXECUTIVE OFFICER'S REPORT****Subject:** Finance Committee**Meeting Date:** June 8, 2012**Agenda Number:** 10c**INFORMATION****RECOMMENDATION):**

Receive a report from the Finance Committee (FC) meetings.

BACKGROUND/DISCUSSION:

The FC met on March 28 and May 2, 2012 to discuss the preliminary FY 12-13 budget and other items. On March 28, FC members reviewed the budget format and preliminary revenue/expenditure projections for the upcoming FY and requested additional information. On May 2, the FC discussed the budget in more detail, agreed on several revenue and expenditure adjustments and unanimously decided to recommend Executive Committee and FORA Board adoption of the preliminary FY 12-13 with the noted adjustments. The FC further decided to request staff to prepare longer term funding projections during the mid-year budget review when several items such as FORA extension and property tax increment are determined. Please refer to the attached May 2 minutes for more details. The March 28 minutes were presented to the Board in May.

FISCAL IMPACT:

Reviewed by FORA Controller 

Staff time for this item is included in the approved FY 11-12 budget.

COORDINATION:

Finance Committee

Prepared by


 Ivana Bednarik

Approved by


 Michael A. Houlemard, Jr.



Fort Ord Reuse Authority

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Finance Committee Meeting

Wednesday, May 2, 2012 at 2:00 pm

ACTION MINUTES - DRAFT

Present: Chair Bill Kampe, Members: Graham Bice, Ian Oglesby, and Jim Ford
Staff: Ivana Bednarik, Michael A. Houlemard, Jr., Steve Endsley, Jonathan Garcia
Guests: Bob Schaffer (Marina Community Partners)
Absent: Hunter Harvath (excused)

AGENDA

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

1. Roll Call

A quorum was achieved at 2:00 PM, member Bice joined meeting at 2:20 PM.

Chair Kampe suggested adding "Public Comment Period" including public comments protocol to all future FC agendas, Executive Officer Houlemard suggested adding also "Acknowledgments, Correspondence, and Announcements" to the future agendas, other FC members concurred.

2. March 28, 2012 Minutes

Approved (Motion Oglesby, Second Kampe, passed 3:0 Abstention: Ford)

3. Finance Committee Charge (FORA Master Resolution)

With recent FC appointment changes (Jim Ford joining the committee, Bill Kampe replacing Sue McCloud as a Chair) Executive Officer Houlemard reviewed and clarified the FC charge as detailed in the FORA Master Resolution.

4. FY 12-13 Preliminary Budget

This item was continued from March 28 meeting. FC members received the draft FY 12-13 Preliminary Budget charts prior to the meeting. Michael Houlemard summarized adjustments in revenues and expenditures from/since the 3/28 FC meeting. Chair Kampe suggested discussing each line item in succession and encouraged other FC members to ask questions "as we go."

FC had extended discussion concerning the Preston Park competitive bid sale transaction, member Ford asked about the development fee and Reserve account with respect to how these assets would be accounted for in the sale transaction; FC suggested clarifying these items on the Preston Park sale chart. FC Members then reviewed the itemized expenditures table. They discussed the suggestions to televise board meetings in the coming year, directing staff to increase the line item to allow all board meetings to be televised. Member Ford asked about the budget line item for the Base Reuse Plan reassessment. Michael Houlemard explained that the consultant is requesting additional budget to address increased stakeholder requests and Board of Directors instructions to add hearings and access for public participation in the reassessment process. The FORA Board will decide the extent of this request. Steve Endsley elaborated by explaining that there is sufficient budget in this fiscal year to implement the necessary contract adjustments (such as adding public workshops) immediately, and any additional scope adjustments and BRP revision/s will be addressed in the upcoming year's budget.

Ivana Bednarik noted that the capital projects include only mandated expenditures such Habitat Management set aside and fire apparatus lease payment and that the rest of the CIP budget is being developed by the CIP/Administrative committee and it is CFD revenue dependent. FC members reviewed the jurisdictional forecasts of development fee payments and decided to include approximately 50% (\$3M) of the projections in the overall budget, based on the current housing market, project entitlements.

FC Members also reviewed a two-year budget projections, member Oglesby found the chart useful and agreed with the other members that the longer-term budget projections should be revisited and prepared at mid-year, when now unknown items such as FORA extension and tax increment revenue continuation will be decided.

Michael Houlemard reviewed the fiscal impact of the proposed salary adjustments. He reminded the FC committee that in January 2012 the FORA Board adopted new salary ranges to bring staff toward equity with other labor market agencies after having fallen behind member and affiliated agencies. FC considered that FORA jurisdictions are facing budget cuts, but recognized the importance of keeping FORA staff salaries competitive and decided to a) include a sufficient amount in the budget to allow for up to 2% COLA at the option of the Executive Committee/FORA Board and b) review salary step increases at mid-year in conjunction with the longer term budget projections. The Finance Committee unanimously decided to recommend Executive Committee and FORA Board adoption of the preliminary FY 12-13 budget with the noted adjustments. (Motion Ford, Second Bice, passed 4:0)

5. FORA historical funding/expenses

The FC reviewed the updated funding chart that included previous FC suggestions. They discussed expenditure/project allocations to each jurisdiction noting that some projects (such GJMB allocated to Seaside) have regional impacts and asked staff to see if this could be included in the chart. This is an ongoing process and adjustments will be made to future versions.

6. Next Meeting Date

The next FC meeting was scheduled for May 21, 2012 at 3 PM should an additional meeting on the budget be required.

7. Adjournment

Meeting adjourned at 4:00 PM.

Minutes prepared by Ivana Bednarik.

DRAFT

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Legislative Report

Meeting Date: June 8, 2012

Agenda Number: 10d

INFORMATION

RECOMMENDATION:

Receive report from Executive Officer.

BACKGROUND/DISCUSSION:

The Legislative Committee did not meet in May. Attached please find the May 30, 2012 JEA & Associates Bill Track document (**Attachment A**).

FISCAL IMPACT:

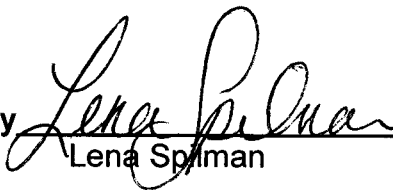
Reviewed by the FORA Controller 

Staff time for this item is included in the approved FY 11-12 budget.

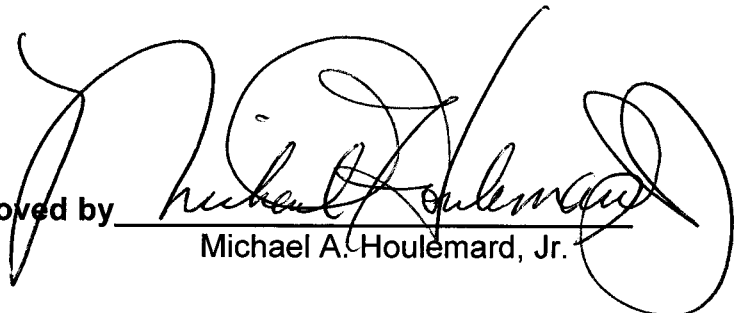
COORDINATION:

Legislative Committee

Prepared by


Lena Spilman

Approved by


Michael A. Houlemard, Jr.

FORA 2012 Bill Track, as of Wednesday, May 30, 2012

[AB 1555](#) **(Norby R) Redevelopment: debt forgiveness agreements.****Introduced:** 1/26/2012**Last Amend:** 5/1/2012**Status:** 5/21/2012-Ordered to inactive file at the request of Assembly Member Norby.**Location:** 5/21/2012-A. INACTIVE FILE

Summary: Current law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies, as defined. Current law imposes various requirements on successor agencies and subjects successor agency actions to the review of oversight boards. Current law requires each oversight board to direct the successor agency to, among other things, cease performance in connection with and terminate all current agreements that do not qualify as enforceable obligations, as defined. This bill would, in directing the successor agency to take a specified action, prohibit the oversight board from requiring the successor agency to take any action that results in the forgiveness, wholly or partially, of a loan, advance, or indebtedness that is owed by a private entity to the dissolved redevelopment agency. The bill would authorize the oversight board, consistent with a specified provision of law, to set aside any agreements relating to the forgiveness of indebtedness, loans, or advances owed by a private entity to the dissolved redevelopment agency dating back to January 1, 2011.

Position

Watch

[AB 1585](#) **(John A. Pérez D) Redevelopment.****Introduced:** 2/2/2012**Last Amend:** 3/21/2012**Status:** 4/19/2012-Referred to Coms. on GOV. & F. and T. & H.**Location:** 4/19/2012-S. G. & F.

Summary: Current law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies, as defined. Current law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, repay enforceable obligations, as defined, and to remit unencumbered balances of redevelopment agency funds, including housing funds, to the county auditor-controller for distribution to taxing entities. This bill would modify the scope of the term "enforceable obligation" and modify provisions relating to the transfer of housing funds and responsibilities associated with dissolved redevelopment agencies. The bill would provide that any amounts on deposit in the Low and Moderate Income Housing Fund of a dissolved redevelopment agency be transferred to specified entities. The bill would make conforming changes. This bill contains other related provisions and other current laws.

Position

Watch

[AB 1614](#) **(Monning D) Fort Ord Reuse Authority.****Introduced:** 2/8/2012**Last Amend:** 3/12/2012**Status:** 4/19/2012-Referred to Com. on GOV. & F.**Location:** 4/19/2012-S. G. & F.**Calendar:** 6/13/2012 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, WOLK, Chair

Summary: Current law, the Fort Ord Reuse Authority Act, establishes the Fort Ord Reuse Authority to prepare, adopt, finance, and implement a plan for the use and development of the territory previously occupied by the Fort Ord military base in Monterey County. The act provides that the authority is governed by a board consisting of members from specified cities and authorizes the board to acquire and dispose of current real property and facilities within the Fort Ord territory, to plan, finance, and construct new public capital facilities within that territory, to levy assessments, special taxes, or development fees, and to issue bonds. This bill would instead make the act inoperative when the board makes the above specified determination, or June 30, 2024, whichever occurs first, and would repeal the act on January 1, 2025. This bill would also require the board to submit and approve a transition plan to the Monterey County Local Agency Formation Commission, as specified. This bill contains other current laws.

Position

Support

[AB 1644](#) **(Carter D) California Military Base Reuse and Preservation Act of 2012.****Introduced:** 2/13/2012**Last Amend:** 3/29/2012**Status:** 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. L. GOV. on 4/9/2012)

Location: 5/11/2012-A. DEAD

Summary: The Military Base Reuse Authority Act authorizes cities and counties to establish an authority with specified powers and duties relating to the transition of a military base to civilian use; the Fort Ord Reuse Authority Act authorizes specified local agencies to establish the Fort Ord Reuse Authority; and current law designates the local redevelopment authority recognized by the Department of Defense as the single local reuse authority for other specified military bases. Current law requires that the board of a military base reuse authority prepare, adopt, review, revise, and maintain a reuse plan that provides for the future use and development of territory of the former military base. This bill would enact the California Military Base Reuse and Preservation Act of 2012. The bill would make several legislative findings and declarations relating to the granting of redevelopment powers to communities affected by federal military base closures . This bill contains other related provisions and other current laws.

Position
Watch

[AB 1827](#) **(Bonilla D) Infrastructure financing districts.**

Introduced: 2/22/2012

Last Amend: 4/16/2012

Status: 5/17/2012-Referred to Coms. on GOV. & F. and T. & H.

Location: 5/17/2012-S. G. & F.

Summary: Current law authorizes a city, county, or city and county to establish infrastructure financing districts , as defined, for the sole purpose of financing public facilities utilizing incremental property tax revenues , subject to adoption of a resolution by the legislative body and affected taxing entities proposed to be subject to division of taxes and 2/3 voter approval. Current law authorizes the legislative body to, by majority vote, initiate proceedings to issue bonds for the financing of district projects by adopting a resolution, subject to specified procedures and 2/3 voter approval . A district may not include a redevelopment project area and a redevelopment project area may not include any portion of a district. This bill would authorize a military base reuse authority to form an infrastructure financing district for purposes of financing public facilities and issuing bonds. The bill would further authorize infrastructure financing districts to finance homeless accommodations, as specified .

Position
Support

[AB 1828](#) **(Bonilla D) Land use: Concord Naval Weapons Reuse Authority.**

Introduced: 2/22/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. L. GOV. on 3/5/2012)

Location: 5/11/2012-A. DEAD

Summary: The Fort Ord Reuse Authority Act authorizes the County of Monterey and specified cities within that county to establish the Fort Ord Reuse Authority to, among other things, plan for, finance, and manage the transition of the property known as Fort Ord from military to civilian use. This bill would authorize Contra Costa County and the City of Concord to establish the Concord Naval Weapons Station Reuse Authority to plan for, finance, and manage the transition of the property formerly known as the Concord Naval Weapons Station from military to civilian use. This bill contains other related provisions.

Position
Watch

[AB 1842](#) **(Monning D) California Central Coast State Veterans Cemetery: Endowment Fund.**

Introduced: 2/22/2012

Last Amend: 5/10/2012

Status: 5/24/2012-Referred to Com. on V.A.

Location: 5/24/2012-S. V. A.

Summary: Current law requires the Department of Veterans Affairs, in voluntary cooperation with specified local entities, to design, develop, and construct a state-owned and state-operated veterans cemetery located on the site of the former Fort Ord. Current law creates the California Central Coast State Veterans Cemetery at Fort Ord Endowment Fund (Endowment Fund) in the State Treasury, and requires moneys in the fund to be allocated, upon appropriation by the Legislature, to the department for the annual administrative and oversight costs of the veterans cemetery, as specified, and to generate funding through interest for the veterans cemetery. Current law provides that the Endowment Fund may consist of, among other things, donations from public and private entities and fees. This bill would authorize the department to enter into any financial agreement to receive cash advances in the Endowment Fund, provided that no obligations of repayment are made to the state and the agreement is reviewed and performed in consultation with the Department of Finance. This bill contains other related provisions and other current laws.

Position
Support

[AB 2144](#) (John A. Pérez D) Local government: infrastructure and revitalization financing districts.

Introduced: 2/23/2012

Last Amend: 4/16/2012

Status: 5/21/2012-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 5/21/2012-S. RLS.

Summary: Current law authorizes the creation of infrastructure financing districts, as defined, for the sole purpose of financing public facilities, subject to adoption of a resolution by the legislative body and affected taxing entities proposed to be subject to division of taxes and 2/3 voter approval. Current law authorizes the legislative body to, by majority vote, initiate proceedings to issue bonds for the financing of district projects by adopting a resolution, subject to specified procedures and 2/3 voter approval. Current law requires an infrastructure financing plan to include the date on which an infrastructure financing district will cease to exist, which may not be more than 30 years from the date on which the ordinance forming the district is adopted. Current law prohibits a district from including any portion of a redevelopment project area. Current law, the Polanco Redevelopment Act, authorizes a redevelopment agency to take any action that the agency determines is necessary and consistent with state and federal laws to remedy or remove a release of hazardous substances on, under, or from property within a project area, whether the agency owns that property or not, subject to specified conditions. This bill would authorize the creation of an infrastructure and revitalization financing district and the issuance of debt with 55% voter approval. The bill would authorize the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years. The bill would delete the prohibition on a district including any portion of a redevelopment project area, and authorize a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases. The bill would authorize a city to form a district to finance a project or projects on a former military base, if specified conditions are met. The bill would provide that the issuance of debt by such a district on land of a former military base that is publicly owned is not subject to voter approval. This bill contains other related provisions.

Position

Watch

[SB 949](#) (Vargas D) Cities: community benefit districts.

Introduced: 1/4/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. G. & F. on 2/2/2012)

Location: 5/11/2012-S. DEAD

Summary: Current law authorizes cities and counties to establish various districts and other entities to provide improvements and other benefits within their jurisdiction. Current law, the Property and Business Improvement District Law of 1994, authorizes cities and counties, and joint exercise of powers agencies comprised of cities and counties, to establish property and business improvement districts for the purpose of financing certain improvements on real property located within the district. This bill would authorize a local agency to form a community benefit district by complying with specified procedures and requirements, to be operated by a nonprofit management company, and to levy an assessment for the support of the district.

Position

Watch

[SB 986](#) (Dutton R) Redevelopment: bond proceeds.

Introduced: 1/31/2012

Last Amend: 5/29/2012

Status: 5/29/2012-Read second time and amended. Ordered to third reading.

Location: 5/29/2012-S. THIRD READING

Calendar: 5/30/2012 #72 SENATE SENATE BILLS-THIRD READING FILE

Summary: Current law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies, as defined. Current law requires that successor entities perform certain duties, including, among others, remitting unencumbered funds of that agency to the county auditor-controller, and overseeing the use of bond proceeds. Current law requires each successor agency to have an oversight board that is composed of 7 members who meet certain qualifications. Current law requires the oversight board to approve certain actions of the successor agency. This bill would require that unencumbered balances of funds that are derived from tax exempt bond proceeds be used in accordance with the requirements of this bill. The bill would also require that the proceeds of bonds issued by a former redevelopment agency on or before December 31, 2010, be used by the successor agency for the purposes for which the bonds were sold pursuant to an enforceable obligation, as defined, that was entered into by the former redevelopment agency prior to its dissolution. The bill would also provide that if the bond proceeds are not subject to an enforceable obligation, or if the purpose for which the bonds were sold can no longer be achieved, then the bond proceeds shall be used to defease the bonds or to purchase outstanding bonds on the open market for cancellation. This bill contains other related provisions.

Position
Watch

[SB 1094](#) **(Kehoe D) Land use: mitigation lands: nonprofit organizations.**

Introduced: 2/16/2012

Last Amend: 5/29/2012

Status: 5/29/2012-From committee: Do pass as amended. (Ayes 7. Noes 0.) (May 24). Read second time and amended. Ordered to third reading.

Location: 5/29/2012-S. THIRD READING

Calendar: 5/30/2012 #106 SENATE SENATE BILLS-THIRD READING FILE

Summary: The Planning and Zoning Law provides that if a state or local agency requires a person to transfer to that agency an interest in real property to mitigate the environmental impact of a project or facility, that agency may authorize specified entities to hold title to, and manage that interest in, real property, as well as any accompanying funds, provided those entities meet specified requirements. Current law requires that if accompanying funds, as defined, are conveyed at the time the property is protected, then the holder of those accompanying funds must meet specified requirements. Current law requires a state or local agency to exercise due diligence in reviewing the qualifications of a special district or nonprofit organization to effectively manage and steward land, water, or natural resources, as well as the accompanying funds. This bill would use the term "endowment" instead of "accompanying funds." This bill would authorize an agency, in connection with the provisions described above, to also permit a governmental entity, as defined, to hold title to, and manage that interest in, real property, as well as any endowment. This bill would remove the requirement that a state or local agency exercise due diligence in reviewing the qualifications of a special district or nonprofit organization to effectively manage the endowment. This bill would also modify the requirements that the holder of an endowment must meet, and would provide that those requirements also apply to endowments that are secured at the time the property is protected. This bill contains other related provisions and other current laws.

Position
Support

[SB 1220](#) **(DeSaulnier D) Housing Opportunity and Market Stabilization (HOMeS) Trust Fund Act of 2012.**

Introduced: 2/23/2012

Last Amend: 5/25/2012

Status: 5/25/2012-Read second time and amended. Ordered to third reading.

Location: 5/25/2012-S. THIRD READING

Calendar: 5/30/2012 #54 SENATE SENATE BILLS-THIRD READING FILE

Summary: Under current law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, home ownership for very low and low-income households, and downpayment assistance for first-time homebuyers. Current law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law. Current law requires that proceeds from the sale of these bonds be used to finance various current housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. This bill would enact the Housing Opportunity and Market Stabilization (HOMeS) Trust Fund Act of 2012. The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would impose a fee, except as provided, of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded. By imposing new duties on counties with respect to the imposition of the recording fee, the bill would create a state-mandated local program. The bill would require that revenues from this fee be sent quarterly to the Department of Housing and Community Development for deposit in the Housing Opportunity and Market Stabilization (HOMeS) Trust Fund, which the bill would create within the State Treasury. The bill would provide that moneys in the fund may be expended for supporting affordable housing, administering housing programs, and the cost of periodic audits, as specified. The bill would impose certain auditing and reporting requirements. This bill contains other related provisions and other current laws.

Position
Watch

[SB 1335](#) **(Pavley D) Redevelopment: brownfield sites.**

Introduced: 2/24/2012

Last Amend: 4/30/2012

Status: 5/25/2012-Failed Deadline pursuant to Rule 61(b)(8). (Last location was S. APPR. on 5/24/2012)

Location: 5/25/2012-S. DEAD

Summary: Current law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies, as defined. Current law imposes various requirements on successor agencies and subjects successor agency actions to the review of oversight boards. Current law requires successor agencies to wind down the affairs of the

dissolved redevelopment agencies and to, among other things, dispose of assets and properties of the former redevelopment agencies, as directed by the oversight board. Current law requires proceeds from the sale of assets that are no longer needed to be transferred to the county auditor-controller for distribution as property tax proceeds to taxing entities, as prescribed. This bill would authorize a successor agency to retain property obtained by the former redevelopment agency for specified remediation or removal purposes of the release of hazardous substances, as defined, at a brownfield site using available financing, funds, and grants, subject to approval of the oversight board pursuant to specified procedures. Upon completion of remediation, the bill would require the successor agency to dispose of the property pursuant to current asset disposition provisions. The bill would make conforming changes.

Position

Possible Support

Total Measures: 13

Total Tracking Forms: 13

FORT ORD REUSE AUTHORITY BOARD REPORT	
EXECUTIVE OFFICER'S REPORT	
Subject:	Water/Wastewater Oversight Committee Report
Meeting Date:	June 8, 2012
Agenda Number:	10e
	INFORMATION

RECOMMENDATION:

Receive a report from the Water/Wastewater Oversight Committee ("WWOC").

BACKGROUND/DISCUSSION:

The WWOC met jointly with the Administrative Committee on May 16 and May 30, 2012. The *approved* minutes (**Attachment A**) from May 16th and the *draft* minutes from May 30th are included for your review.

FISCAL IMPACT:

Reviewed by the FORA Controller 

Staff time for this item is included in the approved FY 11-12 budget.

COORDINATION:

WWOC, Administrative Committee

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



Fort Ord Reuse Authority

920 2nd Avenue, Ste. A, Marina, CA 93933

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JOINT ADMINISTRATIVE AND WATER/WASTEWATER OVERSIGHT COMMITTEE MEETING

9:15 AM WEDNESDAY, MAY 16, 2012

910 2nd Avenue, Marina CA 93933 (Carpenter's Union Hall)

MINUTES

1. CALL TO ORDER AT 9:15 AM

Confirming a quorum, Administrative Committee co-chair Daniel Dawson called the meeting to order at 10:15 AM. The following people, indicated by signatures on the roll sheet, attended:

Committee Members

Vicki Nakamura, MPC

Mike Lerch, CSUMB

Doug Yount, City of Marina

Elizabeth Caraker, City of Monterey

Paul Greenway, Monterey Co.

Rick Riedl, City of Seaside

Daniel Dawson City of DRO

Graham Bice, UCMBEST

Debby Platt, City of Marina

Bob Schaffer, MCP

Kelly Cadiente, MCWD

Steve Endsley, FORA

Jim Arnold, FORA

Crissy Maras, FORA

Robert Norris, FORA

Pat Ward, Bestor Engineers

Kathleen Lee, Sup. Potter

Mike McCullough, Silverado Homes

Carl Niizawa, MCWD

Chuck Lande, Marina Heights

Patrick Breen, MCWD

Jerry Bowden, FORA

2. PUBLIC COMMENT PERIOD: None

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE: None

4. APPROVAL OF MEETING MINUTES: May 2, 2012

On a motion made by Rick Riedl and seconded by Graham Bice, the May 2, 2012 meeting minutes were approved as presented.

5. OLD BUSINESS

a. Draft FY 2012/13 Ord Community Water and Wastewater Budgets and Rates-Draft MCWD Board Presentation

Carl Niizawa reviewed a newly formatted capital improvement summary sheet and noted the capital projects scheduled in FY 12/13. He specified that project GW-0211, the tie-in between the MCWD system and the regional desalination project system, may not occur if the regional project does not move forward.

MCWD Director of Administrative Services Kelly Cadiente reviewed the draft presentation MCWD anticipated providing to the FORA Board on June 8th. She noted that the Proposition 218 process that was undertaken last year allowed for a two year rate increase, therefore no Prop 218 process would be required for a rate increase to take place this year. Committee members provided a few suggestions to Ms. Cadiente and were generally in approval of the presentation and format of the information provided.

A FORA presentation focusing more on the MCWD/FORA relationship and the water and wastewater facilities agreement between the two will be provided at the next meeting scheduled for May 30th, in anticipation of providing the information to the Board on June 8th.

6. NEW BUSINESS

a. Water/Wastewater Facilities Agreement

FORA Assistant Executive Officer Steve Endsley noted the possibility that once MCWD annexes the Ord Community into their service area, annual approval of the budgets and rates by the FORA Board may no longer be required. The Facilities Agreement does state that MCWD shall construct facilities for water augmentation as required under the Fort Ord Base Reuse plan for reuse and redevelopment of the former Fort Ord. This will occur independently of the rate setting process.

7. ADJOURNMENT

The meeting was adjourned at 10:55 AM.

Minutes prepared by Crissy Maras, Grants and Contracts Coordinator



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WATER/WASTEWATER OVERSIGHT COMMITTEE MEETING

9:30 AM WEDNESDAY, MAY 30, 2012

910 2nd Avenue, Marina CA 93933 (Carpenter's Union Hall)

MINUTES

1. CALL TO ORDER AT 9:30 AM

Confirming a quorum, Fort Ord Reuse Authority (FORA) Executive Officer Michael A. Houlemard, Jr. called the meeting to order at 10:08 AM. The following people, indicated by signatures on the roll sheet, attended:

Committee Members

Graham Bice, UCMBEST

Mike Lerch, CSUMB

Debby Platt, City of Marina

Elizabeth Caraker, City of Monterey

Paul Greenway, Monterey Co.

Diana Ingersoll, City of Seaside

Daniel Dawson City of DRO

Tim O'Halloran City of Seaside

Carl Holm, Monterey County

Rick Riedl, City of Seaside

Vicki Nakamura, MPC

Michael Houlemard, FORA

Jim Arnold, FORA

Jonathan Garcia, FORA

Pat Ward, Bestor Engineers

Bob Schaffer, MCP

Chuck Lande, Mar. Heights

Carl Niizawa, MCWD

Patrick Breen, MCWD

Kelly Cadiente, MCWD

Crissy Maras, FORA

2. PUBLIC COMMENT PERIOD: None

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE: None

4. APPROVAL OF MEETING MINUTES: May 16, 2012

On a motion made by Graham Bice and seconded by Daniel Dawson, the May 16, 2012 meeting minutes were approved as presented.

5. OLD BUSINESS

a. Draft FY 2012/13 Ord Community Water and Wastewater Budgets and Rates - Approval

The draft FY 2012/13 Ord Community Water and Wastewater Budgets and Rates were reviewed by the WWOC and/or joint WWOC/Administrative Committee on March 14th, April 18th and May 2nd 2012. CSUMB representative Mike Lerch read a prepared statement into the record (attached).

Mr. Dawson made a motion to approve the draft FY 2012/13 Ord Community Water and Wastewater Budgets and Rates; Mr. Bice seconded. The motion passed with CSUMB casting a dissenting vote.

6. NEW BUSINESS – none

7. ADJOURNMENT

The meeting was adjourned at 10:18 AM.

CSUMB COMMENTS READ INTO THE RECORD BY MIKE LERCH

Over the course of the last few months we have been told that a 5 year infrastructure plan had been approved in 2008 in support of growth, to “prime the pump” so to speak, funded by debt and reserves. The debt showed up, between FY 09-10 and proposed 12-13 debt service and interest increased from \$1.0 MM per year to \$1.7MM per year on what was then a \$4.8MM annual budget. The growth part did not, volume actually dropped from 2,660 acre ft in 09-10 to 2,570 acre feet projected for 12-13.

The economic climate has clearly not helped, and we all suffer from that. Eyeballing a chart of consumer price index it has probably only gone up about 2% per year over the last 4 years. I represent a State institution whose budget has been cut 30%. It has not been easy for anyone.

Here entering the 5th and final year of the plan we were initially proposed a budget that supported \$400,000 of Capital Improvement Projects and was near balanced with a 5% or \$200,000 rate increase. This was encouraging as there appeared to be some room for maneuver within these figures and still have the ability to keep a balanced budget and minimize the increase to ratepayers. However these figures were then revised to reflect a \$632,000 decrease in grant revenue that was suddenly not going to materialize AND Capital Improvement Projects was increased to \$607,000, and with some other adjustments, the combined net effect was to push the budget \$940,000 into deficit. This on a total budget of \$6.6MM mind you.

This sudden gap of \$940,000 was then immediately filled without discussion, not by proposing a greater rate increase, not by proposing budget cuts or a reduction in Capital Improvement Projects but simply by running to reserves. All In keeping with the 5 year plan. Having done such we learn that available reserves will by the end of next fiscal year be depleted to within \$300,000 of their lowest allowable level, not only by tapping them for this coming year but by the fact that \$7.6MM, I'll repeat \$7.6 MM of reserves have been lent from the Ord Community Water reserves to the “Regional” water project and are therefore no longer available to support the Ord Community Water budget.

All this indicates to me that this play is pretty well tapped out, the well is dry. This as we are being presented with a new 5 year CIP plans that dwarfs everything that has been done before, prior years was \$6.6 MM, the next 5 years is \$16.4MM, out years another \$21.8 MM!. The cart is simply before the horse and it is heading in a direction that will result in big rate increases each and every year, for ever.

That is not a recommendation that I as a representative of the second largest ratepayer in the Ord Community Service Area can vote to recommend. This process and budget is not serving the ratepayers, and is not in line with the economic realities they face. I would instead urge the board to reconsider this budget and consider alternatives that don't soak the ratepayers.

Finally I do notice the nice charts in the budget packet that show that our rates are still the lowest in the region, and I hope we can keep them that way.

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

Subject:	Habitat Conservation Plan	
Meeting Date:	June 8, 2012	INFORMATION
Agenda Number:	10f	

RECOMMENDATION(S):

Receive an Habitat Conservation Plan ("HCP") status report and State of California 2081 Incidental Take Permit ("2081 permit") preparation process status report.

BACKGROUND/DISCUSSION:

The Fort Ord Reuse Authority ("FORA"), with the support of its member jurisdictions and ICF International (formerly Jones & Stokes), FORA's HCP consultant, is on a path to receive approval of a completed basewide HCP and 2081 permit in 2013, concluding with US Fish and Wildlife Service ("USFWS") and California Department of Fish and Game ("CDFG") issuing federal and state permits.

ICF completed an administrative draft HCP on December 4, 2009. FORA member jurisdictions completed a comment and review period, which ended February 26, 2010. In April 2011, USFWS finished their comments on all draft HCP sections, while CDFG provided limited feedback. These comments by the regulatory agencies required a substantial reorganization of the document. To address this, ICF completed a 3rd Administrative Draft HCP for review (dated September 1, 2011). The 12 Permittees (County, Cities of Marina, Seaside, Del Rey Oaks, and Monterey, Monterey Peninsula Regional Park District, Marina Coast Water District, State Parks, Monterey Peninsula College, California State University Monterey Bay, University of California Monterey Bay Education, Science, and Technology Center, and FORA) and Cooperating Entity (Bureau of Land Management) reviewed this draft document and submitted their comments in October 2011. That review included the draft HCP Implementing Agreement and Ordinance/Policy, which are appendices to the draft HCP and are being prepared separately by FORA. ICF addressed the comments received and submitted the draft document to USFWS/CDFG the week of March 19, 2012. It is estimated that it will take the wildlife agencies 90 days to complete their internal review followed by 60 days for ICF to prepare a Screen Check draft that will undergo a 30-day review for legal compliance by the wildlife agencies' solicitors/legal departments. ICF would then respond to any comments/issues raised in 30 days. FORA staff expects a Public Draft document will be available for public review by October 2012.

At the September 7, 2011 FORA Administrative Committee meeting, Jamie Gomes, Principal, from EPS presented information related to Economic and Planning Systems' ("EPS") review of HCP costs and endowment investment strategy. EPS provided an HCP endowment investment strategy that was incorporated into the draft HCP. Final approval of the endowment strategy rests with CDFG/USFWS. CDFG does not currently provide guidance on establishing an acceptable HCP endowment fund. However, Senator

Christine Kehoe has authored SB 1094, which would provide CDFG specific direction for issuing guidance on establishing HCP and other endowment funds. On April 25th 2012, Executive Officer Michael Houlemard and Principal Analyst Robert Norris attended a committee hearing for this bill. Mr. Houlemard testified in support of this key legislation.

FISCAL IMPACT:

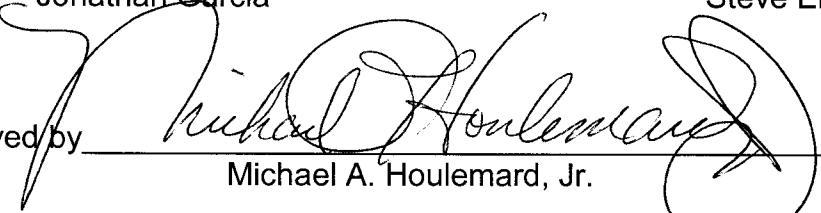
Reviewed by FORA Controller 

ICF and Denise Duffy and Associates' (FORA's/USFWS's NEPA/CEQA consultant) contracts have been funded through FORA's annual budgets to accomplish HCP preparation and environmental review. Staff time for this item is included in the approved FY 11-12 budget.

COORDINATION:

Executive Committee, Administrative Committee, Legislative Committee, HCP working group, FORA Jurisdictions, USFWS and CDFG personnel, ICF, Denise Duffy and Associates, and Bureau of Land Management.

Prepared by  Jonathan Garcia Reviewed by  Steve Endsley

Approved by  Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Executive Officer's Travel	
Meeting Date: June 8, 2012	INFORMATION
Agenda Number: 10g	

RECOMMENDATION(S):

Receive an informational travel report from the Executive Officer.

BACKGROUND:

The Executive Officer regularly submits reports to the Executive Committee providing details of his travel requests, including those by the Fort Ord Reuse Authority ("FORA") staff and Board members. Travel expenses may be paid or reimbursed by FORA, outside agencies/ jurisdictions/ organizations, or a combination of these sources. The Executive Committee reviews and approves these requests, and the travel information is reported to the Board as an informational item.

Completed Travel

Destination: Washington, DC

Date: April 14-18, 2012

Traveler/s: Michael Houlemard, Dave Potter, Robert Norris

Purpose: To participate in a series of meetings with legislators and federal agency representatives regarding items from the FORA Legislative Agenda. *Although this trip was previously reported to the Board, staff notes a date correction for the record.*

Destination: Washington, D.C.

Date: May 13-16, 2012

Traveler/s: Michael Houlemard

Purpose: To attend the 2012 ADC Strategic Planning Meeting and Retreat, and to meet with public officials (OEA). Mr. Houlemard's expenses will be significantly reimbursed by ADC.

Upcoming travel

Destination: Sacramento, CA

Date: June 12-13, 2012

Traveler/s: Michael Houlemard and a member of the Executive Committee/Board

Purpose: To meet with Senate Staff and to attend the Senate Governance and Finance Committee Hearing on AB 1614.

***This hearing date is yet to be confirmed for AB 1614

FISCAL IMPACT:

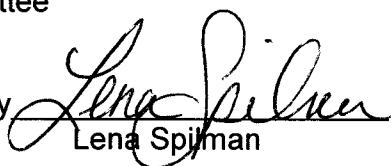
Reviewed by FORA Controller 

Staff time for this item is included in the approved FY 11-12 budget. Travel expenses are reimbursed according to the FORA Travel Policy.

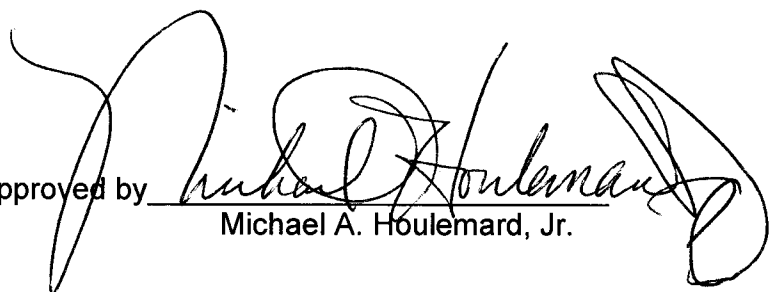
COORDINATION:

Executive Committee

Prepared by


Lena Spilman

Approved by


Michael A. Houlemard, Jr.