



# FORT ORD REUSE AUTHORITY

## REGULAR MEETING

### FORT ORD REUSE AUTHORITY (FORA) BOARD OF DIRECTORS

Friday, December 8, 2017 at 2:00 p.m. | 910 2<sup>nd</sup> Avenue, Marina, CA 93933 (Carpenters Union Hall)

## AGENDA

**ALL ARE ENCOURAGED TO SUBMIT QUESTIONS/CONCERNS BY NOON DECEMBER 7, 2017.**

#### 1. CALL TO ORDER

#### 2. PLEDGE OF ALLEGIANCE *(If able, please stand)*

#### 3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

- Eastside Parkway Environmental Review Community Workshop, December 6, 2017  
Two Sessions: 1:00 – 3:00 p.m. and 6:00 – 8:00 p.m. | Carpenters Union Hall, Marina

#### 4. CLOSED SESSION

- a. Conference with Legal Counsel – Gov. Code 54956.9(d)(2) one matter of significant exposure to litigation.  
Claimant: Marina Community Partners
- b. Potential Litigation – Conference with Legal Counsel Anticipated Litigation - Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: Two potential cases.

#### 5. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

#### 6. ROLL CALL

*FORA is governed by 13 voting members: (a) 1 member appointed by the City of Carmel; (b) 1 member appointed by the City of Del Rey Oaks; (c) 2 members appointed by the City of Marina; (d) 1 member appointed by Sand City; (e) 1 member appointed by the City of Monterey; (f) 1 member appointed by the City of Pacific Grove; (g) 1 member appointed by the City of Salinas; (h) 2 members appointed by the City of Seaside; and (i) 3 members appointed by Monterey County. The Board also includes 12 ex-officio non-voting members.*

#### 7. CONSENT AGENDA

#### INFORMATION/ACTION

*CONSENT AGENDA consists of routine information or action items accompanied by staff recommendation. Information has been provided to the FORA Board on all Consent Agenda matters. The Consent Agenda items are normally approved by one motion unless a Board member or the public request discussion or a separate vote. Prior to a motion, any member of the public or the Board may ask a question or make comment about an agenda item and staff will provide a response. If discussion is requested, that item will be removed from the Consent Agenda and be considered separately at the end of the Consent Agenda.*

- a. Approve November 17, 2017 Meeting Minutes ([p. 1](#))  
**Recommendation:** Approve November 17, 2017 meeting minutes.
- b. Administrative Committee ([p. 5](#))  
**Recommendation:** Receive a report from the Administrative Committee.
- c. Water/Wastewater Oversight Committee ([p. 8](#))  
**Recommendation:** Receive a Water/Wastewater Oversight Committee update.
- d. Fiscal Year 2016-2017 Audited Annual Financial Report ([p. 9](#))  
**Recommendation:** Accept the Moss, Levy & Hartzheim, Certified Public Accountants, Fort Ord Reuse Authority Fiscal Year 2016-2017 Audited Annual Financial Report as recommended by the Finance Committee.
- e. Public Correspondence to the Board ([p. 10](#))

**8. BUSINESS ITEMS****INFORMATION/ACTION**

*BUSINESS ITEMS are for Board discussion, debate, direction to staff, and/or action. Comments from the public are **not to exceed 3 minutes** or as otherwise determined by the Chair.*

- a. Economic Development Report (p. 11)
  - i. Quarterly Report
  - ii. California State University Monterey Bay Small Business Development Center Support**Recommendation:** Receive Economic Development Quarterly update and receive the Small Business Development Center status update.
- b. Prevailing Wage Compliance Update (p. 16)**Recommendation:** Receive a Fort Ord Reuse Authority (FORA) prevailing wage compliance report providing information requested at the November 17, 2017 FORA Board of Directors meeting.
- c. Environmental Services Cooperative Agreement Grant Amendment Update (p. 20)**Recommendation:** Receive an Environmental Services Cooperation Agreement Grant Amendment update.

**9. PUBLIC COMMENT PERIOD****INFORMATION**

*Members of the public wishing to address the Board on matters within its jurisdiction, but **not on this agenda**, may do so for up to 3 minutes or as otherwise determined by the Chair and will not receive Board action. Whenever possible, written correspondence should be submitted to the Board in advance of the meeting, to provide adequate time for its consideration.*

**10. ITEMS FROM MEMBERS****INFORMATION**

*Receive communication from Board members as it pertains to future agenda items.*

**11. ADJOURNMENT**

**NEXT REGULAR MEETING: JANUARY 12, 2018 AT 2:00 P.M.**



**FORT ORD REUSE AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING MINUTES  
2:00p.m., Friday, November 17, 2017 | Carpenters Union Hall  
910 2<sup>nd</sup> Avenue, Marina, CA 93933**

**1. CALL TO ORDER**

Chair Rubio called the meeting to order at 2:02 p.m.

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by County of Monterey Supervisor Luis Alejo.

**3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE**

Executive Officer Michael Houlemard made the following announcements:

- Eastside Parkway Environmental Review Community Workshop on December 6, 2017. Two Sessions will be held between 1:00 – 3:00 p.m. and 6:00 – 8:00 p.m. at Carpenters Union Hall in Marina.
- December 13, 2017 – Wreaths Across America will be at the California Central Coast Veterans Cemetery at 9:00 a.m. to remember and honor our veterans.
- Monterey Bay Defense Alliance report of its November 17, 2017 meeting.

**4. CLOSED SESSION**

- a. Conference with Legal Counsel – Gov. Code 54956.9(d)(2) one matter of significant exposure to litigation Claimant: Marina Community Partners

Time entered: 2:04 p.m.

Time exited: 2:18 p.m.

**5. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION**

Authority Counsel, Jon Giffen reported no action to announce.

**6. ROLL CALL**

**Voting Members Present:**

Supervisor Jane Parker (Monterey County), Supervisor Luis Alejo (Monterey County), Supervisor John Phillips (Monterey County) *arrived at 3:00 p.m.*, Mayor Jerry Edelen

(City of Del Rey Oaks), Councilmember Frank O'Connell (City of Marina), Councilmember Gail Morton (City of Marina), Councilmember Alan Haffa (City of Monterey), Mayor Ralph Rubio (City of Seaside), Mayor Pro Tem Dennis Alexander (City of Seaside), Mayor Mary Ann Carbone (City of Sand City), Mayor Joe Gunter (City of Salinas), Councilmember Cynthia Garfield (City of Pacific Grove), Councilmember Jan Reimers (City of Carmel-by-the-Sea)

**Ex-officio (Non-Voting) Board Members Present:**

Manny Jimenez (20th Congressional District), Nicole Hollingsworth (17th State District), Erica Parker (29th State Assembly District), Todd Muck (TAMC), Steve Matarazzo (UCSC), Andre Lewis (CSUMB), Hugh Hardin (US Army), Michelle Overmeyer (MST), Dr. Thomas Moore (MCWD), Dr. PK Diffenbaugh *arrived at 3:19 p.m.* (MPUSD)

**7. CONSENT AGENDA**

- a. Approve October 13, 2017 Meeting Minutes
- b. Approve October 26, 2017 Special Meeting Minutes
- c. Administrative Committee
- d. Veterans Issues Advisory Committee
- e. 2018 Board of Directors Meeting Calendar
- f. Public Correspondence to the Board
- g. Prevailing Wage Status Report

Chair Rubio introduced the consent agenda items and asked Board members to make their request for any items to be pulled; and called a vote on the remaining items.

Director Alan Haffa requested to pull item 7g.

**MOTION:** On motion by Board member Gunter and second by Board member Carbone and carried by the following vote, the Board moved to approve consent agenda items 7a–7f as provided.

**MOTION PASSED UNANIMOUSLY**

Staff responded to questions and comments and agreed to return with more information on item 7g at the December Board meeting. Public comment was received.

**MOTION:** On motion by Board member Haffa and second by Board member Alexander and carried by the following vote, the Board moved to accept consent agenda item 7g-Prevailing Wage Status Report.

**MOTION PASSED UNANIMOUSLY**

## 8. BUSINESS ITEMS

### a. UC Monterey Bay Education Science and Technology Center Status

Mohamed Abousalem, UCSC Office of Research, Assistant Vice Chancellor, Industry Alliances & Technology Commercialization provided a presentation and responded to questions and comments from the Board. Public comment was received on the item.

Information only item.

### b. Transition Planning Workshop – 2d Vote

Chair Rubio introduced the item and advised the Board and the public that at the conclusion of the presentation a motion to take the second vote is expected with comments from the public to the extent that they do not duplicate comments from the October 26, 2017 Board meeting.

Prevailing Wage/Risk Coordinator Sheri Damon provided a presentation and reviewed the second vote motion and provided answers to questions that were received after the last meeting. *Director Phillips arrived at 3:00 p.m.* Staff responded to questions and comments from the Board. Public comments received on the item and can be viewed at: [https://www.youtube.com/watch?time\\_continue=6&v=T5\\_PZR9aEYE](https://www.youtube.com/watch?time_continue=6&v=T5_PZR9aEYE) (1:01:58)

Chair Rubio called the question on the second vote for the October 26, 2017 motion. A roll call vote passed the motion to the call to the question. Ayes: 10 Noes: 3

**MOTION:** On motion by Board member Edelen and second by Board member Gunter and carried by the following roll call vote to approve the Transition Task Force recommendation to create single entity successor, seek extension of Community Facilities District (CFD)/powers to successor and utilize implementation agreement/percentage assignment for jurisdiction's fair and equitable contribution to a successor to complete FORA program.

Roll call vote on the motion: Ayes – 10, Noes – 3 **MOTION PASSED**

### c. On-Call Engineering and Design Services – 2d Vote

Project Manager Peter Said provided a presentation and clarification for changes that were proposed at the October 26, 2017 meeting. Staff responded to questions and comments from the Board. Public comment was received on the item.

**MOTION:** On motion by Board member Edelen and second by Board member Alexander and carried by the following vote, the Board moved to approve the On-Call Engineering and Design Services Contract with Whitson Engineers

(W) not to exceed \$1,500,000 with the proposed changes to wording of the contract from the Board and will be reflected in the final contract.

Roll call vote on the motion on 8ci: Ayes - 9, Noes - 4 **MOTION PASSED**

**MOTION:** On motion by Board member Edelen and second by Board member Alexander and carried by the following vote, the Board moved to approve Service Work Order: W1 Document Review for \$27,500; W2 South Boundary Road Design and Engineering Services for \$554,300; W3 Gigling Road Design and Engineering Services for \$692,500; and W4 Engineering and Design Services related to Utilities, Munitions and Explosives of Concern, and Public Outreach support on South Boundary and Gigling Roads for \$225,700 with the proposed changes to wording of the contract from the Board and will be reflected in the final contract.

Roll call vote on the motion on 8cii: Ayes – 9, Noes – 4 **MOTION PASSED**

d. Water Augmentation Program Update

Mr. Said provided a presentation on the item and responded to questions and comments from the Board. Public comment was received on the item.

Information only item.

e. Eastside Parkway Environmental Review Update and Public Engagement Process

Principal Planner Jonathan Brinkmann provided a presentation to inform the Board and public on the schedule in which the Eastside Parkway EIR public engagement process will follow. A community workshop is scheduled for December 6, 2017. Staff responded to questions and comments from the Board. Public comment was received on the item.

This item was for information only.

## 9. PUBLIC COMMENT

There were no public comments received.

## 10. ITEMS FROM MEMBERS

Director Alan Haffa expressed his appreciation to Supervisor Parker for her efforts in attempting to locate a solution for long term safe parking.

Director Cynthia Garfield encouraged everyone to avoid the use of plastic straws in “No Straw November”

## 11. ADJOURNMENT at 4:58 p.m.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

**Subject:** Administrative Committee

**Meeting Date:** December 8, 2017

**Agenda Number:** 7b

**INFORMATION/ACTION**

### **RECOMMENDATION:**

Receive a report from the Administrative Committee.

### **BACKGROUND/DISCUSSION:**

The Administrative Committee met on October 18, 2017 and November 8, 2017. The approved minutes for the October 18, 2017 meeting is attached (**Attachment A**). A quorum was not established at the November 8, 2017 meeting.

### **FISCAL IMPACT:**

Reviewed by the FORA Controller 

Staff time for the Administrative Committee is included in the approved annual budget.

### **COORDINATION:**

Administrative Committee

Prepared by   
Dominique L. Jones

Approved by   
Michael A. Houlemard, Jr.



**FORT ORD REUSE AUTHORITY**  
**ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES**  
**8:30 a.m., Wednesday, October 18, 2017 | FORA Conference Room**  
920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

**1. CALL TO ORDER**

Co-Chair Michael Houlemard called the meeting to order at 8:30 a.m.

The following members were present:

AR = After Roll Call; \* = voting member

Craig Malin\* (City of Seaside)

Melani Beretti\* (County of Monterey)

Layne Long\* (City of Marina)

Elizabeth Caraker\* (City of Monterey)

Dino Pick\* (City of Del Rey Oaks)

Michelle Overmeyer (MST)

Steve Matarazzo (UCMBEST)

Bill Collins (BRAC)

Anya Spear (CSUMB)

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Bill Collins

**3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

Bill Collins announced that a Public meeting will be held on Thursday October 26, 2017 in regards to the Army's proposed plan for Group 4 – Future East Garrison Munitions Response Areas.

**4. PUBLIC COMMENT PERIOD**

*Members of the public wishing to address the Administrative Committee on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes.*

There were no comments received from the public.

**5. APPROVAL OF MEETING MINUTES**

**ACTION**

a. October 4, 2017 Regular Meeting Minutes

**MOTION:** On motion by Committee member Caraker and second by Committee member Spear and carried by the following vote, the Administrative Committee moved to approve the regular meeting minutes of October 4, 2017.

**MOTION PASSED UNANIMOUSLY**

**6. OCTOBER 13, 2017 BOARD MEETING FOLLOW-UP**

**INFORMATION**

Jonathan Brinkman provided the Committee and public with an overview of the Board meeting including the item pulled from the Consent Agenda, item 7d - Adopt 2018 FORA Legislative Agenda. A motion was made to approve the item with modifications to the language in item B – Legislative Coordination Regarding FORA Transition. Mr. Brinkmann also reviewed actions the Board took on two business items, On-Call Engineering Services and General Engineering Services. There was not a unanimous vote on the On-Call Engineering Service contract that proposed the existing contractors be replaced. A second vote on the item will return at the next meeting.

**7. BUSINESS ITEMS**

**INFORMATION**

Mr. Houlemard introduced the item and provided a brief background. The Oak Woodlands was originally included in the Base Reuse Plan. The Board discussed the item during the reassessment process in 2012, along with individual task forces of the FORA Board. The Board decided instead of relying on the jurisdictions which had been the policy for the last decade. The Board asked FORA to provide the leadership and pulling it together for the actions that were required by the County of Monterey and the City of Seaside. The City of Marina and California State University Monterey Bay (CSUMB) have requested to be an active in the process.

Associate Planner Mary Israel reminded the Committee and public that the Oak Woodlands Conservation Planning is a part of the Category III from the reuse plan and reassessment of 2012. In 2016 the FORA Board selected a consultant group planning firm Denise Duffy and Associates to complete these Oak Woodlands policy programs for The City of Seaside and Monterey County. The product will be a draft Oak Woodlands conservation area map, and a draft Oak Woodlands area management and Monterey plan. In addition related Oak Woodlands area and specific templates for all jurisdictions to use. FORA's staff role is convening meetings, engaging with Seaside, and Monterey County to develop an independent website [www.oakwoodlands.org](http://www.oakwoodlands.org).

A timeline of scheduled meetings and key milestones were provided within the packet.

This item was information only and there was no action taken.

**8. ITEMS FROM MEMBERS**

There were no items received from members.

**9. ADJOURNMENT** at 8:49 a.m.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

**Subject:** Water/Wastewater Oversight Committee

**Meeting Date:** December 8, 2017

**Agenda Number:** 7c

**INFORMATION/ACTION**

### RECOMMENDATION:

Receive a Water/Wastewater Oversight Committee (WWOC) update.

### BACKGROUND/DISCUSSION:

The WWOC met on November 29, 2017 as a meeting of the whole. Fort Ord Reuse Authority (FORA) Project Manager Peter Said announced the status of the Marina Coast Water District (MCWD) and Monterey One Water (M1W) shared pipeline. Mr. Said noted that there were some assumptions made by each agency about how grant funds and cash contributions would be shared; how the construction costs of the pipeline would be shared; and how construction costs for the Advanced Water Purification Plant would be shared. After the State Water Resources Control Board altered the terms of how the State Revolving Loan Funds (SRF) would be awarded, amendments were necessary in the MCWD/M1W pipeline agreement ("Agreement") (due to the State of California Water Resource Control Board funding parameters). M1W and MCWD began negotiations in July, 2017 to amend the December, 2015 (finalized April, 2016) Agreement.

Recently, both MCWD and M1W Boards agreed upon a contract amendment, permitting the project to move forward. The agreements in this First Amendment deal with FORA funds, the cost of the storage reservoir, and MCWD's distribution system. The agreement is not significantly changed from the original and is within the SRF loan amounts. FORA currently has a reimbursement agreement with MCWD and the results of this amendment may require FORA to enter a similar reimbursement agreement with M1W in the future.

The WWOC reviewed the 2018 rate study calendar, suggesting an additional meeting January 3, 2018 to review the MCWD rate study assumptions. MCWD District Engineer Mike Wegley shared that the rate study will affect the method of calculation of the rate, but not affect the capacity charge which would be studied separately in the future. Mr. Wegley also noted that the ongoing update to the Master Plan will provide the basis for consideration of any proposed change to the capacity fee. MCWD Director of Administrative Services Kelly Cadiente presented the 4<sup>th</sup> Quarter Report.

### FISCAL IMPACT:

Reviewed by FORA Controller 

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

### COORDINATION:

WWOC, Marina Coast Water District

Prepared by   
Peter Said

Approved by   
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

|                       |   |               |
|-----------------------|---|---------------|
| <b>Subject:</b>       | Fiscal Year 2016-2017 Audited Annual Financial Report |               |
| <b>Meeting Date:</b>  | December 8, 2017                                      | <b>ACTION</b> |
| <b>Agenda Number:</b> | 7d  |               |

### RECOMMENDATION:

Accept the Moss, Levy & Hartzheim (MLH), Certified Public Accountants Fort Ord Reuse Authority (FORA) Fiscal Year 16-17 Audited Annual Financial Report (Audit Report) as recommended by the Finance Committee. This link will take you to the full report:

<http://fora.org/Reports/Finance/AnnualFinancialReport2017.pdf>

### BACKGROUND:

Each fall, the draft Audit Report is presented to the Finance Committee (FC) for its review and consideration before it is forwarded to the FORA Board.

### DISCUSSION:

MLH issued a "unmodified" opinion with respect to the Government-Wide Financial Statements and . There were no findings/questionable costs in the FY 16-17 financial audit concerning FORA internal control structure. MLH's letter expresses the opinion that the financial statements present fairly, in all material respects, FORA's financial position of the governmental activities and each major fund of FORA as of June 30, 2017, and the respective changes in financial position, for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

The FC reviewed the Audit Report on November 27, 2017 as presented and unanimously recommended the FORA Board accept the FY 16-17 Audit Report.

### FISCAL IMPACT:

Cost for the audit services is included in the approved FORA budgets.

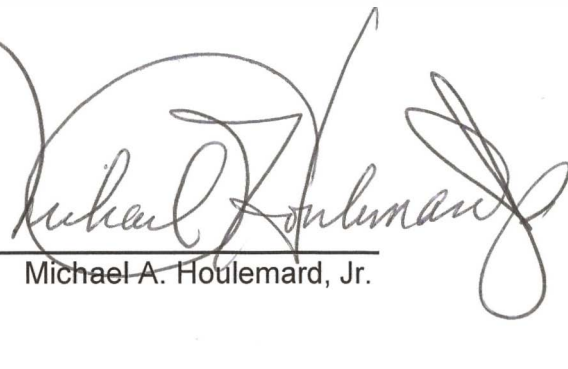
### COORDINATION:

Finance Committee, Moss, Levy & Hartzheim, Certified Public Accountants

Prepared by: \_\_\_\_\_

  
Helen Rodriguez

Approved by: \_\_\_\_\_

  
Michael A. Houlemard, Jr.

| FORT ORD REUSE AUTHORITY BOARD REPORT |                                    |                           |
|---------------------------------------|------------------------------------|---------------------------|
| CONSENT AGENDA                        |                                    |                           |
| <b>Subject:</b>                       | Public Correspondence to the Board |                           |
| <b>Meeting Date:</b>                  | December 8, 2017                   | <b>INFORMATION/ACTION</b> |
| <b>Agenda Number:</b>                 | 7e                                 |                           |

Public correspondence submitted to the Board is posted to FORA's website on a monthly basis and is available to view at <http://www.fora.org/board.html>

Correspondence may be submitted to the Board via email to [board@fora.org](mailto:board@fora.org) or mailed to the address below:

FORA Board of Directors  
920 2<sup>nd</sup> Avenue, Suite A  
Marina, CA 93933

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

**Subject:** Economic Development Report

**Meeting Date:** December 8, 2017

**Agenda Number:** 8a

## INFORMATION

### RECOMMENDATION(S):

- i. Receive Economic Development ("ED") Quarterly Update.
- ii. Receive Small Business Development Center ("SBDC") Status Update.

### i. ECONOMIC DEVELOPMENT QUARTERLY UPDATE

#### **Background/Discussion:**

The primary goal of FORA's ED effort, as referenced in the 1997 Base Reuse Plan ("BRP") and 2012 Reassessment Report ("RR"), is to assist the three-county (Monterey/Santa Cruz/San Benito) region in general and FORA jurisdictions specifically in economic recovery from the employment, business, and other economic losses resulting from the departure of soldiers, civilians, and families after the base closure. BRP projections for full recovery include: 37,000 replacement population; 15-18,000 jobs to replace military employment and soldiers; 11-12,000 homes (6160 new units); and approximately 3 million sf commercial/office. Progress towards these targets to date include: 14,600 population; 4500 FTE jobs; 5191 homes (1000 new + 4191 reused); and 660k sf commercial.

FORA's ongoing ED strategy is based on the following key components:

- **Build upon Regional Economic Strengths** (Agriculture, Tourism, Higher Education/Research, Military Missions)
- **Pursue New & Retain Existing Businesses/Enterprises.**
- **Engage Internal & External Stakeholders** (i.e. FORA Jurisdictions, California State University Monterey Bay ("CSUMB"), University of California Santa Cruz ("UCSC"), Monterey Bay Economic Partnership ("MBEP"), Monterey County Business Council ("MCBC"), Monterey Peninsula Chamber of Commerce ("MPCC"), and other.
- **Develop and Maintain Information Resources.**
- **Report Success Metrics.**

Per ongoing Board direction and following the strategy outlined above, staff continues to make progress on a number of key projects. The following notes summarize and highlight progress since the August 11, 2017 Economic Development Quarterly Update:

- **Business Recruitment/Retention.** FORA staff continues efforts to both respond to and broadly refer inquiries from businesses/contacts interested in location or relocation and reuse of former Fort Ord real estate. Developer engagement in recent months include interest in affordable housing, hospitality, and light industrial/commercial projects. Staff has contributed to the successful reconstitution of the Central Coast Marketing Team ("CCMT") as a regional business attraction/retention organization, and development of a new CCMT website - TeamCentralCoast.org. This new website provides another useful web resource to support business location decisions and integrates the use of OppSites software as an opportunity site marketing resource. Efforts are underway to prepare/package site marketing content, and strategies in collaboration with partners.

Staff continues working with relevant jurisdiction staff and elected officials where appropriate to advance new and emerging opportunities.

- **University of California Santa Cruz (“UCSC”) Monterey Bay Education, Science and Technology (“UCMBEST”).** The vision for UCMBEST as a regional R&D tech innovation and regional employment center has yet to be realized. Even after 21 years of UC ownership only a small fraction of new venture and employment opportunities exist on the lands conveyed for that purpose. FORA has a critical interest in seeing progress made on the UCMBEST vision. To that end, Executive Officer Michael Houlemard and Economic Development Manager, Josh Metz have taken active roles in convening relevant stakeholders to infuse the effort with new energy and craft a viable route forward. Advancing existing planning efforts to conclusion and entitlement for future sale, lease or other transfer, as well as exploring a wide range of future ownership/management structures are key areas of staff/stakeholder focus.

Vice Chancellor Scott Brandt provided a UCSC-UCMBEST Status Report at the April 7, 2017 Board meeting. Since then Mr. Metz and Mr. Houlemard have continued to represent FORA in bi-weekly status update calls with UC Santa Cruz and Monterey County representatives. Focus of the planning group included: Moving West Campus parcels to auction; Completing North Central Campus sub-division map and specific plan (City of Marina) – then water and environmental; advancing East Campus mixed-use development planning with UCSC and County.

Assistant Vice Chancellor for Research, Mohamed Abousalem, provided a UCSC-UCMBEST Status Report at the November 17, 2017 Board meeting. UCSC staff continue working internally to prepare the West Campus Parcels, and other ancillary parcels for public auction. They also are working with the City of Marina staff to complete environmental review of the jointly prepared Specific Plan and subdivision maps. Once complete, these process will enable productive/job generating use of UCMBEST lands.

- **Start-up Challenge Monterey Bay/California State University Monterey Bay (“CSUMB”) Collaboration.** FORA continues to support expansion of regional entrepreneurship through collaboration with CSUMB on a broad Start-up Monterey Bay initiative including high quality events throughout the year. The annual cycle of entrepreneurship events culminating in the Startup Challenge Monterey Bay kicked-off this year with the Startup Hackathon, held at CSUMB Nov 3-5. Over 110 participants spent the weekend hacking tech solutions for disaster/response/recovery. The next event – Startup Weekend Monterey Bay, will be held on January 29, 2018. The Startup Challenge process will begin shortly thereafter and culminate in the Otter Tank competition in May 2018.

Other collaborations with CSUMB faculty and staff include: contribution on the creation of a new Startup Monterey Bay website to facilitate continuous engagement and growth of the Startup Monterey Bay community; contribution toward planning the October 6, 2017 Water Forum at the Seaside Embassy Suites; Hosting a visiting Costa Rica delegation with informational meetings and tours (Oct 31); Participation in Monterey Bay regional delegation to Costa Rica (travel costs covered by the CCMT); Joining regional educational, business, and government officials in furthering the growing relationship between the sustainable hospitality industries in Costa Rica, as a model for increasing the viability/profitability of sustainable hospitality/eco-recreation tourism in the Monterey Bay region; and continuing collaboration with planning and economic development initiatives including R&D Business park, recreation, and residential resources. The

sustained growth in relationships and mutually beneficial projects and initiatives highlights value generated from working relationships with CSUMB faculty/staff.

- **Community Engagement/Jurisdiction Support.**

Community engagement/jurisdiction support remains a focus for ED staff. Staff engaged with the following processes since the August ED Progress Report:

FORA ED staff supported the City of Seaside Campus Town planning in developer/consultant informational meetings, participation in Campus Town Planning charrette, and providing affordable housing information and resources to the development team. Staff also supported on City request, developer interest and concept refinement for productive reuse of the former nursing quarters in the City of Seaside.

Co-hosted a Naval Post-graduate School – International Training Class on military base reuse (Aug 17); attended Monterey Peninsula Chamber Leadership Luncheon (Sept 20) at Seaside Embassy Suites; Participated in Monterey Bay Economic Partnership (“MBEP”) Regional Policy Forum (Aug 23), Tech Ecosystem (Sept 14) and State of the Region Conference (Nov 8), with a focus on Transportation; Participated in Silicon Valley Economic Development Association (“SVEDA”) conference (Nov 2-3), with a focus on the future of retail, downtown revitalization, mixed-use development, and co-working spaces as economic development catalysts.

Completed first public outreach video – highlighting reuse progress throughout the former Fort Ord. It has become the most viewed piece of media on FORA channels (413 views on Vimeo, 5993 impressions on Facebook), and was shared widely throughout the region. Planning is underway for a 2<sup>nd</sup> video with an emphasis on Education and Economic Development. Initiated monthly Economic Development Newsletter (533 person mailing list 31% open rate), and continued growing social media engagement on Twitter, Facebook & Instagram.

In collaboration with the California Association for Local Economic Development (“CalED”), MBEP, CCMT, and the Monterey County Cannabis Industry Association (“CCIA”), supported coordination of Monterey Bay Regional Cannabis Policy Forum to be held on Wednesday Dec 13. This half-day forum aims to educate industry participants and local regulators on the challenges and opportunities in effective roll-out of the adult-use cannabis market in 2018.

- **Metrics: Housing Starts:** New residential development at the Dunes on Monterey Bay, Marina Heights, and East Garrison continues to gain momentum. A summary of CFD fees collected over the past 3 years and projected for FY 17/18 is provided below:

| New Residential | FY 14/15<br>Full year | FY 15/16<br>Full year | FY 16/17<br><i>Full Year</i> | FY 17/18<br><i>Projected</i> |
|-----------------|-----------------------|-----------------------|------------------------------|------------------------------|
| Total Units     | 89                    | 256                   | 317                          | 258                          |
| Total CFD Fees  | \$1,982,669           | \$5,202,626           | \$7,329,706                  | \$6,149,946                  |

**Jobs:** Staff began conducting the 2017 Jobs Survey in January, through email surveys, followed by phone calls, then site visits. Initial results indicate a total of 4989 jobs (3576 Full-time Equivalent (“FTE”) and 1413 part-time (“PT”)) on the former Fort Ord. These results suggest a 14% increase in total jobs from 2015 (1% growth in FTE and 49% growth in PT jobs). Factors affecting these numbers include 18 new employers to the region, and 27 previously un-reported businesses. Most new employers are located at

the Marina Dunes Fast Casual Restaurants. In addition, we estimate there are in excess of 10,000 students (7122 at CSUMB). A full Jobs Report was released during Q2 2017.

The 2018 Jobs Survey will begin in January with a target completion by March.

### **Looking Forward**

The following events and initiatives will be in focus for the FORA economic development team in the months ahead: Regional Cannabis Policy Forum Dec 13. 2018 Jobs Survey January – March. Startup Weekend, Jan 29. Startup Challenge, Jan-April. CalED Annual Conference March 14-16 (including Fort Ord tour). MBEP Regional Economic Summit, Watsonville. May 3. Forbes 4<sup>th</sup> Annual AgTech Summit, Salinas July.

## **ii. Small Business Development Center (“SBDC”) Status Update**

The FORA Board authorized \$25,000/yr funding for the SBDC since 2015, as a component of the strategic California State University Monterey Bay (“CSUMB”) economic development support. CSUMB has served as the host for the SBDC since 2009. The local center serving entrepreneurs and small businesses in Monterey and San Benito Counties has accomplished much since its inception, including:

- Serving over 950 business owners;
- Helping 87 new businesses start;
- Helping businesses create and retain 471.5 jobs;
- Helping business access \$31,010,336 in business loans and equity investment; and
- Presenting 244 training events for 3,799 business attendees.

Funding and other support provided to deliver these services has come to CSUMB:

1. Via UC Merced sub-awards from the U.S. Small Business Administration, the California Governor’s Office of Business and Economic Development (GO-Biz), PG&E, and the California Employment Development Department; and
2. Directly from these local partners: FORA, City of Salinas, City of Seaside and Cal Coastal Rural Development Corporation.

The financial and in-kind support has enabled the SBDC to leverage federal funding to achieve the economic development outcomes detailed above and build a service delivery system ready for handoff to a new community provider to enhance the foundation developed by CSUMB.

Recently, CSUMB College of Business notified the Central California SBDC Network, hosted by UC Merced that it has decided not to renew its host relationship for the local Small Business Development Center (SBDC) after the current contract ends on December 31, 2017. SBDC services will continue to be available to entrepreneurs and small business owners after CSUMB’s contract ends. UC Merced will be issuing a Request for Proposal toward the end of October for a new host, and CSUMB intends to assist the Central California SBDC Network to smoothly transition the local SBDC services to a new host – hopefully by February 1, 2018. CSUMB is committed to finding ways for small businesses to receive services during the transition, and SBDC Associate Director, Cindy Merzon, is working with the Central California SBDC Network to put in place some form of small business support during the time when CSUMB’s contract ends and the new host’s contract begins. More information will be available once those arrangements have been finalized. CSUMB intends to maintain an affinity partnership with the new host and 1) encourage business faculty to consult with the SBDC; 2)

promote student internships to the SBDC; and 3) continue the close affiliation with the Institute for Innovation and Economic Development and the SBDC.

FORA FY 17/18 economic development funds for this efforts have been transmitted to SBDC and will allow them to continue to deliver the valuable service impacts they have to businesses in the region.

**FISCAL IMPACT:**

Reviewed by FORA Controller 

Funding for staff time and ED program activities is included in the approved FORA budget.

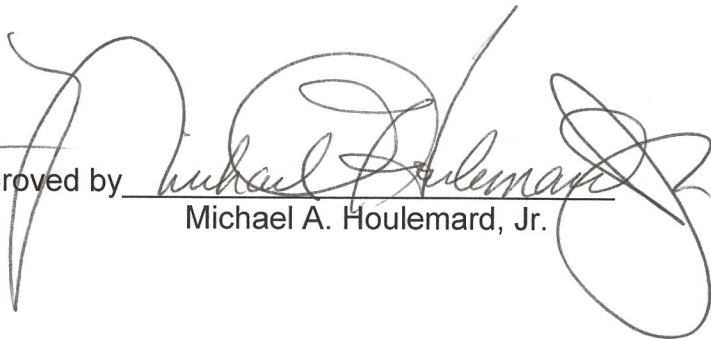
**COORDINATION:**

Administrative and Executive Committees

Prepared by

  
Josh Metz

Approved by

  
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

|                       |                                   |                           |
|-----------------------|-----------------------------------|---------------------------|
| <b>Subject:</b>       | Prevailing Wage Compliance Update |                           |
| <b>Meeting Date:</b>  | December 8, 2017                  | <b>INFORMATION/ACTION</b> |
| <b>Agenda Number:</b> | 8b                                |                           |

### **RECOMMENDATION(S):**

Receive a Fort Ord Reuse Authority (FORA) prevailing wage compliance report providing information requested at the November 17, 2017 FORA Board of Directors meeting.

### **BACKGROUND/DISCUSSION:**

At the November 17, 2017 Board meeting, comments were made about the nature and extent of civil wage and penalty assessments (CWPA's) upon numerous Fort Ord projects by the Department of Industrial Relations (DIR). This Board might recall that it directed FORA's Executive Officer and staff to meet with DIR Deputy Commissioner to seek clarification of the California Labor Laws/public works revision (SB854) and other recent changes in California Labor Laws as it may pertain to construction projects on the former Fort Ord. Since March 2016, the DIR has begun review of information and prior decisions regarding the applicability of California Labor Laws/public works laws to projects being built on Fort Ord, resulting in an interpretation that Fort Ord projects are considered a public work to be regulated by the state. The below listed CWPA's were imposed after the DIR's shift in its interpretation (2016) about the application of public works laws to Fort Ord projects. CWPA's are no longer accessible on the DIR's web page and requests to them for an exhaustive list have gone unanswered. These are the following formal CWPA's that have been provided to FORA.

|                           |                       |                |
|---------------------------|-----------------------|----------------|
| The Dunes – Sea House     | Prosiding, Inc.       | \$1,826,297.64 |
| Springhill Suites         | Covenant Construction | \$ 769,590.75  |
| Promontory                | Garcia Flooring       | \$13,334.37    |
|                           | Ross Masonry          | \$94,398.85    |
|                           | RC Flooring           | \$139,332.00   |
| Heritage at East Garrison | CVC Construction      | \$19,544.88    |

It should be noted that the East Garrison project has a County applied wage assessment in the amount of \$86,033.66 (ACS) imposed as a result of their auditing and monitoring of the East Garrison project.

Historically, there have been multiple issues related to payment of fringe benefits (e.g. Santa Cruz Plumbers) or the failure to comply with apprentice utilization requirements. However, many of these compliance issues occurred prior to state law changes that expanded what constitutes a public work and shifted enforcement from local jurisdictions to the state.

The legal and advocacy efforts of the Monterey/Santa Cruz Counties Building & Construction Trades Council (M/SC BCTC) (and others) in the traditional pursuit of workers' rights to wages and benefits, resulted in multiple lawsuits being filed including Monterey/Santa Cruz BC. Trades Council v. Cypress Marina Heights LP (2011) 191 Cal. App. 4<sup>th</sup> 1500; Monterey/Santa Cruz BCTC, et al. v. MCP, Shea Properties, et al. Monterey Superior Court M81343 (2008)

[Settlement Agreement]. Additionally, there are a number of lawsuits pending between individual employees and contractors.

It is important to point out that the Department of Industrial Relations has not admonished, penalized or assessed any public agency with lands on Fort Ord for failure to monitor or pay prevailing wages.

## **ISSUES:**

**Please note this is not an exhaustive list of issues, and may need future interpretation by DIR and/or assistance from the legislative offices in addressing these issues. FORA staff is not requesting Board action on any one of these issues at this time, but provide these as a basis for future discussion and direction.**

**Reporting and Access to Information.** As was noted in public comment at the Board hearing on November 17, 2017, your prevailing wage report is only as good as the currency and accuracy of the information reported. This Board approved acquisition of software for use by the jurisdictions on their Fort Ord projects (and other projects) to aid in compliance efforts and to provide a base of information about the utilization of the local workforce. Although jurisdictions have “signed” up they do not require projects within their jurisdictions to utilize the Elation software provided by FORA or authorize access to their reported information. As a result, our Board reports are based upon reporting parties (governmental and contractors/project developers) responding to FORA staff requests. Some do not report. Currently, there is no labor code provision which provides FORA with the same standing as a labor union to receive copies of information from the DIR such as certified payroll or special notices to information.

The threshold issue is whether a project is a “public work” as Labor Code section 1720, subdivisions (a) and (b) uses that term. FORA contends that certain projects, if not all development projects, are “public works.” However, the DIR has yet to make that determination across the former Fort Ord. If a project is a public work, there are three classes of persons entitled to inspect payroll records under Labor Code section 1776.

- First, the employee or employee’s representative can inspect the documents. FORA is not the employee or the employee’s representative.
- Second, the DIR or the “body awarding the contract” can inspect documents. FORA is not the DIR and is not a party to the development or construction contracts.
- Third, any member of the public can inspect the employment documents. However, records produced to the public must be redacted and may therefore be less useful and are difficult in the accessed form to interpret. In fact, there are now so many eCPR records that unless a public member knows enough specific information about a project, they are not able to be accessed through DIRs web page access.

Currently, the DIR does not identify the jurisdiction entering into a Development and/or Disposition Agreement as the “body awarding the contract.” Which hinders the ability of FORA and the member jurisdictions from obtaining documents pursuant to the Labor Code.

Additionally, there is some issue or confusion about the authorization of FORA to enforce prevailing wages given the language of the Authority Act. Authority Counsel has opined that

FORA's ability to enforce is limited solely to consistency determinations. On the other hand, there is language in the Authority Act (GC 67684) which indicates FORA may take action to ensure rapid and successful conversion of the area in a way that provides maximum benefits to the communities of the Monterey Bay.

#### **Requirement for Jurisdictions to Monitor Prevailing Wage/Public Works Compliance.**

The Cities of Marina, Seaside, Del Rey Oaks, Monterey and the County of Monterey are required by the terms of the FORA Master Resolution to comply with the FORA Prevailing Wage provisions. The FORA Prevailing Wage compliance provisions are specifically referenced in each and every land use and project level entitlement Fort Ord Reuse Authority Base Reuse Plan consistency determination. Currently, the DIR does not identify the jurisdiction entering into a Development and/or Disposition Agreement as the "body awarding the contract." Instead, DIR relies upon the master developer and/or subsequent contractor building a project to be the awarding body. This has perpetuated ongoing issues as to prevailing wage enforcement and monitoring by member jurisdictions and FORA.

#### **Interpretation of new legislation and application to projects at Fort Ord**

The FORA Board adopted an amendment to the Master Resolution on Friday January 8, 2016 that adds a requirement that all contractors register with DIR. Additionally, 2017 legislation expands DIRs enforcement authority for local jurisdictions and awarding bodies that do not comply with the new requirements.

#### **DIR's interpretation of traditional public works rules and administrative interpretations to the unique construction activities at Fort Ord.**

DIR presented a training on public works rules and their application in September 2017. However, some questions which were presented to DIR were unable to be answered because the presenters did not have authority to answer questions. Attached as Exhibit A are some of the questions which were presented to the DIR prior to the training. To date, these questions have not been answered by DIR.

#### **FUTURE ACTIONS:**

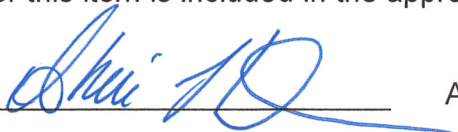
Staff anticipates that assistance from Senator Monning's office and others will be able to produce responses from DIR on these issues above that will further inform this process and Board deliberations. Therefore, staff requests that the Board/Executive Committee provide direction and support for scheduling an in-depth update in these PW issues early in 2018.

#### **FISCAL IMPACT:**

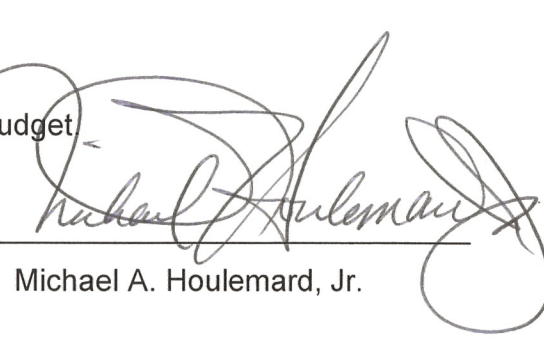
Reviewed by FORA Controller 

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

Prepared by

  
Sheri Damon

Approved by

  
Michael A. Houlemard, Jr.

## EXHIBIT A

### FORA specific questions to California Department of Industrial Relations

1. How will the Department of Industrial Relations ("DIR") define "awarding body?"

To date the Fort Ord Reuse Authority ("FORA") has assumed that an awarding body is the entity that enters a contract for a development or other project that qualifies as a public work. At times that is also the project owner.

On Fort Ord, as has been on the case elsewhere, a Master Developer enters a contract with the individual jurisdiction that governs implementation of a multi-year project (20-years). In most cases, the Master Developer has been supported by an individual jurisdiction or by FORA under terms requiring payment of Prevailing Wages. Subsequently, the Master Developer uses private money to develop plans and maps and subsequently sells property to other project level developers or contractor/owners who use private money to purchase said property and construct projects.

- Who is considered the Awarding Body?
- How long do the public works rules apply?
- Is each individual project treated as a new public works project?

If a Developer uses only private money and takes possession of property only after roads and other public improvements have been made, is his construction project still considered a public works? What is the best way to minimize the risk that a project will be considered a public work after construction/project has started?

2. Do workers on a project after and during the period that a stop work order is issued continue to be paid?
3. If a private entity is considered the awarding body, does the Department take any enforcement or other action to the jurisdiction authorizing such project?
4. If a Project Owner is in doubt about paying prevailing wage, what are best practices to minimize compliance risk?
5. If a jurisdiction sells land under terms that recognize value impacts of prevailing wage, does the jurisdiction have responsibility to monitor compliance with Prevailing Wage compliance?
6. Who can report labor compliance problems, and how much discretion does DIR have where a contractor/developer self-reported and corrected a PW violation?
7. Are there common problems you see reported on Fort Ord projects and are there best practices to address those types of issues?

| FORT ORD REUSE AUTHORITY BOARD REPORT |   |                           |
|---------------------------------------|---|---------------------------|
| BUSINESS ITEMS                        |   |                           |
| <b>Subject:</b>                       | Environmental Services Cooperative Agreement Grant Amendment Update |                           |
| <b>Meeting Date:</b>                  | December 8, 2017  | <b>INFORMATION/ACTION</b> |
| <b>Agenda Number:</b>                 | 8c  |                           |

**RECOMMENDATION:**

Receive an Environmental Services Cooperative Agreement (ESCA) Grant Amendment update.

**BACKGROUND/DISCUSSION:**

In Spring 2005, the U.S. Army (Army) and the Fort Ord Reuse Authority (FORA) entered negotiations toward an Army-funded Environmental Services Cooperative Agreement (ESCA) for removal of remnant Munitions and Explosives of Concern (MEC) on portions of the former Fort Ord. FORA and the Army signed the ESCA agreement in early 2007. Under the ESCA terms, FORA received 3,340 acres of former Fort Ord land prior to regulatory environmental sign-off and the Army awarded FORA approximately \$98 million to perform the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) MEC cleanup on those parcels.

After considerable exchange this past year, FORA anticipates a \$6-\$7M Environmental Services Cooperative Agreement (ESCA) grant amendment. Negotiations for the ESCA Grant Amendment began in December 2016 with the Army Base Realignment and Closure (BRAC) Headquarters culminating in a series of meetings on the scope of services and pricing of the ESCA Grant Amendment; verified by an Army Independent Government Cost Estimate. The amendment will fund FORA ESCA Administrative and Regulatory Oversight costs for 2 years and Army CERCLA post-transfer munitions Long-Term Obligations for 8 years. As of the finalization of this Board Report, FORA has not yet received confirmation of the grant amendment.

The ESCA Long Term Obligations include post-closure MEC Find Assessments (response to MEC discoveries, coordinating additional investigation and/or follow up response actions); Long Term Management, MEC Education and UXO Awareness Training, monitoring/reporting deed restrictions, annual monitoring and reporting, and five-year review reporting); and Land Use Control Management (manages/coordinates MEC safety training, and Unexploded Ordnance Construction Support by UXO-qualified personnel for ground-disturbing or intrusive activities on former Fort Ord ESCA property).

**FISCAL IMPACT:**

Reviewed by FORA Controller 

Funds for this review and report are part of the existing FORA ESCA funds. On July 13, 2017, the FORA Board authorized the Executive Officer to accept a Grant Amendment upon review and coordination with Authority/Special Counsel.

**COORDINATION:**

Administrative Committee; Executive Committee; Authority Counsel; Special Counsel, ARCADIS; U.S. Army EPA; and DTSC

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