Capital Improvement Program

May 12, 2017 Board Presentation

Jonathan Brinkmann, Principal Planner
Peter Said, Project Manager
Overview

- Review CIP
- 2017 FORA Fee Reallocation Study
- Biennial Fee Review Report
  - Background
  - Summary
  - Recommendation
- Consider recommendations
Administrative Committee held 9 meetings in 2017 to coordinate the FORA CIP

Confirmed development forecasts on February 15, 2017

Other CIP coordination items
  • Transportation priority ranking
  • Building removal program status
  • Caretaker cost reimbursement policy
  • Draft CIP tables/budget
Capital Improvement Program (CIP) Remaining Obligations

a) Transportation/Transit ($130 M)
b) Water Augmentation ($24 M)
c) Storm Drainage ($2.7 M retired)
d) Habitat Management ($35.3 M)
e) Wildfire Mitigation ($1.4 M retired)
f) Building Removal ($7.7 M)
g) Water and Wastewater (transferred to MCWD)
h) Caretaker Costs ($500 K annual)
CIP Funding

- Community Facilities District (CFD)/ Development Fee fund:
  - 30% of collections to Habitat Conservation
  - Remainder funds base-wide impact mitigations (Transportation/Transit and Water Augmentation)

- Land Sales proceeds fund:
  - Building removal according to prior FORA Board direction

- Property Tax funds:
  - Operations, Prevailing Wage Coordination, Caretaker Costs

- Grants fund:
  - Specific projects, i.e. transportation projects
2011 - Lowered CFD rates **-27%** across the board ($33,700 per new residential dwelling unit)

2013 – Lowered CFD by **-23.6%** ($26,440 per unit)

2014 – Lowered CFD by **-17%** after review of contingencies, transportation and other costs ($22,560 per unit)

2015 – Construction Cost Index (CCI) increase of **3.2%** ($23,279 per unit)

2016 – CCI increase of **1.6%** ($23,655 per unit)

2017 – Biennial FORA Fee Formulaic Review indicates raising CFD rates by **2.5%** (CCI 1.4% + 1.1%) ($24,242 per unit)
FY 17/18 Changes

- Planning horizon to 2027-28 to facilitate FORA transition planning

- Incorporation of 2017 FORA Fee Reallocation Study

- Appendix A: Clarify CIP transportation/transit funding prioritization: Administrative Committee recommends funding priorities and Board makes final prioritization decisions

- Caretaker Costs: funding increased to $500K per year and reimbursement process begins August 31st instead of January 31st

- Preliminary discussions with City of Marina staff to shift building removal obligation of stockade to another location
Prioritization Criteria

- Project mitigates 1997 Base Reuse Plan (BRP)
- Project environmental/design complete
- Project can be completed prior to 2020 transition
- FORA funding can be used to leverage grant dollars
- Project coordinated with other agencies' projects
- Project furthers inter-jurisdictional equity
- Supports jurisdictions ‘flagship’ project
- Project link to jurisdictional development programs
Remaining Roadway Improvements

Remaining FORA Lead Improvements

1. Eastside Parkway
2. South Boundary Rd.
3. Gigling Rd.

All others are Reimbursements
Transportation Action Plan

1. **Eastside Parkway:**
   - New roadway
   - Reduces Congestion on Hwy 1, CSUMB, and Hwy 68

2. **South Boundary Rd.:**
   - NEPA/CEQA completed
   - Supports DRO Flagship Project & Interjurisdictional equity

3. **Gigling Road**
   - NEPA/CEQA completed
   - Moves Traffic around CSUMB, Supports Army and Seaside Developments

EIS/EIR | Structural Design | Implementation
---|---|---
2017-18 | 2018-19 | 2019-20 | POST FORA

Remaining CIP Roadways are Reimbursement Projects
Building Removal Obligation

- East Garrison project ($2.1 M complete)

- Dunes on Monterey Bay FORA cash contribution complete ($22 M) and FORA land sale credit complete ($4.6 M) and to be realized ($19.4 M)

- Seaside Surplus II ($5 M cash obligation remaining and $500 K complete)

- Marina Stockade (estimated $2.1 M cash obligation remaining and $100 K complete)
**Building Removal Action Plan**

**Completed Building Removal:**
- Pilot Project
- East Garrison
- Dunes Building Removal (half of buildings removed)
- 12th Street / Imjin Parkway
- 2nd Avenue

**SURPLUS II Area (27 buildings)**

$Obligation = $5.4M

*Remove as much as possible with dollar amount*

**Marina Stockade**

*Obligation to Remove Building*

$2.2M Estimated cost

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**Timeline:**

- **2017-18**
  - Design & Bid Documents
  - Bid
  - Implementation

- **2018-19**
  - Design & Bid Documents
  - Bid
  - Implementation
2017 FORA Fee Reallocation Study

Jonathan Brinkmann
Principal Planner
1997 Fort Ord Reuse Plan established a “Fair Share Financing Program” (Volume 1 pg. 195):

“FORA shall fund its “Fair Share” of “on-site,” “off-site,” and “regional” roadway and transit capital improvements based on the nexus analysis of the TAMC regional transportation model.”
1997 Fort Ord Transportation Study

- Based on May 1996 Draft Reuse Plan/subset of TAMC Regional Projects

2005 FORA Fee Reallocation Study

- Identified need for FORA transportation obligations to be reviewed in context with regional and local planning

2012 FORA-Jurisdictions Implementation Agreements Amendments

- $112.7 M FORA Transportation/Transit Obligation fixed (except for CCI indexing)
Background

- 2005 Fee Reallocation Study
- 2014 Capital Improvement Program Biennial Fee Review
- FORA – TAMC Coordinated Work Effort
- Re-analyze FORA capital improvement obligations
Land Use Update

- Preliminary Model Review
- Latest Version of AMBAG Model
- Land Use Assumptions
Model Validation

- Model-wide Validation
- Roadway Classification
- Screenline
- Individual Link
Deficiency Analysis

- Identify Base Year Conditions
- Forecast Future Development Impacts
- Determine Transportation Improvements
Scenario Analysis

- Build Current Capital Improvement Program
- Build Alternative Capital Improvement Program
  - Highway 1 Corridor
  - 2nd Avenue Extension (aka Del Monte Blvd. Ext.)
Effect of Improvements
Fee Reallocation

- Mello-Roos Tax

- Implementation Agreement Amendment: $114.2 Million

- Two Options:
  - Nexus Approach
  - Local Projects First

- FORA Board Policy Decision
Study Results

- Both Scenarios Improve Conditions
- Highway 1 Corridor Improvements
- Del Monte Blvd. Extension
- Revised FORA Obligations
## Reallocation Comparison

### Option Comparison

**Total Transportation Obligation (Fixed by Implementation Agreement, Indexed to 2016 Dollars) - $114,195,961.00**

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Description</th>
<th>BRP Designation</th>
<th>2016-2017 FORA CIP</th>
<th>Option A: Cap Adjusted Nexus</th>
<th>Option B: Local First Distribution</th>
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<tbody>
<tr>
<td><strong>Option Totals</strong></td>
<td></td>
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<td>$106,904,495.00</td>
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<td>$114,195,961</td>
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<td><strong>In-Progress Obligations / Fixed Amount</strong></td>
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<td>2B</td>
<td>Davis Rd s/o Blanco</td>
<td>Off-Site</td>
<td>$14,028,367</td>
<td>$8,034,475</td>
<td>$14,349,922</td>
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<td>FO9C</td>
<td>GJM Blvd-to 218</td>
<td>Off-Site</td>
<td>$14,028,367</td>
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<td>Eucalyptus Rd</td>
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<td><strong>Local Improvements</strong></td>
<td></td>
<td></td>
<td>$46,423,123</td>
<td>$23,280,600</td>
<td>$50,594,256</td>
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<td>8</td>
<td>Crescent Ave extend to Abrams</td>
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<td>$1,359,239</td>
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<td>$399,475</td>
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<td>FO2</td>
<td>Abrams</td>
<td>Off-Site</td>
<td>$1,138,362</td>
<td>$555,615</td>
<td>$1,127,673</td>
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<td>FO5</td>
<td>8th Street</td>
<td>Off-Site</td>
<td>$5,392,321</td>
<td>$3,607,562</td>
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<td>FO6</td>
<td>Intergarrison</td>
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<td>$4,380,385</td>
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<td>FO7</td>
<td>Gigling</td>
<td>Off-Site</td>
<td>$8,097,846</td>
<td>$4,566,587</td>
<td>$8,495,961</td>
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<td>FO11</td>
<td>Salinas Ave</td>
<td>Off-Site</td>
<td>$4,553,449</td>
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<td>$4,510,693</td>
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<td>FO13B</td>
<td>Eastside Pkwy (New alignment)</td>
<td>Off-Site</td>
<td>$18,198,908</td>
<td>$6,565,026</td>
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<td>FO14</td>
<td>S Boundary Road Upgrade</td>
<td>Off-Site</td>
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<td>FO20</td>
<td>2nd Ave Extension</td>
<td>Off-Site</td>
<td>$8,097,846</td>
<td>$4,566,587</td>
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<td><strong>Regional Improvements</strong></td>
<td></td>
<td></td>
<td>$46,453,004</td>
<td>$82,880,886</td>
<td>$49,251,783</td>
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<td>R3</td>
<td>Hwy 1-Seaside Sand City</td>
<td>Regional</td>
<td>$22,903,427</td>
<td>$37,405,598</td>
<td>$13,565,097</td>
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<td>R10</td>
<td>Hwy 1-Monterey Rd. Interchange</td>
<td>Regional</td>
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<td>$3,604,250</td>
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<td>R11</td>
<td>Hwy 156-Freeway Upgrade</td>
<td>Regional</td>
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<td>Hwy 68 Operational Improvements</td>
<td>Regional</td>
<td>$3,321,590</td>
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<td>1</td>
<td>Davis Rd n/o Blanco</td>
<td>Off-Site</td>
<td>$759,776</td>
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<td>$720,208</td>
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<td>4D</td>
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<td>$5,097,496</td>
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<td>4E</td>
<td>Widen Reservation, WG to Davis</td>
<td>Off-Site</td>
<td>$3,321,590</td>
<td>$3,202,821</td>
<td>$4,978,440</td>
</tr>
</tbody>
</table>
Options Comparison

**Option A**
- Nexus approach
- $114 million allocation
- Regional/Off-site (79%) and On-site (21%),
- Partially funds Regional/Off-site
- Partially funds On-site

**Option B**
- Fund local first approach
- $114 million allocation
- Regional/Off-site (54%) and On-site (46%)
- Partially funds Regional/Off-site to lesser extent than Option A
- Funds 100% On-site
2017 Biennial Formulaic Fee Review

Jonathan Brinkmann
Principal Planner
On August 29, 2012, the FORA Board adopted a formulaic approach to establish the FORA Development Fee and CFD special tax rates.

FORA conducts CFD/Development Fee reviews every two years or when a material change to the FORA CIP occurs:
- 2013 CFD/Development Fee review resulted in a 23.6% fee decrease
- 2014 CFD/Development Fee review resulted in a 17% fee decrease
STEP 1
Determine total remaining CIP Costs (Equals the Sum of all CIP Cost Components)

STEP 2
Determine the sources and amount of funds:
- Fund Balances
- Grant Monies
- Loan Proceeds
- CSU Mitigation Fees
- Land Sales / Lease Revenues
- FORA Property Tax Revenues

STEP 3
Determine Net Costs funded through Policy and CFD Special Tax Revenues
\[
(\text{Net Costs} = \text{Step 1} - \text{Step 2})
\]

STEP 4
Calculate Policy and CFD Fee Revenue (Using prior year rates and current reuse forecast)

STEP 5
Adjust Policy and CFD Special Tax (as necessary)
(by comparing Step 3 with Step 4)
## Preliminary Result

### Development Fee Policy/CFD Special Tax

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Basis</th>
<th>Existing Rate [1]</th>
<th>Preliminary Adjusted Rate</th>
<th>Difference</th>
<th>Percentage Change</th>
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<td>New Residential</td>
<td>per du</td>
<td>$23,655</td>
<td>$24,242</td>
<td>$587</td>
<td>2.50%</td>
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<tr>
<td>Existing Residential</td>
<td>per du</td>
<td>$7,108</td>
<td>$7,284</td>
<td>$176</td>
<td>2.50%</td>
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<tr>
<td>Office &amp; Industrial</td>
<td>per acre</td>
<td>$3,103</td>
<td>$3,180</td>
<td>$77</td>
<td>2.50%</td>
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<td>Retail</td>
<td>per acre</td>
<td>$63,939</td>
<td>$65,525</td>
<td>$1,586</td>
<td>2.50%</td>
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<td>Hotel</td>
<td>per room</td>
<td>$5,274</td>
<td>$5,405</td>
<td>$131</td>
<td>2.50%</td>
</tr>
</tbody>
</table>

Sources: FORA and EPS.

[1] Special Tax Rate current as of July 1, 2016.
2017 FORA Fee Reallocation Study
- Approve Option B “fund local transportation projects first” as the updated CIP transportation baseline
- Accept the 2017 FORA Fee Reallocation Study as submitted by TAMC

Biennial Fee Review Report
- Receive report and provide direction regarding draft Biennial Formulaic Fee Review prepared by EPS

CIP adoption
- Receive report and provide direction regarding adoption of FY 17/18 CIP