

**RESOLUTION NO. 06-9**

**RESOLUTION AUTHORIZING EXECUTIVE OFFICER TO  
OBTAIN A LOAN WITH FIRST NATIONAL BANK OF CENTRAL  
CALIFORNIA IN THE AMOUNT OF \$4,100,000, AND ALLOWING  
A PORTION THEREOF TO BE TAX-EXEMPT**

**WHEREAS**, the Fort Ord Reuse Authority (the "Authority") has entered into a Memorandum of Agreement (the "MOA") dated February 28, 2006 and fully executed on March 31, 2006 with the Redevelopment Agency of the County of Monterey (the "Agency") and East Garrison Partners I, LLC ("EGP") concerning certain basewide funding obligations; and

**WHEREAS**, in the MOA, the Authority agreed to apply for a five year bank loan (the "Loan") in an amount not to exceed \$4,100,000 as needed by the Authority for payments to third parties as reimbursement for their reasonable costs of deconstruction; and

**WHEREAS**, this Board has authorized the Executive Officer to apply for this Loan with Pacific Capital Bank, N.A., d/b/a First National Bank of Central California (the "Bank") in the amount of \$4,100,000; and

**WHEREAS**, as per the MOA, EGP shall make the interest payments on the Loan; and

**WHEREAS**, EGP shall provide the Bank, as security for EGP's obligation to pay such Loan's interest, a five-year stand-by letter of credit acceptable to the Bank in an amount sufficient to cover interest on the Loan for one year; and

**WHEREAS**, the Bank has issued a commitment letter, dated April 27, 2006, to provide the Authority with a five-year term loan subject to the satisfactory negotiation and documentation of covenants, terms and conditions.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Fort Ord Reuse Authority as follows:

1. The Executive Officer is hereby authorized to execute and deliver such documents, on behalf of the Authority, as he determines are necessary, appropriate or required by First National Bank of Central California (the "Bank"), to obtain the Loan in the amount of \$4,100,000, to provide financing for building removal and site clearance, to fund other activities of the Authority related to the Authority's Capital Improvement Program, to pay costs related to that work, and costs incurred to obtain the Loan. The Executive Officer is hereby expressly authorized to execute a deed of trust on the approximately 58 acre parcel of real property known as Parcel E8a.1.1.2 Monterey County Jurisdiction, Fort Ord as shown on Vol. 19 of Surveys at Page 1 as required by the Bank to secure Loan repayment, and such other business loan agreements, notes, financing statements, and certificates as the Bank may require.

2. To the extent determined by the Executive Officer, upon consultation with the Authority's financing consultants and counsel, that a portion of the Loan may be tax-exempt, the Executive Officer is hereby authorized to execute such modifications to the documents for the Loan, and such additional documents and certificates as he determines are necessary or desirable, in order that the interest on a portion of the borrowing represented by the Loan may be excludable from the gross income of the Bank for federal income tax purposes, and thereby be tax-exempt. In such circumstances, the Executive Officer is hereby expressly authorized to file such form or forms with the Internal Revenue Service as are determined by bond counsel to the Authority to be necessary for any such portion of the Loan to be tax-exempt.

3. If a portion of the Loan qualifies as tax-exempt, the firm of Quint & Thimmig LLP is hereby designated as bond counsel to the Authority in connection with the Loan. The Executive Officer is hereby authorized to execute an agreement for legal services with such firm in a form acceptable to the Executive Officer and the Authority's General Counsel, so long as the compensation to such firm related to the Loan is not in excess of \$10,000.

**PASSED AND ADOPTED** at a meeting of the Board of Directors of the Fort Ord Reuse Authority this 12<sup>th</sup> day of May 2006, by the following vote:

**AYES: 10 Directors Mettee-McCutchon, Rubio, McCloud, Albert, Mancini, Russell, Pendergrass, Barnes, Schenk, and Wilmot**

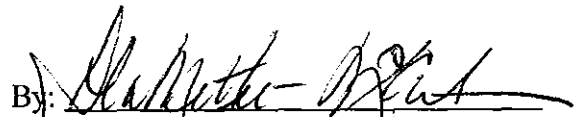
**NOES: -0-**

**ABSTAIN: -0-**

**ABSENT: 3 Directors Calcagno, Potter, and Smith**

I, ILA METTEE-McCUTCHON, Chair of the Board of Directors of the Fort Ord Reuse Authority of 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 in Item 6c on page 3 of the attached and approved May 12, 2006 board meeting minutes, which are kept in the Minute Book resident in the offices of the Fort Ord Reuse Authority.

DATED: 6/14/06

By:   
ILA METTEE-McCUTCHON,  
Chair, Board of Directors  
Fort Ord Reuse Authority

**ACTION MINUTES  
OF THE  
FORT ORD REUSE AUTHORITY  
BOARD OF DIRECTORS' MEETING  
May 12, 2006**

**APPROVED**

**1. CALL TO ORDER AND ROLL CALL**

Chair/Mayor Mettee-McCutchon called the meeting to order at 3:15 pm. The following members, representing a quorum, were present:

Voting members

Chair/Mayor Mettee-McCutchon (City of Marina)	1 <sup>st</sup> Vice Chair/Mayor Russell (City of Del Rey Oaks)
2 <sup>nd</sup> Vice Chair/Mayor Rubio (City of Seaside)	Councilmember Wilmot (City of Marina)
Mayor McCloud (City of Carmel-by-the-Sea)	Mayor Pendergrass (City of Sand City)
Councilmember Mancini (City of Seaside)	

Arriving after the meeting was called to order were Councilmember Barnes (City of Salinas), Mayor Albert (City of Monterey), and Councilmember Schenk (City of Pacific Grove). Absent were Supervisors Calcagno, Potter, and Smith (County of Monterey).

Ex-Officio members:

Congressman Sam Farr (17 <sup>th</sup> Congr. District)	Assemblymember John Laird (27 <sup>th</sup> Assembly Dist.)
Abel Maldonado (15 <sup>th</sup> State Senate District)	Mehul Mody (CSUMB)
Vicki Nakamura (Monterey Peninsula College)	Bill Reichmuth (TAMC)
Lora Lee Martin (UC MBEST)	COL Jeffrey Cairns (U.S. Army)

Arriving after the meeting was called to order was Kenneth Nishi (MCWD). Absent were representatives from MPUSD, Monterey-Salinas Transit, and the BRAC Office.

Also present were Darlene Dunham, representing Assemblymember Simon Salinas (28<sup>th</sup> State Assembly District) and Dana Ferreira, representing Senator Jeff Denham (12<sup>th</sup> State Senate District). (Senator Denham arrived shortly after the meeting was called to order and replaced Ms. Ferreira at the table.)

With a quorum present, Chair Mettee-McCutchon called the meeting to order.

**2. PLEDGE OF ALLEGIANCE**

Chair Mettee-McCutchon asked all to stand and join her in the Pledge of Allegiance.

**3. ACKNOWLEDGEMENTS**

There were no acknowledgements at this time.

**4. LEGISLATIVE SESSION PRESENTATIONS**

Before introducing the legislators, Chair Mettee-McCutchon asked that each keep their presentations to 10 minutes.

Congressman Sam Farr distributed a handout describing the local issues he has been supporting in Congress and spoke briefly about each of the following: (1) the long-delayed cleanup of the Fort Ord Bureau of Land Management parcel, where he successfully added language directing the Army to report back to the Appropriations Committee by 11/1/06 with a specific plan, including targets and deadlines, for this cleanup (HR 5122); he has also submitted language requiring that UXO cleanup on closed military bases be prioritized by Congress; he said a hearing is anticipated later this year; (2) \$1.3 million for a Combat Pistol/Military Police firearm training facility at Fort Hunter Liggett, which will complement the training course at former Fort Ord; (3) the recently released Fort Ord Water Report, outlining the Army's water needs at Fort Ord and the greater Ord Military Community, which is still being reviewed; (4) his attempts to organize a new congressional caucus that would focus on the needs of BRAC communities; and (5) he is exploring legislation on the ways the Pentagon disposes of BRAC properties and working the issues through the Association of Defense Communities (ADC). At this point, Mr. Farr, assisted by a PowerPoint presentation, provided the background of the obstacles to creating a veterans' cemetery on former Fort Ord, along with a new approach for state-sponsored veterans' cemeteries allowing for creative public/private financing of the operations and maintenance costs. There were several questions from the Board members.

Senator Jeff Denham distributed a letter from Tom Johnson, Secretary of the State Department of Veterans Affairs and a copy of Senate Joint Resolution #18 relative to veterans' cemeteries and said he would work with whomever to find a solution that would lead to the creation of a veterans' cemetery on former Fort Ord. He commented that a public/private partnership was an option. He also noted his support of the transportation bonds, which had passed in the Senate. Mr. Denham called attention to unanticipated state revenues amounting to about \$9 billion (January figure) and \$5 billion (in the May revise). He said that much work has been put into the budget, noting that the Governor's May revisions had just been received. News that the unemployment figure was down by almost a full percent is good news to the economy. Councilmember Wilmot asked about SB 1709, the College Opportunity Act of 2006, and Mr. Denham responded he expects it to pass.

Assemblymember John Laird first discussed his 2006 legislation (provided in hard copy), focusing on bills of local interest, including: (1) expanding the Monterey Peninsula Airport District's existing bonding capacity; (2) removing restrictions to the Local Housing Trust Fund Program; (3) increased funding for flood control; (4) two water conservation bills; and (5) the creation of the Fort Ord veterans' cemetery. He provided another handout on the 2006 bond proposals, which included \$20 billion for transportation, \$10 billion for education, \$3 billion for housing and land use, and \$4 billion for flood protection. He remarked that the May budget revise included about \$7.5 billion, some of which the Governor would like released to pay down, in part, the debt, which marks good progress, but a long-term fix is still needed. Chair Mettee-McCutcheon asked about state agencies being provided with adequate funding to perform their responsibilities, using as an example the FORA Habitat Conservation Plan, which has been delayed for apparent lack of sufficient personnel to process the work. Mr. Laird replied that he has sponsored a bill supporting funding from the general fund if an agency performs work related to its statewide mission; at present all funding for the Department of Fish and Game comes from fees it collects.

Senator Abel Maldonado opened by thanking the Board for scheduling a legislative session. He remarked that bonds represent an investment in the future of California, and he was pleased to report there has been bipartisan support to fund various state projects with bonds. He commented on a fix to Prop 42, where \$3 billion/year would be allocation to transit projects. He also noted a \$5 billion surplus, which the Governor would like to primarily allocate to debt reduction. His legislative package includes a stepped up increase in the minimum wage (SB 1167); posting the state university salary levels for management on a website to provide more accountability and transparency (SB 1811); some form of reimbursement for unfunded liabilities imposed on schools by the state (SB 1514); a pilot program for SMART Card medical records. Councilmember Rubio asked if the Monterey County half cent sales tax for transportation on the fall ballot passed, would the funds received leverage any state funds (yes).

Darlene Dunham, representing Assemblymember Simon Salinas, who was unable to attend, thanked the Board for inviting Mr. Salinas to speak. She followed with a brief overview of his legislation, including the following: (1) AB 1893, which clarifies the use of redevelopment funds for city and county buildings, which has passed out of the Assembly and been sent to the Senate; and (2) AB 2468, the housing self-certification incentive bill, which was just pulled in order to pursue a series of meetings with the Department of Housing and Community Development to find ways to offer incentives. Ms. Dunham stated that Assemblymember Salinas is looking forward to working together with others on finding ways to create more affordable housing, and he is set to support creation of the veterans' cemetery after a formal request is received. Referring to AB 2468, Mayor Rubio stated that he would like to see the constraints on the numbers recognized and the way jurisdictions are assessed thoroughly examined. Public comments came from (1) Arn Channel, who was representing the County veterans said he was delighted to hear the electeds commitment to work together to find a way to establish a veterans' cemetery on former Fort Ord; and (2) Simon Whitmey from Marina Community Partners asked about a bill (AB 983) addressing affordable housing in Santa Cruz County that applies only to the unincorporated parts of the county which he thought far too restrictive; he would like it to include Monterey County. Craig O'Donnell replied that he would take this comment back for next year's discussions.

Chair Mettee-McCutchon thanked all the participants of the 2006 Legislation Session. She introduced John Arriaga, FORA's legislative representative in Sacramento, who has been working closely with Executive Officer Houlemard and the Legislative Committee to create a legislative platform for FORA. His office has been providing a legislative matrix, which tracks the progress of about 15 bills that impact the redevelopment of former Fort Ord. There were no board comments.

#### 5. PUBLIC COMMENT PERIOD

There were no public comments.

#### 6. CONSENT AGENDA

There were three items on the Consent Agenda: Item 6a (April 7, 2006 Board Meeting Action Minutes), Item 6b [General Jim Moore Boulevard Improvement Project (Phase II) – Contract Amendment], and Item 6c (\$4.1 Million East Garrison Loan). Executive Officer Houlemard requested that Item 6c be considered separately so he could provide some clarifying comments. **Motion to approve Items 6a and 6b was made by Councilmember Mancini, seconded by Mayor Albert, and carried.** Executive Officer Houlemard summarized the background of this loan, noting that it implements a previously approved agreement. He said the reason it is on this agenda as an informational item is that the bank requires a resolution with some specific language. The Board has already approved the original agreement authorizing the loan. Mayor McCloud, Chair of the Finance Committee, added that bonding of the Executive Officer also needs to be in place prior to executing the loan documents. There was one clarifying question from the Board and no public comments. **Motion to approve resolution # 06-9, authorizing the Executive Officer to borrow \$4.1 million to implement terms of the Memorandum of Agreement among FORA, the Monterey County Redevelopment Agency, and East Garrison Partners – 1, LLC was made by Mayor Rubio, seconded by Councilmember Mancini, and carried.**

#### 7. OLD BUSINESS

Item 6a –Habitat Conservation Plan (“HCP”) Approval Process – Status Report: Director of Planning and Finance Steve Endsley noted that staff had adjusted the staff report to reflect the new subcommittee, the Fiscal Working Group, which will monitor the fiscal assurance section of the HCP and the state 2081 take permit progress. He reported that several meetings in the near future have been scheduled. There were no board or public comments.

#### 8. NEW BUSINESS - None

## 9. EXECUTIVE OFFICER'S REPORT

There were eight items in the Executive Officer's Report: Item 9a (Administrative Committee Report), Item 9b (Finance Committee Report), Item 9c (Executive Officer's Travel Report), Item 9d (Fort Ord Reuse Authority Investments – Quarterly Status Report), Item 9e (2006 Federal Legislative Mission – Final Report to the Board), Item 9f (Fort Ord Reuse Authority/Marina Coast Water District Imjin Office Park Infrastructure Agreement), Item 9g (Capital Improvement Program Document – FY 2006/2007 – 2021/2022) and Item 9g (Ord Community Water/Wastewater Systems Proposed Budgets and Rates for FY 2006-2007). Executive Officer Houlemard made brief comments about several of the items. Mayor Rubio requested a copy of FORA's investment policy. Mayor Russell asked how the investment returns compared with benchmark indexes.

## 10. ANNOUNCEMENTS AND CORRESPONDENCE

Chair Mettee-McCutchon remarked that the Army's report on its water usage and future needs on former Fort Ord had just been released (see Congressman Farr's comments in Item 4). The report is about 100 pages. She asked that a comprehensive report be brought back to the next board meeting.

Chair Mettee-McCutchon called attention to the copies of Legislative Mission follow-up letters that had been provided to the Board.

Chair Mettee-McCutchon adjourned the meeting at 4:26 PM and reconvened it at 4:30 PM for the Closed Session.

## 11. CLOSED SESSION

There was one item discussed in Closed Session: a Conference With Real Property Negotiators regarding the price and terms of agreement of the Early Transfer/Environmental Services Cooperative Agreement (ET/ESCA) Parcels. The agency negotiator is Executive Officer Michael A. Houlemard, Jr.

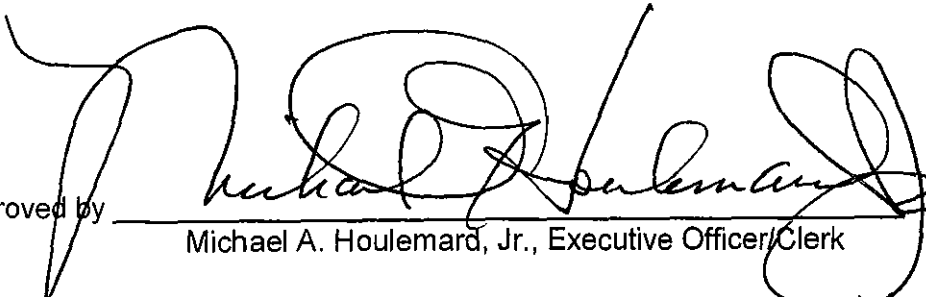
The Closed Session was adjourned at 4:55 PM and Chair Mettee-McCutchon reconvened the regular meeting. She reported out of Closed Session that a report had been provided on the status of the ET/ESCA and direction had been given to the principal negotiator and the negotiating team.

## 12. ADJOURNMENT

There being no further business, Chair/Mayor Mettee-McCutchon adjourned the meeting at 4:57 PM.

Minutes prepared by Linda Stiehl, Deputy Clerk

Approved by

  
Michael A. Houlemard, Jr., Executive Officer/Clerk

Fort Ord Reuse Authority Board Meeting

May 12, 2006

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