FORT ORD REUSE AUTHORITY
920 2nd Avenue, Suite A, Marina, CA 93933
Phone: (831) 883-3672 | Fax: (831) 883-3675 | www.fora.org

REGULAR ADMINISTRATIVE COMMITTEE MEETING

8:15 a.m. Wednesday, June 4, 2014
920 2nd Avenue, Suite A, Marina CA 93933 (FORA Conference Room)

AGENDA

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

4. **APPROVAL OF MEETING MINUTES**
   a. May 7, 2014 Joint Administrative/CIP Committee Minutes — ACTION
   b. May 21, 2014 Administrative Committee Minutes — ACTION
   c. May 21, 2014 Joint Administrative/WWOC Committee Minutes — ACTION

5. **PUBLIC COMMENT PERIOD**
   Individuals wishing to address the Committee on matters within its jurisdiction, but not on this agenda, may do so during this period for up to three minutes. Comments on specific agenda items are heard under that item.

6. **JUNE 13, 2014 BOARD MEETING AGENDA REVIEW** — INFORMATION/ACTION

7. **BUSINESS ITEMS**
   a. Marina-Salinas Multimodal Corridor Plan Presentation — INFORMATION
   b. Provide Board Recommendation Regarding FY 2014/15 Draft Capital Improvement Program — ACTION
   c. Consistency Determination: Consider Certification, in whole or in part, of the City of Seaside Zoning Code amendments related to the 2013 Zoning Code update as Consistent with the 1997 Fort Ord Reuse Plan
      i. Review Consistency Determination Materials — INFORMATION
      ii. Provide Board Recommendation Regarding Consistency — ACTION
   d. Regional Urban Design Guidelines Task Force Update — INFORMATION
   e. FY 2014/15 Marina Coast Water District (MCWD) Ord Community Water/Wastewater Draft Budget — INFORMATION/ACTION

8. **ITEMS FROM MEMBERS**

9. **ADJOURMENT**

UPCOMING ADMINISTRATIVE COMMITTEE MEETINGS:

JUNE 18, 2014
JULY 2, 2014

For information regarding items on this agenda or to request disability related modifications and/or accommodations please contact the Deputy Clerk 48 hours prior to the meeting. Agendas are available on the FORA website at www.fora.org.

FORT ORD REUSE AUTHORITY

SPECIAL JOINT ADMINISTRATIVE COMMITTEE/ CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING MINUTES

8:15 a.m., Wednesday, May 7, 2014 | FORA Conference Room
920 2nd Avenue, Suite A, Marina CA 93933

1. **CALL TO ORDER**
Co-chair Houlemard called the meeting to order at 8:16 a.m. The following were present:

Carl Holm, County of Monterey*
Elizabeth Caraker, City of Monterey*
John Dunn, City of Seaside*
Layne Long, City of Marina*
Vicki Nakamura, MPC
Anya Spear, CSUMB
Graham Bice, UCMBEST
Diana Ingersoll, City of Seaside
Paul Greenway, County of Monterey
Teresa Szymanis, City of Marina

Patrick Breen, MCWD
Kathleen Lee, Supervisor Potter
Tim O'Halloran, City of Seaside
Bob Schaffer
Mike Bellinger
Jim Fletcher, East Garrison
Doug Yount, ADE
Wendy Elliot, MCP
Erin Harwayne, DD&A

FORA Staff:
Michael Houlemard
Steve Endsley
Jim Arnold
Crissy Maras
Jonathan Garcia
Josh Metz

*voting members

2. **PLEDGE OF ALLEGIANCE**
John Dunn led the Pledge of Allegiance.

3. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**
None.

4. **PUBLIC COMMENT PERIOD**
None.

5. **APPROVAL OF MEETING MINUTES**
   a. **April 2, 2014 Administrative Committee minutes**

   MOTION: John Dunn moved, seconded by Elizabeth Caraker, to approve the April 2, 2014 meeting minutes.

   MOTION PASSED UNANIMOUSLY

6. **MAY 16, 2014 BOARD MEETING AGENDA REVIEW**
Co-Chair Houlemard led a review of the draft Board agenda packet, noting that the City of Seaside had requested to defer item 10d to the June Board meeting.

7. **OLD BUSINESS**
   a. **Consistency Determination: Review City of Seaside Zoning Code Amendments Related to the 2013 Zoning Code Update as Consistent with the 1997Fort Ord Reuse Plan.**
   Mr. Houlemard stated that the Committee would consider the item at their June meeting, as the item had been pulled from the current Board agenda.

   b. **Recreational Trails Presentation**
   Associate Planner Josh Metz provided a PowerPoint presentation in which he reviewed Fort Ord Reuse Plan trail principles and the trail network and recreation plans of the different land use jurisdictions. He also discussed several multi-jurisdictional trail efforts. The Committee

discussed the need for jurisdictional coordination and an accurate map reflecting all currently anticipated trails. Mike Bellinger stated that he would be in contact with each jurisdiction over the next couple months, as the County was renewing efforts to update the County's Fort Ord Recreational Habitat Area Master Plan (FORHA). Mr. Houlemard suggested that the Committee wait to receive a report on the completed County FORHA process before taking further action and the Committee agreed.

c. **Regional Urban Design Guidelines Task Force Status Report**
Mr. Metz stated that FORA planned to send Requests for Proposals to three groups who had responded to the previously distributed Request for Qualifications. Once received, the proposals would receive initial review from the Regional Urban Design Guidelines Task Force. Task Force Recommendations would be forwarded to the Administrative Committee, who would make a recommendation to the Board regarding retention of a consultant. He noted that the item was not likely to come to the Board before July 2014.

d. **FY 2014-15 Capital Improvement Program (CIP)**

i. **Presentation by FORA Staff**
FORA Senior Planner Jonathan Garcia provided an overview of FORA's CIP obligations under the Base Reuse Plan, identified past developer fee reductions and other CIP adjustments made through previous EPS studies, highlighted recent Administrative Committee CIP actions and significant updates, and outlined CIP responsibilities and transportation/transit obligations that would extend beyond FORA's life. The Committee provided staff with suggestions on presentation and formatting.

ii. **Phase II Study Presentation by Economic & Planning Systems (EPS)**
David Zehnder and Ellen Martin from EPS presented a Phase III CIP Review, including recommendations to remove the MCWD "voluntary contribution" and reduce the FORA CFD fee/ Development fee by 17.1%. After review of the MCWD Rate Study, EPS representatives stated that it included a solid capacity charge component and that removal of the FORA "voluntary contribution" would avoid redundancy. It was noted that in order for FORA to retain the "voluntary contribution," the State legislature and the Monterey County Local Agency Formation Commission would have to review and approve an agreement between FORA and MCWD, in conjunction with FORA's exit strategy.

iii. **Review Draft FY 2014-15 Capital Improvement Program**
Committee members requested additional time to review the draft FY 2014/15 CIP.

MOTION: John Dunn moved, seconded by Graham Bice, to recommend that the Board retain flexibility to provide direction through action on this item during their review of the draft FY 2014/15 CIP on May 16, 2014.

MOTION PASSED: unanimous

MOTION: Carl Holm moved, seconded by Elizabeth Caraker, to 1) request additional time to review the draft FY 2014/15 CIP, and 2) recommend options to the Board regarding removing or retaining the "voluntary contribution" as a CIP line item.

MOTION PASSED: unanimous

iv. Review resolution to Implement Fee Adjustment

Committee members recommended deferring action on implementing the fee adjustment until the "voluntary contribution" vs. MCWD capacity charge issue was finalized.

8. ITEMS FROM MEMBERS

None.

9. ADJOURNMENT

Co-Chair Houlemard adjourned the meeting at 10:21 a.m.

FORT ORD REUSE AUTHORITY
ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES
8:15 a.m., Wednesday, May 21, 2014 | FORA Conference Room
920 2nd Avenue, Suite A, Marina CA 93933

1. **CALL TO ORDER**
Co-chair Houlemard called the meeting to order at 8:20 a.m. The following were present:

Carl Holm, County of Monterey*
Elizabeth Caraker, City of Monterey*
John Dunn, City of Seaside*
Layne Long, City of Marina*
Vicki Nakamura, MPC
Anya Spear, CSUMB
Graham Bice, UCMBEST
Diana Ingersoll, City of Seaside

Patrick Breen, MCWD
Bob Schaffer
Lyle Shurtleff, BRAC
Doug Yount, ADE
Tim O'Halloran, City of Seaside
Kathleen Lee, Supervisor Potter
Andy Sterbenz, Schaaf & Wheeler
Chuck Lande, Marina Heights

FORA Staff:
Michael Houlemard
Steve Endsley
Jim Arnold
Crissy Maras
Jonathan Garcia
Josh Metz

*voting members

2. **PLEDGE OF ALLEGIANCE**
Anya Spear led the Pledge of Allegiance.

3. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**
Co-Chair Houlemard announced a special joint meeting of the FORA and MCWD Boards of Directors scheduled for May 30, 2014. Graham Bice announced that the UC Regents approved joining the Habitat Conservation Plan (HCP) Region Habitat Cooperative and reaffirmed the endowment payout rate at 4.2%. Co-chair Houlemard thanked Mr. Bice and encouraged other participating jurisdictions to follow UC's lead.

4. **APPROVAL OF MEETING MINUTES**
   a. **April 2, 2014 Administrative Committee minutes**
   The meeting minutes were unanimously approved as presented.

5. **PUBLIC COMMENT PERIOD**
None.

6. **MAY 16, 2014 BOARD MEETING FOLLOW UP**
Co-Chair Houlemard and FORA Senior Planner Jonathan Garcia led a review of Board actions taken at the May 16, 2014 FORA Board meeting.

7. **OLD BUSINESS**
   a. **Review FY 2014/15 Draft Capital Improvement Program**
   Mr. Garcia provided a summary sheet of 2013/14 Capital Improvement Program (CIP) revenue collection and expenditures, stating that the land sales fund balance was projected to fund building removal in FY 2014/15. Mr. Garcia noted FORA Board concern regarding the recommended fee decrease. He explained that the proposed fee decrease was directly related to the FORA staff and consultant recommendation to remove the $21.6M "voluntary contribution" funding to MCWD, as the contribution was not CEQA mandated and there existed no agreement for transfer of FORA fee collection revenue to MCWD. The decrease did not include lowering or removal of any contingencies. FORA staff recommended retaining contingencies until transportation project/HCP planning was finalized.

Mr. Garcia stated that FORA's transportation costs are fixed by the 1997 Base Reuse Plan, reallocated to fully fund on-site projects through the 2005 TAMC study, and annually inflated by the Engineering News Record Construction Cost Index.

FORA staff stated that they would prepare a Board presentation to address five issues: 1) marketing/projections, 2) transportation project timing, 3) MCWD voluntary contribution removal and commensurate fee reduction, 4) ensuring adequate contingencies, and 5) FORA Community Facilities District/development fee calculation review. The Administrative Committee would receive the presentation at their June 4th meeting to provide an opportunity for Committee input prior to the June Board meeting.

b. Regional Urban Design Guidelines Task Force Update
Associate Planner Josh Metz stated that the Request for Qualifications process had advanced to the issuance of Requests for Proposals (RFP) to three qualified respondents. The RUDG Task Force planned to hold a meeting May 29th (10:30 a.m. to 12:30 p.m.) to review the draft meeting outline for the RFP pre-proposal conference, a pre-proposal conference (9:00 a.m. to 11:30 a.m.), and a Task Force meeting (2:00 p.m. to 4:00 p.m.) on June 2nd. Consultant proposals were due June 12th (by 5:00 p.m.) and on June 20th (8:30 a.m. to 12:30 p.m.) the Task Force would conduct consultant interviews as part of the selection process.

8. <u>NEW BUSINESS</u>

a. Discuss FY 2013/14 FORA Annual Report Update
FORA staff distributed sections of the FY 2012/13 annual report to Administrative Committee members, requesting they provide FY 2013/14 updates. The updates were to be be included in the full FY 2013/14 Annual Report, which would be available online by the July FORA Board meeting. The updates would also be used in the brochure version of the annual report. Co-Chair Houlemard asked that Administrative Committee members send their updates to Crissy Maras, Crissy@fora.org, by May 28, 2014.

9. <u>ITEMS FROM MEMBERS</u>
None.

10. <u>ADJOURNMENT</u>
Co-Chair Houlemard adjourned the meeting at 9:15 a.m.

FORT ORD REUSE AUTHORITY
JOINT ADMINISTRATIVE AND WATER/WASTEWATER OVERSIGHT COMMITTEE
MEETING MINUTES

Wednesday, May 21, 2014 | FORA Conference Room
920 2nd Avenue, Suite A, Marina CA 93933

1. **CALL TO ORDER**
FORA Executive Officer Michael A. Houlemard, Jr. called the meeting to order at 9:20 a.m. The following were present:

Committee Members:
Mike Lerch, CSUMB
Diana Ingersoll, City of Seaside
Graham Bice, UCMBEST
Tim O'Halloran, City of Seaside
Dirk Medema, Monterey County
Carl Holm, Monterey County
Elizabeth Caraker, City of Monterey

Others Present:
Patrick Breen, MCWD
Kelly Cadiente, MCWD
Bob Schaffer
Pierce Rossum, Carollo
Doug Yount, ADE
Kathleen Lee, Monterey County
Andy Sterbenz, Schaaf & Wheeler
Chuck Lande, Marina Heights
Kenneth Nishi

FORA Staff:
Michael Houlemard
Steve Endsley
Jim Arnold
Crissy Maras

2. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**
None.

3. **APPROVAL OF MEETING MINUTES**
   a. **May 7, 2014 Joint Admin/WWOC Meeting Minutes**
   The May 7, 2014 Joint Admin/WWOC meeting minutes were unanimously approved as presented.

4. **PUBLIC COMMENT PERIOD**
None.

5. **OLD BUSINESS**
   a. **FY 2014/15 Marina Coast Water District – Draft Ord Community Water/Wastewater Budget**
   Kelly Cadiente, MCWD, noted: 1) the new capacity charge was effective July 5, 2014, 2) recommended rate increases not previously fully approved resulted in the use of reserves, 3) the May 19, 2014 Proposition 218 hearing resulted in an unsuccessful protest, and 4) the MCWD Board approved the maximum rates through FY 2017/18 via ordinance.

   Committee members asked questions regarding the failed regional desalination project and discussed current and future asset value, EDUs v. meter equivalent, and water/money transfers/loans between Central Marina and Ord cost centers. The Committee provided suggestions on presentation formatting and areas requiring further clarification.

   MOTION: Mike Lerch moved to recommend the Board not approve the FY 2014/15 Ord Community budget, or to approve his April 30th motion, which included a slight rate increase. The motion did not receive a second, and failed.

6. **ADJOURNMENT**
Mr. Houlemard adjourned the meeting at 11:00 a.m.

-START-

DRAFT
BOARD PACKET

FORT ORD REUSE AUTHORITY
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REGULAR MEETING
FORT ORD REUSE AUTHORITY BOARD OF DIRECTORS

Friday, June 13, 2014 at 2:00 p.m.
910 2nd Avenue, Marina, CA 93933 (Carpenters Union Hall)

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **CLOSED SESSION**
   a. Public Employee Performance Evaluation – Executive Officer (Gov Code 54957)
   b. Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – **2 Cases**
      i. Keep Fort Ord Wild v. Fort Ord Reuse Authority (FORA), Case Number: M114961
      ii. The City of Marina v. Fort Ord Reuse Authority, Case Number: M11856
4. **ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION**
5. **ROLL CALL**
6. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE**
7. **CONSENT AGENDA** — ACTION
   a. Approve May 16, 2014 Board Meeting Minutes
   b. Approve May 30, 2014 Board Meeting Minutes
8. **BUSINESS ITEMS**
   a. Approve Fort Ord Reuse Authority FY 2014-15 Annual Budget — ACTION
   b. Approve Fort Ord Reuse Authority FY 2014-15 Capital Improvement Program — ACTION
   c. Approve Preston Park FY 2014-15 Annual Budget — ACTION
   d. Consistency Determination: Consider Certification, in whole or in part, of the City of Seaside Zoning Code amendments related to the 2013 Zoning Code update as Consistent with the 1997 Fort Ord Reuse Plan
      i. Noticed Public Hearing
      ii. Board Determination of Consistency — ACTION
   e. Marina-Salinas Multimodal Corridor Plan
      i. TAMC Presentation — INFORMATION
      ii. Consider Supporting Recommended Corridor Alignment — ACTION
   f. Approve Memorandum of Agreement between the County of Monterey, UCP East Garrison, LLC, and FORA Regarding Parker Flats Habitat Management — ACTION

g. Regional Trails Planning Update — INFORMATION

h. 2nd Vote: Adopt Resolution 14-XX to Retain Preston Park Property in Accordance with Government Code Section 67678(b)(4) — ACTION

i. Consider Resolutions 14-XX and 14-XX Adopting a Compensation Plan for Base-wide Water and Sewer Services on the Former Fort Ord (continued from May 30, 2014) — ACTION

9. PUBLIC COMMENT PERIOD

Members of the public wishing to address the FORA Board of Directors on matters within the jurisdiction of FORA, but not on this agenda, may do so during the Public Comment Period for up to three minutes. Comments on specific agenda items are heard under that item.

10. EXECUTIVE OFFICER'S REPORT

a. Outstanding Receivables	INFORMATION
b. Habitat Conservation Plan Update	INFORMATION
c. Administrative Committee	INFORMATION
d. Veterans Issues Advisory Committee	INFORMATION
e. Water/Wastewater Oversight Committee	INFORMATION
f. Regional Urban Design Guidelines Task Force	INFORMATION
g. Post Reassessment Advisory Committee	INFORMATION
h. Travel Report	INFORMATION
i. Public Correspondence to the Board	INFORMATION

11. ITEMS FROM MEMBERS

12. ADJOURNMENT

NEXT REGULAR BOARD MEETING: JULY 11, 2014

Persons seeking disability related accommodations should contact FORA 48 hrs prior to the meeting.
This meeting is recorded by Access Monterey Peninsula and televised Sundays at 9 a.m. and 1 p.m. on Marina/Peninsula Chanel 25. The video and meeting materials are available online at www.fora.org.

Placeholder for Items 7a & 7b

Board Minutes

These items will be included in the final Board packet.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Fort Ord Reuse Authority FY 2014-15 Annual Budget	
Meeting Date: **Agenda Number:**	June 13, 2014 8a	**ACTION**

RECOMMENDATION:

Pending *Executive Committee Recommendation- to be included in final Board Report.*

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BACKGROUND:

The FORA Fiscal Year Annual Budget is typically presented to the Board for its initial review in May of each year. Prior to the Annual Budget being presented to the Board the Budget is first reviewed by the Finance Committee (FC) for both fund availability and presentation format. The FC has reviewed the attached draft budget on April 9 and April 23.

FORA staff, in coordination with the FC, modifies the annual budget format from time to time as required or is necessary to best present an overall illustration of the FORA financial position for the FORA Board members and public. Most recent adjustments to the budget format were made in 2005, 2008, and 2011. This year, a new chart, Annual Budget by Fund, has been added to provide information on FORA individual funds and to supplement the overall Annual Budget - All Funds Combined chart. The budget also: 1) prorates the multi-year FORA/Army Environmental Services Cooperative Agreement (ESCA) funding to show upcoming fiscal year expenditures that accurately represent FORA finances (as ESCA funding is strictly project specific); and 2) includes anticipated overall budget for capital projects (itemized in the CIP budget). The CIP budget is prepared and adopted separately, *please refer to item 8b on this Agenda*. The overall budget chart compares the current FY approved, mid-year and year-end projected budgets.

DISCUSSION:

Attachments A - E illustrate the annual FY 14-15 budget.

Attachment A illustrates the overall budget combining all funds.

Attachment B depicts the budget by individual funds.
Attachment C itemizes expenditures.
Attachment D provides proposed Salary/Benefits adjustments (incudes Job Description for a proposed staff position).
Attachment E shows detail on ESCA budget and remaining funds.

Principal areas of budget impacts are discussed below:

Reuse slowdown and Economic Recession: Despite the economic downturn/recession of the last six years delaying development activities on the former Fort Ord, FORA has maintained financial stability. There is evidence of gradual economic recovery as building permit issuances have returned, and we expect this trend to continue in the coming years.

Federal revenue: In FY 14-15 FORA staff will pursue a planning grant from the DOD Office of Economic Adjustment to fund a business plan/study of concrete building removal in the Seaside Surplus II area; staff may also seek and evaluate potential for additional federal funding for priority roadway improvements within the former Fort Ord footprint which could include the realignment and widening of South Boundary and the last 900 feet of GJMB.

FORA holds the remaining funds for the ESCA remediation program, scheduled to complete munitions cleanup and transfer of remaining Economic Development Conveyance (EDC) properties in 2016.

Preston Park: FORA has owned the Preston Park housing complex since 2000. It has been a central asset to FORA's basewide building removal, infrastructure, and operations financing. It is the key asset that has enabled/financed more than $22 million of $32 million in roadway construction in Marina and an equivalent amount across the remainder of the former Fort Ord. Preston Park collateral was also essential to funding building removal for the Dunes on Monterey Bay and providing Pollution Legal Liability coverage for FORA jurisdictions, and other property owners. Preston Park's final disposition will significantly affect FORA funding for Building Removal and other future programs and directly impact next year's developer fee calculation, land sales and lease revenues and implementation of Post-Reassessment policy choices. That disposition is subject to current litigation between FORA and the City of Marina.

Despite these economic and funding challenges, FORA has contained expenses and improved operational efficiencies - while continuing its capital program, completing projects and maintaining services.

The following summarizes the FY 14-15 (**Attachment A**) draft annual budget figures:

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.

- $245,000 FRANCHISE FEES

This amount represents MCWD's projected FY 14-15 payments to FORA from water and sewer operations on Fort Ord and associated administrative fees. This amount is based on past collections; the current MCWD budget is not available at this time.

- $933,970 ENVIRONMENTAL SERVICES COOPERATIVE AGREEMENT (**Attachment D**)

In March 2007, FORA was awarded a $99.3 million federal grant to undertake Army munitions removal requirements on Economic Development Conveyance parcels. FORA collected an adjusted amount of $97.7 million in December 2008, which pre-paid all ESCA management related services and expenditures through project completion (the US Army earned a $1.6 million credit for the prepayment). The draft annual budget includes the FY 14-15 ESCA grant regulatory response and management/related expenses.

- $694,920 POLLUTION LEGAL LIABILITY INSURANCE PREMIUM FROM DEL REY OAKS (DRO)

DRO owes for the PLL premium. In August 2013, FORA and DRO entered an MOU to retire this obligation (plus interest) by June 30, 2015.

• $5,099,000 DEVELOPER FEES

This reflects jurisdictional forecasts included in the CIP FY 14-15 budget.
Please refer to CIP budget, item 10b on this Agenda.

• $0 LAND SALE PROCEEDS

No land sale revenue is anticipated in the FY 14-15 CIP budget.
Please refer to CIP budget, item 10b on this Agenda.

• $1,758,924 LEASE/RENTAL PAYMENTS

This consists of FORA's 50% share of lease revenue from Preston Park and other leasing projects on the former Fort Ord, including the Ord Market, Las Animas courtyard, etc. Revenue from Preston Park housing complex may be impacted by the disposition of current litigation. The FC recommends including the usual annual revenue until the Preston Park litigation concludes.

• $1,531,630 PROPERTY TAX PAYMENTS

Anticipated payments from the County Auditor/Controller. Any additional property tax revenue (exceeding the $1,300,000 amount) collected from all new assessed value after July 1, 2012 has been committed to funding the CIP with 10% of such revenue shared with certain member jurisdictions.

• $11,000 IN REIMBURSEMENTS FOR ESCA ACCESS SERVICES

Payments by future property owners to fund FORA ESCA access services.

• $175,594 INVESTMENT/INTEREST INCOME

Anticipated income from FORA bank accounts and certificates of deposit; 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.

EXPENDITURES

• $2,320,082 SALARIES AND BENEFITS **(Attachments C, D)**

Effective January 2012, the FORA Board adopted new salary ranges to bring FORA employees to equity with other labor market agencies. To sustain the equity process, the budget includes scheduled salary step advances (within the Board approved salary ranges) for eligible personnel. The FC and EC also reviewed proposed staffing and compensation adjustments for FY 14-15 and are recommending* Board consider approving the following:

1. 2% Cost of Living Adjustment (COLA) for eligible personnel. Fiscal impact up to **$34,074**.
   Eligibility: Must be full time employed with FORA for the past 12 months.

2. New hire: Community Economic Development Specialist. Fiscal impact up to **$164,000**.
   (Compensation up to $160,000, support cost (potential dues, training, etc.) up to $4,000)
   Description: Position will promote job creation, local business development, economic development, and Monterey regional military mission retention on the former Fort Ord.

*FC reviewed these proposed adjustments and confirmed availability of funds for the proposed changes. EC EC has not as yet reviewed this item for recommendation to the Board.

- $149,500 SUPPLIES AND SERVICES (**Attachment C**)

This expense category is budgeted at the previous FY level. While product price increases continue, staff has implemented cost saving procedures and secured decrease rates for some items such supplies, video services, and . As a result, slightly reduced costs are anticipated in several line items such as meeting expenses, equipment, and televised meetings (while maintaining the required level of service). Some items such communications, dues/ subscriptions, and training report an increase from the last FY. In FY 13-14 FORA purchased a video conferencing system which will be further enhanced and utilized in coming year; the budget provides for added support (dues, training) for the new staff position. The budget provides for all recurring expenditures, and no deviations are anticipated in this category.

- $2,649,165 IN CONTRACTUAL SERVICES (**Attachment C**)

Contractual services are slightly decreased from the previous FY level. The initiatives/election costs were paid in FY 13-14 and therefore, not included in the FY 14-15 budget.
In addition to FORA's recurring consulting expenses such as the Annual Auditor, Public Information, Human Resources, and Legislative consultants, the budget includes increased and or significant costs for:

1) Base Reuse Plan implementation process budgeted at $780,000 ($350,000 carried over from FY 13-14) to implement Regional Urban Design Guidelines, incomplete policies and any related environmental review.
2) Legal fees $530,000, including ongoing legal representation, Authority Counsel, and special practice consulting;
3) Financial Consultant $100,000 to implement any BRP actions and/or environmental review;
4) ESCA regulatory and legal costs $480,000 associated with scheduled property transfers;
5) HCP consultants $150,000 to prepare the final EIS/EIR and HCP; and
6) CEQA consultants $300,000 to finish category I and II post-reassessment items.

- $4,827,811 IN CAPITAL PROJECTS (**Attachment C**)

The upcoming budget includes mandated/obligatory expenditures such as habitat management and UC Natural Reserve annual cost. Other capital projects are development fee and land sale revenue collection dependent. The FY 14-15 CIP budget provides itemization and timing of capital projects.
Please refer to CIP budget, item 10b on this Agenda.

- $1,364,880 DEBT SERVICE (PRINCIPAL AND INTEREST) (**Attachment C**)

The FY 14-15 debt service consists of the following liabilities:
$1,364,880 for Preston Park loan monthly debt service (principal and interest); financed by FORA 50% share of Preston Park revenue and CFD revenue. The Preston Park loan matured in June 2014. Repayment and/or refinancing options are subject to the current litigation with the City of Marina. The FC recommended including the full 12-month debt financing until this issue is resolved.

ACCOUNTING ENTRIES/FUND CLOSING

The FY 14-15 budget includes the following accounting entries:

1) Transfer from the Land Sale/Leases (LS) fund to the General Fund of any remaining lease proceeds (after Preston Park debt service and other budgeted costs) leaving only Land Sale proceeds in the LS fund, thus providing an accurate balance of the funds available for building removal and other CIP projects.

2) Transfer from the CFD/Developer Fee Fund to the General Fund to partially repay the $7.9 million borrowed and as budgeted in the CIP program.

3) Transfer from the Pollution Legal Liability (PLL) Fund to the General fund when the DRO debt ($694,920 plus interest) is collected and close out the PLL fund as all activities accounted for in this fund will be completed.

ENDING BALANCE/FORA RESERVE

It is anticipated that FORA will have accrued reserves of approximately $7.8 million at the end of FY 14-15 in the General Fund (based on development fee projections). This amount includes a $4 million repayment for monies borrowed (total borrowed $7.9 million) from the General Fund by the CFD. As collected, these funds will be retained in the reserve to cover FORA operating costs and obligations through June 2020.

COORDINATION:

FC, EC, FORA Annual Auditor. The FC met on April 9 and April 23, 2014 to review and discuss the draft annual budget. At the April 23 meeting, the FC completed its review and recommend FORA Board approval of the draft annual budget pending EC review. The EC is scheduled to review the proposed compensation adjustments on June 4, 2014.

Prepared by ______________________ **Approved by** ____________________________

Ivana Bednarik Michael A. Houlemard, Jr.

Attachment A to Item 8a
FORA Board Meeting, 6/13/14

FORT ORD REUSE AUTHORITY - FY 14-15 ANNUAL BUDGET - ALL FUNDS COMBINED

CATEGORIES	FY 13-14 APPROVED	FY 13-14 MID-YEAR	FY 13-14 ACTUAL *projected*	FY 14-15	NOTES
REVENUES					
Membership Dues	$ 261,000	$ 261,000	$ 261,000	$ 261,000	
Franchise Fees - MCWD	245,000	245,000	245,000	245,000	
Federal Grants - ESCA	970,325	970,325	748,492	933,970	ESCA field activities complete, final review process by regulators underway
PLL Loan Payments	694,920	-	-	694,920	DRO unpaid PLL to be collected in FY 14-15 per Agreement
Development Fees	11,090,443	11,090,443	1,555,886	**5,099,000**	* **Based on draft FY 14-15 CIP budget**
Land Sale Proceeds	6,291,800	6,291,800	1,090,024	-	* **Based on draft FY 14-15 CIP budget**
Lease/Rent Proceeds	1,758,380	1,758,380	1,758,380	1,788,924	Preston Park lease revenue thru 6/2015 plus other rent payments
Property Taxes	1,300,000	1,300,000	1,300,000	1,531,630	
Planning Reimbursements	5,000	5,000	5,000	11,000	Reimbursements by future property - owner agencies to manage ESCA access services
Investment/Interest Income	110,000	110,000	130,000	175,594	Interest income from money market/COD accounts
TOTAL REVENUES	22,726,868	22,031,948	7,093,782	**10,741,038**	
EXPENDITURES					
Salaries & Benefits	2,106,975	2,106,975	2,066,975	2,320,082	**INCLUDES proposed staffing addition ($160K), 2% COLA ($36K)**
Supplies & Services	144,750	150,250	138,732	149,500	
Contractual Services	2,865,344	2,913,844	2,051,697	2,649,165	
Capital Projects (CIP)	3,717,641	3,717,641	1,064,870	4,827,811	* Required Habitat management, other projects CFD fee/land sale revenues dependent
Debt Service (P+I)	1,480,880	1,480,880	1,480,880	1,364,880	Preston Park loan payments thru 6/2015 (extension rate/fees unknown)
TOTAL EXPENDITURES	10,315,590	10,369,590	6,803,154	**11,311,438**	
NET REVENUES					
Surplus/(Deficit)	12,411,278	11,662,358	290,629	**(570,400)**	
FUND BALANCES					
Budget Surplus/(Deficit) - Beginning	5,425,802	8,089,428	8,089,428	**8,380,057**	Beginning fund balance lower than projected (CIP projections not realized)
Budget Surplus/(Deficit) - Ending	**$ 17,837,080**	**$ 19,751,786**	**$ 8,380,057**	**$ 7,809,657**	**Ending Fund Balance/FORA Reserve**

Other FY 13-14 financial		
California Central Coast		
Packard Grant 10/2013	100,000	
Packard Loan 10/2013	350,000	Repaid by CCCVC Foundation 2/2014
Total	450,000	
Transfer to CA Dept of Finance	(450,000)	10/2013

* FY 14-15 jurisdictional forecasts:
Reviewed/discussed with the Admin Committee during several meetings, forecast approach/methodology included in the FY 14-15 CIP report.

Attachment B to Item 8a
FORA Board Meeting, 6/13/14

FORT ORD REUSE AUTHORITY - FY 14-15 ANNUAL BUDGET - BY FUND

CATEGORY		SPECIAL REVENUE FUNDS (SRF)				TOTAL
REVENUES	GENERAL FUND	LEASES LAND SALE	CFD Tax Developer Fees	PLL Fund	ARMY ESCA	ANNUAL BUDGET
Membership Dues	261,000					261,000
Franchise Fees - MCWD	245,000					245,000
Federal Grants - ESCA					933,970	933,970
PLL Loan Payments				694,920		694,920
Development Fees			5,099,000			5,099,000
Land Sale Proceeds		-				-
Rental/Lease Revenues	45,000	1,743,924				1,788,924
Property Tax Payments	1,531,630					1,531,630
CSU Mitigation Payments						-
Construction Reimbursements						-
Planning Reimbursements	11,000					11,000
Loan Reimbursements						-
Investment/Interest Income	120,000			55,594		175,594
Other Income	-	-	-	-	-	-
Total Revenues	2,213,630	1,743,924	5,099,000	750,514	933,970	10,741,038
EXPENDITURES						
Salaries & Benefits	1,723,455	-	264,559	-	332,067	2,320,082
Supplies & Services	122,304	-	12,294	-	14,903	149,500
Contractual Services	1,832,509	102,000	127,656	-	587,000	2,649,165
Capital Projects	-	2,725,714	2,102,097	-	-	4,827,811
Debt Service	-	791,630	573,250	-	-	1,364,880
Total Expenditures	3,678,268	3,619,344	3,079,856	-	933,970	11,311,438
REVENUES OVER (UNDER)	(1,464,638)	(1,875,420)	2,019,144	750,514	-	(570,400)
OTHER FINANCING SOURCES (USES)						
Transfer In/(Out) - PP lease proceeds	850,294	(850,294)				-
Transfer In/(Out) - PP loan principal repay	2,226,749		(2,226,749)			-
Transfer In/(Out) - Property Tax to CIP	(208,467)		208,467			-
Transfer In/(Out) - PLL Fund close out	750,514	-	-	(750,514)	-	-
Total Other Financing Sources (Uses)	3,619,090	(850,294)	(2,018,282)	(750,514)	-	-
REVENUES & OTHER SOURCES OVER	**2,154,452**	**(2,725,714)**	**862**	-	-	**(570,400)**
FUND BALANCE-BEGINNING 7/1/14	**5,654,343**	**2,725,714**	-	-	-	**8,380,057**
FUND BALANCE-ENDING 6/30/15	**7,808,795**	-	**862**	-	-	**7,809,657**

FUND GLOSSARY

General Fund	Accounts for general (non designated) financial resources
Lease/Land Sale Proceeds Fund	Land sale proceeds finance CIP (building removal), Lease proceeds finance Preston Park loan - and FORA general operations
CFD Tax/Developer Fees	CFD tax/Developer fees finance CIP (CEQA mitigations)
Polution Legal Liability (PLL) Fund	Accounts for purchasing and financing of the PLL coverage
ET/ESCA Army Grant	Finances the munitions and explosives cleanup activities

Attachment C to Item 8a
FORA Board Meeting, 6/13/14

ANNUAL FY 14-15 BUDGET **ITEMIZED EXPENDITURES**

EXPENDITURE CATEGORIES	FY 13-14 Approved	FY 13-14 Mid-Year	FY 13-14 Actual	FY 14-15 PRELIMINARY	NOTES
SALARIES & BENEFITS	14 positions	14 positions	14 positions	**15 positions**	
Staff - Salaries	1,459,795	1,459,795	1,459,795	1,612,641	** New position included - up to $160K*
					**2% COLA included - $36,074*
Staff - Benefits/Employer taxes	587,180	587,180	587,180	647,441	
Temp help/Vac cash out/Stipends	60,000	60,000	20,000	60,000	
TOTAL SALARIES & BENEFITS	**2,106,975**	**2,106,975**	**2,066,975**	**2,320,082**	***see Attachment D - Staffing/Salary Adjustments***
SUPPLIES & SERVICES					
COMMUNICATIONS	7,500	7,500	7,500	10,000	Video/teleconferencing
DUES & SUBSCRIPTIONS	3,000	3,000	4,080	**6,500**	$2.5K increase/potential dues for new staff position
SUPPLIES	12,000	12,000	12,000	12,000	
EQUIPMENT & FURNITURE	6,000	11,500	10,000	8,880	
TRAVEL, LODGING, REGISTRATION FEES	20,000	20,000	20,000	20,000	
TRAINING & SEMINARS	5,000	5,000	5,200	**6,500**	$1.5K increase/training for new staff position
MEETING EXPENSES	5,000	5,000	3,000	3,500	
TELEVISED MEETINGS	12,000	12,000	5,500	6,000	
BUILDING MAINTENANCE & SECURITY	6,000	6,000	6,000	6,000	
UTILITES	12,000	12,000	11,000	11,000	
INSURANCE	22,000	22,000	23,452	23,000	
IT/COMPUTER SUPPORT	22,500	22,500	20,000	22,500	
PAYROLL/ACCOUNTING SERVICES	5,000	5,000	5,000	5,000	
OTHER:		-			
NOTICES, PRINTING, POSTAGE, ETC	6,750	6,750	6,000	8,620	Public notices, printing - higher volume in FY 14-15
TOTAL SUPPLIES AND SERVICES	**144,750**	**150,250**	**138,732**	**149,500**	
CONTRACTUAL SERVICES					
AUTHORITY COUNSEL/FORMER	77,344	77,344	77,344	-	
AUTHORITY COUNSEL	135,000	135,000	204,300	210,000	Adjustment based on FY 13-14 cost
LEGAL/LITIGATION FEES	500,000	500,000	160,000	300,000	Preston park, Eastside Parkway
LEGAL FEES - SPECIAL PRACTICE	10,000	10,000	-	20,000	CEQA, Real Estate; on-call services/former Auth Counsel
OTHER LEGAL FEES - REFERENDA, POOLS	600,000	611,000	654,453	-	
AUDITOR	20,000	20,000	17,000	18,000	Annual Audit
SPECIAL COUNSEL (EDC-ESCA)	200,000	200,000	80,000	140,000	ESCA property transfer, Army/EPA dispute
ESCA PROPERTY CARETAKING	50,000	50,000	-	-	
ESCA/REGULATORY RESPONSE/QUALITY ASSURANCE	420,000	420,000	420,000	480,000	Increased services due to public review/transfers
VETERANS CEMETERY	TBD	12,500	5,600		
FINANCIAL CONSULTANT	50,000	75,000	50,000	100,000	Fort Ord Marketing/Branding plan
LEGISLATIVE SERVICES CONSULTANT	43,000	43,000	43,000	43,000	Blight legislation, CCCVC, HCP approval
PUBLIC INFORMATION/OUTREACH	25,000	25,000	20,000	20,000	Print, internet, broadcast PI/media support
HCP CONSULTANTS	260,000	260,000	200,000	150,000	To finish final EIS/EIR and HCP
REUSE PLAN IMPLEMENTATION	450,000	450,000	100,000	**780,000**	Complete RUDG/plan implementation/jobs/environmental
CEQA CONSULTANTS	-	-		300,000	To finish categ. I and II Post Reassessment items
PARKER FLATS BURN	-	-		25,000	CSUMB-FORA contract/post burn reporting requirements, final
CIP/ARCHITECTS & ENGINEERS	-	-		15,000	PRR/Eastside Pkwy; South Boundary
PROPERTY TAX SHARING/REUSE	-	-	-	23,165	Payment to Jurisdictions/County per modified IA's
OTHER CONSULTING/CONTRACTUAL EXP	25,000	25,000	20,000	25,000	HR/Real Estate/miscellaneous consulting
TOTAL CONTRACTUAL SERVICES	**2,865,344**	**2,913,844**	**2,051,697**	**2,649,165**	
CAPITAL PROJECTS					
TRANSPORTATION/OTHER CIP PROJECTS	945,030	945,030	589,714	472,199	Refer to CIP 14-15 for project detail
BUILDING REMOVAL	-	-	-	2,725,714	
HABITAT MANAGEMENT/HCP ENDOWMENT	2,772,611	2,772,611	475,156	1,629,898	HM set aside, UC Natural Reserve annual cost ($90K)
TOTAL CAPITAL PROJECTS	**3,717,641**	**3,717,641**	**1,064,870**	**4,827,811**	
DEBT SERVICE (Principal and Interest)					
PRESTON PARK LOAN DEBT SERVICE	1,364,880	1,364,880	1,364,880	1,364,880	Preston Park loan payments thru 6/2015
PRESTON PARK LOAN - PAY OFF	-	-	-	-	PP sale delayed due to litigation
FIRE TRUCK LEASE	116,000	116,000	116,000	-	Final payment in FY 13-14
TOTAL DEBT SERVICE	**1,480,880**	**1,480,880**	**1,480,880**	**1,364,880**	
TOTAL EXPENDITURES	10,315,590	10,369,590	6,803,154	***11,311,438***	

ANNUAL FY 14-15 BUDGET

PROPOSED STAFFING/BENEFIT ADJUSTMENTS

Effective January 1, 2012, pursuant to independent human resources consultant and FC/EC recommendations, the FORA Board adjusted salary ranges to bring FORA employees to equity with other Monterey Bay Regional labor market agencies and affiliated jurisdictions. To sustain this equity, the preliminary budget includes scheduled salary step increases. Proposed staffing addition and Cost-of Living adjustment (COLA) are provided.

Proposed staffing and benefit adjustments for FY 14-15:

	BUDGET IMPACT	*% Increase*
S&B before adjustments - 14 positions	**2,124,008**	
If new staff position added	**160,000**	
Total S&B - 15 staff positions	**2,284,008**	7.5%
If COLA awarded	**36,074**	
Total S&B - 14 staff positions	**2,160,082**	1.7%
Total S&B - 15 staff positions	**2,320,082**	9.2%

Total Impact	*196,074*	Salaries & Benefits
	4,000	Supplies & Services

1 New staff position (2 years) — up to **160,000** plus $4K for support training/dues

Community Economic Development Specialist ($95K-$110K/year plus benefits)

To facilitate promote former Fort Ord job creation and ensure educationally based community and economic development, secure opportunities for local business development, job creation, and Monterey Regional military mission retention.

JOB DESCRIPTION IS ATTATCHED

2 Cost-of Living-Adjustment (COLA) — 2% COLA **36,074**

CPI SF-SJ reports (available data thru 2/14):

Since new schedules	*5.00%*	*(1/12 - 2/14)*
Past 12 months	*2.40%*	*(2/13 - 2/14)*

FY	Effective	COLA	Salary Adjustments
FY 11-12	1/12		New Salary Schedules adopted; FORA employees brought to equity with other area agencies at median level
FY 12-13	7/12	0%	
FY 13-14	7/13	2.5%	All staff received COLA

Attachment E to Item 8a
FORA Board Meeting, 6/13/14

ANNUAL FY 14-15 BUDGET

ET/ESCA

CATEGORY		REVENUES 3/2007 - 6/2009	EXPENDITURES 3/2007 - 6/2014	AVAILABLE FUNDS FOR FY 14-15	**EXPENDITURES FY 14-15**	AVAILABLE FUNDS FOR FY 15-16
Federal Grant Award March 2007	*	99,316,187				
Credit to Army for early payments		(1,587,578)				
		97,728,609	(94,946,539)	2,782,070	**(933,970)**	1,848,100
GRANT FUNDS ALLOCATION						
FORA/Program Management		3,392,656	(2,845,843)	546,813	**(453,970)**	92,843
EPA/DTSC/ERRG Regulatory Response Cost		4,725,000	(2,489,743)	2,235,257	**(480,000)**	1,755,257
FORA/Future PLL coverage		916,056	(916,056)	-	**-**	-
LFR/AIG commutation account	**	88,694,897	(88,694,897)	-	**-**	-
TOTAL		**97,728,609**	(94,946,539)	2,782,070	**(933,970)**	1,848,100

* 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 to completion of the ESCA project.

The preliminary FY 14-15 budget includes $934K of the $2.78M available balance prorated to cover FY 14-15 expenditures.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Approve Fort Ord Reuse Authority FY 2014-15 Capital Improvement Program	
Meeting Date: **Agenda Number:**	June 13, 2014 8b	**ACTION**

RECOMMENDATION:

i. Approve the FY 2014-15 Fort Ord Reuse Authority (FORA) Capital Improvement Program (CIP) (**Attachment A**).

ii. Approve Resolution 14-xx (**Attachment B**) to implement a Community Facilities District (CFD) Special Tax and Base-wide Development Fee adjustment.

BACKGROUND:

FORA staff and Economic & Planning Systems (EPS) provided CIP presentations at the May 16th FORA Board meeting and the Board report (**Attachment C**) outlined CIP modifications and ongoing FORA Administrative Committee (AC) CIP review. EPS's analysis is included under **Attachment D**. The AC met and further discussed CIP modifications at their May 21st and June 4th meetings, recommending* FORA Board approval on June 4th. (*This draft report precedes the June 4th meeting and may be adjusted to reflect further/other AC recommendations.)

DISCUSSION:

At the May 16th FORA Board meeting, Board members had questions about: 1) the staff/EPS suggested FORA CFD Special Tax/Development Fee reduction; 2) the Marina Coast Water District (MCWD) "voluntary contribution;" 3) the Habitat Conservation Plan (HCP) endowment and payout rate; 4) transportation costs and contingencies; 5) water availability and development demands prior to a water augmentation project; 6) transit projects sufficiently addressing Fort Ord Reuse Plan (Reuse Plan) anticipated demand; and 7) burdening future projects with higher development fees by lowering the fee for near-term development.

1) The suggested CFD Special Tax/Development Fee reduction directly addresses the impact of removing the MCWD "voluntary contribution" ($21.6M) from the fee calculation. Other minor factors such as removal of the $3.5 million additional utilities and storm drainage contingency are included, but removing the "voluntary contribution" is the bulk of the reduction.
2) The MCWD "voluntary contribution" was not part of the original FORA CIP. Following negotiations with MCWD, consultants and stakeholders, the FORA Board added this line item – funded by the FORA CIP contingency – in 2005. This line item is not a required mitigation, and is separate and distinct from the water augmentation ($24) line item. MCWD made their first budget presentation at the May 30th special FORA Board meeting, which included an increased capacity charge, essentially collecting the "voluntary contribution" through their own fee program.
3) No changes to the HCP Endowment and HCP Endowment Contingency amounts would result from the recommended Board actions. FORA's current policy is to divert 25% of all CFD Special Tax/Development Fee collections into the HCP endowment. If the fee is lowered, that amount would increase to approximately 30% of the fee collected. When the

endowment amount and payout rate are finalized, those numbers will be incorporated into the CIP and subsequent formulaic fee calculations.

4) No changes to the Transportation/Transit and Transportation Contingency amounts would result from the recommended Board actions. CIP projects and FORA's share of those costs were first identified in the Reuse Plan as the Public Facilities Implementation Plan. The 2005 Transportation Agency for Monterey County FORA Fee Reallocation Study indicated that fully funding on-site projects would allow FORA to complete a majority of these improvements/meet CEQA requirements prior to FORA's sunset. Off-site and Regional projects are outside of FORA's purview and although the project costs are fixed, they have been annually inflated by the Engineering News Record Construction Cost Index.
5) MCWD indicates they are currently using about 1/3 of their 6,600 acre-foot/per year (AFY) available water supply. Based on jurisdiction provided development projections, the 6,600 AFY threshold could be achieved in four to five years. MCWD will present water augmentation project alternatives to the FORA Board in the near future.
6) The draft FY 2014/15 CIP includes $8.5M for transit vehicle purchase/replacement and $6.6M toward intermodal centers ($15.2M total). These costs originated in the Reuse Plan, have been annually indexed, and are anticipated to meet Reuse Plan environmental mitigation requirements.
7) As development occurs in the near-term, FORA will collect CFD Special Taxes/ Development Fees and will fund its CIP obligations. Over time, those obligations will be reduced or retired. Future developers will be paying a fee that includes lowered overall obligations, i.e. a $100M program versus a $200M program. The Board adopted the CFD Special Tax/Development Fee formula in 2012 in order to make periodic adjustments and ensure the CIP costs were balanced with fees and other funding sources.

FISCAL IMPACT:

Reviewed by FORA Controller _____

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

COORDINATION:

Administrative Committee, CIP Committee, Water/Wastewater Oversight Committee

Prepared by__________________________ Crissy Maras

Reviewed by __________________________ D. Steven Endsley

Approved by__________________________ Michael A. Houlemard, Jr.

Attachment A to Item 8b
FORA Board Meeting, 6/13/2014

DRAFT

FY 2014/15
Capital Improvement Program

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY

The Fort Ord Reuse Authority (FORA) Capital Improvement Program (CIP) was created in 2001 to comply with and monitor mitigation obligations from the 1997 Fort Ord Base Reuse Plan (BRP). These mitigation obligations are described in the BRP Appendix B as the Public Facilities Implementation Plan (PFIP) – which was the initial capital programming baseline. The CIP is a policy approval mechanism for the ongoing BRP mitigation requirements as well as other capital improvements established by FORA Board policy decisions. The CIP is re-visited annually by the FORA Board to assure that projects are implemented on a timely basis.

This FY 201~~3~~4/1~~4~~5 – "Post-FORA" CIP document has been updated with reuse forecasts by the FORA land use jurisdictions and adjusted to reflect staff analysis and Board policies. Adjusted annual forecasts are enumerated in the CIP Appendix B. Forecasted capital project timing is contrasted with FY 201~~2~~3/1~~3~~4 adopted timing, outlining adjustments. See Tables 2 & 3, depicting CIP project forecasts.

Current State law sets FORA's sunset on June 30, 2020 or when 80% of the BRP has been implemented, whichever occurs first– either of which is prior to the Post-FORA CIP end date. The revenue and obligation forecasts will be addressed in 2018 under State Law and will likely require significant coordination with the Local Agency Formation Commission.

1) Periodic CIP Review and Reprogramming

Recovery forecasting is impacted by the market. However, annual jurisdictional forecast updates remain the best method for CIP programming since timing of project implementation is the purview of the individual on-base FORA members. Consequently, FORA annually reviews and adjusts its jurisdiction forecast based CIP to reflect project implementation and market changes. The protocol for CIP review and reprogramming was adopted by the FORA Board on June 8, 2001. Appendix A, herein, defines how FORA and its member agencies review reuse timing to accurately forecast revenue. A March 8, 2010 revision incorporated additional protocols by which projects could be prioritized or placed in time. Once approved by the FORA Board, this CIP will set project priorities. The June 21, 2013 Appendix A revision describes the method by which the "Fort Ord Reuse Authority's Basewide Community Facilities District ("CFD"), Notice of Special Tax Lien" is annually indexed.

The Finance Committee reviewed the FY 2014/15 CIP budget as a component of the overall FORA mid-year and preliminary budgets. They made known their concern for a higher degree of accuracy and predictability in FORA's revenue forecasts. Board members concurred and recommended that staff, working with the Administrative and CIP Committees, hone and improve CIP development forecasts and resulting revenue projections.

CIP Development Forecasts Methodology
From January to May 2014, FORA Administrative and CIP Committees formalized a methodology for developing jurisdictional development forecasts: 1) Committee members recommended differentiating between entitled and planned projects (Appendix B) and correlate accordingly, 2) Basic market conditions necessary to moving housing projects forward should be recognized and reflected in the methodology. On average, a jurisdiction/project developer will market three or four housing types/products and sell at least one of each type per month, 3) As jurisdictions coordinate with developers to review and revise development forecasts each year, FORA staff and committees will review submitted jurisdiction forecasts, using the methodology outlined in #2, translated into number of building permits expected to be pulled from July 1 to June 30 of the prospective fiscal year and consider permitting and market constraints in making additional revisions; and 4) FORA Administrative and CIP Committees will confirm final development forecasts, and share those findings with the Finance Committee.

In FY 2010/11, FORA contracted with Economic & Planning Systems ("EPS") to perform a review of CIP costs and contingencies (CIP Review – Phase I Study), which resulted in a 27% across-the-board CFD/Development Fee reduction in May 2011. On August 29, 2012, the FORA Board adopted a formula to calibrate FORA CIP costs and revenues on a biennial basis, or if a material change to the program occurs. Results of the EPS Phase II Review resulted in a further 23.6% CFD/Development Fee reduction. ~~Those reductions are continued in this CIP. However, an increase of 2.8% as noted in the January Engineering News Record ("ENR") Construction Cost Index ("CCI") is applied across the board to developer fees to keep pace with inflationary construction cost factors (as described in Appendix A).~~ A Phase III review, to update CIP ~~project and contingency~~ costs and revenues, ~~is planned prior to the formulaic application in early 2014~~ will resulted in a FY 2014/15 CFD/Development Fee rate recommendation for a 17.1~~9~~% fee reduction to take effect on July 1, 2014.

2) CIP Costs

The costs assigned to individual CIP elements were first estimated in May 1995 and published in the draft 1996 BRP. Those costs have been adjusted to reflect actual changes in construction expenses noted in contracts awarded on the former Fort Ord and to reflect the Engineering News Record (ENR) Construction Cost Index (CCI) inflation factors. This routine procedure has been applied annually since the adoption of the CIP – excepting 2011, at Board direction. ~~It is expected, according to t~~The Phase III CIP Review study results ~~just completed, that the recently adopted formulaic fee review will be~~ were applied and are submitted for FORA Board consideration in this CIP. ~~in spring 2014.~~

3) CIP Revenues

The primary CIP revenue sources are CFD special taxes, development fees, and land sale proceeds. These primary sources are augmented by loans, property taxes and grants. The CFD has been adjusted annually to account for inflation, with an annual cap of 5%. Development fees were established under FORA policy to govern fair share contributions to the basewide infrastructure and capital needs. The CFD implements a portion of the development fee policy and ~~is restricted by State Law to paying for~~funds mitigations described in the BRP Final Environmental Impact Report (FEIR). The FORA CFD pays CIP costs including Transportation/Transit projects, Habitat Management obligations, Water Augmentation, Water and Wastewater Collection Systems improvements, Storm Drainage System improvements and Fire Fighting Enhancement ~~improvements~~. Land sale proceeds are earmarked to cover costs associated with the Building Removal Program per FORA Board policy.

Tables 4 and 5 herein contain 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.

4) Projects Accomplished to Date

FORA has actively implemented capital improvement projects since 1995. As of this writing, FORA has completed approximately:

a) $7~~5~~6M in roadway improvements, including underground utility installation and landscaping, predominantly funded by US Department of Commerce – Economic Development Administration (EDA) grants (with FORA paying any required local match), FORA CFD fees, loan proceeds, payments from participating jurisdictions/agencies, property tax payments (formerly tax increment), and a FORA bond issue.

b) ~~$75M~~ 82M in munitions and explosives of concern cleanup on the 3.3K acres of former Fort Ord Economic Development Conveyance properti~~y~~es, funded by a US Army grant and property tax payments.

c) $29M in building removal at the Dunes on Monterey Bay, East Garrison, Imjin Parkway and Imjin Office Park site.

d) $10M in Habitat Management and other capital improvements instrumental to base reuse, such as improvements to the water and wastewater systems, Water Augmentation obligations, and Fire Fighting Enhancement.

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

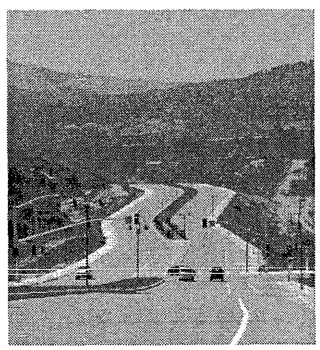
This CIP provides the FORA Board, Administrative Committee, Finance Committee, jurisdictions, and the Monterey Regional Public with a comprehensive overview of the capital programs and expectations involved in former Fort Ord recovery programs. As well, the CIP offers a basis for annually reporting on FORA's compliance with its environmental mitigation obligations and policy decisions by the FORA Board. It is also accessed on the FORA website at: www.fora.org.

II. Obligatory Program of Projects – Description of CIP Elements

As noted in the Executive Summary, obligatory CIP elements include Transportation/Transit, Water Augmentation, Storm Drainage, Water and Wastewater Collection System, Habitat Management, Fire Fighting Enhancement and Building Removal. The first elements noted are to be funded by CFD/development fees. Land sale proceeds are earmarked to fund the Building Removal Program to the extent of FORA's building removal obligation. Beyond that obligation, land sale proceeds may be allocated to CIP projects by the FORA Board. Summary descriptions of each CIP element follow:

a) Transportation/Transit

During the preparation of the BRP and associated 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.



General Jim Moore Boulevard at Hilby Avenue; one of three intersections upgraded/opened in the City of Seaside

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 traffic impacts resulting from 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.

Toward that goal, and following Board direction to coordinate a work program with TAMC, FORA and TAMC entered into a cooperative agreement to move forward with re-evaluation of FORA's transportation obligations and related fee allocations. TAMC, working with the Association of Monterey Bay Area Governments (AMBAG) and FORA, completed that re-evaluation. 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.

TAMC's work with AMBAG and FORA resulted in a 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. Figure 2 reflects completed transportation projects, remaining transportation projects with FORA as lead agency, and remaining transportation projects with others as lead agency (described below).

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 a preferred route for the multi-modal corridor than what was presented in the BRP, FEIR and previous CIPs. The BRP provided for a multi-modal corridor (MMC) along Imjin Parkway/Blanco Road serving to and from the Salinas area to the TAMC/MST intermodal center planned at 8th Street and 1st Avenue in the City of Marina portion of the former Fort Ord. Long range planning for transit service resulted in an alternative Intergarrison/Reservation/Davis Roads corridor to increase habitat protection and fulfill transit service needs between the Salinas area and Peninsula cities and campuses.

A series of stakeholder meetings were conducted to advance adjustments and refinements to the proposed multi-modal corridor plan-line. Stakeholders included, but were not limited to, TAMC, MST, FORA, City of Marina, Monterey County, California State University Monterey Bay (CSUMB), and the University of California Monterey Bay Education, Science and Technology Center. 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.

TAMC is in the process of re-evaluating the MMC route, holding stakeholder and public outreach meetings, to determine how to best meet the transit needs of the community. If a new route is selected, the 2010 MOA must be amended to reflect that alignment and the FORA Board will be apprised as to any proposed changes.

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 may 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 FORA CIP transportation projects. Table 2 identifies those projects. FORA's obligation toward those projects is financial, as outlined in the reimbursement agreements. FORA's obligation toward projects for which it serves as lead agent is the actual project costs. Other like reimbursement agreements may be structured as development projects are implemented and those agreements will be noted for the record.

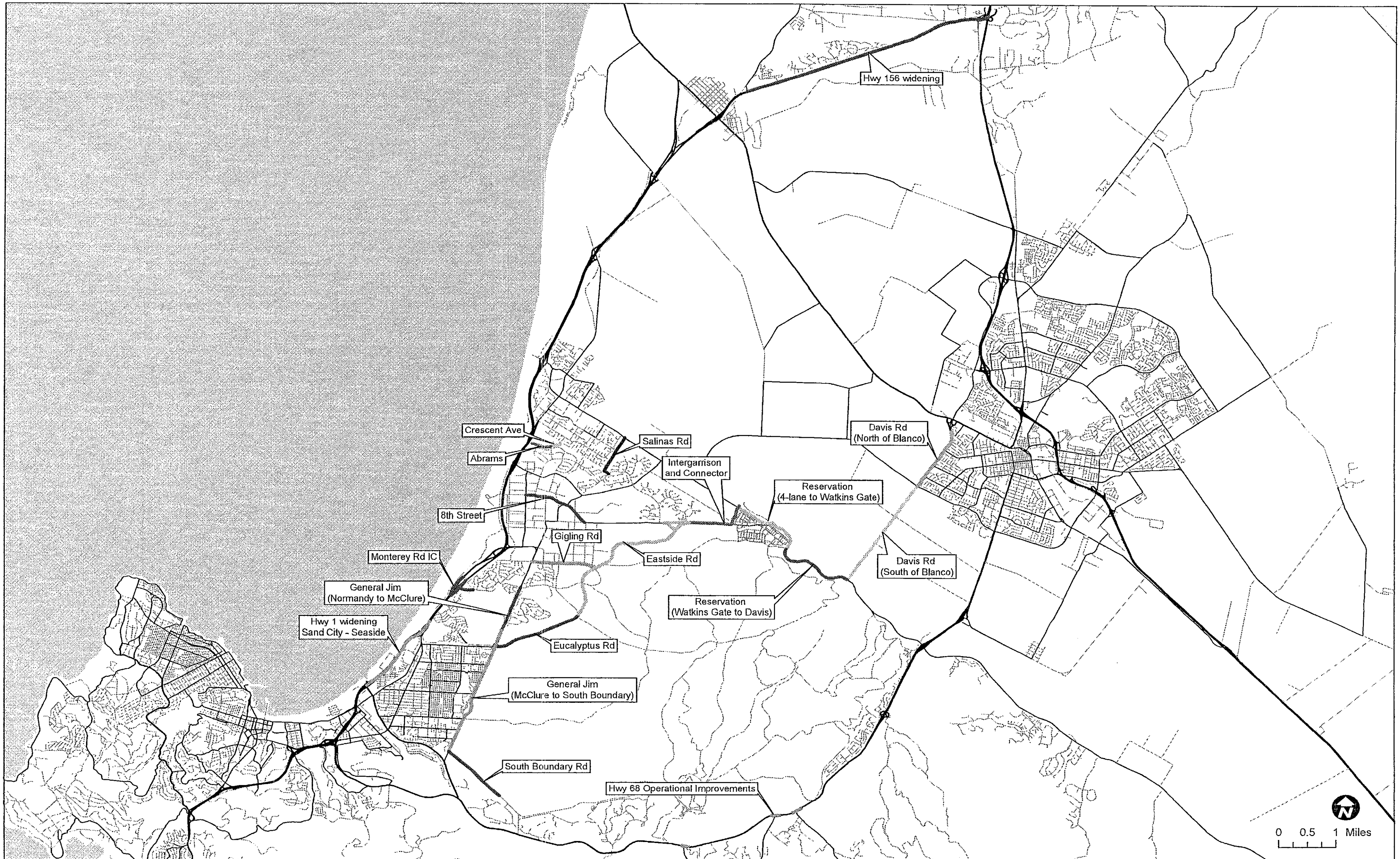


Figure 1: Transportation Map

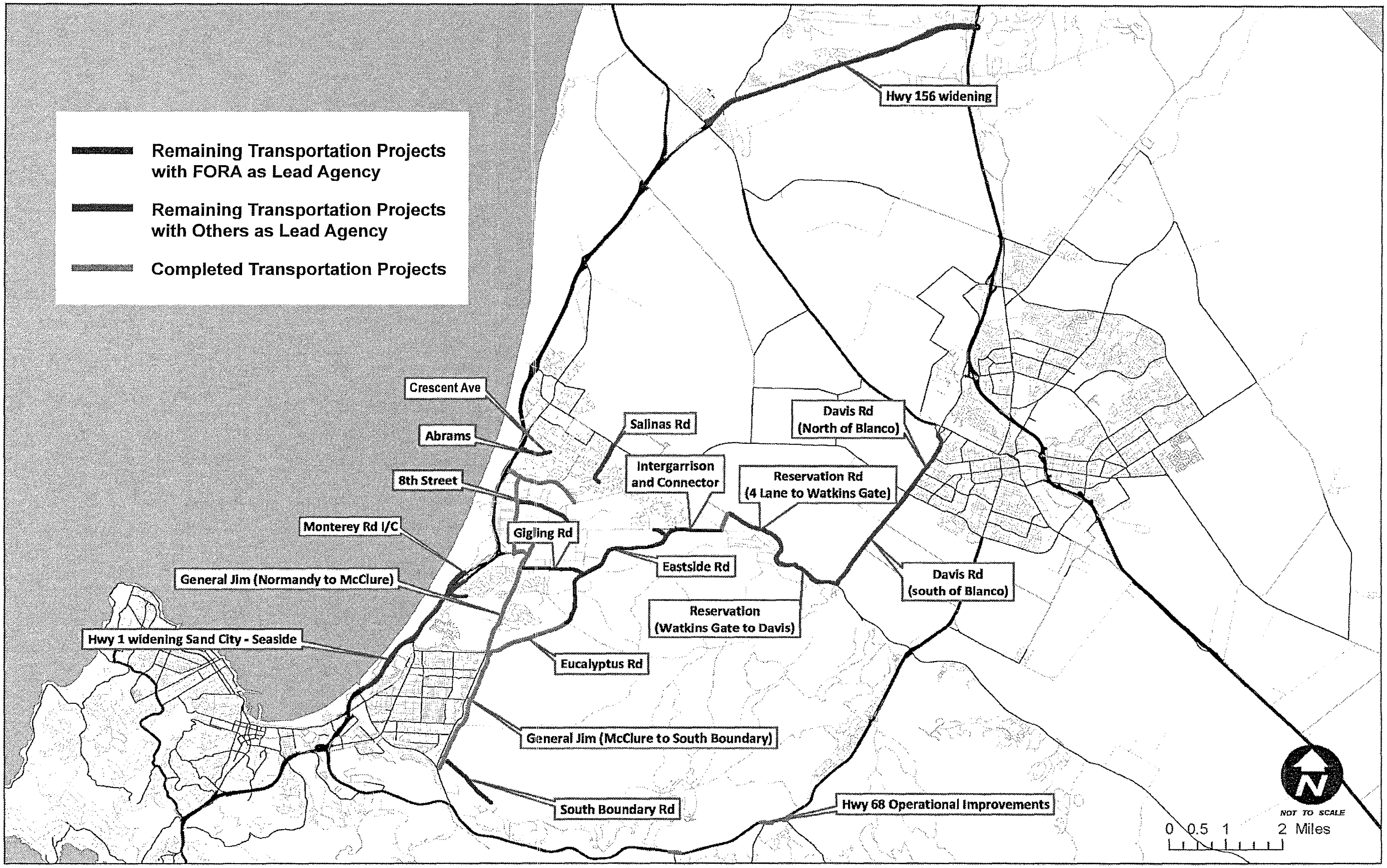


Figure 2: Remaining Transportation Projects

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 assumes 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 contracted with Marina Coast Water District (MCWD) to implement a 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).

In June 2005, MCWD staff and consultants, working with FORA staff and Administrative Committee, recommended the hybrid project to the FORA and MCWD Boards of Directors. Additionally, it was recommended that FORA-CIP funding toward the former Fort Ord Water and Wastewater Collection Systems be increased by an additional $17M to avert additional burden on rate payers due to increased capital costs. However, a 2013 MCWD rate study recommended removing that "voluntary contribution" from the MCWD budget and the EPS Phase III CIP Review results concurred, resulting in a potential commensurately lowered FORA CFD/developer fee.

~~Subsequently, s~~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 in a timely manner; and the significant economic downturn (2008-2012). These factors deferred the need for the augmentation program and provided an opportunity to consider the alternative "Regional Plan" as the preferred project for the water augmentation program.

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 was 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. This agreement is unlikely to proceed under the present circumstances. MCWD is still contractually obligated to provide an augmented source for the former Fort Ord as distinct from the Regional Project. The proposed CIP defaults to the prior Board approved 'hybrid' project that MCWD has performed CEQA for and is contractually required to implement. It is expected that MCWD will present the FORA Board with alternatives for moving forward during the coming fiscal year.

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 four storm water outfalls that discharged storm water runoff to the Sanctuary.

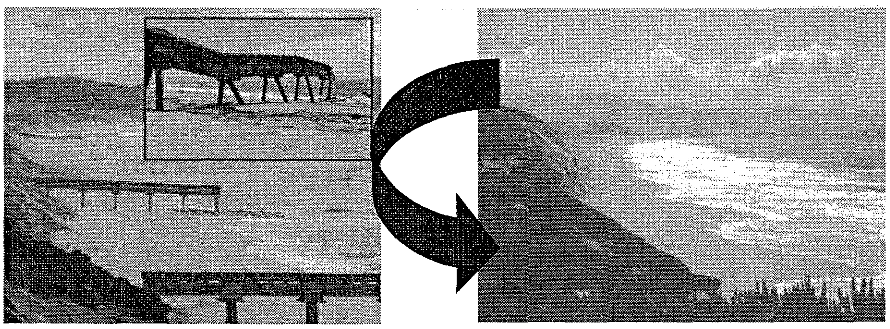
Section 4.5 of the FEIR, Hydrology and Water Quality, contains the following obligatory Conservation Element Program: ***"Hydrology and Water Quality Policy, C-6: In support of Monterey Bay's National Marine Sanctuary designation, the City/County shall support all actions required to ensure that the 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 (CDPR) 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 assist in funding the design and construction of alternative disposal (retention) systems for storm water runoff that allowed for the removal of the outfalls. FORA completed the construction and demolition project as of January 2004. Table 3 reflects this obligation having been met.

~~In the future, following build-out of on-site storm water disposal facilities, FORA or its successor will remove, restore and re-grade the current, interim disposal sites on CDPR lands. The cost of this restoration is currently unknown and therefore presented as a CIP contingency.~~



Storm drainage outfall removal – Before and After

d) Habitat Management Requirements

The BRP Appendix A, Volume 2 contains the Draft Habitat Management Program (HMP) Implementing/Management Agreement. This Management Agreement defines the respective rights and obligations of FORA, its member agencies, California State University and the University of California with respect to implementation of the HMP. ~~For the HMP to be implemented t~~To allow FORA and its member agencies to implement the HMP and BRP ~~meet the requirements of~~in compliance with the Endangered Species Act, the California Endangered Species Act, and other statutes, the US Fish & Wildlife Service (USFWS) and the California Department of Fish & Wildlife (CDFW) must also approve the Fort Ord Habitat Conservation Plan (HCP) and its funding program, as paid for and ~~caused to be~~ prepared by FORA.

The funding program is predicated on an earnings rate assumption acceptable to USFWS and CDFW 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 consist of the following members: FORA, County of Monterey, City of Marina, City of Seaside, City of Del Rey Oaks, City of Monterey, State Parks, University of California (UC), CSUMB, Monterey Peninsula College (MPC), Monterey Peninsula Regional Park District, Bureau of Land Management and MCWD. The Cooperative will hold the HCP endowments, except in the case of the UC endowment, and secure the services of appropriately experienced habitat manager(s) via a formal selection process. The Cooperative will control expenditure of the annual line items. FORA will fund the endowments, and the initial and capital costs, to the agreed upon levels.

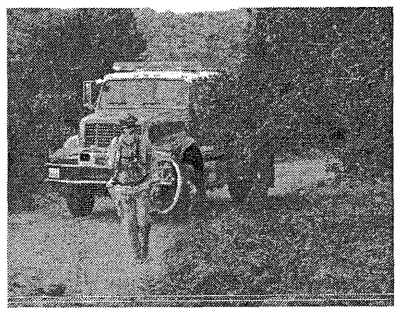
FORA has provided upfront funding for management, planning, capital costs and HCP preparation. In addition, FORA has dedicated $1 out of every $4 collected in development fees to build to a total endowment of principal funds necessary to produce an annual income sufficient to carry out required habitat management responsibilities in perpetuity. 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~~originally projected. Therefore, this document contains a ± $40~~39~~.1M line item of forecasted requisite expenditures (see Table 3 column '2005-14~~3~~' amount of $~~5,654,084~~6,042,831 plus column '201~~3~~4-15~~4~~ to Post FORA Total' amount of $~~33,437,419~~34,067,170). As part of the FY 2010-11 FORA CIP Review process conducted by EPS, TAMC and FORA, at the FORA Board's April 8, 2011 direction, included $~~19.2~~20.3M ~~million~~ in current dollars as a CIP contingency for additional habitat management costs should the assumed payout~~earnings~~ rate for the endowment be 1.5% less than the current 4.5% assumption. It is hoped that this contingency will not be necessary, but USFWS and CDFW are the final arbiters as to what the final endowment amount will be, with input from FORA and its contractors/consultants. It is expected that the final endowment amount will be agreed upon in the upcoming fiscal year. FORA's annual operating budget has funded the annual costs of HCP preparation, including consultant contracts. HCP preparation is funded through non-CFD/development fee sources such as FORA's share of property taxes.

The current administrative draft HCP prepared in March 2012 includes a cost and funding chapter, which provides a planning-level cost estimate for HCP implementation and identifies necessary funds to pay for implementation. Concerning the annual costs necessary for HCP implementation and funded by FORA, of approximately $1.8~~6~~ million in annual costs, estimated in 2014~~1~~ dollars, approximately 34% is associated with habitat management and restoration, 27% for program administration and reporting, 23% for species monitoring, and 16% for changed circumstances and other contingencies.

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 to supplement the equipment of existing, local fire departments. The equipment recipients included 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 purchase of equipment accommodated FORA's capital obligations under the BRP to enhance the firefighting capabilities on the former Fort Ord in response to proposed development. The lease payments began July 2004, and ~~will be paid through~~were retired in FY 2013/14. ~~Once~~ Now that the lease payments, funded by developer fees, have been satisfied, FORA's obligation for fire-fighting enhancement ~~will~~ has~~ve~~ been fully met. FORA transferred equipment titles to the appropriate fire-fighting agencies in April 2014.

f) Building Removal Program

As a basewide obligation, the BRP includes the removal of building stock to make way for redevelopment in certain areas of the former Fort Ord. The FORA Board established policy regarding building removal obligations with adoption of the FY 01/02 CIP. That policy defines FORA obligations and has been sustained since that time. For example, one of FORA's obligations includes some City of Seaside Surplus II buildings. The policy fixes the overall FORA funding obligation to Surplus II at $4M, and the City of Seaside decides which buildings to remove. The FORA Board additionally established criteria to address how the building removal program would proceed at Surplus II: 1) buildings must be within Economic Development Conveyance parcels; 2) building removal is required for redevelopment; 3) buildings are not programmed for reuse; and, 4) buildings along Gigling Road potentially fit the criteria. When the City of Seaside, working with any developer, determines which buildings should be removed, FORA would forego a portion of land sale proceeds in an amount commensurate with actual costs, up to $4M (December 1996 Reimer Associates Fort Ord Demolition Study). All jurisdictions have been treated in a similar manner but have widely varying building removal needs that FORA does its best to accommodate with available funds.

As per Board direction, building removal is funded by land sale revenue and/or credited against land sale valuation. Two MOAs 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 mutually agreed upon land sale proceeds. FORA's building removal obligation was thus completed as agreed 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 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.

FORA's remaining building removal obligations include the former Fort Ord stockade within the City of Marina (± $2.2M) and as previously discussed, buildings in the City of Seaside's Surplus II area (± $4M). In 2011, FORA, at the direction of the City of Seaside, removed a building in the Surplus II area which is explained in more detail in Appendix C. FORA will continue to work closely with the Cities of Marina and Seaside as new specific plans are prepared for those areas.

Since 1996 FORA has been aggressively reusing, redeveloping, and/or deconstructing former Fort Ord buildings in environmentally sensitive ways to reuse or reclaim significant building materials. FORA has worked closely with the regulatory agencies and local contractors to safely abate hazardous materials, maximize material reuse and recycling, and create an educated work force that can take advantage of the jobs created on the former Fort Ord. FORA, CSUMB and the jurisdictions continue to leverage the accumulated expertise and experience and focus on environmentally sensitive reuse, removal of structures, and recycling remnant structural and site materials, while applying lessons learned from past FORA efforts to "reduce, reuse and recycle" materials from former Fort Ord structures as described in Appendix C.

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

In 2005, MCWD staff and consultants conducted a study of their rates, fees and charges to determine projected adjustments through five budget years. At the time, the study projected a significant increase to capacity charges to fund ~~the~~ improvements to and expansion of the former Fort Ord Water and Wastewater Collections Systems. The FORA Board made the policy decision to voluntarily increase the FORA CIP contribution toward this basewide obligation. However, with no agreement or other funding mechanism in place to transfer this additional contribution to MCWD, a 2013 MCWD rate study included recommendations to remove the additional FORA funding from their budget and increase their capacity charge. Table 3 reflects this funding being removed from the FORA CIP and the FORA CFD/developer fee commensurately reduced.

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 a 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. Therefore, the water and wastewater capital improvements are not duplicated in this document.

h) Property Management and Caretaker Costs

During the EPS Phase I CIP Review process in FY 10/11, FORA jurisdictions expressed concern over accepting 1,200+ acres of former Fort Ord properties without sufficient resources to manage them. Since the late 1990's, FORA carried a CIP contingency line item for "caretaker costs." The EPS Phase I CIP Study identified $16M in FORA CIP contingencies to cover such costs. These obligations are not BRP required CEQA 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 back as an obligation to cover basewide property management costs, should they be demonstrated.

As a result of EPS's Phase II CIP Review analysis in FY 11/12 and FY 12/13, FORA ~~has~~ agreed to reimburse its five member jurisdictions up to $660,000 in annual funding for these expenses based on past experience, provided sufficient land sales revenue is available and jurisdictions are able to demonstrate property management/caretaker costs. Additional detail concerning this analysis is provided under Appendix D. These expenses are shown in Table 5 – Land Sales as a deduction prior to net land sales proceeds. The expenses in this category (FY 1~~3~~4/1~~4~~5 through Post-FORA) are planning numbers and are not based on identified costs. EPS's analysis also assumes that, as jurisdictions sell former Fort Ord property, their property management/caretaker costs will diminish.

III. FY 201~~3~~4/201~~4~~5 THROUGH POST-FORA CAPITAL IMPROVEMENT PROGRAM

Background Information/Summary Tables

Table 1 graphically depicts fiscal offsets of completed projects that have reduced BRP obligations. Since 1995, FORA has advanced approximately $7~~5~~6M in capital projects and BRP obligations. These projects have been predominantly funded by EDA grants, loan proceeds and developer fees. Developer fees are 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, work concluded in conjunction with TAMC and AMBAG has 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" transportation and transit 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 account for funding received and applied against required projects.

Table 4, Community Facilities District Revenue, reflects forecasted annual revenue from CFD fee collection. On an annual basis, FORA requests updated development forecasts from its member agencies as a component of FORA's CIP preparation process. The five land use jurisdictions and other agencies with land use authority on former Fort Ord provide updated development forecasts for Table A1: Residential Annual Land Use Construction and Table A2: Non-Residential Annual Land Use Construction (Appendix B). FORA staff reviews the submitted development forecasts to ensure that BRP resource limitations are met (i.e. 6,160 New Residential Unit limit, etc.). FORA staff may make adjustments to the forecasts based on past experience. In previous years, jurisdictions' forecasts have been overly optimistic. In this FY 201~~3~~4/14~~4~~5 CIP, FORA staff included development forecasts as submitted by the land use jurisdictions in ~~July~~ April 201~~3~~4. See '1) Periodic CIP Review and Reprogramming' on page 3 of this document for additional information.

FORA staff applied the anticipated FORA CFD special tax/Development Fee Schedule rates anticipated as of July 1, 201~~3~~4 according to EPS's Phase III CIP study analysis to the forecasted development to produce Table 4 – Community Facilities District Revenue projections (see Appendix A for more information).

Table 5 - Land Sale Revenue reflects land sales projections resulting from EPS's Phase III CIP Review. EPS projected future FORA land sales from July 1, 2014 through June 30, 2022~~0~~. EPS's land sales projections are shown in Table B-1~~D-2~~ included in Attachment C~~A~~ to Item 10b~~7c CIP Review – Phase II Study~~, May 16~~0~~, 2014~~3~~ FORA Board Packet. For this FY 201~~3~~4/14~~4~~5 CIP, FORA staff based its land sale revenue forecasts using the same underlying assumptions as Table B-1~~D-2~~. Using past land sales transactions on former Fort Ord where FORA received 50% of the proceeds, EPS determined an underlying land value of $188~~0~~,000 per acre of land. This value was applied to future available development acres to forecast land sale revenue, assuming the land sale would precede actual development by two years. As in Table B-1~~D-2~~, FORA staff calculated FORA's 50% share of the projected land sales proceeds, then deducted estimated caretaker costs, FORA costs, and other obligations (Initiatives, Petitions, Pollution Legal Liability Insurance, etc.) from the land sales revenue projections. Finally, FORA staff applied a discount rate of 4.85~~5.3~~% prior to determining net FORA land sales proceeds.

OBLIGATORY PROJECT OFFSETS AND REMAINING OBLIGATIONS

Project #	Project Title	Project Limits	TAMC Reallocation Study 2005 TOTAL COST	TAMC Reallocation Study 2005 FORA PORTION	FORA Offsets 2005-2014	FORA Remaining Obligation	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	-	21,332,350	21,844,326
R10	Hwy 1-Monterey Rd. Interchange	Construct new interchange at Monterey Road	19,100,000	2,496,648	-	3,485,049	3,568,690
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	-	9,899,896	10,137,494
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	312,205	-	-
	Subtotal Regional		270,976,000	25,094,722	312,205	34,717,295	35,550,510
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	-	707,658	724,642
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	462,978	11,594,107	11,872,366
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	4,747,829	4,861,777
4E	Widen Reservation, WG to Davis	Widen to 4 lanes from Watkins Gate to Davis Rd	5,500,000	2,216,321	-	3,093,742	3,167,992
8	Crescent Ave extend to Abrams	Extend existing Crescent Court Southerly to join proposed Abrams Dr (FO2)	906,948	906,948	-	1,266,001	1,296,385
	Subtotal Off-Site		42,212,948	16,098,645	939,562	21,409,337	21,923,161
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	-	1,060,275	1,085,722
FO5	8th Street	Upgrade/construct new 2-lane arterial from 2nd Ave to Intergarrison Rd	4,340,000	4,340,000	-	6,017,440	6,161,859
FO6	Intergarrison	Upgrade to a 4-lane arterial from Eastside Rd to Reservation	4,260,000	4,260,000	1,559,469	4,079,909	4,177,827
FO7	Gigling	Upgrade/Construct new 4-lane arterial from General Jim Moore Blvd easterly to Eastside Rd	5,722,640	5,722,640	353,510	7,542,368	7,723,385
FO9B (Ph-II)	GJM Blvd-Normandy to McClure	Widen from 2 to 4 lanes from Normandy Rd to McClure			6,252,156	-	-
FO9B (Ph-III) [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			13,698,746	986,813	1,010,497
FO11	Salinas Ave	Construct new 2 lane arterial from Reservation Rd southerly to Abrams Dr	3,038,276	3,038,276	-	4,241,102	4,342,888
FO12	Eucalyptus Rd	Upgrade to 2 lane collector from General Jim Moore Blvd to Eastside Rd to Parker Flats cut-off	5,800,000	5,800,000	5,328,055	485,159	496,803
FO13B	Eastside Pkwy (New alignment)	Construct new 2 lane arterial from Eucalyptus Rd to Parker Flats cut-off to Schoonover Dr	12,536,370	12,536,370	510,000	16,950,540	17,357,353
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	338,986	3,076,067	3,149,893
	Subtotal On-Site		63,036,919	63,036,919	31,517,896	44,439,673	45,506,225
	Transportation Totals		376,225,867	104,230,286	32,769,663	100,566,305	102,979,896

[1] Remaining construction may be phased in future CIP documents based on available funds and habitat/environmental clearance.

Project #	Project Title	Project Limits	TAMC Reallocation Study 2005 TOTAL COST	TAMC Reallocation Study 2005 FORA PORTION	FORA Offsets 2005-2014	FORA Remaining Obligation	FORA Remaining Obligation Inflated
Transit Capital Improvements							
T3	Transit Vehicle Purchase/Replace	15 busses	15,000,000	6,298,254	378,950	8,344,527	8,544,796
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 Imjin, and 3. Park and Ride Facility @ 8th. Street and Gigling	3,800,000	4,786,673		6,681,673	6,655,674
	Transit Totals		18,800,000	11,084,926	378,950	15,026,200	15,200,470
	Transportation/Transit Totals		395,025,867	115,315,212	33,148,613	115,592,505	118,180,366

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, state and local matching funds, revenue bond proceeds, development fees.	32,235,648

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.	1,631,951
TOTAL CUMULATIVE OFFSETS AGAINST TRANSPORTATION/TRANSIT AND STORM DRAINAGE PROJECTS TO DATE	67,016,212

TABLE 1

TRANSPORTATION NETWORK AND TRANSIT ELEMENTS

Lead Agency	Regional Improvements										
	Proj#	Description	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
TAMC/Caltrans	R3a	Hwy 1-Del Monte-Fremont-MBL							21,844,326	21,844,326	R3
TAMC/Caltrans	R10	Hwy 1-Monterey Rd. Interchange							3,568,690	3,568,690	R10
TAMC/Caltrans	R11	Hwy 156-Freeway Upgrade					5,000,000	5,137,494		10,137,494	R11
		Subtotal Regional	-	-	-	-	5,000,000	5,137,494	25,413,016	35,550,510	

	Off-Site Improvements										
	Proj#	Description	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
Monterey County	1	Davis Rd north of Blanco			724,642					724,642	1
Monterey County	2B	Davis Rd south of Blanco	472,199			6,500,000	2,500,000	2,400,167		11,872,366	2B
Monterey County	4D	Widen Reservation-4 lanes to WG					2,440,000	2,421,777		4,861,777	4D
Monterey County	4E	Widen Reservation, WG to Davis			616,220	616,220	1,935,552			3,167,992	4E
City of Marina	8	Crescent Ave extend to Abrams			650,000	646,384				1,296,385	8
		Subtotal Off-Site	472,199	-	1,990,862	7,762,604	6,875,552	4,821,944	-	21,923,161	

	On-Site Improvements										
	Proj#	Description	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
City of Marina	FO2	Abrams			545,000	540,722				1,085,722	FO2
City of Marina	FO5	8th Street			3,090,000	3,071,859				6,161,859	FO5
FORA	FO6	Intergarrison			4,177,827					4,177,827	FO6
FORA	FO7	Gigling			2,500,000		5,223,385			7,723,385	FO7
FORA	FO9C	GJM Blvd			1,010,497					1,010,497	FO9C
City of Marina	FO11	Salinas Ave			2,130,000	2,212,888				4,342,888	FO11
FORA	FO12	Eucalyptus Road				496,802				496,803	FO12
FORA	FO13B	Eastside Parkway			8,712,577	8,644,776				17,357,353	FO13B
FORA	FO14	South Boundary Road Upgrade		1,500,000	1,649,892					3,149,893	FO14
		Subtotal On-Site	-	1,500,000	23,815,793	14,967,047	5,223,385	-	-	45,506,225	

Transportation Totals	472,199	1,500,000	25,806,655	22,729,651	17,098,937	9,959,438	25,413,016	102,979,896		

	Transit Capital Improvements										
	Proj#	Description	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
MST	T3	Transit Vehicle Purchase/Replace		1,715,634	1,715,634	1,715,634	1,715,643	1,682,251		8,544,796	T3
MST	T22	Intermodal Centers						3,340,000	3,315,674	6,655,674	T22
		Subtotal Transit	-	1,715,634	1,715,634	1,715,634	1,715,643	5,022,251	3,315,674	15,200,470	

Transportation and Transit GRAND TOTALS	472,199	3,215,634	27,522,289	24,445,285	18,814,580	14,981,689	28,728,690	118,180,366

TABLE 2

SUMMARY OF CAPIITAL IMPROVEMENT PROGRAM 2014/15 - POST FORA

	2005-14 (1)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post FORA	2014-15 to Post FORA Total
A. CIP PROJECTS FUNDED BY CFD DEVELOPMENT FEES									
Dedicated Revenues									
Development Fees	24,171,322	5,099,000	11,763,000	18,743,000	26,602,000	30,736,000	22,365,000	47,676,000	162,984,000
Other Revenues									
Property Taxes (2)	5,796,078	208,467	497,366	846,755	1,610,582	2,412,112	5,645,454	-	11,220,736
Loan Proceeds (3)	7,926,754								-
Federal Grants (4)	6,426,754								-
CSU Mitigation fees	2,326,795								-
Miscellaneous Revenues (Rev Bonds, CFD credit) (11)	2,762,724	-	-	-	-	-	-	-	-
TOTAL REVENUES	**49,410,427**	**5,307,467**	**12,260,366**	**19,589,755**	**28,212,582**	**33,148,112**	**28,010,454**	**47,676,000**	**174,204,736**
Expenditures									
Projects									
Transportation/Transit	33,148,613	472,199	3,215,634	27,522,289	24,445,285	18,814,580	14,981,689	28,728,690	118,180,366
Water Augmentation (5) CEQA Mitigation	561,780		1,176,300	1,874,300	2,660,200	3,073,600	2,236,500	12,994,748	24,015,648
Storm Drainage System [*Completed by 2005*] (6)	[Table 1]								-
Habitat Management (7)	6,042,831	1,539,898	3,375,981	5,660,386	8,033,804	9,282,272	6,174,713		34,067,054
Fire Rolling Stock	1,160,000								-
Property Management/Caretaker Costs (8)	20,000	-	-	-	-	-	-	-	-
Total Projects	**40,933,223**	**2,012,097**	**7,767,915**	**35,056,975**	**35,139,289**	**31,170,452**	**23,392,902**	**41,723,438**	**176,263,068**
Other Costs & Contingency (9)									
Additional CIP Costs	3,014,400	-	-	-	-	-	-	17,727,055	17,727,055
Habitat Mgt. Contingency	842,104	90,000	-	-	-	-	-	20,193,097	20,283,097
CIP/FORA Costs	925,690	404,509	400,000	400,000	400,000	400,000	395,491		2,400,000
Other Costs (Debt Service) (14)	3,695,010	2,800,000	3,992,624	-	-	-	-	-	6,792,624
Total Other Costs & Contingency	**8,477,204**	**3,294,509**	**4,392,624**	**400,000**	**400,000**	**400,000**	**395,491**	**37,920,152**	**47,202,776**
TOTAL EXPENDITURES	**49,410,427**	**5,306,606**	**12,160,539**	**35,456,975**	**35,539,289**	**31,570,452**	**23,788,393**	**79,643,590**	**223,465,844**
Net Annual Revenue		862	99,827	(15,867,220)	(7,326,707)	1,577,660	4,222,061	(31,967,590)	
Beginning Balance		-	862	100,688	(15,766,532)	(23,093,239)	(21,515,579)	(17,293,518)	
Ending Balance CFD & Other	**-**	**862**	**100,688**	**(15,766,532)**	**(23,093,239)**	**(21,515,579)**	**(17,293,518)**	**(49,261,108)**	**(49,261,108)**
B. CIP PROJECTS FUNDED BY LAND SALE REVENUES									
Dedicated Revenues									
Land Sales (10)	15,800,714	-	34,821,117	9,011,094	13,887,758	5,862,610	3,689,508	3,933,720	71,205,808
Land Sales - Credits (11)	6,767,300			6,750,000	-	-	12,659,700	-	19,409,700
Other Revenues (12)	1,425,000				-	-	-	-	-
Loan Proceeds (3)	7,500,000	-	-	-	-	-	-	-	-
Total Revenues	**31,493,014**	**-**	**34,821,117**	**15,761,094**	**13,887,758**	**5,862,610**	**16,349,208**	**3,933,720**	**90,615,508**
Expenditures									
Projects (13)									
Building Removal	28,767,300	2,725,714	3,474,286	6,750,000			12,659,700	-	25,609,700
Other Costs (Loan Pay-off) (14)	-	-	18,000,000	-	-	-	-	-	18,000,000
TOTAL PROJECTS	**28,767,300**	**2,725,714**	**21,474,286**	**6,750,000**	**-**	**-**	**12,659,700**	**-**	**43,609,700**
Net Annual Revenue	2,725,714	(2,725,714)	13,346,831	9,011,094	13,887,758	5,862,610	3,689,508	3,933,720	
Beginning Balance	-	2,725,714	-	13,346,831	22,357,925	36,245,683	42,108,294	45,797,802	
Ending Balance Land Sales & Other	**2,725,714**	**-**	**13,346,831**	**22,357,925**	**36,245,683**	**42,108,294**	**45,797,802**	**49,731,522**	**49,731,522**
TOTAL ENDING BALANCE-ALL PROJECTS		862	13,447,520	6,591,393	13,152,445	20,592,715	28,504,284	470,414	470,414

Table 3 CIP Summary Table Footnotes

(1) This column summarizes CIP revenues and expenses from July 2005 through June 2014~~3~~. These totals are not included in the 2014~~3~~-15~~4~~ to Post FORA totals.

(2) "Property Taxes" (former Tax Increment)~~"~~ revenue has been designated for operations and as a back-up to FORA CIP projects; to date, approximately $5.8M was spent on ET/ESCA change orders and CIP road projects. See Tables A-1, A-2 and A-3 from the EPS Phase III Study for more information.

(3) "Loan Proceeds": In FY 05-06 FORA obtained a line of credit (LOC) to ensure CIP obligations be met despite cash flow fluctuations. The LOC draw-downs were used to pay road design, construction and building removal costs and were partially repaid by available CIP funding sources. In FY 09-10 FORA repaid the remaining $9M LOC debt ($1.5M in transportation and $7.5M in building removal) through a loan secured by FORA's share of Preston Park. The 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 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 (see #3 "Loan Proceeds").

(5) "Water Augmentation" is FORA's financial obligation for ~~the approved~~a CEQA required water augmentation project. The ~~original~~ indexed CEQA obligation ($24~~3~~,015~~452~~,648~~781~~) is included in the total. The previous "voluntary contribution" has been subsumed in MCWD's capacity charge and FORA developer fee reduced commensurately so as not to double charge. ~~The FORA Board approved an additional contribution ($21,655,302) to keep MCWD capacity charges in check. Please refer to Section II g) Water and Wastewater Collection Systems.~~

(6) FORA's "Storm Water Drainage System" mitigation 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 USFWS and CDFW. Please refer to Section II d) Habitat Management Requirements.

(8) "Property Management/Caretaker Costs" amounts are deducted from net land sales revenue. As a result of EPS's CIP Review – Phase II Study analysis, FORA has agreed to reimburse its five member jurisdictions up to $660,000 in annual funding for these expenses, provided sufficient land sales/lease revenue is available and jurisdictions are able to demonstrate property management/caretaker costs. 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~~ CIP 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, general consulting, etc.)~~street landscaping, unknown site conditions, project changes, habitat/environmental mitigation, etc.)~~ and unknown additional basewide expenditures (street landscaping, unknown site conditions, project changes, additional habitat/environmental mitigation, Board discretion, etc.).

"Habitat Management Contingency" provides interim funding for the University of California Fort Ord Natural Reserve 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 required by Regulatory Agencies.

"CIP/FORA Costs" provides for FORA CIP staff, overhead, and direct CIP consulting costs (EPS, legal, etc.). These FORA costs were included as a part of transportation and other projects through FY 2012/13. During the FY 2013/14 budgeting process, in an effort to synchronize the FORA annual budget and CIP budget, the presentation format for both were revised (reporting FORA costs as a separate line item in the CIP budget) to provide consistent information.

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~~"Additional Utility and Storm Drainage Costs" provides for restoration of storm drainage sites in State Parks land and relocation of utilities.~~

(10) "Land Sales" revenue projections were evaluated by EPS as a component of their CIP Review – Phase II and III Studies~~y~~. The same approach of determining a residual land value factor based on past FORA or Land Use Jurisdictions' land sales transactions (resulting in $1888~~0~~,000 per acre) was used. The factor was then applied to non-transacted remaining development acres. The land sales revenue projections shown are net revenue after deducting identified costs, which include $660,000 annually in property management/caretaker costs (obligation reduced as land is reused) and $250,000 annually in other obligations (Initiatives, Petitions, Pollution Legal Liability Insurance, Etc.).

(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.Regarding land sale proceeds, FORA entered into two such agreements with Marina Community Partners ($24M) and East Garrison Partners ($2.1M) 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.

(13) "Projects" total include building removal at 1) Dunes on Monterey Bay ($46M), 2) Imjin Office ($400K), 3) East Garrison ($2.177M), and remaining to be completed 4) Stockade ($2.2M), and 5) Surplus II ($4M).

(14) "Other Costs (Debt Service)" payment of borrowed funds, principal and interest (see #3 "Loan Proceeds"). The $7.9~~6~~M repayment of remaining principal by FORA Development Fees/CFD special taxes, anticipated ~~in~~ through FY 15~~3~~-16~~4~~, will be retained in the FORA Reserve fund. On May 10, 2013, the FORA Board approved a 23.6% reduction in the Basewide FORA Development Fee Schedule and FORA CFD special tax as a result of EPS's CIP Review - Phase II Study. The study showed that FORA operations costs through 2020 will be offset by the $7.9~~6~~ M loan repayment from FORA Development Fees/CFD special taxes. The actual Preston Park loan will be paid off upon Preston Park disposition.

TABLE 4

Community Facilities District Revenue

	Number	Jurisdiction	2014-15 to Post FORA Total	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post-FORA
New Residential										
Marina Heights	1050	MAR	$ 23,656,000	$ 451,000	$ 1,712,000	$ 3,244,000	$ 4,055,000	$ 4,191,000	$ 4,055,000	$ 5,948,000
The Promontory		MAR	-	-	-	-	-	-	-	-
Dunes on Monterey Bay	1237	MAR	25,439,000	1,127,000	1,352,000	2,028,000	2,028,000	2,028,000	2,028,000	14,848,000
TAMC Planned	200	MAR	4,506,000	-	-	-	-	2,253,000	2,253,000	-
CSUMB Planned		CSU	554,300	-	-	-	169,000	169,000	169,000	47,300
UC Planned	240	UC	5,406,000	-	-	901,000	901,000	901,000	901,000	1,802,000
East Garrison I	1472	MCO	29,334,000	2,073,000	2,028,000	2,028,000	4,393,000	3,830,000	3,830,000	11,152,000
Seaside Highlands Homes	152	SEA	-	-	-	-	-	-	-	-
Seaside Resort Housing	126	SEA	2,771,000	45,000	23,000	90,000	135,000	1,239,000	1,239,000	-
Seaside Planned	987	SEA	22,238,000	-	-	563,000	3,380,000	3,380,000	3,312,000	11,603,000
Del Rey Oaks Planned	691	DRO	15,568,000	-	-	2,929,000	6,466,000	6,173,000	-	-
Other Residential Planned	8	Various	180,000	-	-	-	-	-	-	180,000
Existing/Replacement Residential										
Preston Park	352	MAR	$ 3,265,000	$ -	$ 3,265,000	$ -	$ -	$ -	$ -	$ -
Cypress Knolls	400	MAR	9,012,000	-	-	2,253,000	2,253,000	2,253,000	2,253,000	-
Abrams B	192	MAR	-	-	-	-	-	-	-	-
MOCO Housing Authority	56	MAR	-	-	-	-	-	-	-	-
Shelter Outreach Plus	39	MAR	-	-	-	-	-	-	-	-
Veterans Transition Center	13	MAR	-	-	-	-	-	-	-	-
Interim Inc	11	MAR	-	-	-	-	-	-	-	-
Sunbay (former Thorson Park)	297	SEA	-	-	-	-	-	-	-	-
Brostrom	225	SEA	-	-	-	-	-	-	-	-
Seaside Highlands	228	SEA	-	-	-	-	-	-	-	-
Office										
Del Rey Oaks Planned		DRO	$ 38,000	$ -	$ -	$ 19,000	$ -	$ 19,000	$ -	$ -
Monterey Planned		MRY	139,000	-	-	23,000	23,000	23,000	35,000	35,000
East Garrison I Office Development		MCO	6,000	3,000	2,000	1,000	-	-	-	-
Imjin Office Park		MAR	2,000	2,000	-	-	-	-	-	-
Dunes on Monterey Bay		MAR	139,000	29,000	10,000	10,000	-	19,000	19,000	52,000
Cypress Knolls Community Center		MAR	3,000	-	-	3,000	-	-	-	-
Interim Inc. - Rockrose Gardens		MAR	-	-	-	-	-	-	-	-
TAMC Planned		MAR	8,000	-	-	-	-	4,000	4,000	-
Seaside Planned		SEA	17,000	-	-	5,000	5,000	5,000	2,000	-
UC Planned		UC	67,000	-	-	8,000	8,000	27,000	8,000	16,000
Industrial										
Monterey Planned		MRY	$ 36,000	$ -	$ -	$ -	$ -	$ 12,000.00	$ 12,000.00	$ 12,000.00
Industrial -- City Corp. Yard		MAR	-	-	-	-	-	-	-	-
Dunes on Monterey Bay		MAR	-	-	-	-	-	-	-	-

TABLE 4

Community Facilities District Revenue

	Number	Jurisdiction	2014-15 to Post FORA Total	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post-FORA
Cypress Knolls Support Services		MAR	1,000	-	-	1,000	-	-	-	-
Marina Planned		MAR	40,000	5,000	5,000	5,000	5,000	5,000	5,000	10,000
TAMC Planned		MAR	6,000	-	-	-	-	3,000	3,000	-
Seaside Planned		SEA	27,000	-	-	13,000	8,000	6,000	-	-
UC Planned		UC	18,000	-	-	3,000	3,000	3,000	3,000	6,000
Retail										
Del Rey Oaks Planned		DRO	$ 112,000	$ -	$ -	$ 112,000	$ -	$ -	$ -	$ -
East Garrison I Retail		MCO	224,000	-	-	112,000	112,000	-	-	-
Cypress Knolls Community Center		MAR	168,000	-	-	168,000	-	-	-	-
Dunes on Monterey Bay		MAR	1,118,000	861,000	257,000	-	-	-	-	-
TAMC Planned		MAR	420,000	-	-	-	-	210,000	210,000	-
Seaside Resort Golf Clubhouse		SEA	91,000	-	91,000	-	-	-	-	-
Seaside Planned		SEA	5,657,000	-	-	559,000	559,000	3,689,000	850,000	-
UC Planned		UC	2,054,000	-	-	294,000	439,000	294,000	294,000	733,000
Hotel (rooms)										
Del Rey Oaks Planned	550	DRO	$ 2,767,000	$ -	$ -	$ 2,767,000	$ -	$ -	$ -	$ -
Dunes - Limited Service	100	MAR	503,000	503,000	-	-	-	-	-	-
Dunes - Full Service	400	MAR	2,012,000	-	2,012,000	-	-	-	-	-
Seaside Golf Course Hotel	330	SEA	1,660,000	-	-	-	1,660,000	-	-	-
Seaside Golf Course Timeshares	170	SEA	855,000	-	-	-	-	-	-	855,000
Seaside Planned	570	SEA	2,867,000	-	1,006,000	604,000	-	-	880,000	377,000
UC Planned	0	UC	-	-	-	-	-	-	-	-
Total			**$ 162,984,300**	**$ 5,099,000**	**$ 11,763,000**	**$ 18,743,000**	**$ 26,602,000**	**$ 30,736,000**	**$ 22,365,000**	**$ 47,676,000**

	Adopted 2002	Effective 7/1/13	Fee Adjustment	Effective 7/1/14
New Residential (per du)	$ 34,324	$ 27,180	-17.1%	$ 22,530
Existing Residential (per du)	10,320	8,173	-17.1%	6,780
Office & Industrial (per acre)	4,499	3,567	-17.1%	2,960
Retail (per acre)	92,768	73,471	-17.1%	60,910
Hotel (per room)	7,653	6,065	-17.1%	5,030

TABLE 5

Land Sale Revenue

	Jurisdiction	2014-15 to Post-FORA	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post-FORA
New Residential									
Seaside Planned	SEA	32,977,620		795,719	4,842,058	4,914,688	4,888,641	6,744,229	10,792,285
Del Rey Oaks Planned	DRO	22,382,858		4,140,794	9,258,014	8,984,050			
Other Residential Planned	Various	273,405							273,405
Existing/Replacement Residential									
Preston Park	MAR	56,900,558		56,900,558					
Cypress Knolls	MAR	13,010,436		3,180,333	3,228,038	3,276,459	3,325,606		
Office									
Del Rey Oaks Planned	DRO	2,541,044	-	1,251,607	-	1,289,437			
Monterey Planned	MRY	9,339,947	-	1,508,841	1,531,474	1,554,446	2,354,931	2,390,255	
Cypress Knolls Community Center	MAR	200,257	-	200,257					
Seaside Planned	SEA	1,109,523	-	312,902	317,595	348,148	130,878		
Industrial									
Monterey Planned	MRY	2,476,923	-	-	-	813,379	825,580	837,964	
Cypress Knolls Support Services	MAR	65,709	-	65,709					
Seaside Planned	SEA	1,498,335	-	547,653	555,792	394,890			
Retail									
Del Rey Oaks Planned	DRO	350,450	-	350,450					
Cypress Knolls Community Center	MAR	525,675	-	525,675					
Seaside Planned	SEA	18,221,234	-	1,752,250	1,778,534	11,905,370	2,785,080		
Hotel (rooms)									
Del Rey Oaks Planned	DRO	2,761,868	-	2,761,868					
Seaside Planned	SEA	2,910,710	989,474	602,589	-	-	918,917	399,729	
Subtotal: Estimated Transactions		$167,546,552	989,474	74,897,207	21,511,504	33,480,868	15,229,633	10,372,176	11,065,690
FORA Share - 50%		83,773,276	494,737	37,448,604	10,755,752	16,740,434	7,614,816	5,186,088	5,532,845
Estimated Caretaker/Property Mgt. Costs		($2,577,939)	(494,737)	(673,437)	(576,204)	(451,043)	(239,591)	(142,927)	
Other obligations (Initiatives, Petitions, PLL, etc.)		($1,408,116)		(265,225)	(273,182)	(281,377)	(289,819)	(298,513)	(306,307)
FORA Costs								(69,336)	
Net FORA Land Sales Proceeds		79,787,221	(0)	36,509,942	9,906,366	16,008,014	7,085,406	4,675,312	5,226,538
Net Present Value (4.85% Discount Rate)		71,205,808	(0)	34,821,117	9,011,094	13,887,758	5,862,610	3,689,508	3,933,720

Note #1: FORA and local jursdiction split land sales revenue 50/50 with FORA paying sales costs from its share. Actual land sales revenue may vary from that shown here.

Note #2: Assumes per acre value of $188,000 and that values escalate by 1.5% annually.

Appendix A

Protocol for Review/Reprogramming of FORA CIP
(Revised June 21, 2013)

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, MST, 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 firefighting enhancement.

This protocol also describes the method by which the basewide development fee (Fee) and Fort Ord Reuse Authority Community Facilities District Special Tax (Tax) are annually indexed. The amount of the Fee is identical to the CFD Tax. Landowners pay either the Fee or the Tax, never both, depending on whether the land is within the Community Facilities District. For indexing purposes, FORA has always used the change in costs from January 1 to December 31. The reason for that choice is that the Fee and CFD Tax must be in place on July 1, and this provides the time necessary to prepare projections, vet, and publish the document. The second idea concerns measurement of construction costs. Construction costs may be measured by either the San Francisco Metropolitan index, or the "20-City Average." FORA has always used the 20-City Average index because it is generally more in line with the actual experience in suburban areas like the Monterey Peninsula. It should be noted that San Francisco is one of the cities used for the 20-City Average.

The Fee was established in February 1999 by Resolution 99-1. Section 1 of that Resolution states that "(FORA) shall levy a development fee in the amounts listed for each type of development in the... fee schedule until such time as ... the schedule is amended by (the) board." The CFD Tax was established in February 2002 by Resolution 02-1. Section IV of that CFD Resolution, beginning on page B-4, describes "Maximum Special Tax Rates" and "Increase in the Maximum Special Tax Rates." That section requires the Tax to be established on the basis of costs during the "...immediately preceding Fiscal Year..." The Tax is adjusted annually on the basis of "...Construction Cost Index applicable to the area in which the District is located..."[1]

The CFD resolution requires the adjusted Tax rate to become effective on July 1. It would be difficult to meet that deadline if the benchmark were set for a date later than January. FORA staff uses the adjusted Tax rate to reprogram the CIP. FORA staff requests development forecast projections from the land use jurisdictions in January. The forecasts allow staff to balance CIP revenues and expenditures, typically complete by April, for Administrative Committee review. The FORA Board typically adopts the CIP, and consequently updates the "Notice of Special Tax Lien" (Notice) in June.

Additionally, the Notice calls for "... (2) percentage change since the immediately preceding fiscal year in the (ENRs CCI) applicable to the area in which the District is located..." To assure adequate time for staff analysis, public debate and FORA Board review of modifications to the Special Tax Levy, it is prudent to begin in January. In addition, the FORA Board adopted a formulaic approach to monitoring the developer fee program which is typically conducted in the spring – as will be the case in 2014. If the anticipated Fee adjustment is unknown at the time of the formulaic calculation then the level of certainty about the appropriateness of the Fee is impaired. This factor supports that the Fee should be established in January.

To determine the percentage change, the CCI (Construction Cost Index) of the immediately prior January is subtracted from the CCI in January of the current year to define the arithmetic value of the change (increase or decrease). This dollar amount is divided by the CCI of the immediately prior January. The result is then multiplied by 100 to derive a percentage of change (increase or decrease) during the intervening year. The product of that calculation is the rate presented to the FORA Board.

Since the start of the CIP program in FY 2001/02, FORA has employed the CCI for the "20-City Average" as presented in the ENR rather than the San Francisco average. The current 20-City Average places the CCI in the range of $9K to $10K while the San Francisco CCI is in the $10K to $11K range. The difference in the two relates to factors which tend to drive costs up in an urban environment as opposed to the suburban environment of Fort Ord. These factors would include items such as time required for transportation of materials and equipment plus the Minimum Wage Rates in San Francisco as compared to those in Monterey County. Over a short term (1 year) one index may yield a lower percentage increase than the other index for the same time period.

[1] The pertinent paragraph reads as follows:

> *"On each July 1, commencing July 1, 2002, the Maximum Special Tax Rates shown in Table 1 shall be increased by an amount equal to the lesser of (1) five percent (5%) or (2) the percentage change since the immediately preceding Fiscal Year in the Engineering News Record's (ENRs) Construction Cost Index (CCI) applicable to the area in which the District is located (or, if such index is no longer published, a substantially equivalent index selected by the CFD Administrator)."*

Table A1: Residential Annual Land Use Construction *(dwelling units)*

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Land Use Type	Juris-diction	Existing 7/1/14	Existing to 2021-22 Total	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
New Residential											
Marina Heights	MAR		1,050	20	76	144	180	186	180	141	123
The Promontory	MAR										
Dunes on Monterey Bay	MAR	108	1,237	50	60	90	90	90	90	50	609
TAMC Planned	MAR		200					100	100		
Marina Subtotal			2,487								
CSUMB Planned	CSU						150	150	150	42	
UC Planned	UC		240			40	40	40	40	40	40
East Garrison I	MCO	170	1,472	92	90	90	195	170	170	170	325
Seaside Highlands Homes	SEA	152	152								
Seaside Resort Housing	SEA	3	126	2	1	4	6	55	55		
Seaside Planned	SEA		987			25	150	150	147	200	315
Seaside Subtotal			1,265								
Del Rey Oaks Planned	DRO		691			130	287	274			
Other Residential Planned	Various	-	8	-	-	-	-	-	-	-	8
Subtotal		**433**	**6,163**	**164**	**227**	**523**	**948**	**1,065**	**782**	**601**	**1,420**
TOTAL NEW RESIDENTIAL		**6,160**									
Existing/Replacement Residential											
Preston Park	MAR	352	352								
Cypress Knolls	MAR		400			100	100	100	100		
Abrams B	MAR	192	192								
MOCO Housing Authority	MAR	56	56								
Shelter Outreach Plus	MAR	39	39								
Veterans Transition Center	MAR	13	13								
Interim Inc	MAR	11	11								
Sunbay (former Thorson Park)	SEA	297	297								
Brostrom	SEA	225	225								
Seaside Highlands	SEA	228	228	-	-	-	-	-	-	-	-
Subtotal		**1,413**	**1,813**	**-**	**-**	**100**	**100**	**100**	**100**	**-**	**-**
TOTAL EXISTING RESIDENTIAL		**1,813**									
Total		**1,846**	**7,976**	**164**	**227**	**623**	**1,048**	**1,165**	**882**	**601**	**1,420**

Table A2: Non-Residential Annual Land Use Construction (building square feet or hotel rooms)

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Land Use Type	Juris-diction	Existing 7/1/14	Existing to 2021-22 Total	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Office											
Del Rey Oaks Planned	DRO		200,000			100,000		100,000			
Monterey Planned	MRY		721,524			120,552	120,552	120,552	179,934	179,934	
East Garrison I Office Development	MCO		35,000	18,000	12,000	5,000					
Imjin Office Park	MAR	37,000	46,000	9,000	-						
Dunes on Monterey Bay	MAR	40,000	760,000	150,000	50,000	50,000		100,000	100,000		270,000
Cypress Knolls Community Center	MAR		16,000			16,000					
Interim Inc. - Rockrose Gardens	MAR	14,000	14,000	-							
TAMC Planned	MAR		40,000					20,000	20,000		
Seaside Planned	SEA		87,000			25,000	25,000	27,000	10,000		
UC Planned	UC	-	340,000	-	-	40,000	40,000	140,000	40,000	40,000	40,000
Subtotal		**91,000**	**2,259,524**	**177,000**	**62,000**	**356,552**	**185,552**	**507,552**	**349,934**	**219,934**	**310,000**
Industrial											
Monterey Planned	MRY		216,275					72,092	72,092	72,092	
Industrial -- City Corp. Yard	MAR	12,300	12,300								
Dunes on Monterey Bay	MAR		-	-	-	-	-				
Cypress Knolls Support Services	MAR		6,000			6,000					
Marina Planned	MAR	250,000	486,000	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500
TAMC Planned	MAR		35,000					17,500	17,500		
Seaside Planned	SEA		160,320			75,320	50,000	35,000			
UC Planned	UC	38,000	158,000	-	-	20,000	20,000	20,000	20,000	20,000	20,000
Subtotal		**300,300**	**1,073,895**	**29,500**	**29,500**	**130,820**	**99,500**	**174,092**	**139,092**	**121,592**	**49,500**
Retail											
Del Rey Oaks Planned	DRO		20,000			20,000					
East Garrison I Retail	MCO		40,000	-	-	20,000	20,000				
Cypress Knolls Community Center	MAR		30,000			30,000					
Dunes on Monterey Bay	MAR	368,000	568,000	154,000	46,000						
TAMC Planned	MAR		75,000	-	-	-	-	37,500	37,500	-	-
Seaside Resort Golf Clubhouse	SEA		16,300		16,300						
Seaside Planned	SEA		1,011,500	-		100,000	100,000	659,500	152,000	-	-
UC Planned	UC		367,000	-	-	52,500	78,500	52,500	52,500	52,500	78,500
Subtotal		**368,000**	**2,127,800**	**154,000**	**62,300**	**222,500**	**198,500**	**749,500**	**242,000**	**52,500**	**78,500**
Hotel (rooms)											
Del Rey Oaks Planned	DRO		550			550					
Dunes - Limited Service	MAR		100	100							
Dunes - Full Service	MAR		400		400						
Seaside Golf Course Hotel	SEA		330				330				
Seaside Golf Course Timeshares	SEA		170							170	
Seaside Planned	SEA		570		200	120			175	75	
UC Planned	UC	-	-	-	-	-	-	-	-	-	-
Subtotal		**-**	**2,120**	**100**	**600**	**670**	**330**	**-**	**175**	**245**	**-**

Appendix C

Building Removal Program to Date

FORA Pilot Deconstruction Project (PDP) 1996

In 1996, FORA deconstructed five wooden buildings of different types, relocated three wooden buildings, and remodeled three buildings. The potential for job creation and economic recovery through opportunities in deconstruction, building reuse, and recycling was researched through this effort.

Lessons learned from the FORA PDP project:

- *A structure's type, size, previous use, end-use, owner, and location are important when determining the relevance of lead and asbestos regulations.*
- *Profiling the building stock by type aids in developing salvage and building removal projections.*
- *Specific market needs for reusable and recycled products drive the effectiveness of deconstruction.*
- *Knowing the history of buildings is important because:*
    - *Reusing materials is complicated by the presence of Lead Based Paint (LBP), which was originally thinned with leaded gasoline and resulted in the hazardous materials penetrating further into the substrate material.*
    - *Over time, each building develops a unique use, maintenance and repair history, which can complicate hazardous material abatement survey efforts.*
- *Additional field surveys were needed to augment existing U.S. Army environmental information. The PDP surveys found approximately 30 percent more Asbestos Containing Material (ACM) than identified by the Army.*
- *Hazardous material abatement accounts for almost 50 percent of building deconstruction costs on the former Fort Ord.*
- *A robust systematic program is needed for evaluating unknown hazardous materials early in building reuse, recycling and cleanup planning.*

FORA Survey for Hidden Asbestos 1997

In 1997, FORA commissioned surveys of invasive asbestos on a random sample of buildings on Fort Ord to identify hidden ACM. Before closure, the U.S. Army performed asbestos surveys on all exposed surfaces in every building on Fort Ord for their operation and maintenance needs. The Army surveys were not invasive and therefore did not identify asbestos sources, which could be spread to the atmosphere during building deconstruction or renovation. In addition to commissioning the survey for hidden asbestos, FORA catalogued the ACM found during the removal of seventy Fort Ord buildings.

The survey for hidden asbestos showed:

- *The Army asbestos surveys were conducted on accessible surfaces only which is not acceptable to the Monterey Bay Unified Air Pollution Control District (MBUAPCD).*
- *Approximately 30 percent more ACM lies hidden than was identified in the Army surveys.*
- *The number one cause for slow-downs and change orders during building deconstruction is hidden asbestos (see FORA website).*

- *A comprehensive asbestos-containing materials survey must identify all ACM.*
- *All ACM must be remediated before building deconstruction begins. It is important to note that this includes non-friable ACM that has a high probability of becoming or has become friable - crumbled, pulverized, or reduced to powder by the forces expected to act on the material in the course of deconstruction.*
- *All ACM must be disposed of legally.*

<u>FORA Hierarchy of Building Reuse 1998</u>

In response to the PDP project, FORA developed a Hierarchy of Building Reuse (HBR) protocol to determine the highest and best method to capture and save both the embodied energy and materials that exist in the buildings on Fort Ord. The HBR is a project-planning tool. It provides direction, helps contractors achieve higher levels of sustainability, and facilitates dialogue with developers in order to promote salvage and reuse of materials in new construction projects. The HBR protocol has only been used on WWII era wooden buildings. The HBR protocol prioritizes activities in the following order:

1. *Reuse of buildings in place*
2. *Relocation of buildings*
3. *Deconstruction and salvage of building materials*
4. *Deconstruction with aggressive recycling of building materials*

<u>FORA Request for Qualifications (RFQ) for Building Deconstruction Contractors 1998</u>

FORA went through an RFQ process in an attempt to pre-qualify contractors throughout the U.S. to meet the Fort Ord communities' needs for wooden building deconstruction (removal), hazardous material abatement, salvage and recycling, and identifying cost savings. The RFQ also included a commitment for hiring trainees in deconstruction practices.

<u>FORA Lead-Based Paint Remediation Demonstration Project 1999</u>

FORA initiated the LBP Remediation Demonstration Program in 1999 to determine the extent of LBP contamination in Fort Ord buildings and soil, field test possible solutions, and document the findings. The first step in controlling LBP contamination is to accurately identify the amount and characteristics of the LBP. This ensures that LBP is properly addressed during removal and reuse activities, in ways that protect the public, environment, and workers.

The FORA Compound and Water City Roller Hockey Rink were used as living laboratories to test the application of LBP encapsulating products. Local painting contractors were trained to apply various encapsulating products and the ease, effectiveness and expected product life was evaluated. This information was shared with the jurisdictions, other base closure communities and the regulatory agencies so that they could use the lessons learned if reusing portions of their WWII building stock.

<u>FORA Waste Characterization Protocol 2001</u>

A Basewide Waste Characterization Protocol was developed for building debris generated during the deconstruction of approximately 1,200 WWII era wooden structures. By profiling standing buildings utilizing the protocol, contractors are able to make more informed waste management and diversion decisions resulting in savings, greater implementation of sustainable practices, and more environmentally sensitive solutions.

The following assumptions further assist decision-making for a large-scale source-based recovery program:

- *Individual buildings have been uniquely modified over time within each building type.*
- *The basewide characterization protocol was verified by comparing it with the actual waste generated during the 12th street building removal.*

FORA Building Removal for 12th Street/Imjin Parkway 2002

FORA, in 2002, remediated and removed 25 WWII era buildings as the preparatory work for the realignment of 12th Street, later to be called Imjin Parkway.

FORA Building Removal for 2nd Avenue Widening 2003

FORA, in 2003, remediated and removed 16 WWII era buildings and also the remains of a theater that had burned and been buried in place by the Army years before the base was scheduled for closure.

FORA/CSUMB oversight Private Material Recovery Facility Project 2004

In 2004, FORA worked with CSUMB to oversee a private-sector pilot Material Recovery Facility (MRF), with the goal of salvaging and reusing LBP covered wood from 14 WWII era buildings. FORA collaborated in the development of this project by sharing its research on building deconstruction and LBP abatement. CSUMB and their private-sector partner hoped to create value added products such as wood flooring that could be sold to offset deconstruction costs. Unfortunately the MRF operator and equipment proved to be unreliable and the LBP could not be fully removed from the wood or was cost prohibitive.

Dune WWII Building Removal 2005

FORA, in partnership with Marina and Marina Community Partners, removed 406 WWII era buildings. Ninety percent of the non-hazardous materials from these building were recycled. FORA volunteered to be the Hazardous Waste Generator instead of the City of Marina and worked with the California Department of Toxic Substance Control, the State Board of Equalization and the hazardous waste disposal facility so that as stipulated by state law, State Hazardous Waste Generator taxes could be avoided.

East Garrison Building Removal 2006 thru 2007

FORA, in 2006, provided the East Garrison developer with credits/funds to remove 31select WWII and after buildings from East Garrison.

Imjin Office Park Building Removal 2007

FORA, in partnership with Marina and Marina Community Partners, removed 13 WWII era buildings to prepare the Imjin Office Park site.

FORA Removal of Building 4470 in Seaside 2011

In 2011, FORA had a concrete building in Seaside removed. Building 4470 was one of the first Korean War era concrete buildings removed on the former Fort Ord. Removal revealed the presence of hidden asbestos materials. The knowledge gained during this project will be helpful in determining removal costs of remaining Korean War era concrete buildings in Seaside and on CSUMB.

FORA/CSUMB Korean War Concrete Building Removal Business Plan Grant Application 2011

In 2011, FORA approached the U.S. Office of Economic Adjustment (OEA) about the possibility of applying for grant funds to assist in the removal of Korean War era concrete buildings located on CSUMB and Seaside property. The OEA was receptive to the idea and encouraged an application, noting that the amount available would likely be less than $500,000. Since a large portion of the Korean War era concrete buildings are located on CSUMB property, FORA asked CSUMB to co-apply for the grant funds, which would be used to accurately identify hazardous materials in the buildings both on CSUMB and Seaside property, and to develop a Business Plan that would harness market forces to reduce building removal costs and drive economically sound building removal decisions. FORA and CSUMB have completed the grant application and submitted it to the OEA, who will consider it once federal funding becomes available.

Continuing FORA support for CSUMB Building Removal Projects

Over the years, FORA has shared knowledge gained through various deconstruction projects with CSUMB and others, and CSUMB has reciprocated by sharing their lessons learned. Over the years FORA has supported CSUMB with shared contacts, information, review and guidance as requested for the following CSUMB building removal efforts:

- 2003 removal of 22 campus buildings
- 2006 removal of 87 campus buildings
- 2007 removal of 9 campus buildings
- 2009 removal of 8 campus buildings
- 2010 removal of 33 campus buildings
- 2011 removal of 78 campus buildings
- 2013 removal of 24 campus buildings

Distributed at 7/18/12 Administrative Committee Meeting

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APPENDIX D

Materials for Item 7(d)(ii)
Admin. Comm. Meeting, 7/18/12

MEMORANDUM

Date: July 18, 2012

To: Fort Ord Reuse Authority ("FORA") Administrative Committee

CC: Michael A. Houlemard, Jr., Executive Officer
Steve Endsley, Assistant Executive Officer

From: Jonathan Garcia, Senior Planner

Re: Caretaker Costs, item 7(d)(ii)

DRAFT

The purpose of this memo is to provide background information on Caretaker/Property Management Costs on former Fort Ord. Over the last few months, Caretaker Costs have been discussed in conjunction with the FORA Capital Improvement Program ("CIP") Review - Phase II study/formulaic approach. It was suggested that FORA staff provide additional background on Caretaker costs for future discussion. In preparation of this memo, FORA staff reviewed background material on caretaker costs from the late 1990's to present.

Caretaker status has been defined by U.S. Army regulation as "the minimum required staffing to maintain an installation in a state of repair that maintains safety, security, and health standards." This Army term may have generated the context of FORA's analysis of Caretaker costs in the late 1990's. Caretaker costs were first described in the FORA CIP in FY 2001/2002 as a $14 million dollar cost with footnote reading: "Costs associated with potential delays in redevelopment and represent interim capital costs associated with property maintenance prior to transfer for development (as per Keyser-Marston truthing of caretaker and other costs)."

FORA has maintained Caretaker costs in its annual CIPs since the initial FY 2001/2002 CIP. Within the last five years, FORA and County of Monterey Office of Housing and Redevelopment staff discussed property management costs associated with the County's habitat property described in the draft Fort Ord Habitat Conservation Plan ("HCP"). FORA and its HCP consultant note that trails planning/maintenance costs for public access on these properties are costs that the U.S. Fish and Wildlife Service/California Department of Fish and Game do not allow to be funded by the HCP, but should be funded by other jurisdictional resources.

During FORA's CIP review – Phase I Study, concluded in May 2011, FORA's Financial Consultant recommended that Caretaker/Property Management costs be removed from FORA's CIP Contingencies since no costs had been defined. FORA jurisdictions requested that Caretaker costs be added back in order to cover basewide property management costs, should they be demonstrated.

FORA expended $20,000 in the previous fiscal year toward Monterey County's Fort Ord Recreational Habitat Area ("FORHA") Master Plan preparation process, in which the County has undertaken planning for a proposed trail system. This line item is wholly dependent on whether sufficient revenue is received during the fiscal year. In its current CIP, FORA maintains a $12.2 million dollar line item for caretaker costs. FORA Assessment District Counsel opined that FORA Community Facilties District Special Tax payments cannot fund caretaker costs. For this reason, funding for Caretaker costs would have to come from FORA's 50% share of lease and land sales proceeds on former Fort Ord, any reimbursements to those fund balances, or other designated resources should they materialize.

From approximately 2000 to 2004, the U.S. Army entered into Cooperative/Caretaker Agreements with the City of Marina, the City of Seaside, and the County of Monterey. Below are two tables summarizing the agreement periods, amounts of funding involved, and an example of tasks included in these agreements. It is noted that these tables are not a comprehensive summary of the Army's caretaker agreements with the jurisdictions, but provide additional information on the subject.

Cooperative/Caretaker Agreements between the U.S. Army and former Fort Ord Jurisdictions

Summary of Caretaker Agreement Periods	Marina Funding	Seaside Funding	County Funding
July 2000 – June 2001		$647,512	
July 2002 – December 2002	$50,694		
July 2002 – June 2003		$52,736	$49,500
July 2002 – June 2003	$49,902	$57,808	$156,672
October 2003- June 2004	$7,875	$37,773	$74,754
Totals	**$324,308**	**$364,154**	**$496,763**

Description of tasks in Marina Caretaker Agreement for Period July – December 2002

Task #	Description	Budget
1	Tree Trimming	$6,240
2	Mowing	$10,000
3	Pavement Patching	$3,425
4	Centerline/Stenciling	$5,560
5	Barricades	$3,100
6	Traffic Signs	$2,080
7	Catch Basin/Storm Drain Maint.	$1,600
8	Vacant Buildings	$7,025
9	Vegetation Control/Spraying	$2,055
13	Paving/Slurry Seal	$5,000
14	Administration (10% of total)	$4,608.50
	Totals	**$50,693.50**

Attachment B to Item 8b
FORA Board Meeting, 6/13/14

FORT ORD REUSE AUTHORITY
Resolution 14-XX

Resolution of the Fort Ord Reuse Authority Board adjusting the FORA Community Facilities District Special Tax Rates and the Basewide Development Fee Schedule.

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

A. Government Code section 67679(e) authorizes the Fort Ord Reuse Authority (hereinafter referred to as "Authority") Board of Directors (hereinafter referred to as "Board") to levy development fees on a development project within the area of the base in compliance with Government Code section 66000, *et seq.* The section stipulates that "No local agency shall issue any building permit for any development within the area of the former Fort Ord until the Board has certified that all development fees have been paid."

B. The Authority Board adopted Resolution 99-1 to establish Basewide Development Fees for all of the former Fort Ord area primarily to pay for basewide obligations intended to mitigate the costs associated with the impact of development of the Fort Ord territory. The basewide public facilities are identified in the Base Reuse Plan and the Public Facilities Improvement Plan and are annually approved by the Board as part of the Board's adopted Capital Improvement Plan (hereinafter referred to as "CIP"), in particular the transportation, habitat management and other impacts caused by development as identified in the Final Environmental Impact Report, adopted by this Board on June 13, 1997.

C. On January 18, 2002, the Authority Board adopted Resolution No. 02-1 establishing the Fort Ord Reuse Authority Basewide Community Facilities District (hereinafter referred to as the "CFD") under State Law that approved a rate and method of apportionment of special taxes (the "RMA") and provided for the levy of special taxes (the "Special Taxes") on real property in selected areas of the former Fort Ord, and, on October 14, 2005, the Authority Board adopted Resolution No. 05-15, which effectively amended the CFD RMA in order to provide a special tax structure that would encourage and benefit the development of affordable and workforce housing.

D. The Board heard testimony from professional consultants, affected businesses, and community representatives on August 29, 2012, and through adoption of resolution 12-5, authorized Implementation Agreement Amendments with Fort Ord land use jurisdictions. The Board directed calculation of a formula, which analyzes CIP contingent expenses and anticipated revenues to calibrate FORA's Development Fee Schedule and CFD Special Tax to the appropriate level. The formula calculation will be used as a basis for Board consideration of adjustments in the maximum Special Taxes for the CFD and Fee Policy.

E. As part of their CIP Review – Phase III Study contract work for the Authority, Economic and Planning Systems, Inc. ("EPS") performed the Board-directed formula calculation (**Attachment C** to Item 10b, FORA Board meeting May 16, 2014), recommending an immediate proportional 17.1% reduction in FORA's Development Fee Schedule and CFD Special Tax. There is a reasonable relationship between the need for the public projects included in the CIP and the type of development project on which the development fee or

Special Tax is imposed. There is also a reasonable relationship between the amount of the development fee or Special Tax and the cost of the public projects attributable to the development on which the fee or Special Tax is imposed and the Board has determined that the fee and Special Tax structure will continue to provide sufficient fees and Special Taxes to meet its State Law obligations and basewide expenses.

F. The purpose of this Resolution is to amend Resolution 99-1 and to provide for levies of Special Taxes in the CFD at rates lower than the authorized maximum Special Tax rates in the RMA in order to lower the fees charged to, and the Special Taxes levied on, development occurring on the former Fort Ord, while maintaining the financial resources to meet the Authority's mitigation measure and basewide expense obligations and to sustain parity between the Special Taxes levied within the CFD and the development fees charged in non-CFD areas.

G. Section 6.01.010 of the Authority Master Resolution provides that all fees, penalties, refunds, reimbursements and charges imposed by the Authority may be adopted by resolution and amended by the Board. In addition, the Authority has entered into separate Implementation Agreements with each of its member land use jurisdictions. Those Agreements require all development projects to pay their fair share of the Authority's costs to mitigate development impacts. The Authority Board has approved further agreements with individual jurisdictions and/or their developers to carry out the Implementation Agreements and the other authoritative documents cited in this Resolution.

H. The Board's annually approved CIP lists each project for which the Fort Ord Reuse Authority CFD special taxes and Basewide Development Fees are to be used and accompanying text describing the need for the project.

I. The Basewide Development Fees and Special Tax rates listed in **Table 1** reflect a proportional 17.1% reduction. There is a reasonable relationship between the need for the public projects included in the CIP and the type of development project on which the development fee or Special Tax is imposed. There is also a reasonable relationship between the amount of the development fee or Special Tax and the cost of the public projects attributable to the development on which the fee or Special Tax is imposed and the Board has determined that the fee and Special Tax structure will continue to provide sufficient fees and Special Taxes to meet its State Law obligations and basewide expenses.

J. Government Code Section 66001 requires the Authority to do the following before adopting or amending a development impact fee:

1. Account for and expend the fees.
2. For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, make all of the following findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:
    i. Identify the purpose of the fee (as described in "E." above).
    ii. Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements listed in the CIP.
    iii. Designate the approximate dates on which the funding necessary to complete the project is expected to be deposited into the appropriate account or fund serving the CIP.

K. Any development fee so adopted shall be effective on July 1, 2014.

NOW THEREFORE the Board hereby resolves that:

1. The CFD Special Tax and the Basewide Development Fee is amended in the amounts listed for each type of development in the attached fee schedule (**Table 1**) and these fees will hereafter be levied as Special Taxes at the maximum Special Tax rates in the attached schedule (**Table 1**).

2. This Basewide Development fee schedule and CFD maximum Special Tax shall be fixed to the CFD maximum Special Tax rates and indexed in the same manner on July 1st of every year as evidenced in the attached **Table 1** – Taxable Property Classifications and Maximum Development Fee Rates.

3. The adjusted Development Fees and the revised maximum Special Tax rates shall become effective July 1, 2014.

4. Proceeds of Development Fees and Special Tax levies shall be appropriately segregated through use of generally accepted government fund accounting methods according to the Board's adopted Capital Improvement Program budget as provided for in section B and G of this resolution.

Upon motion by ________, seconded by ________, the foregoing Resolution was passed on this ___ day of ________, _____, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

____
Mayor Jerry Edelen, Chair

ATTEST:

____
Michael A. Houlemard, Jr., Secretary

TABLE 1 – TAXABLE PROPERTY CLASSIFICATIONS AND MAXIMUM DEVELOPMENT FEE RATES
(Figures as of July 1, 2014)

PROPERTY CLASSIFICATION	Maximum Development Fee Rates (One-time Development Fee Payments)
Undeveloped Property	$ - 0 -
Developed Property	
New Residential	$ 22,530 / Dwelling Unit
Existing Residential	$ 6,780 / Dwelling Unit
Office	$ 2,960 / Acre
Industrial	$ 2,960 / Acre
Retail	$ 60,910 / Acre
Hotel	$ 5,030 / Room

On July 1, commencing July 1, 2015, the Maximum Development Fee Rates shown in Table 1 shall be increased by an amount equal to the lesser of (1) five percent (5%) or (2) the percentage change since the immediately preceding Fiscal Year in the Engineering News Record's Construction Cost Index applicable to the area in which the fee overlay is located (or, if such index is no longer published, a substantially equivalent index selected by the Development Fee Administrator)

TABLE 1 – TAXABLE PROPERTY CLASSIFICATIONS AND MAXIMUM SPECIAL TAX RATES
(Figures as of July 1, 2014)

PROPERTY CLASSIFICATION	Maximum Special Tax Rates (One-time Special Tax Payments)
Undeveloped Property	$ - 0 -
Developed Property	
New Residential	$ 22,530 / Dwelling Unit
Existing Residential	$ 6,780 / Dwelling Unit
Office	$ 2,960 / Acre
Industrial	$ 2,960 / Acre
Retail	$ 60,910 / Acre
Hotel	$ 5,030 / Room

On July 1, commencing July 1, 2015, the Maximum Special Tax Rates shown in Table 1 shall be increased by an amount equal to the lesser of (1) five percent (5%) or (2) the percentage change since the immediately preceding Fiscal Year in the Engineering News Record's Construction Cost Index applicable to the area in which the District is located (or, if such index is no longer published, a substantially equivalent index selected by the CFD Administrator)

FORT ORD REUSE AUTHORITY BOA

NEW BUSINESS

Subject:	FY 2014/15 Capital Improvement Program	
Meeting Date: **Agenda Number:**	May 16, 2014 10b	**INFORMATION/ACTION**

RECOMMENDATION:

i. Receive a Fort Ord Reuse Authority (FORA) FY 2014/15 Capital Improvement Program (CIP) staff presentation;
ii. Receive an Economic & Planning Systems (EPS) CIP Review – Phase III Study presentation;
iii. Provide direction on the FY 2014/15 CIP (**Attachment A**); and
iv. Approve Resolution 14-xx (**Attachment B**) to implement a Community Facilities District (CFD) Special Tax and Base-wide Development Fee adjustment.

BACKGROUND/DISCUSSION:

i. Annually, FORA staff provides a CIP overview, including reprogramming updates and text editing. The most significant updates this year include: 1) budget adjustments reflecting actual CFD tax/development fee collection ($1.5M) versus FY 2013/14 forecasts ($11M); 2) moving transportation projects and other CIP expenditures forward to accommodate CFD tax/ development fee collection, land sales and property tax collection and development forecasts; 3) incorporating market methodology for current and future fiscal year forecasting (described through text edits); 4) removal of the Marina Coast Water District (MCWD) "voluntary contribution" per MCWD request and EPS recommendation, and 5) budget adjustments reflecting actual Land sale proceeds collection ($1.1M) versus FY 2013/14 forecasts ($6.3M). FORA staff will provide a PowerPoint presentation on these and other relevant issues.

ii. In December 2013, the FORA Board approved a CIP Review - Phase III Study by EPS, to follow on their first two studies and to further review: 1) the appropriate cost-index; 2) transportation costs and contingencies; 3) other contingency costs (including Habitat Conservation Plan endowment funding, additional utility/storm drainage, and other costs); 4) water augmentation costs; 5) any surplus fund balance; 6) calibration of FORA CFD fee/ development fee as a result of contingency reductions; and 7) removing the CIP Capital expense line item MCWD "voluntary contribution" (since it is not a California Environmental Quality Act obligation and there is no mechanism in place to transfer funds to MCWD). EPS will present their findings and recommendations, as well as their suggested fee adjustment (The EPS work product is included as **Attachment C**). It is noted that at the May 7th Administrative Committee meeting, members of the public/development community requested that the Board consider retaining the "voluntary contribution" in the FORA CIP, direct FORA and MCWD staff to enter into an agreement to collect and transfer FORA funds to MCWD, and for MCWD to subsequently include this funding in their rate study and commensurately reduce their proposed capacity charge. FORA staff notes that if the Board considers that request, it would require an agreement that the Monterey Local Area Formation Commission/State legislature would have to review/approve as a part of the future FORA dissolution process. Such agreement must address a mechanism for the collection and transfer of the funds to MCWD post-FORA. Alternatively, EPS and MCWD consultants recommend removing this "voluntary contribution" from the FORA CIP. Board direction on this matter is desired, including suggestions for the Administrative/Capital Improvement Program Committees to assess.

iii. Annually, staff requests updated reuse forecasts from the land use jurisdictions. FORA staff reviews the forecasts to ensure that resource-constrained limits of the Base Reuse Plan and associated environmental documentation/Sierra Club Settlement Agreement are met and that forecasts are realistic. Using reuse forecasts and other data, FORA staff coordinated with EPS to estimate CIP funding sources, including CFD fees/development fees, land sales, property taxes, grants, etc. anticipated to be received per fiscal year. The estimated revenue stream is used to place in time FORA expenditures on transportation/transit, water augmentation, habitat management, property management/caretaker costs, and building removal.

The CIP Phase III Study work product recommends a 17.1% CFD fee/development fee reduction to balance CIP revenues and expenditures through FORA's legislated dissolution on June 30, 2020. The draft FY 2014/15 CIP currently assumes CFD fee/development fee rates consistent with the proposed fee reduction.

Due to the nature of forecasting, today's best reuse forecasts may differ from what may be realized in current market conditions. 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 jurisdiction forecasts and actual fee collection. The CIP is typically presented to the FORA Board for its initial review in May each year. The CIP has either been adopted at this first presentation or at the June meeting in order to implement the program and CFD fee/ development fee adjustments by the start of the fiscal year on July 1. The draft FY 2014/15 CIP is included as **Attachment A** for Board consideration and/or direction.

iv. In August 2012, the FORA Board adopted a formula for calculating periodic CFD Special Tax and Base-wide Development Fee adjustments on a biennial or material change basis. Resolution 14-xx (**Attachment B**) implements a fee adjustment consistent with the formula, indicating that a 17.1% fee reduction is appropriate. The recommended fee reduction calibrates the CFD Special Tax and Development Fee with CIP adjustments. Those adjustments include removing FORA's MCWD "Voluntary Contribution" and other expenditure and funding source factors. If the Board adopts Resolution 14-xx, the fee reduction would take effect on July 1, 2014. If the Board does not adopt Resolution 14-xx, the existing fee ($27,180/new residential unit, et.al.) would be indexed, increasing by 2.4% on July 1, 2014.

FISCAL IMPACT:

Reviewed by FORA Controller _____

Staff time and consultant (EPS) cost are included in the approved FY 13-14 annual budget.

COORDINATION:

Administrative Committee, CIP Committee

Prepared by________________________ Approved by ________________________

Crissy Maras Michael A. Houlemard, Jr.

Attachment D to Item 8b
FORA Board Meeting, 6/13/14

Discussion Tables

The Economics of Land Use

FORA Phase III CIP Review

Prepared for:

Fort Ord Reuse Authority (FORA)

Prepared by:

Economic & Planning Systems, Inc. (EPS)

May 29, 2014

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List of Tables

Detailed Land Sale Revenue Calculations

Detailed CDP Endowment Calculations

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Table 1-1
FORA Phase III CIP Review
CFD Special Tax Options

		Development Fee Policy/CFD Special Tax			
Land Use	**Basis**	**Existing Rate**	Preliminary Adjusted Rate	Difference	Percentage Change
		July 1, 2013	*May 6, 2014*		
			ROUNDED		
New Residential	per du	**$27,180**	**$22,560**	($4,620)	-17.0%
Existing Residential	per du	**$8,173**	**$6,780**	($1,393)	-17.0%
Office & Industrial	per acre	**$3,567**	**$2,960**	($607)	-17.0%
Retail	per acre	**$73,471**	**$60,980**	($12,491)	-17.0%
Hotel	per room	**$6,065**	**$5,030**	($1,035)	-17.0%

prel_tax

Sources: FORA and EPS.

Figure 1-1
Periodic Process to Update
Basewide Development Fee Schedule
and CFD Special Tax

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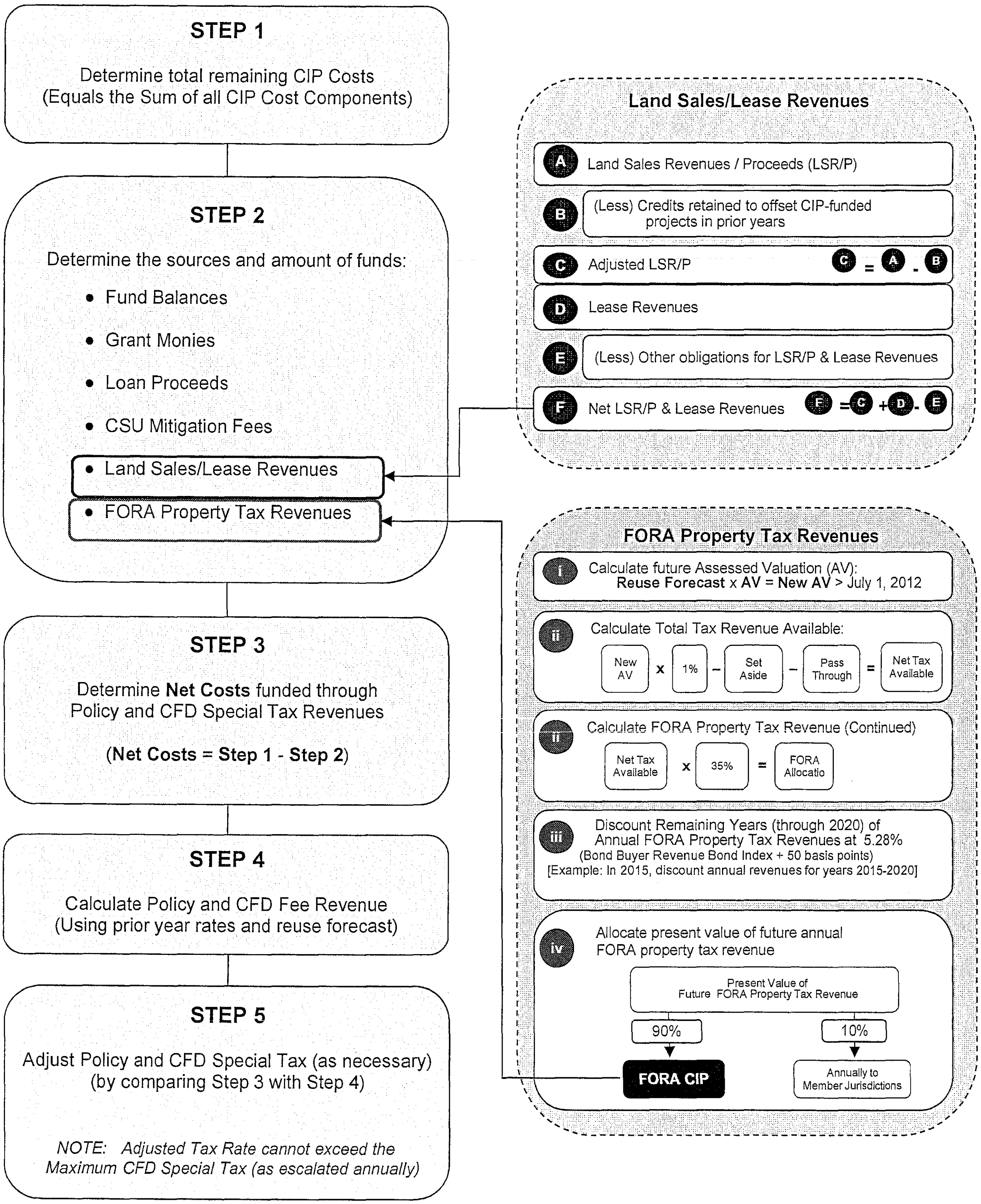

process

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Table 1-2
FORA Phase III CIP Review
Calculation of CFD Special Tax Funding Required

Step/	Item	Calculation	Amount
STEP 1	**Remaining Capital Improvement Program and Other Costs**		
(Tables 3-1, 3-2a & b, Appendix C)	Transportation/Transit	a	$118,180,000
	Water Augmentation - CEQA mitigation	b	$24,016,000
	Water Augmentation - voluntary contribution	c	$0
	HCP Endowment [1]	d	$40,110,000
	HCP Endowment Contingency	e	$20,283,000
	Fire Fighting Equipment	f	$0
	Contingency (MEC, Soil mgt. plans, insurance retention, etc.)	g	$17,727,000
	Additional Utility and Storm Drainage Costs	h	$0
	Other Costs (PLL Insurance)	i	$0
	Other Costs (CFD Administration)	j	$2,400,000
	Subtotal CIP Costs	**k = sum (a to j)**	**$222,716,000**
	Preston Park Land Sale Loan Repayment [2]	l	$18,000,000
	Developer Fee Repayment to Land Sale Revenue Account [3]	m	$6,793,000
	Total Costs	**n = k + l + m**	**$247,509,000**
STEP 2	**Estimated Sources of Funds**		
(Tables 4-1, 4-2, Appendices A & B)	Existing Fund Balances [4]	o	$0
	Existing Fund Balance for HCP Endowment [5]	p	$6,043,000
	Grants	q	$0
	CSU Mitigation Fees	r	$0
	Loan Proceeds	s	$0
	FORA Property Tax Revenues	u	$11,221,000
	Land Sale Revenues [6]	t	$67,600,000
	Other Revenues	v	$0
	Total Sources of Funds	w = sum (o to v)	**$84,864,000**
STEP 3	**CFD Special Tax Revenue Required**		
	CFD Special Tax Revenue	x = n - w	**$162,645,000**
	FORA CFD Special Tax Revenue Summary		
STEP 4 (Table 1-3)	Estimated Policy & CFD Special Tax Revenue - Current Estimates [7]	y	$195,943,000
	Net Cost Funded by Policy and CFD Special Tax Revenue	z = x	$162,645,000
	CFD Special Tax Required as a % of Maximum	aa = z / y	**83.0%**
STEP 5	**Adjustment Factor Applied to Prior Year CFD Special Tax Rate**	(Rounded)	**83.0%**

cip_fund_1

Source: FORA and EPS.

Amounts rounded to the nearest thousand.

[1] Includes existing fund balance for habitat mitigation.
[2] Reflects entire loan amount outstanding against Preston Park property to be paid off by land sale revenues.
[3] Reflects amount borrowed against land sale revenue account to construct CIP improvements. This amount must be repaid by developer fee revenues, and may be used to offset FORA operation costs (see Table B-1).
[4] Existing fund balance provided by FORA as of April 2014.
[5] Equals existing fund balance for habitat mitigation as of April 2014.
[6] Reflects land sale revenue available after building removal obligations are met.
[7] Based on remaining development subject to Basewide Development Fee Policy & CFD Special Tax and current rates.

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Table 1-3
FORA Phase III CIP Review
Estimated CFD Tax Revenues

Land Use	Remaining Development	Existing CFD Tax Rate (FY 2013/14)	Total CFD Revenue
Residential	*Units*		
New Residential [1,2]	6,130	$27,180	$166,613,400
Employer Based Housing [3]	492	$1,359	$668,628
Existing/Replacement Residential	0	$8,173	$0
Total Residential	**6,622**		**$167,282,028**
Nonresidential Revenues	*Acres*		
Office	142.2	$3,567	$507,354
Industrial	44.4	$3,567	$158,369
Retail	161.6	$73,471	$11,872,752
	Rooms		
Hotel	2,120	$6,065	$12,857,800
Total Nonresidential			**$25,396,275**
Total Residential and Nonresidential [4]			**$192,678,303**
Plus Preston Park			$3,265,000
TOTAL CFD Revenue			**$195,943,303**

tax_rev

[1] Cypress Knolls units charged the new residential rate.
[2] Includes 400 Cypress Knolls units, which do not count towards the 6,160 unit threshold.
[3] CSUMB North Campus housing anticipated to meet employer based housing requirements and would be charged the associated reduced rate equal to 1/20 of the new residential rate.
[4] Assumes no discount for affordable housing above the minimum requirement.

Table 2-1
FORA Phase III CIP Review
Jurisdictional Forecasts: Projected Absorption by Land Use [1]

Item	Residential [2,3]	Nonresidential Office	Nonresidential Industrial	Nonresidential Retail	Hotel
Year	*units*	*square feet*			*rooms*
2013-14	233	14,000	0	0	0
2014-15	164	177,000	29,500	154,000	100
2015-16	227	62,000	29,500	62,300	600
2016-17	623	356,552	130,820	222,500	670
2017-18	1,048	185,552	99,500	198,500	330
2018-19	1,165	507,552	174,092	749,500	0
2019-20+	2,903	879,867	310,183	373,000	420
Total	**6,363**	**2,182,524**	**773,595**	**1,759,800**	**2,120**

abs

Source: FORA.

[1] Reflects jurisdictional forecasts used for purposes of FY 2014/15 CIP.
[2] Includes demand for both affordable and market rate housing. Excludes CSUMB Employer Based housing units.
[3] Includes 174 units from The Promontory Project and 400 Cypress Knolls units, which do not count towards the 6,160 unit threshold.

Table 2-2
FORA Phase III CIP Review
Summary of Total Annual Forecasted Development - Taxable Uses

	Taxable Land Uses				
		Nonresidential [2]			
Item	Residential [1]	Office	Industrial	Retail	Hotel
Year	*units*	*square feet*			*rooms*
2013-14	198	14,000	0	0	0
2014-15	139	177,000	14,750	154,000	100
2015-16	193	62,000	14,750	62,300	600
2016-17	530	336,552	106,070	222,500	670
2017-18	891	165,552	74,750	198,500	330
2018-19	990	437,552	149,342	749,500	0
2019-20+	2,468	819,867	235,933	373,000	420
Total	**5,409**	**2,012,524**	**595,595**	**1,759,800**	**2,120**

land_use

Source: FORA and EPS.

[1] Excludes residential non-taxable uses: CSUMB, Portion of Marina Dunes, Preston Park, Abrams B, MOCO Housing Authority, Shelter Outreach Plus, Veterans Transition Center, Army Housing, and Interim Inc.

[2] Excludes nonresidential non-taxable uses: Veteran's Cemetery, Marina Corp. Yard, Seaside Corp. Yard, Monterey City Corp. Yard, CSUMB. Assumes 50 percent of UC MBEST and Marina Industrial Airport Area office and industrial development will be taxable.

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Table 2-3
FORA Phase III CIP Review
Forecasted Acreage Absorption for Transferrable Land [1]

	Total	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
New Residential									
Seaside Planned	164.5	0.0	0.0	4.2	25.0	25.0	24.5	33.3	52.5
Del Rey Oaks Planned	115.2	0.0	0.0	21.7	47.8	45.7	0.0	0.0	0.0
Other Residential Planned	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3
Subtotal New Residential	**281.0**	**0.0**	**0.0**	**25.9**	**72.8**	**70.7**	**24.5**	**33.3**	**53.8**
Existing/ Replacement Residential									
Cypress Knolls	66.7	0.0	0.0	16.7	16.7	16.7	16.7	0.0	0.0
TOTAL RESIDENTIAL	**347.7**	**0.0**	**0.0**	**42.5**	**89.5**	**87.4**	**41.2**	**33.3**	**53.8**
Office									
Del Rey Oaks Planned	13.1	0.0	0.0	6.6	0.0	6.6	0.0	0.0	0.0
Monterey Planned	47.3	0.0	0.0	7.9	7.9	7.9	11.8	11.8	0.0
Cypress Knolls Community Center	1.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0
Seaside Planned	5.7	0.0	0.0	1.6	1.6	1.8	0.7	0.0	0.0
Subtotal Office	**67.2**	**0.0**	**0.0**	**17.2**	**9.5**	**16.2**	**12.5**	**11.8**	**0.0**
Industrial									
Monterey Planned	12.4	0.0	0.0	0.0	0.0	4.1	4.1	4.1	0.0
Cypress Knolls Support Services	0.3	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Seaside Planned	7.7	0.0	0.0	2.9	2.9	2.0	0.0	0.0	0.0
Subtotal Industrial	**20.5**	**0.0**	**0.0**	**3.2**	**2.9**	**6.1**	**4.1**	**4.1**	**0.0**
Retail									
Del Rey Oaks Planned	1.8	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0.0
Cypress Knolls Community Center	2.8	0.0	0.0	2.8	0.0	0.0	0.0	0.0	0.0
Seaside Planned	92.9	0.0	0.0	9.2	9.2	60.6	14.0	0.0	0.0
Subtotal Retail	**97.5**	**0.0**	**0.0**	**13.8**	**9.2**	**60.6**	**14.0**	**0.0**	**0.0**
Hotel									
Del Rey Oaks Planned	14.5	0.0	0.0	14.5	0.0	0.0	0.0	0.0	0.0
Seaside Planned	15.0	0.0	5.3	3.2	0.0	0.0	4.6	2.0	0.0
Subtotal Hotel	**29.5**	**0.0**	**5.3**	**17.6**	**0.0**	**0.0**	**4.6**	**2.0**	**0.0**
Total All Uses	**562.3**	**0.0**	**5.3**	**94.3**	**111.1**	**170.3**	**76.3**	**51.2**	**53.8**

trans

Source: Fort Ord Reuse Authority.

[1] Long term land sales are uncertain but will be reviewed and updated in the future.

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Table 3-1
FORA Phase III CIP Review
2013 Summary of Capital Improvement Program (CIP) 2012/13-2021/22

Item	Total	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post FORA
CIP Projects Funded by CFD Development Fees									
<u>CIP Projects</u>									
Transportation/Transit	$118,180,366		$472,199	$3,215,634	$27,522,289	$24,445,285	$18,814,580	$14,981,689	$28,728,690
Water Augmentation - CEQA Mitigation	$24,015,648		$0	$1,176,300	$1,874,300	$2,660,200	$3,073,600	$2,236,500	$12,994,748
Water Augmentation - Voluntary Contribution	$0		$0	$0	$0	$0	$0	$0	$0
Storm Drainage System [Completed by 2005]	$0		$0	$0	$0	$0	$0	$0	$0
Habitat Management	$34,067,054	$0	$1,537,614	$3,378,680	$5,652,005	$8,023,233	$9,269,888	$6,205,635	$0
Fire Rolling Stock	$0		$0	$0	$0	$0	$0	$0	$0
Total CIP Projects	**$176,263,068**		**$2,009,813**	**$7,770,614**	**$35,048,594**	**$35,128,718**	**$31,158,068**	**$23,423,824**	**$41,723,438**
<u>Other Costs and Contingencies</u>									
CIP Contingency	$17,727,055		$70,830	$482,345	$4,128,343	$3,666,793	$2,822,187	$2,247,253	$4,309,304
HCP Contingency	$20,283,097		$915,476	$2,011,624	$3,365,133	$4,776,932	$5,519,175	$3,694,757	$0
Additional Utility and Storm Drainage Costs	$0		$0	$0	$0	$0	$0	$0	$0
PLL Insurance	$0		$0	$0	$0	$0	$0	$0	$0
CFD Administration	$2,400,000		$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$0
Total Other Costs and Contingencies	**$40,410,152**		**$1,386,306**	**$2,893,969**	**$7,893,476**	**$8,843,725**	**$8,741,362**	**$6,342,010**	**$4,309,304**
Total Expenditures [1]	**$216,673,220**		**$3,396,118**	**$10,664,583**	**$42,942,070**	**$43,972,443**	**$39,899,430**	**$29,765,834**	**$46,032,742**

rev_cip_1

Source: FORA.

[1] Excludes Preston Park loan repayment.

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Table 3-2a
FORA Phase III CIP Review
Summary of CFD Tax Revenue Required for HCP Funding - Before Fee Adjustment

FY Ending	Total CFD Revenue	Habitat Mgmt. Revenue	
		% of CFD Rev.	Net Revenue
2014	$0	0.0%	$0
2015	$6,150,454	25.0%	$1,537,614
2016	$13,514,721	25.0%	$3,378,680
2017	$22,608,020	25.0%	$5,652,005
2018	$32,092,931	25.0%	$8,023,233
2019	$37,079,551	25.0%	$9,269,888
2020	$26,981,020	23.0%	$6,205,635
TOTAL	**$195,943,303**		**$34,067,054**

cfd sum

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Table 3-2b
FORA Phase III CIP Review
Summary of CFD Tax Revenue Required for HCP Funding - After Fee Adjustment

FY Ending	Total CFD Revenue	Habitat Mgmt. Revenue	
		% of CFD Rev.	Net Revenue
2014	$0	0.0%	$0
2015	$5,104,559	30.1%	$1,537,614
2016	$11,770,026	28.7%	$3,378,680
2017	$18,762,346	30.1%	$5,652,005
2018	$26,636,435	30.1%	$8,023,233
2019	$30,776,640	30.1%	$9,269,888
2020	$22,394,049	27.7%	$6,205,635
Post FORA	$47,738,989	0.0%	$0
TOTAL	**$163,183,046**		**$34,067,054**

cfd sum adjust

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Table 3-3
FORA Phase III CIP Review
Summary of General Assumptions - HCP Endowment Funding

Item			
Permit Term Begins			2015
Post Permit Term Begins			2065
Endowment (2014 $)	*Maximum Needed*	*Annual Return*	*Annual Revenue*
Habitat Conservation Plan (HCP)	$25,285,002	4.50%	$1,137,825
University of California (UC)	$5,446,621	4.20%	$228,758
Implementation Assurances Fund (IAF)	$3,574,974	4.50%	$160,874
Borderlands Management (BL)	$3,980,432	4.50%	$179,119
Total	**$38,287,029**		**$1,706,576**
Beginning Endowment Balance (2014 $)			
Initial Balance			**$6,042,831**
Initial Balance Uses			
Habitat Conservation Plan (HCP)			$3,550,180
University of California (UC)			$2,492,651
Implementation Assurances Fund (IAF)			$0
Borderlands Management (BL)			$0
Total			**$6,042,831**
Starting Special Tax Rate			
New Residential		$27,180	per Unit
Employer Based Housing		$1,359	per Unit
Existing/Replacement Residential		$8,173	per Unit
Office		$3,567	per Acre
Industrial		$3,567	per Acre
Retail		$73,471	per Acre
Hotel		$6,065	per Room
Annual Special Tax Escalation			0.0%

assump2

Table 3-4
FORA Phase III CIP Review
Summary of Initial and Ongoing Costs - Individual Endowments

		HCP Endowment			UC Endowment			IAF Endowment			Borderlands Endowment		
Permit Year	FY Ending	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total
	2014	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**
	2015	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**	$0	$0	**$0**
1	2016	($321,487)	($538,636)	**($860,122)**	($823,746)	($52,977)	**($876,723)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2017	$0	($875,146)	**($875,146)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2018	$0	($875,146)	**($875,146)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2019	$0	($875,146)	**($875,146)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2020	$0	($875,146)	**($875,146)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2021	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2022	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2023	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2024	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
10	2025	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2026	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2027	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2028	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2029	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2030	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2031	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2032	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2033	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2034	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
20	2035	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2036	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2037	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2038	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2039	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2040	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2041	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2042	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2043	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2044	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
30	2045	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2046	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2047	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2048	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**

Table 3-4
FORA Phase III CIP Review
Summary of Initial and Ongoing Costs - Individual Endowments

		HCP Endowment			UC Endowment			IAF Endowment			Borderlands Endowment		
Permit Year	**FY Ending**	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total
	2049	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2050	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2051	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2052	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2053	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2054	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
40	2055	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2056	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2057	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2058	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2059	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2060	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2061	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2062	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2063	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	2064	$0	($1,137,825)	**($1,137,825)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
50	2065	$1	($1,137,825)	**($1,137,824)**	$0	($228,758)	**($228,758)**	$0	($160,874)	**($160,874)**	$0	($179,119)	**($179,119)**
	Post Permit												
	2065 +	$0	($720,685)	**($720,685)**	$0	($191,677)	**($191,677)**	$0	($34,011)	**($34,011)**	$0	($179,119)	**($179,119)**

costs_indiv

Source: Fort Ord Reuse Authority.

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Table 4-1
FORA Phase III CIP Review
Net Present Value of FORA Property
Tax Revenue after July 1, 2012

Item	FORA Property Tax	90% of FORA Property Tax
Reference	Table A-3	
Factor		90%
Fiscal Year		
2014-15	$231,630	$208,467
2015-16	$579,431	$521,488
2016-17	$1,034,313	$930,882
2017-18	$2,062,746	$1,856,471
2018-19	$3,239,132	$2,915,219
2019-20+	$7,948,745	$7,153,870
Total	**$15,095,997**	**$13,586,397**
Net Present Value		
4.85% Discount Rate [1]		**$11,220,736**

npv

[1] Based on proposed Bond Buyers Revenue Bond Index annual average as of June 2013 plus 50 basis points.

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Table 4-2
FORA Phase III CIP Review
Land Sales Revenue for CIP Projects

Item	Source/ Reference	Amount
Land Sales Revenues [1]		
Land Sale Account Balance		$2,594,000
Preston Park [2]	FORA	$0
Marina Community Partners (credits)	FORA	$19,400,000
Other Future Transfers	Table B-1	$71,206,000
Total		**$93,200,000**
Expenditures		
Marina Community Partners - Dunes	FORA	$19,400,000
Stockade (Marina)	FORA	$2,200,000
Surplus II (Seaside)	FORA	$4,000,000
Total Other Sources		**$25,600,000**
Land Sales Revenue for CIP Projects		**$67,600,000**

lsr_calc

Source: FORA and EPS.

Amounts rounded to the nearest thousand.

[1] Long term land sales revenues are uncertain but will be reviewed and updated in the future.
[2] Included in Table B-1. Loan payoff requirement is denoted in Table 1-2.

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Table A-1
FORA Phase III CIP Review
Estimated Assessed Value from Total Forecasted Development

Item	Residential	Office	Industrial	Retail	Hotel	**Annual Total**
	Land Uses					
	per unit	*per sq. ft.*			*per room*	
Estimated Finished Value [1]	$400,000	$215	$100	$255	$141,000	
Year [2]						
2014-15	$79,200,000	$3,010,000	$0	$0	$0	**$82,210,000**
2015-16	$56,434,000	$38,625,825	$1,497,125	$39,859,050	$14,311,500	**$150,727,500**
2016-17	$79,533,370	$13,732,899	$1,519,582	$16,366,669	$87,157,035	**$198,309,556**
2017-18	$221,683,816	$75,663,982	$11,091,511	$59,329,177	$98,785,236	**$466,553,721**
2018-19	$378,269,969	$37,777,911	$7,933,693	$53,723,570	$49,385,246	**$527,090,388**
2019-20+	$1,490,099,234	$291,238,513	$41,505,059	$308,359,080	$63,796,759	**$2,194,998,645**
Total	**$2,305,220,389**	**$460,049,130**	**$63,546,969**	**$477,637,546**	**$313,435,776**	**$3,619,889,810**

av

Source: EPS.

[1] See Table A-4 & Table A-5 for commercial finished value assumptions as of 2014. Assumes an annual market appreciation rate of 1.5%. Estimated finished values amounts for nonresidential building square feet rounded to nearest $5.
[2] For purposes of this analysis, the absorption schedule has a one year lag to reflect when the estimated assessed value would be reflected on the assessor's tax roll.

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Table A-2
FORA Phase III CIP Review
Estimated Change in FORA Assessed Value Since July 1, 2012

Item	Percent	Formula	July 1, 2012	July 1, 2013	Difference
Property Taxes Received [1]		*A*	$1,300,000	$1,332,000	$32,000
Total Net Property Tax Generated	35.0%	*B = A / 35.0%*	$3,714,286	$3,805,714	$91,429
Plus Pass Throughs					
Tier 1 Pass Throughs	13.5%		$667,439	$683,868	$16,429
Tier 2 Pass Throughs	11.3%		$560,649	$574,449	$13,801
Subtotal Pass Throughs	**24.8%**	**C**	**$1,228,088**	**$1,258,318**	**$30,230**
Property Tax Net of Housing Set Aside	**75.2%**	***D = B / (1 - C)***	**$4,942,374**	**$5,064,032**	**$121,658**
Plus Housing Set Aside	20.0%	*E*	$1,235,593	$1,266,008	$30,415
Total Property Tax (1%)		*F = D / (1 - E)*	$6,177,967	$6,330,040	$152,073
Total Assessed Value	**1.0%**	***G = F / 1.0%***	**$617,796,721**	**$633,004,025**	**$15,207,304**
Total Assessed Value (Rounded)			**$617,797,000**	**$633,004,000**	**$15,207,000**

base

Source: FORA.

[1] As of April 2014, FORA has received $754,199.57 in property tax revenues. A second payment is anticipated in May or June. This calculation assumes the second installment will be lower than the first installment, as it has been in prior years. EPS assumes that the second payment will be the same proportion of the first payment as experienced in FY 12/13 (roughly 77%).

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Table A-3
FORA Phase III CIP Review
Estimated FORA Property Tax Revenue for Development After July 1, 2012

Item	Beginning AV	Annual 2% Growth	New AV Added to Roll [2]	Ending AV	New AV Since July 1, 2012	Property Tax (Formerly T.I.) 1%	Less: Other Agency Pass-Throughs [3]: Less: Housing Set Aside 20%	Property Tax Net of Housing Set Aside	Tier 1 Years 1-45 13.5%	Tier 2 Years 11-45 11.3%	Tier 3 Years 31-45 7.6%	Annual Net Property Tax	FORA Property Tax (35% of Annual Net Tax) [4]: Annual	Cumulative
Formula						*a*	*b*	*c = a + b*	*d*	*e*	*f*	*e = c + d + e + f*		
Base Assessed Value (July 1, 2012) [1]	*$617,797,000*												*35%*	
Current Assessed Value (July 1, 2013) [1]	*$633,004,000*													
2014-15	$633,004,000	$12,660,080	$82,210,000	$727,874,080	**$110,077,080**	$1,100,771	($220,154)	$880,617	($118,922.21)	($99,894.66)	$0	**$661,800**	**$231,630**	$231,630
2015-16	$727,874,080	$14,557,482	$150,727,500	$893,159,062	**$275,362,062**	$2,753,621	($550,724)	$2,202,896	($297,489)	($249,890)	$0	**$1,655,518**	**$579,431**	$811,061
2016-17	$893,159,062	$17,863,181	$198,309,556	$1,109,331,798	**$491,534,798**	$4,915,348	($983,070)	$3,932,278	($531,032)	($446,067)	$0	**$2,955,180**	**$1,034,313**	$1,845,374
2017-18	$1,109,331,798	$22,186,636	$466,553,721	$1,598,072,155	**$980,275,155**	$9,802,752	($1,960,550)	$7,842,201	($1,059,044)	($889,597)	$0	**$5,893,560**	**$2,062,746**	$3,908,120
2018-19	$1,598,072,155	$31,961,443	$527,090,388	$2,157,123,986	**$1,539,326,986**	$15,393,270	($3,078,654)	$12,314,616	($1,663,018)	($1,396,935)	$0	**$9,254,663**	**$3,239,132**	$7,147,252
2019-20+	$2,157,123,986	$43,142,480	$2,194,998,645	$4,395,265,111	**$3,777,468,111**	$37,774,681	($7,554,936)	$30,219,745	($4,081,003)	($3,428,042)	$0	**$22,710,700**	**$7,948,745**	$15,095,997

ti

Source: Monterey County and EPS.

[1] See Table A-2.
[2] See Table A-1. Assumes an annual market appreciation rate of 1.5%.
[3] Pass-Through based on calculation below. Model assumes RDA commenced in FY 1997-98.

	Tier 1	Tier 2	Tier 3
Pass-through	*25.0%*	*21.0%*	*14.0%*
Share	*54.0%*	*54.0%*	*54.0%*
Derived Rate	*13.5%*	*11.3%*	*7.6%*

[4] This analysis estimates net new property tax to FORA based upon estimates of new development and growth in existing assessed values.

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Table A-4
FORA Phase III CIP Review
Estimated Retail, Office, Industrial Finished Values

Retail, Office, Industrial/R&D

Item	Retail		Office		Industrial/ R&D	
	Assumption	Amount	Assumption	Amount	Assumption	Amount
DEVELOPMENT PROGRAM ASSUMPTIONS						
Site Area (Acres)		10.00		10.00		10.00
Land Square Feet		435,600		435,600		435,600
Assumed FAR		0.25		0.35		0.40
Gross Building Square Feet		108,900		152,460		174,240
Net Leasable Area (Sq. Ft.)		87,120		121,968		139,392
Rent per Sq. Ft.		$30.00		$25.00		$10.00
REVENUE ASSUMPTIONS						
Gross Lease Revenue (Weighted Average)	$30.00 /NLA sq. ft./year	$2,613,600	$25.00 /NLA sq. ft./year	$3,049,200	$10.00 /NLA sq. ft./year	$1,393,920
(less) Vacancy	5.0%	($130,680)	5.0%	($152,460)	5.0%	($69,696)
(less) Leasing Commissions	3.0% 5 years' rent	($372,438)	3.0% 5 years' rent	($434,511)	3.0% 5 years' rent	($198,634)
(less) Replacement/Reserve	5.0%	($130,680)	5.0%	($152,460)	5.0%	($69,696)
Subtotal, Annual Net Operating Income		**$1,979,802**		**$2,309,769**		**$1,055,894**
Capitalized Value	7.10% cap rate	**$27,884,535**	7.10% cap rate	**$32,531,958**	7.10% cap rate	**$14,871,752**
Finished Value per Gross Bldg. Sq. Ft.		**$256**		**$213**		**$85**

comm_val

Source: CoStar and EPS.

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Table A-5
FORA Phase III CIP Review
Hotel Development Finished Value

Hotel

Item	Assumption	Total
DEVELOPMENT PROGRAM ASSUMPTIONS		
Number of Rooms	100	
Average Room Rate	$150	
Square Footage Per Room	375	37,500
Efficiency Ratio	70%	
Gross Building Sq. Ft. (Rounded)		55,000
Occupancy Rate	70%	
REVENUE ASSUMPTIONS		
Gross Room Revenue		$3,832,500
Other Operating Revenue [1]	25%	$958,125
Total Revenue		**$4,790,625**
Less Operating Expenses [2]	75%	**$3,592,969**
Annual Net Operating Income		**$1,197,656**
Capitalized Value	8.50% cap rate	**$14,090,074**
Value per Room (Rounded)		**$141,000**

hotel

Sources: STR Hospitality, PKF Consulting, and EPS.

[1] Includes F & B, telecommunications, and other.
[2] Includes departmental, overhead, management fee, and fixed expenses.

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Table B-1
FORA Phase III CIP Review
Estimated Land Sale Revenues to FORA

Item	Total Acres	Subtotal Land Value	Plus Other Transactions	Total Land Value	FORA Share - 50%	Est. Caretaker/ Property Management Costs	FORA Costs	Other Obligations (Initiatives, Petitions, Etc.)	Net FORA Land Sale Proceeds
		[1]	[2]			[3]	[4]	[5]	[6]
Year [7]									
2014-15	5.3	$989,474		**$989,474**	**$494,737**	($494,737)	$0	$0	**$0**
2015-16	94.3	$17,996,649	$56,900,558	**$74,897,207**	**$37,448,604**	($673,437)	$0	($265,225)	**$36,509,941**
2016-17	111.1	$21,511,504		**$21,511,504**	**$10,755,752**	($576,204)	$0	($273,182)	**$9,906,366**
2017-18	170.3	$33,480,868		**$33,480,868**	**$16,740,434**	($451,043)	$0	($281,377)	**$16,008,014**
2018-19	76.3	$15,229,633		**$15,229,633**	**$7,614,816**	($239,591)	$0	($289,819)	**$7,085,406**
2019-20	51.2	$10,372,176		**$10,372,176**	**$5,186,088**	($142,927)	($69,336)	($298,513)	**$4,675,312**
Post FORA	53.8	$11,065,690		**$11,065,690**	**$5,532,845**	$0	$0	($306,307)	**$5,226,538**
Total	**562.3**	**$110,645,994**	**$56,900,558**	**$167,546,552**	**$83,773,276**	**($2,577,940)**	**($69,336)**	**($1,714,423)**	**$79,411,577**
Net Present Value									
4.9% Discount Rate		**$95,882,435**	**$54,268,534**	**$150,150,970**	**$75,075,485**	**($2,363,489)**	**($54,716)**	**($1,451,472)**	**$71,205,807**

land$

[1] Assumes per acre value of $188,000 and that values escalate by 1.5% percent annually.
[2] Preston Park transaction. Reflects FORA's share of anticipated transaction price net of developer fee obligation and cost of sale.
[3] Caretaker costs in FY 2012-13 estimated based on FORA memorandum to Administrative Committee dated July 26, 2012 and funded only to the extent that land sale revenues are available. Costs assumed to escalate 3.0% annually and are prorated based on the estimated remaining acreage maintained by public agencies.
[4] Operations costs offset by repayment of $6.3 million of borrowed funds from the CFD. FY 2012/13 costs provided by FORA and assumed to escalate by 3.0% annually. See detailed calculation below.

Year	Operations Cost	Developer Fee Repayment	Net Operations Cost
2014-15	($1,060,900)	$1,060,900	$0
2015-16	($1,092,727)	$1,092,727	$0
2016-17	($1,125,509)	$1,125,509	$0
2017-18	($1,159,274)	$1,159,274	$0
2018-19	($1,194,052)	$1,194,052	$0
2019-20	($1,229,874)	$1,160,538	($69,336)
Total	**($6,862,336)**	**$6,793,000**	**($69,336)**

[5] Estimates provided by FORA reflect anticipated PLL insurance, special election and other costs related to legislative initiatives, petitions, etc.
[6] Reflects land sale proceeds available to offset infrastructure costs.
[7] For purposes of land sale revenue analysis, the absorption schedule is accelerated 2 years to reflect when the land transaction would actually occur. Land sale revenues for FY 2015/16 absorption shown in FY 2014/15.

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Table B-2
FORA Phase III CIP Review
FORA Land Transactions to Date

Property [1]	**Acreage**	**Transaction Price**	**Price per Acre**
		[2]	
Marina Heights	248.0	$10,620,000	$42,823
Imjin Office Park	4.6	$1,616,947	$348,480
Monterey County/ East Garrison	244.0	$3,673,270	$15,054
Young Nak Church	1.5	$298,000	$205,517
Salinas Valley Memorial Healthcare System	5.6	$2,400,000	$431,655
Interim #2	3.3	$240,000	$72,072
Dunes on Monterey Bay	290.0	$48,000,000	$165,517
The Promontory	8.54	$1,900,000	$222,482
Total	**805.5**	**$68,748,217**	**$85,346**
Average Price per Acre per Transaction			**$187,950**

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Source: FORA.

[1] Some of the identified transactions anticipate future FORA participation in profits or other terms that influence the net transaction price.
[2] Reflects total transaction price, not just amount accruing to FORA.

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Table C-1
FORA Phase III CIP Review
Special Tax Revenue Generated for Habitat Management by Year

FY Ending	New Residential [1]	Employer Based Housing	Exist./Replac. Residential [2]	Office	Industrial	Retail	Hotel	Total CFD Revenue	Habitat Mgmt. Revenue	
									% of CFD Rev. [3]	Net Revenue
Special Tax Rate [3]	$27,180 *Per Unit*	$1,359 *Per Unit*	$8,173 *Per Unit*	$3,567 *Per Acre*	$3,567 *Per Acre*	$73,471 *Per Acre*	$6,065 *Per Room*		*See Table C-2*	
2015	$4,457,520	$0	$0	$41,411	$6,039	$1,038,984	$606,500	$6,150,454	25.0%	$1,537,614
2016	$6,169,860	$0	$3,265,000	$14,506	$6,039	$420,316	$3,639,000	$13,514,721	25.0%	$3,378,680
2017	$16,933,140	$0	$0	$83,420	$26,781	$1,501,129	$4,063,550	$22,608,020	25.0%	$5,652,005
2018	$28,484,640	$203,850	$0	$43,412	$20,369	$1,339,210	$2,001,450	$32,092,931	25.0%	$8,023,233
2019	$31,664,700	$203,850	$0	$118,748	$35,640	$5,056,613	$0	$37,079,551	25.0%	$9,269,888
2020	$23,972,760	$203,850	$0	$81,871	$28,475	$1,632,689	$1,061,375	$26,981,020	23.0%	$6,205,635
2021+	$54,930,780	$57,078	$0	$123,985	$35,025	$883,811	$1,485,925	$57,516,604	0.0%	$0
TOTAL	**$166,613,400**	**$668,628**	**$3,265,000**	**$507,354**	**$158,369**	**$11,872,752**	**$12,857,800**	**$195,943,303**		**$34,067,054**

tax_rev

[1] Includes 400 Cypress Knolls units charged the new residential rate.
[2] Includes fee revenue from the already constructed Preston Park in FY 2015/16.
[3] Represents the estimated annual percentage to meet endowment funding needs and accelerate capitalization.

Table C-2
FORA Phase III CIP Review
Summary of Assumptions Varying by Year

FY Ending	Share of CFD Special Tax Allocated to FORA Habitat Mgmt [1]	Special Tax Revenues Available for Habitat Management Allocation			
		HCP	UC	IAF	BL Mgmt
2014	0.0%	64.7%	10.9%	11.0%	13.4%
2015	25.0%	64.7%	10.9%	11.0%	13.4%
2016	25.0%	64.7%	10.9%	11.0%	13.4%
2017	25.0%	64.7%	10.9%	11.0%	13.4%
2018	25.0%	64.7%	10.9%	11.0%	13.4%
2019	25.0%	64.7%	10.9%	11.0%	13.4%
2020	23.0%	64.7%	10.9%	11.0%	13.4%

assump1

[1] Represents the estimated annual percentage to meet endowment funding needs and accelerate capitalization.

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Table C-3
FORA Phase III CIP Review
Endowment Requirements

Item	Permit Term		Post-Permit Term		
	Assumed Payout	Annual Revenue	2014$	Assumed Payout	Annual Revenue
		[1]			[1]
HCP Endowment Fund	4.50%	$1,137,825	$16,015,233	4.50%	$720,685
UC/NRS Endowment Fund	4.20%	$228,758	$4,563,727	4.20%	$191,677
Implementation Assurances Fund					
Remedial Measures	4.50%	$118,606	$0		$0
BLM and State Parks	4.50%	$34,011	$755,794	4.50%	$34,011
Contingency (5%)	4.50%	$8,257	$0		$0
Subtotal	**4.50%**	**$160,874**	**$755,794**	**4.50%**	**$34,011**
Borderlands Management Cost	4.50%	$179,119	$3,980,432	4.50%	$179,119
TOTAL ENDOWMENTS		**$1,706,576**	**$25,315,187**		**$1,125,492**

cost

Source: FORA

[1] Adjusted from Phase II estimates based on CPI change between December 2011 and December 2013.

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Table C-4
FORA Phase III CIP Review
Planned Land Use Summary by Year

FY Ending	New Residential	Employer Based Housing	Existing/Replac. Residential	Office	Industrial	Retail	Hotel
	Units	Units	Units	Acres	Acres	Acres	Rooms
2015	164	0	0	11.6	1.7	14.1	100
2016	227	0	0	4.1	1.7	5.7	600
2017	623	0	0	23.4	7.5	20.4	670
2018	1,048	150	0	12.2	5.7	18.2	330
2019	1,165	150	0	33.3	10.0	68.8	0
2020	882	150	0	23.0	8.0	22.2	175
Post-FORA	2,021	42	0	34.8	9.8	12.0	245
TOTAL	**6,130**	**492**	**0**	**142.2**	**44.4**	**161.6**	**2,120**

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Source: FORA.

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Table C-5
FORA Phase III CIP Review
Tax Revenues Allocated by Endowment

FY	Special Tax Revenue		HCP		UC		IAF		BL Mgmt	
Ending	Annual [1]	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2015	$1,537,614	$1,537,614	$995,144	$995,144	$166,985	$166,985	$169,291	$169,291	$206,194	$206,194
2016	$3,378,680	$4,916,294	$2,186,682	$3,181,825	$366,925	$533,910	$371,993	$541,284	$453,081	$659,275
2017	$5,652,005	$10,568,299	$3,657,978	$6,839,803	$613,808	$1,147,717	$622,286	$1,163,570	$757,934	$1,417,209
2018	$8,023,233	$18,591,532	$5,192,636	$12,032,439	$871,323	$2,019,040	$883,358	$2,046,928	$1,075,916	$2,493,124
2019	$9,269,888	$27,861,420	$5,999,471	$18,031,911	$1,006,710	$3,025,750	$1,020,615	$3,067,542	$1,243,092	$3,736,216
2020	$6,205,635	**$34,067,054**	$4,016,287	**$22,048,197**	$673,932	**$3,699,682**	$683,240	**$3,750,783**	$832,176	**$4,568,392**
TOTAL	**$34,067,054**		**$22,048,197**		**$3,699,682**		**$3,750,783**		**$4,568,392**	

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[1] See net revenue projected in Table C-1.

Prepared by EPS 5/8/2014

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Table C-6
FORA Phase III CIP Review
Preliminary Endowment Cash Flow - All Endowments

All Endowments

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
	2014	$6,042,831	$264,449	$0	$0	$6,307,280	$0	$0	$6,307,280
	2015	$6,307,280	$276,036	$1,537,614	$0	$8,120,929	$0	$0	$8,120,929
1	2016	$8,120,929	$356,822	$3,378,680	$0	$11,856,431	($2,076,838)	$0	$9,779,593
	2017	$9,779,593	$432,629	$5,652,005	$0	$15,864,226	($1,443,898)	$0	$14,420,329
	2018	$14,420,329	$639,994	$8,023,233	$0	$23,083,555	($1,443,898)	$0	$21,639,658
	2019	$21,639,658	$962,561	$9,269,888	$0	$31,872,107	($1,443,898)	$0	$30,428,209
	2020	$30,428,209	$1,355,241	$6,205,635	$0	$37,989,084	($1,443,898)	$0	$36,545,187
	2021+	$36,545,187	$1,628,580	$0	$0	$38,173,767	($1,706,576)	$0	$36,467,190
	2022	$36,467,190	$1,625,086	$0	$0	$38,092,277	($1,706,576)	$0	$36,385,700
	2023	$36,385,700	$1,621,436	$0	$0	$38,007,136	($1,706,576)	$0	$36,300,560
	2024	$36,300,560	$1,617,623	$0	$0	$37,918,183	($1,706,576)	$0	$36,211,606
10	2025	$36,211,606	$1,613,638	$0	$0	$37,825,244	($1,706,576)	$0	$36,118,668
	2026	$36,118,668	$1,609,475	$0	$0	$37,728,143	($1,706,576)	$0	$36,021,566
	2027	$36,021,566	$1,605,125	$0	$0	$37,626,691	($1,706,576)	$0	$35,920,115
	2028	$35,920,115	$1,600,581	$0	$0	$37,520,696	($1,706,576)	$0	$35,814,119
	2029	$35,814,119	$1,595,833	$0	$0	$37,409,952	($1,706,576)	$0	$35,703,375
	2030	$35,703,375	$1,590,872	$0	$0	$37,294,247	($1,706,576)	$0	$35,587,670
	2031	$35,587,670	$1,585,688	$0	$0	$37,173,359	($1,706,576)	$0	$35,466,782
	2032	$35,466,782	$1,580,273	$0	$0	$37,047,055	($1,706,576)	$0	$35,340,479
	2033	$35,340,479	$1,574,615	$0	$0	$36,915,094	($1,706,576)	$0	$35,208,517
	2034	$35,208,517	$1,568,703	$0	$0	$36,777,220	($1,706,576)	$0	$35,070,644
20	2035	$35,070,644	$1,562,527	$0	$0	$36,633,171	($1,706,576)	$0	$34,926,594
	2036	$34,926,594	$1,556,073	$0	$0	$36,482,667	($1,706,576)	$0	$34,776,091
	2037	$34,776,091	$1,549,331	$0	$0	$36,325,421	($1,706,576)	$0	$34,618,845
	2038	$34,618,845	$1,542,286	$0	$0	$36,161,131	($1,706,576)	$0	$34,454,554
	2039	$34,454,554	$1,534,925	$0	$0	$35,989,480	($1,706,576)	$0	$34,282,903
	2040	$34,282,903	$1,527,235	$0	$0	$35,810,139	($1,706,576)	$0	$34,103,562
	2041	$34,103,562	$1,519,200	$0	$0	$35,622,763	($1,706,576)	$0	$33,916,186
	2042	$33,916,186	$1,510,805	$0	$0	$35,426,992	($1,706,576)	$0	$33,720,415
	2043	$33,720,415	$1,502,034	$0	$0	$35,222,449	($1,706,576)	$0	$33,515,873
	2044	$33,515,873	$1,492,870	$0	$0	$35,008,743	($1,706,576)	$0	$33,302,166
30	2045	$33,302,166	$1,483,295	$0	$0	$34,785,461	($1,706,576)	$0	$33,078,885
	2046	$33,078,885	$1,473,291	$0	$0	$34,552,176	($1,706,576)	$0	$32,845,599
	2047	$32,845,599	$1,462,838	$0	$0	$34,308,438	($1,706,576)	$0	$32,601,861
	2048	$32,601,861	$1,451,917	$0	$0	$34,053,779	($1,706,576)	$0	$32,347,202
	2049	$32,347,202	$1,440,507	$0	$0	$33,787,709	($1,706,576)	$0	$32,081,133
	2050	$32,081,133	$1,428,585	$0	$0	$33,509,718	($1,706,576)	$0	$31,803,142
	2051	$31,803,142	$1,416,129	$0	$0	$33,219,271	($1,706,576)	$0	$31,512,694
	2052	$31,512,694	$1,403,115	$0	$0	$32,915,809	($1,706,576)	$0	$31,209,233
	2053	$31,209,233	$1,389,517	$0	$0	$32,598,750	($1,706,576)	$0	$30,892,174
	2054	$30,892,174	$1,375,310	$0	$0	$32,267,484	($1,706,576)	$0	$30,560,907
40	2055	$30,560,907	$1,360,466	$0	$0	$31,921,374	($1,706,576)	$0	$30,214,797
	2056	$30,214,797	$1,344,957	$0	$0	$31,559,754	($1,706,576)	$0	$29,853,178
	2057	$29,853,178	$1,328,753	$0	$0	$31,181,930	($1,706,576)	$0	$29,475,354
	2058	$29,475,354	$1,311,822	$0	$0	$30,787,176	($1,706,576)	$0	$29,080,599
	2059	$29,080,599	$1,294,132	$0	$0	$30,374,732	($1,706,576)	$0	$28,668,155
	2060	$28,668,155	$1,275,650	$0	$0	$29,943,805	($1,706,576)	$0	$28,237,229
	2061	$28,237,229	$1,256,339	$0	$0	$29,493,568	($1,706,576)	$0	$27,786,991
	2062	$27,786,991	$1,236,162	$0	$0	$29,023,154	($1,706,576)	$0	$27,316,577
	2063	$27,316,577	$1,215,081	$0	$0	$28,531,659	($1,706,576)	$0	$26,825,082
	2064	$26,825,082	$1,193,056	$0	$0	$28,018,138	($1,706,576)	$0	$26,311,561
50	2065 +								
	Post Permit								
	2065 +	$25,775,028	$1,145,998	$0	$0	$26,921,026	($1,125,492)	$0	$25,795,533

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Table C-7
FORA Phase III CIP Review
Preliminary Endowment Cash Flow - Habitat Conservation Plan

HCP Endowment

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
Source			*Table 3-3*	*Table C-5*			*Table 3-4*		
Annual Return Starting in FY 2014			*4.50%*						
	2014	$3,550,180	$159,758	$0	$0	$3,709,938	$0	$0	$3,709,938
	2015	$3,709,938	$166,947	$995,144	$0	$4,872,028	$0	$0	$4,872,028
1	2016	$4,872,028	$219,241	$2,186,682	$0	$7,277,952	($860,122)	$0	$6,417,829
	2017	$6,417,829	$288,802	$3,657,978	$0	$10,364,609	($875,146)	$0	$9,489,463
	2018	$9,489,463	$427,026	$5,192,636	$0	$15,109,125	($875,146)	$0	$14,233,979
	2019	$14,233,979	$640,529	$5,999,471	$0	$20,873,979	($875,146)	$0	$19,998,833
	2020	$19,998,833	$899,947	$4,016,287	$0	$24,915,067	($875,146)	$0	$24,039,921
	2021+	$24,039,921	$1,081,796	$0	$0	$25,121,718	($1,137,825)	$0	$23,983,892
	2022	$23,983,892	$1,079,275	$0	$0	$25,063,168	($1,137,825)	$0	$23,925,343
	2023	$23,925,343	$1,076,640	$0	$0	$25,001,983	($1,137,825)	$0	$23,864,158
	2024	$23,864,158	$1,073,887	$0	$0	$24,938,045	($1,137,825)	$0	$23,800,220
10	2025	$23,800,220	$1,071,010	$0	$0	$24,871,230	($1,137,825)	$0	$23,733,405
	2026	$23,733,405	$1,068,003	$0	$0	$24,801,408	($1,137,825)	$0	$23,663,583
	2027	$23,663,583	$1,064,861	$0	$0	$24,728,444	($1,137,825)	$0	$23,590,619
	2028	$23,590,619	$1,061,578	$0	$0	$24,652,197	($1,137,825)	$0	$23,514,372
	2029	$23,514,372	$1,058,147	$0	$0	$24,572,519	($1,137,825)	$0	$23,434,693
	2030	$23,434,693	$1,054,561	$0	$0	$24,489,255	($1,137,825)	$0	$23,351,430
	2031	$23,351,430	$1,050,814	$0	$0	$24,402,244	($1,137,825)	$0	$23,264,419
	2032	$23,264,419	$1,046,899	$0	$0	$24,311,318	($1,137,825)	$0	$23,173,493
	2033	$23,173,493	$1,042,807	$0	$0	$24,216,300	($1,137,825)	$0	$23,078,475
	2034	$23,078,475	$1,038,531	$0	$0	$24,117,006	($1,137,825)	$0	$22,979,181
20	2035	$22,979,181	$1,034,063	$0	$0	$24,013,244	($1,137,825)	$0	$22,875,419
	2036	$22,875,419	$1,029,394	$0	$0	$23,904,813	($1,137,825)	$0	$22,766,988
	2037	$22,766,988	$1,024,514	$0	$0	$23,791,502	($1,137,825)	$0	$22,653,677
	2038	$22,653,677	$1,019,415	$0	$0	$23,673,093	($1,137,825)	$0	$22,535,268
	2039	$22,535,268	$1,014,087	$0	$0	$23,549,355	($1,137,825)	$0	$22,411,530
	2040	$22,411,530	$1,008,519	$0	$0	$23,420,048	($1,137,825)	$0	$22,282,223
	2041	$22,282,223	$1,002,700	$0	$0	$23,284,923	($1,137,825)	$0	$22,147,098
	2042	$22,147,098	$996,619	$0	$0	$23,143,718	($1,137,825)	$0	$22,005,893
	2043	$22,005,893	$990,265	$0	$0	$22,996,158	($1,137,825)	$0	$21,858,333
	2044	$21,858,333	$983,625	$0	$0	$22,841,958	($1,137,825)	$0	$21,704,133
30	2045	$21,704,133	$976,686	$0	$0	$22,680,819	($1,137,825)	$0	$21,542,994
	2046	$21,542,994	$969,435	$0	$0	$22,512,428	($1,137,825)	$0	$21,374,603
	2047	$21,374,603	$961,857	$0	$0	$22,336,460	($1,137,825)	$0	$21,198,635
	2048	$21,198,635	$953,939	$0	$0	$22,152,574	($1,137,825)	$0	$21,014,749
	2049	$21,014,749	$945,664	$0	$0	$21,960,413	($1,137,825)	$0	$20,822,587
	2050	$20,822,587	$937,016	$0	$0	$21,759,604	($1,137,825)	$0	$20,621,779
	2051	$20,621,779	$927,980	$0	$0	$21,549,759	($1,137,825)	$0	$20,411,934
	2052	$20,411,934	$918,537	$0	$0	$21,330,471	($1,137,825)	$0	$20,192,646
	2053	$20,192,646	$908,669	$0	$0	$21,101,315	($1,137,825)	$0	$19,963,490
	2054	$19,963,490	$898,357	$0	$0	$20,861,847	($1,137,825)	$0	$19,724,022
40	2055	$19,724,022	$887,581	$0	$0	$20,611,603	($1,137,825)	$0	$19,473,778
	2056	$19,473,778	$876,320	$0	$0	$20,350,098	($1,137,825)	$0	$19,212,272
	2057	$19,212,272	$864,552	$0	$0	$20,076,825	($1,137,825)	$0	$18,939,000
	2058	$18,939,000	$852,255	$0	$0	$19,791,255	($1,137,825)	$0	$18,653,430
	2059	$18,653,430	$839,404	$0	$0	$19,492,834	($1,137,825)	$0	$18,355,009
	2060	$18,355,009	$825,975	$0	$0	$19,180,984	($1,137,825)	$0	$18,043,159
	2061	$18,043,159	$811,942	$0	$0	$18,855,101	($1,137,825)	$0	$17,717,276
	2062	$17,717,276	$797,277	$0	$0	$18,514,554	($1,137,825)	$0	$17,376,729
	2063	$17,376,729	$781,953	$0	$0	$18,158,681	($1,137,825)	$0	$17,020,856
	2064	$17,020,856	$765,939	$0	$0	$17,786,795	($1,137,825)	$0	$16,648,970
50	2065 +	$16,648,970	$749,204	$0	$0	$17,398,173	($1,137,824)	$0	$16,260,349
	Post Permit								
	2065 +	$16,260,349	$731,716	$0	$0	$16,992,065	($720,685)	$0	$16,271,380

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Table C-8
FORA Phase III CIP Review
Preliminary Endowment Cash Flow - University of California

UC Endowment

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
Source			*Table 3-3*	*Table C-5*			*Table 3-4*		
Annual Return Starting in FY 2014			*4.20%*						
	2014	$2,492,651	$104,691	$0	$0	$2,597,342	$0	$0	$2,597,342
	2015	$2,597,342	$109,088	$166,985	$0	$2,873,415	$0	$0	$2,873,415
1	2016	$2,873,415	$120,683	$366,925	$0	$3,361,024	($876,723)	$0	$2,484,301
	2017	$2,484,301	$104,341	$613,808	$0	$3,202,449	($228,758)	$0	$2,973,691
	2018	$2,973,691	$124,895	$871,323	$0	$3,969,909	($228,758)	$0	$3,741,151
	2019	$3,741,151	$157,128	$1,006,710	$0	$4,904,989	($228,758)	$0	$4,676,231
	2020	$4,676,231	$196,402	$673,932	$0	$5,546,565	($228,758)	$0	$5,317,807
	2021+	$5,317,807	$223,348	$0	$0	$5,541,155	($228,758)	$0	$5,312,396
	2022	$5,312,396	$223,121	$0	$0	$5,535,517	($228,758)	$0	$5,306,759
	2023	$5,306,759	$222,884	$0	$0	$5,529,643	($228,758)	$0	$5,300,885
	2024	$5,300,885	$222,637	$0	$0	$5,523,522	($228,758)	$0	$5,294,764
10	2025	$5,294,764	$222,380	$0	$0	$5,517,144	($228,758)	$0	$5,288,386
	2026	$5,288,386	$222,112	$0	$0	$5,510,498	($228,758)	$0	$5,281,740
	2027	$5,281,740	$221,833	$0	$0	$5,503,573	($228,758)	$0	$5,274,815
	2028	$5,274,815	$221,542	$0	$0	$5,496,357	($228,758)	$0	$5,267,599
	2029	$5,267,599	$221,239	$0	$0	$5,488,838	($228,758)	$0	$5,260,080
	2030	$5,260,080	$220,923	$0	$0	$5,481,004	($228,758)	$0	$5,252,245
	2031	$5,252,245	$220,594	$0	$0	$5,472,840	($228,758)	$0	$5,244,082
	2032	$5,244,082	$220,251	$0	$0	$5,464,333	($228,758)	$0	$5,235,575
	2033	$5,235,575	$219,894	$0	$0	$5,455,469	($228,758)	$0	$5,226,711
	2034	$5,226,711	$219,522	$0	$0	$5,446,233	($228,758)	$0	$5,217,475
20	2035	$5,217,475	$219,134	$0	$0	$5,436,609	($228,758)	$0	$5,207,851
	2036	$5,207,851	$218,730	$0	$0	$5,426,580	($228,758)	$0	$5,197,822
	2037	$5,197,822	$218,309	$0	$0	$5,416,131	($228,758)	$0	$5,187,373
	2038	$5,187,373	$217,870	$0	$0	$5,405,243	($228,758)	$0	$5,176,484
	2039	$5,176,484	$217,412	$0	$0	$5,393,897	($228,758)	$0	$5,165,139
	2040	$5,165,139	$216,936	$0	$0	$5,382,075	($228,758)	$0	$5,153,316
	2041	$5,153,316	$216,439	$0	$0	$5,369,756	($228,758)	$0	$5,140,998
	2042	$5,140,998	$215,922	$0	$0	$5,356,920	($228,758)	$0	$5,128,161
	2043	$5,128,161	$215,383	$0	$0	$5,343,544	($228,758)	$0	$5,114,786
	2044	$5,114,786	$214,821	$0	$0	$5,329,607	($228,758)	$0	$5,100,849
30	2045	$5,100,849	$214,236	$0	$0	$5,315,085	($228,758)	$0	$5,086,327
	2046	$5,086,327	$213,626	$0	$0	$5,299,952	($228,758)	$0	$5,071,194
	2047	$5,071,194	$212,990	$0	$0	$5,284,184	($228,758)	$0	$5,055,426
	2048	$5,055,426	$212,328	$0	$0	$5,267,754	($228,758)	$0	$5,038,996
	2049	$5,038,996	$211,638	$0	$0	$5,250,634	($228,758)	$0	$5,021,876
	2050	$5,021,876	$210,919	$0	$0	$5,232,795	($228,758)	$0	$5,004,037
	2051	$5,004,037	$210,170	$0	$0	$5,214,206	($228,758)	$0	$4,985,448
	2052	$4,985,448	$209,389	$0	$0	$5,194,837	($228,758)	$0	$4,966,079
	2053	$4,966,079	$208,575	$0	$0	$5,174,654	($228,758)	$0	$4,945,896
	2054	$4,945,896	$207,728	$0	$0	$5,153,624	($228,758)	$0	$4,924,866
40	2055	$4,924,866	$206,844	$0	$0	$5,131,710	($228,758)	$0	$4,902,952
	2056	$4,902,952	$205,924	$0	$0	$5,108,876	($228,758)	$0	$4,880,118
	2057	$4,880,118	$204,965	$0	$0	$5,085,083	($228,758)	$0	$4,856,325
	2058	$4,856,325	$203,966	$0	$0	$5,060,290	($228,758)	$0	$4,831,532
	2059	$4,831,532	$202,924	$0	$0	$5,034,456	($228,758)	$0	$4,805,698
	2060	$4,805,698	$201,839	$0	$0	$5,007,538	($228,758)	$0	$4,778,780
	2061	$4,778,780	$200,709	$0	$0	$4,979,488	($228,758)	$0	$4,750,730
	2062	$4,750,730	$199,531	$0	$0	$4,950,261	($228,758)	$0	$4,721,503
	2063	$4,721,503	$198,303	$0	$0	$4,919,806	($228,758)	$0	$4,691,048
	2064	$4,691,048	$197,024	$0	$0	$4,888,072	($228,758)	$0	$4,659,314
50	2065 +	$4,659,314	$195,691	$0	$0	$4,855,005	($228,758)	$0	$4,626,247
	Post Permit								
	2065 +	$4,626,247	$194,302	$0	$0	$4,820,549	($191,677)	$0	$4,628,873

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Table C-9
FORA Phase III CIP Review
Preliminary Endowment Cash Flow - Implementation Assurances Fund

IAF Endowment

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
Source			*Table 3-3*	*Table C-5*			*Table 3-4*		
Annual Return Starting in FY 2014			*4.50%*						
	2014	$0	$0	$0	$0	$0	$0	$0	$0
	2015	$0	$0	$169,291	$0	$169,291	$0	$0	$169,291
1	2016	$169,291	$7,618	$371,993	$0	$548,902	($160,874)	$0	$388,028
	2017	$388,028	$17,461	$622,286	$0	$1,027,775	($160,874)	$0	$866,901
	2018	$866,901	$39,011	$883,358	$0	$1,789,270	($160,874)	$0	$1,628,396
	2019	$1,628,396	$73,278	$1,020,615	$0	$2,722,289	($160,874)	$0	$2,561,415
	2020	$2,561,415	$115,264	$683,240	$0	$3,359,919	($160,874)	$0	$3,199,045
	2021+	$3,199,045	$143,957	$0	$0	$3,343,002	($160,874)	$0	$3,182,128
	2022	$3,182,128	$143,196	$0	$0	$3,325,324	($160,874)	$0	$3,164,450
	2023	$3,164,450	$142,400	$0	$0	$3,306,850	($160,874)	$0	$3,145,977
	2024	$3,145,977	$141,569	$0	$0	$3,287,545	($160,874)	$0	$3,126,672
10	2025	$3,126,672	$140,700	$0	$0	$3,267,372	($160,874)	$0	$3,106,498
	2026	$3,106,498	$139,792	$0	$0	$3,246,290	($160,874)	$0	$3,085,417
	2027	$3,085,417	$138,844	$0	$0	$3,224,260	($160,874)	$0	$3,063,387
	2028	$3,063,387	$137,852	$0	$0	$3,201,239	($160,874)	$0	$3,040,365
	2029	$3,040,365	$136,816	$0	$0	$3,177,182	($160,874)	$0	$3,016,308
	2030	$3,016,308	$135,734	$0	$0	$3,152,042	($160,874)	$0	$2,991,168
	2031	$2,991,168	$134,603	$0	$0	$3,125,770	($160,874)	$0	$2,964,896
	2032	$2,964,896	$133,420	$0	$0	$3,098,317	($160,874)	$0	$2,937,443
	2033	$2,937,443	$132,185	$0	$0	$3,069,628	($160,874)	$0	$2,908,754
	2034	$2,908,754	$130,894	$0	$0	$3,039,648	($160,874)	$0	$2,878,774
20	2035	$2,878,774	$129,545	$0	$0	$3,008,319	($160,874)	$0	$2,847,445
	2036	$2,847,445	$128,135	$0	$0	$2,975,580	($160,874)	$0	$2,814,706
	2037	$2,814,706	$126,662	$0	$0	$2,941,368	($160,874)	$0	$2,780,494
	2038	$2,780,494	$125,122	$0	$0	$2,905,617	($160,874)	$0	$2,744,743
	2039	$2,744,743	$123,513	$0	$0	$2,868,256	($160,874)	$0	$2,707,382
	2040	$2,707,382	$121,832	$0	$0	$2,829,215	($160,874)	$0	$2,668,341
	2041	$2,668,341	$120,075	$0	$0	$2,788,416	($160,874)	$0	$2,627,542
	2042	$2,627,542	$118,239	$0	$0	$2,745,782	($160,874)	$0	$2,584,908
	2043	$2,584,908	$116,321	$0	$0	$2,701,229	($160,874)	$0	$2,540,355
	2044	$2,540,355	$114,316	$0	$0	$2,654,671	($160,874)	$0	$2,493,797
30	2045	$2,493,797	$112,221	$0	$0	$2,606,018	($160,874)	$0	$2,445,144
	2046	$2,445,144	$110,031	$0	$0	$2,555,176	($160,874)	$0	$2,394,302
	2047	$2,394,302	$107,744	$0	$0	$2,502,045	($160,874)	$0	$2,341,171
	2048	$2,341,171	$105,353	$0	$0	$2,446,524	($160,874)	$0	$2,285,650
	2049	$2,285,650	$102,854	$0	$0	$2,388,505	($160,874)	$0	$2,227,631
	2050	$2,227,631	$100,243	$0	$0	$2,327,874	($160,874)	$0	$2,167,000
	2051	$2,167,000	$97,515	$0	$0	$2,264,515	($160,874)	$0	$2,103,642
	2052	$2,103,642	$94,664	$0	$0	$2,198,305	($160,874)	$0	$2,037,432
	2053	$2,037,432	$91,684	$0	$0	$2,129,116	($160,874)	$0	$1,968,242
	2054	$1,968,242	$88,571	$0	$0	$2,056,813	($160,874)	$0	$1,895,939
40	2055	$1,895,939	$85,317	$0	$0	$1,981,257	($160,874)	$0	$1,820,383
	2056	$1,820,383	$81,917	$0	$0	$1,902,300	($160,874)	$0	$1,741,426
	2057	$1,741,426	$78,364	$0	$0	$1,819,790	($160,874)	$0	$1,658,916
	2058	$1,658,916	$74,651	$0	$0	$1,733,568	($160,874)	$0	$1,572,694
	2059	$1,572,694	$70,771	$0	$0	$1,643,465	($160,874)	$0	$1,482,591
	2060	$1,482,591	$66,717	$0	$0	$1,549,308	($160,874)	$0	$1,388,434
	2061	$1,388,434	$62,480	$0	$0	$1,450,914	($160,874)	$0	$1,290,040
	2062	$1,290,040	$58,052	$0	$0	$1,348,092	($160,874)	$0	$1,187,218
	2063	$1,187,218	$53,425	$0	$0	$1,240,643	($160,874)	$0	$1,079,769
	2064	$1,079,769	$48,590	$0	$0	$1,128,358	($160,874)	$0	$967,484
50	2065 +	$967,484	$43,537	$0	$0	$1,011,021	($160,874)	$0	$850,147
	Post Permit								
	2065 +	$850,147	$38,257	$0	$0	$888,404	($34,011)	$0	$854,393

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Table C-10
FORA Phase III CIP Review
Preliminary Endowment Cash Flow - Borderlands Management

Borderlands Endowment

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
Source			*Table 3-3*	*Table C-5*			*Table 3-4*		
Annual Return Starting in FY 2014			*4.50%*						
	2014	$0	$0	$0	$0	$0	$0	$0	$0
	2015	$0	$0	$206,194	$0	$206,194	$0	$0	$206,194
1	2016	$206,194	$9,279	$453,081	$0	$668,554	($179,119)	$0	$489,434
	2017	$489,434	$22,025	$757,934	$0	$1,269,393	($179,119)	$0	$1,090,273
	2018	$1,090,273	$49,062	$1,075,916	$0	$2,215,251	($179,119)	$0	$2,036,132
	2019	$2,036,132	$91,626	$1,243,092	$0	$3,370,849	($179,119)	$0	$3,191,730
	2020	$3,191,730	$143,628	$832,176	$0	$4,167,533	($179,119)	$0	$3,988,414
	2021+	$3,988,414	$179,479	$0	$0	$4,167,893	($179,119)	$0	$3,988,773
	2022	$3,988,773	$179,495	$0	$0	$4,168,268	($179,119)	$0	$3,989,149
	2023	$3,989,149	$179,512	$0	$0	$4,168,660	($179,119)	$0	$3,989,541
	2024	$3,989,541	$179,529	$0	$0	$4,169,070	($179,119)	$0	$3,989,951
10	2025	$3,989,951	$179,548	$0	$0	$4,169,498	($179,119)	$0	$3,990,379
	2026	$3,990,379	$179,567	$0	$0	$4,169,946	($179,119)	$0	$3,990,826
	2027	$3,990,826	$179,587	$0	$0	$4,170,414	($179,119)	$0	$3,991,294
	2028	$3,991,294	$179,608	$0	$0	$4,170,902	($179,119)	$0	$3,991,783
	2029	$3,991,783	$179,630	$0	$0	$4,171,413	($179,119)	$0	$3,992,294
	2030	$3,992,294	$179,653	$0	$0	$4,171,947	($179,119)	$0	$3,992,828
	2031	$3,992,828	$179,677	$0	$0	$4,172,505	($179,119)	$0	$3,993,385
	2032	$3,993,385	$179,702	$0	$0	$4,173,088	($179,119)	$0	$3,993,968
	2033	$3,993,968	$179,729	$0	$0	$4,173,697	($179,119)	$0	$3,994,577
	2034	$3,994,577	$179,756	$0	$0	$4,174,333	($179,119)	$0	$3,995,214
20	2035	$3,995,214	$179,785	$0	$0	$4,174,998	($179,119)	$0	$3,995,879
	2036	$3,995,879	$179,815	$0	$0	$4,175,694	($179,119)	$0	$3,996,574
	2037	$3,996,574	$179,846	$0	$0	$4,176,420	($179,119)	$0	$3,997,300
	2038	$3,997,300	$179,879	$0	$0	$4,177,179	($179,119)	$0	$3,998,060
	2039	$3,998,060	$179,913	$0	$0	$4,177,972	($179,119)	$0	$3,998,853
	2040	$3,998,853	$179,948	$0	$0	$4,178,801	($179,119)	$0	$3,999,682
	2041	$3,999,682	$179,986	$0	$0	$4,179,667	($179,119)	$0	$4,000,548
	2042	$4,000,548	$180,025	$0	$0	$4,180,573	($179,119)	$0	$4,001,453
	2043	$4,001,453	$180,065	$0	$0	$4,181,518	($179,119)	$0	$4,002,399
	2044	$4,002,399	$180,108	$0	$0	$4,182,507	($179,119)	$0	$4,003,387
30	2045	$4,003,387	$180,152	$0	$0	$4,183,540	($179,119)	$0	$4,004,420
	2046	$4,004,420	$180,199	$0	$0	$4,184,619	($179,119)	$0	$4,005,500
	2047	$4,005,500	$180,247	$0	$0	$4,185,747	($179,119)	$0	$4,006,628
	2048	$4,006,628	$180,298	$0	$0	$4,186,926	($179,119)	$0	$4,007,807
	2049	$4,007,807	$180,351	$0	$0	$4,188,158	($179,119)	$0	$4,009,039
	2050	$4,009,039	$180,407	$0	$0	$4,189,445	($179,119)	$0	$4,010,326
	2051	$4,010,326	$180,465	$0	$0	$4,190,790	($179,119)	$0	$4,011,671
	2052	$4,011,671	$180,525	$0	$0	$4,192,196	($179,119)	$0	$4,013,077
	2053	$4,013,077	$180,588	$0	$0	$4,193,665	($179,119)	$0	$4,014,546
	2054	$4,014,546	$180,655	$0	$0	$4,195,200	($179,119)	$0	$4,016,081
40	2055	$4,016,081	$180,724	$0	$0	$4,196,804	($179,119)	$0	$4,017,685
	2056	$4,017,685	$180,796	$0	$0	$4,198,481	($179,119)	$0	$4,019,361
	2057	$4,019,361	$180,871	$0	$0	$4,200,233	($179,119)	$0	$4,021,113
	2058	$4,021,113	$180,950	$0	$0	$4,202,063	($179,119)	$0	$4,022,944
	2059	$4,022,944	$181,032	$0	$0	$4,203,976	($179,119)	$0	$4,024,857
	2060	$4,024,857	$181,119	$0	$0	$4,205,975	($179,119)	$0	$4,026,856
	2061	$4,026,856	$181,209	$0	$0	$4,208,064	($179,119)	$0	$4,028,945
	2062	$4,028,945	$181,303	$0	$0	$4,210,248	($179,119)	$0	$4,031,128
	2063	$4,031,128	$181,401	$0	$0	$4,212,529	($179,119)	$0	$4,033,409
	2064	$4,033,409	$181,503	$0	$0	$4,214,913	($179,119)	$0	$4,035,793
50	2065 +	$4,035,793	$181,611	$0	$0	$4,217,404	($179,119)	$0	$4,038,285
	Post Permit								
	2065 +	$4,038,285	$181,723	$0	$0	$4,220,007	($179,119)	$0	$4,040,888

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Table C-11
FORA Phase III CIP Review
Comparison of Annual Interest Earnings and Costs

Permit Year	Year	HCP Endowment Interest Earnings	HCP Endowment Annual Costs	HCP Endowment Difference	UC Endowment Interest Earnings	UC Endowment Annual Costs	UC Endowment Difference	IAF Endowment Interest Earnings	IAF Endowment Annual Costs	IAF Endowment Surplus/ (Deficit)	Borderlands Endowment Interest Earnings	Borderlands Endowment Annual Costs	Borderlands Endowment Surplus/ (Deficit)
Source		*Table C-7*	*Table C-7*		*Table C-8*	*Table C-8*		*Table C-9*	*Table C-9*		*Table C-10*	*Table C-10*	
	2014	$159,758	$0	**$159,758**	$104,691	$0	**$104,691**	$0	$0	**$0**	$0	$0	**$0**
	2015	$166,947	$0	**$166,947**	$109,088	$0	**$109,088**	$0	$0	**$0**	$0	$0	**$0**
1	2016	$219,241	($860,122)	**($640,881)**	$120,683	($876,723)	**($756,039)**	$7,618	($160,874)	**($153,256)**	$9,279	($179,119)	**($169,841)**
	2017	$288,802	($875,146)	**($586,344)**	$104,341	($228,758)	**($124,417)**	$17,461	($160,874)	**($143,413)**	$22,025	($179,119)	**($157,095)**
	2018	$427,026	($875,146)	**($448,120)**	$124,895	($228,758)	**($103,863)**	$39,011	($160,874)	**($121,863)**	$49,062	($179,119)	**($130,057)**
	2019	$640,529	($875,146)	**($234,617)**	$157,128	($228,758)	**($71,630)**	$73,278	($160,874)	**($87,596)**	$91,626	($179,119)	**($87,494)**
	2020	$899,947	($875,146)	**$24,801**	$196,402	($228,758)	**($32,356)**	$115,264	($160,874)	**($45,610)**	$143,628	($179,119)	**($35,492)**
	2021+	$1,081,796	($1,137,825)	**($56,029)**	$223,348	($228,758)	**($5,410)**	$143,957	($160,874)	**($16,917)**	$179,479	($179,119)	**$359**
	2022	$1,079,275	($1,137,825)	**($58,550)**	$223,121	($228,758)	**($5,637)**	$143,196	($160,874)	**($17,678)**	$179,495	($179,119)	**$375**
	2023	$1,076,640	($1,137,825)	**($61,185)**	$222,884	($228,758)	**($5,874)**	$142,400	($160,874)	**($18,474)**	$179,512	($179,119)	**$392**
10	2024	$1,073,887	($1,137,825)	**($63,938)**	$222,637	($228,758)	**($6,121)**	$141,569	($160,874)	**($19,305)**	$179,529	($179,119)	**$410**
	2025	$1,071,010	($1,137,825)	**($66,815)**	$222,380	($228,758)	**($6,378)**	$140,700	($160,874)	**($20,174)**	$179,548	($179,119)	**$428**
	2026	$1,068,003	($1,137,825)	**($69,822)**	$222,112	($228,758)	**($6,646)**	$139,792	($160,874)	**($21,081)**	$179,567	($179,119)	**$448**
	2027	$1,064,861	($1,137,825)	**($72,964)**	$221,833	($228,758)	**($6,925)**	$138,844	($160,874)	**($22,030)**	$179,587	($179,119)	**$468**
	2028	$1,061,578	($1,137,825)	**($76,247)**	$221,542	($228,758)	**($7,216)**	$137,852	($160,874)	**($23,021)**	$179,608	($179,119)	**$489**
	2029	$1,058,147	($1,137,825)	**($79,678)**	$221,239	($228,758)	**($7,519)**	$136,816	($160,874)	**($24,057)**	$179,630	($179,119)	**$511**
	2030	$1,054,561	($1,137,825)	**($83,264)**	$220,923	($228,758)	**($7,835)**	$135,734	($160,874)	**($25,140)**	$179,653	($179,119)	**$534**
	2031	$1,050,814	($1,137,825)	**($87,011)**	$220,594	($228,758)	**($8,164)**	$134,603	($160,874)	**($26,271)**	$179,677	($179,119)	**$558**
	2032	$1,046,899	($1,137,825)	**($90,926)**	$220,251	($228,758)	**($8,507)**	$133,420	($160,874)	**($27,453)**	$179,702	($179,119)	**$583**
	2033	$1,042,807	($1,137,825)	**($95,018)**	$219,894	($228,758)	**($8,864)**	$132,185	($160,874)	**($28,689)**	$179,729	($179,119)	**$609**
20	2034	$1,038,531	($1,137,825)	**($99,294)**	$219,522	($228,758)	**($9,236)**	$130,894	($160,874)	**($29,980)**	$179,756	($179,119)	**$637**
	2035	$1,034,063	($1,137,825)	**($103,762)**	$219,134	($228,758)	**($9,624)**	$129,545	($160,874)	**($31,329)**	$179,785	($179,119)	**$665**
	2036	$1,029,394	($1,137,825)	**($108,431)**	$218,730	($228,758)	**($10,028)**	$128,135	($160,874)	**($32,739)**	$179,815	($179,119)	**$695**
	2037	$1,024,514	($1,137,825)	**($113,311)**	$218,309	($228,758)	**($10,450)**	$126,662	($160,874)	**($34,212)**	$179,846	($179,119)	**$726**
	2038	$1,019,415	($1,137,825)	**($118,410)**	$217,870	($228,758)	**($10,888)**	$125,122	($160,874)	**($35,752)**	$179,879	($179,119)	**$759**
	2039	$1,014,087	($1,137,825)	**($123,738)**	$217,412	($228,758)	**($11,346)**	$123,513	($160,874)	**($37,360)**	$179,913	($179,119)	**$793**
	2040	$1,008,519	($1,137,825)	**($129,306)**	$216,936	($228,758)	**($11,822)**	$121,832	($160,874)	**($39,042)**	$179,948	($179,119)	**$829**
	2041	$1,002,700	($1,137,825)	**($135,125)**	$216,439	($228,758)	**($12,319)**	$120,075	($160,874)	**($40,798)**	$179,986	($179,119)	**$866**
	2042	$996,619	($1,137,825)	**($141,206)**	$215,922	($228,758)	**($12,836)**	$118,239	($160,874)	**($42,634)**	$180,025	($179,119)	**$905**
	2043	$990,265	($1,137,825)	**($147,560)**	$215,383	($228,758)	**($13,375)**	$116,321	($160,874)	**($44,553)**	$180,065	($179,119)	**$946**
30	2044	$983,625	($1,137,825)	**($154,200)**	$214,821	($228,758)	**($13,937)**	$114,316	($160,874)	**($46,558)**	$180,108	($179,119)	**$988**
	2045	$976,686	($1,137,825)	**($161,139)**	$214,236	($228,758)	**($14,522)**	$112,221	($160,874)	**($48,653)**	$180,152	($179,119)	**$1,033**
	2046	$969,435	($1,137,825)	**($168,390)**	$213,626	($228,758)	**($15,132)**	$110,031	($160,874)	**($50,842)**	$180,199	($179,119)	**$1,079**
	2047	$961,857	($1,137,825)	**($175,968)**	$212,990	($228,758)	**($15,768)**	$107,744	($160,874)	**($53,130)**	$180,247	($179,119)	**$1,128**
	2048	$953,939	($1,137,825)	**($183,886)**	$212,328	($228,758)	**($16,430)**	$105,353	($160,874)	**($55,521)**	$180,298	($179,119)	**$1,179**
	2049	$945,664	($1,137,825)	**($192,161)**	$211,638	($228,758)	**($17,120)**	$102,854	($160,874)	**($58,020)**	$180,351	($179,119)	**$1,232**
	2050	$937,016	($1,137,825)	**($200,809)**	$210,919	($228,758)	**($17,839)**	$100,243	($160,874)	**($60,630)**	$180,407	($179,119)	**$1,287**
	2051	$927,980	($1,137,825)	**($209,845)**	$210,170	($228,758)	**($18,589)**	$97,515	($160,874)	**($63,359)**	$180,465	($179,119)	**$1,345**
	2052	$918,537	($1,137,825)	**($219,288)**	$209,389	($228,758)	**($19,369)**	$94,664	($160,874)	**($66,210)**	$180,525	($179,119)	**$1,406**
	2053	$908,669	($1,137,825)	**($229,156)**	$208,575	($228,758)	**($20,183)**	$91,684	($160,874)	**($69,189)**	$180,588	($179,119)	**$1,469**
40	2054	$898,357	($1,137,825)	**($239,468)**	$207,728	($228,758)	**($21,030)**	$88,571	($160,874)	**($72,303)**	$180,655	($179,119)	**$1,535**

Prepared by EPS 5/8/2014

Table C-11
FORA Phase III CIP Review
Comparison of Annual Interest Earnings and Costs

		HCP Endowment			UC Endowment			IAF Endowment			Borderlands Endowment		
Permit Year	Year	Interest Earnings	Annual Costs	Difference	Interest Earnings	Annual Costs	Difference	Interest Earnings	Annual Costs	Surplus/ (Deficit)	Interest Earnings	Annual Costs	Surplus/ (Deficit)
Source		*Table C-7*	*Table C-7*		*Table C-8*	*Table C-8*		*Table C-9*	*Table C-9*		*Table C-10*	*Table C-10*	
	2055	$887,581	($1,137,825)	**($250,244)**	$206,844	($228,758)	**($21,914)**	$85,317	($160,874)	**($75,557)**	$180,724	($179,119)	**$1,604**
	2056	$876,320	($1,137,825)	**($261,505)**	$205,924	($228,758)	**($22,834)**	$81,917	($160,874)	**($78,957)**	$180,796	($179,119)	**$1,676**
	2057	$864,552	($1,137,825)	**($273,273)**	$204,965	($228,758)	**($23,793)**	$78,364	($160,874)	**($82,510)**	$180,871	($179,119)	**$1,752**
	2058	$852,255	($1,137,825)	**($285,570)**	$203,966	($228,758)	**($24,792)**	$74,651	($160,874)	**($86,223)**	$180,950	($179,119)	**$1,831**
	2059	$839,404	($1,137,825)	**($298,421)**	$202,924	($228,758)	**($25,834)**	$70,771	($160,874)	**($90,103)**	$181,032	($179,119)	**$1,913**
	2060	$825,975	($1,137,825)	**($311,850)**	$201,839	($228,758)	**($26,919)**	$66,717	($160,874)	**($94,157)**	$181,119	($179,119)	**$1,999**
	2061	$811,942	($1,137,825)	**($325,883)**	$200,709	($228,758)	**($28,049)**	$62,480	($160,874)	**($98,394)**	$181,209	($179,119)	**$2,089**
	2062	$797,277	($1,137,825)	**($340,548)**	$199,531	($228,758)	**($29,227)**	$58,052	($160,874)	**($102,822)**	$181,303	($179,119)	**$2,183**
	2063	$781,953	($1,137,825)	**($355,872)**	$198,303	($228,758)	**($30,455)**	$53,425	($160,874)	**($107,449)**	$181,401	($179,119)	**$2,281**
50	2064	$765,939	($1,137,825)	**($371,887)**	$197,024	($228,758)	**($31,734)**	$48,590	($160,874)	**($112,284)**	$181,503	($179,119)	**$2,384**
	Post Permit												
	2065 +	$731,716	($720,685)	**$11,030**	$194,302	($191,677)	**$2,626**	$38,257	($34,011)	**$4,246**	$181,723	($179,119)	**$2,603**

performance

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Approve Preston Park FY 2014-15 Annual Budget	
Meeting Date: **Agenda Number:**	June 13, 2014 8c	**ACTION**

RECOMMENDATION(S):

Approve FY 2014/2015 Preston Park Housing Operating **(Attachment B)** and Capital Expenditure Budgets **(Attachment C)** to include funds for Capital Improvements and a 2.4% rent increase.

BACKGROUND/DISCUSSION:

The staff has reviewed the Alliance Management Budget Memorandum **(Attachment A)** on the Preston Park FY 2014/15 Operating Budget and Capital Improvement Program (CIP) Assessment and recommends approval of the Housing Operating and Capital Replacement Program Budgets and with the recommended rent increase. In the coming year we anticipate an increase in the amount and cost of maintenance and small repairs **(Attachment C)**. Additionally, previously approved projects have been rescheduled in order to perform the emergency assessments and will be scheduled to have the least impact on the residents of the units.

The proposed 2.4 % rental increase has been derived from using the Consumer Price Index applied to the current and prospective Preston Park residents. The overall budget sustains the formulas for setting annual market rents approved by the Board in June 2010. 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. The financial impacts of the rent increase are displayed by unit type in **(Attachment E).**
In prior Preston Park Board reports the lengthy items such as the Market Survey **(Attachment D)** and Standard Operating Budgets were presented with only summary pages of the full reports. Due to the fact that Attachments B and D are quite lengthy, only the summary pages of those attachments are included in the packet. The full documents are available on the FORA website using the links provided below.

Attachment B: http://fora.org/Board/2014/Packet/Additional/061314Item8c-AttachB.pdf
Attachment D: http://fora.org/Board/2014/Packet/Additional/061314Item8c-AttachD.pdf

FISCAL IMPACT:
Reviewed by FORA Controller _____

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

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

Prepared by ________________________ Reviewed by___________________________
Robert J. Norris, Jr. D. Steven Endsley

Approved by _____________________________
Michael A. Houlemard, Jr.

May 28, 2014

ALLIANCE
RESIDENTIAL COMPANY

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

Re: Preston Park FY 2014/15 Proposed Budget

Dear Mr. Houlemard:

It has been a pleasure to continue to work with residents and the Fort Ord Reuse Authority over the last year. With the combination of wonderful residents and effective staff, a number of positive changes have been seen in Preston Park:

1) **Exterior Building Upgrades:** Re-roofing of the buildings is currently underway and the entire project will be complete by the end of June. The project anticipated an 80% overlay/20% tear off formula, and includes replacement of damaged gutters. Garage motion sensor lights are being installed shortly after the construction clears each court. Termite treatment began in early May, and will be conducted in such a manner as to not require relocation of any residents. A three year warranty will be in effect from the date of service. Staff members are planning the replacement of all windows in the community as well as steel front and back doors. This project is anticipated to be underway in July.
2) **Code Compliance/Safety Improvements:** The electrical sub-panel in each home was serviced, and grounding rods were replaced at each meter panel site throughout the community. All required attic repairs were completed. Each oven flue vent was re-sealed, and notable issues reported for repair in the coming year. One time use Fire Extinguishers were installed in each home within Preston Park. A Property Assessment took place from which a plan of action was developed to address exterior building as well as interior unit issues.
3) **Concrete Grinding:** Concrete grinding was performed throughout the community. Three sites on Brown Court were located indicated to require tree root removal and re-pouring of concrete or asphalt.
4) **Tree Trimming:** The community has performed the first phase of tree trimming and is obtaining bids for the larger phase to begin in July.
5) **Units of Long Term Residents:** Several long-term residents have seen upgrades in their flooring, paint, and appliances with little intrusion or inconvenience. These services are extended to long-term residents upon notification or inspection indicating replacement is necessary.
6) **Green Initiatives:** The community continues to implement water and energy saving programs inspired by Alliance's own Focus Green Initiative. Devices designated as water or energy saving are purchased and installed as replacement fixtures as needed. PG&E has been working with residents in the Below Market and Section 8 programs to weatherize their homes at no cost to the resident or the community. Planned landscaping changes will reduce the amount of water usage in the common areas of the community, and will continue to evolve into larger cost savings as we work in conjunction with Paul Lord at Marina Coast Water. The community participates in an

appliance buy-back program where used and/or broken appliances are purchased from the community and recycled.

Alliance looks to continue to provide the residents at Preston Park a comfortable and quality living experience. Continued capital improvements throughout the community will allow this property to remain a desirable neighborhood for renters, as well as a continued source of affordable housing for the general populace of Marina.

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 community experienced a delayed 1.7% rental increase in February 2013. An increase of 2.4% took place in September 2013. Previous to the February 2013 increase, the community had not seen a rental increase since August 2010.

The proposed budget reflects projected revenues according to the approved formula indicating 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 year (February to February) be applied to the next fiscal year, provided that the increased rent for in-place residents does not exceed the market rent charged to move-in residents. The proposed Budget Option 1 assumes the maximum rent increase for in-place residents of two point four percent (2.4%) resulting in an anticipated 3.5% increase in Total Income ($198,159) over the FY 2013/14 Estimated Actuals. The proposed Budget Option 2 assumes no increase in the FY 2014/15 rent schedule for in-place residents, however still results in a 2.5% increase in Total income ($141,049) due to new move-in rent values. Both budgets capture revenue from the addition of Pet Rent and Month to Month Fees for new move-ins. Please see **Attachment B** for a summary of Revenue Income under the two options.

In Place Residents – Market Rent

The rents proposed in Budget Option 1 are as follows:

In-Place Market Rate Rents			
Unit Size	**Current Rent Range FY13/14**	**Proposed FY14/15 Rent**	**Change 8/1/14**
Section 8 – Two BR	$1,029 - $1,198	$1,054 - $1,227	$25 - $29
Section 8 – Three BR	$1,423 - $1,562	$1,457 - $1,599	$34 - $37
Two Bedroom	$1,208 - $1,715	$1,236 - $1,756	$29 - $41
Three Bedroom	$1,499 - $2,010	$1,535 - $2,058	$36 - $48
Luxury – Two BR*	$1,800 - $2,200	$1,843 - $2,253	$43 - $53
Luxury – Three BR*	$1,947	$1,994	$47

* Note: Three 2-Bedroom homes and one 3-Bedroom home have additional features that warrant higher than average rental rates.

Fair Market Rents (FMR) for Monterey County on a County-wide basis as published in October 2013 by the Monterey County Housing Authority (MCHA) are as follows:

Unit Bedroom Size	Fair Market Rent
Two Bedroom	$1,234
Three Bedroom	$1,800

The two bedroom average in-place market rent at Preston Park is $1,459 which represents a difference of $225 from the FMR table above. The general cause of the difference in two-bedroom rents relates to the unique amenities and space available in the two-bedroom apartments at the community as compared to the general marketplace. Conversely, the majority of in-place market renters in Preston Park three bedroom homes are below the MCHA Fair Market Rent for a home of this size. The average in-place rent for the three bedroom units at Preston Park is $1,754, which represents a difference of $46 from the FMR table above.

Please refer to **Attachment E** for detailed information regarding Preston Park rental rates, including utility estimates, as compared to other communities that pay for Water, Sewer, and Trash service.

Affordable Rents

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. As of the date of this memo new rental rates have not been released.

An increase is not proposed at this time.

In-Place Affordable Rate Rents	
Unit Size	**Current Rent Range FY13/14**
Two Bedroom VL - L	$677 – $832
Three Bedroom VL - L	$756 – $928

Maximum Household Income Limits for 2014 as published in January 2014.

Income Category	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
50% VL	$28,800	$32,400	$35,950	$38,850	$41,750	$44,600	$47,500
60% L	$34,560	$38,880	$43,140	$46,620	$50,100	$53,520	$57,000

Current Market Rent Conditions

The market rent for new move-ins is calculated by comparable market rent levels in the competitive market throughout the year. Additionally, the comparables as outlined in the attached Market Survey dated 5.13.14 (**Attachment D**) are smaller in square footage than units at Preston Park, and many do not offer the specialized features including in-home laundry room, gated back yard with patio, direct access garage, generous storage space, dogs and cats accepted with pet deposit (Breed restrictions apply, max 2 animals per home). Please refer to **Attachment D** for detailed information.

Per the approved rent formula in 2010, the market rents for new move-ins are fluid throughout the year and change according to market conditions. Should a rental increase be approved, market rents for incoming residents would be as follows:

Unit Size	Current Rent Range for Incoming Market Rate Residents
Two Bedroom	$1,650 - $1,775
Luxury – Two BR	$1,850 - $2,275*
Three Bedroom	$2,035 - $2,060
Luxury – Three BR	$2,275*

* Note: Three 2-Bedroom homes and one 3-Bedroom home have additional features that warrant higher than average rental rates.

Budget Summary

Expenses as outlined in **Attachment B** include Operating Expense projections and relevant changes from the FY 2013/14 budget. Operating expenses typically include expenditures for routine maintenance of the property, redecorating expenses as they apply to unit turns, and expenditures relating to the daily operations of the Leasing Office. Non-Routine expenses are included as they pertain directly to the daily function of the community, however are not typically able to be forecasted (i.e. large plumbing leaks requiring vendor service, unit specific rehabilitation projects). Annual Inspection materials are included with the Non-Routine expenses as they are a one-time yearly expense. Overall, total operating expenses proposed for FY 2014/15 are 10.1% higher than the estimated actual expenses for FY 2013/14 ($153,667). Alliance seeks to maximize cost savings, e.g. lower utilities expenses through installation of water/energy saving devices, while contending with inescapable cost increases such as fuel for maintenance vehicles.

Note the large increase in Non-Routine expenses ($115,668) over 2013/2014 Estimated Actuals. This increase is largely due to projects (such as bathtub replacements) that are necessary to complete over the course of the next several years. **Without a rental increase, the property will experience a deficit of $19,461.**

Capital Expenses

Expenses categorized as Capital expenses directly impact the long term value of the community, including roof replacements, exterior painting, large-scale landscaping improvements, and interior upgrades including appliances and carpeting/vinyl. Capital projects that are currently pending completion as approved in the 2013/14 FY include:

1) Roofing - $1,827,297
2) Termite Remediation - $35,000
3) Exterior Unit Windows - $1,240,000
4) Exterior Unit Doors - $200,000

The following Capital projects were delayed to the 2014/2015 FY due to timing:

1) Exterior Building/Flashing Repairs - $500,000
2) Exterior Paint - $200,000
3) Seal Coat Streets - $155,787

2014/2015 FY Capital Improvement Program
Recommended Capital Projects to be managed through the Construction Department (excluding continuing projects or completions of projects from 2013/14):

1) Dry Rot Repairs - $40,000
2) Landscape/Irrigation Upgrades - $100,000
3) Leasing Office/Signage - $90,000
4) Playgrounds - $65,000

Capital Reserves Fund
In accordance with the 2014 reevaluation of the Replacement Reserves Study conducted in April 2008, Alliance recommends a minimum reserve withholding of $2,179 per unit per year during the 2014/15 fiscal period. **Please refer to Attachment C**. This withholding would ensure that the asset holds adequate reserves to perform necessary replacements and repairs to protect the useful life of the buildings and account for possible unforeseen cost increases.

Budget Option 1 (Maximum rent increase of 2.4% for in-place residents) offers an opportunity to increase the property's replacement reserve account through revenue generation, thus allowing for many of the critical Capital Improvement projects throughout the community to take place over time. (**Attachment C)**

Budget Option 2 (No rent increase for in-place residents) outlines community needs to continue daily operations, but may compromise long-term capital projects due to restricted funds available to complete such projects. **(Attachment C page 2)**

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 FOR A.

Please feel free to contact me should you have additional questions or concerns at (415) 336-3811. Approval of the final budget prior to June 20, 2014, would be helpful in order to implement rental increases by August 1, 2014.

Regards,

Jill Hammond
Regional Manager

Cc: Jonathan Garcia, FOR A
Ivana Bednarik, FOR A
Robert Norris, FOR A
Brad Cribbins, Chief Operating Officer, Alliance Communities, Inc.
Annette Thurman, Vice President of Operations, Alliance Communities, Inc.

vs 5.28.14

Attachments:

- FY 2014/15 Budget Revenue Summary
- Unit Matrix
- May 2014 Market Survey
- Comparable Information
- FY 2014/15 Budget Highlights of Operating Expenses
- Capital Improvement Plan/Reserve Withholding
- Budget Option 1 - Rental Increase
- Budget Option 2 - No Rental Increase

Attachment B to Item 8c
FORA Board Meeting, 6/13/14

PRESTON PARK
2015 STANDARD BUDGET
CONSOLIDATION & SIGN-OFF

Description	2015 Total	2014 Projected	Variance	Variance %
Physical Occupancy	97.87 %	97.89 %		
Economic Occupancy	93.50 %	94.25 %		
Gross Market Potential	$6,298,571	$6,038,519	$260,052	4.3%
Market Gain/Loss to Lease	($209,691)	($153,411)	($56,280)	-36.7%
Affordable Housing	$0	$0	$0	0.0%
Non-Revenue Apartments	($64,266)	($68,070)	$3,804	5.6%
Rental Concessions	$0	$0	$0	0.0%
Delinquent Rent	$0	$0	$0	0.0%
Vacancy Loss	($134,232)	($127,385)	($6,847)	-5.4%
Prepaid/Previous Paid Rent	$0	$0	$0	0.0%
Other Months' Rent/Delinquency Recovery	$0	$1,110	($1,110)	-100.0%
Bad Debt Expense	($1,218)	$0	($1,218)	-100.0%
Other Resident Income	$44,398	$40,287	$4,111	10.2%
Miscellaneous Income	$6,200	$10,554	($4,354)	-41.3%
Corp Apartment Income	$0	$0	$0	0.0%
Retail Income	$0	$0	$0	0.0%
TOTAL INCOME	**$5,939,763**	**$5,741,604**	**$198,158**	**3.5%**
PAYROLL	$541,800	$525,709	($16,091)	-3.1%
LANDSCAPING	$69,800	$73,968	$4,168	5.6%
UTILITIES	$104,309	$98,813	($5,496)	-5.6%
REDECORATING	$86,843	$83,478	($3,365)	-4.0%
MAINTENANCE	$104,812	$103,214	($1,598)	-1.5%
MARKETING	$15,475	$15,449	($26)	-0.2%
ADMINISTRATIVE	$92,088	$91,881	($207)	-0.2%
RETAIL EXPENSE	$0	$0	$0	0.0%
PROFESSIONAL SERVICES	$148,594	$142,718	($5,876)	-4.1%
INSURANCE	$207,012	$197,507	($9,505)	-4.8%
AD-VALOREM TAXES	$107,472	$107,469	($3)	0.0%
NON ROUTINE MAINTENANCE	$194,225	$78,557	($115,668)	-147.2%
TOTAL OPERATING EXP	**$1,672,429**	**$1,518,762**	**($153,667)**	**-10.1%**
NET OPERATING INCOME	**$4,267,333**	**$4,222,842**	**$44,491**	**1.1%**
DEBT SERVICE	$0	$0	$0	0.0%
DEPRECIATION	$417,696	$417,425	($271)	-0.1%
AMORTIZATION	$0	$0	$0	0.0%
PARTNERSHIP	$8,000	$0	($8,000)	-100.0%
EXTRAORDINARY COST	$0	$0	$0	0.0%
NET INCOME	**$3,841,637**	**$3,805,417**	**$36,220**	**1.0%**
CAPITAL EXPENDITURES	$2,259,037	$2,388,423	$129,386	5.4%
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	$771,467	$734,976	($36,491)	-5.0%
REPLACEMENT RESERVE REIMBURSEM	($2,259,037)	($2,388,423)	($129,386)	-5.4%
WIP	$0	$0	$0	0.0%
OWNER DISTRIBUTIONS	$3,487,866	$3,487,866	($0)	0.0%
DEPRECIATION AND AMORTIZATION	($417,696)	($417,425)	$271	0.1%
NET CASH FLOW	**$0**	**$0**	**$0**	**19.4%**

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.

ALLIANCE RESIDENTIAL COMPANY

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PARTNERSHIP	$8,000	$0	($8,000)	-100.0%
EXTRAORDINARY COST	$0	$0	$0	0.0%
NET INCOME	**$3,841,637**	**$3,805,417**	**$36,220**	**1.0%**
CAPITAL EXPENDITURES	$1,298,017	$2,388,423	$1,090,406	45.7%
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%
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Approvals

Owner Date

Asset Manager Date

COO Date

VP Date

Regional Manager Date

Business Manager Date

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Attachment C to Item 8c
FORA Board Meeting, 6/13/14

CAPITAL EXPENDITURES - 2014/2015 Preston Park Budget
PRESTON PARK - REVISED PHYSICAL NEEDS ASSESSMENT (7 Year Look Forward - Alliance Residential Recommendation)

Updated: 5/13/2014

Project	Detail	Committed Projects	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021
1410									
Property Assesssment		$ 74,600							
Site Lighting Repair / Replacement /Install	*Exterior site upgrades			$ 200,000					$ 50,000
Roof	*Replacement	$ 1,827,297					$ 10,000	$ 10,000	$ 10,000
Exterior Paint	*Full Paint		$ 200,000	$ 200,000					
Exterior Unit Windows	*Replacement	$ 1,240,000					$ 5,000	$ 5,000	$ 5,000
Exterior Unit Doors	*Replacement	$ 200,000					$ 2,500	$ 2,500	$ 2,500
Building Exterior	*Dryrot Repairs		$ 40,000		$ 2,000	$ 2,000	$ 40,000		$ 2,000
Fence Repairs/Slat Replacement	Replacement						$ 50,000		
Resident Business Center	FF&E						$ 12,000		
Landscape/ Irrigation	*Replacement / Upgrades		$ 100,000				$ 150,000		
Leasing Office / Signage	*Upgrades: Wheelchair Access		$ 90,000						
Playgrounds	*Replacement/Upgrades		$ 65,000		$ 65,000		$ 150,000		
Fire Extinguishers	Add Fire Extinguishers to each hom	$ 13,000					$ 13,000		
Termite Remediation	Termite remediation	$ 50,000							
Building Fascia/Flashing Repairs	Repairs to exterior walls		$ 500,000	$ 500,000					
Heater Vent Cleaning/Repairs	Cleaning/Repairing Heater vents			$ 145,000					
1415									
New Office Computers	Replace existing old computers					$ 2,600			
1416									
One Maintenance Truck	Needed for hauling etc...					$ 15,000			$ 15,000
1420									
Seal Coat Streets			$ 155,787						$ 155,787
1425									
Dishwasher	replacement (assume 10 year life)	$ 12,160	$ 24,700	$ 24,700	$ 24,700	$ 24,700	$ 24,700	$ 24,700	$ 24,700
Refrigerators	replacement (assume 15 year life)	$ 16,800	$ 12,120	$ 12,120	$ 12,120	$ 12,120	$ 12,120	$ 12,120	$ 12,120
Range/Rangehood	replacement (assume 15 year life)	$ 18,360	$ 27,900	$ 27,900	$ 27,900	$ 27,900	$ 27,900	$ 27,900	$ 27,900
Garbage Disposal	replacement (assume 10 year life)	$ 3,000	$ 3,300	$ 3,300	$ 3,300	$ 3,300	$ 3,300	$ 3,300	$ 3,300
Hot Water Heaters	replacement (assume 15 year life)	$ 18,000	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 6,650	$ 6,650
Carpet	replacement (assume 5 year life)	$ 56,532	$ 80,400	$ 80,400	$ 80,400	$ 80,400	$ 80,400	$ 80,400	$ 80,400
Vinyl	replacement (assume 10 year life)	$ 73,100	$ 66,000	$ 66,000	$ 66,000	$ 66,000	$ 66,000	$ 66,000	$ 66,000
HVAC Furnace	replacement (assume 20 year life)	$ 26,400	$ 16,800	$ 16,800	$ 16,800	$ 16,800	$ 16,800	$ 16,800	$ 16,800
1430									
Applicable Contruction Management Expenses	Miscellaneous (see * items)	$ 196,038	$ 65,147	$ 54,000	$ -	$ -	$ 18,000	$ -	$ 9,347
Captial Expenses (uninflated)		$ 3,825,287	$ 1,453,804	$ 1,336,870	$ 304,870	$ 257,470	$ 688,370	$ 255,370	$ 487,504
Inflation Factor		0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Capital Expenses (Inflated)		$ 3,825,287	$ 1,490,149	$ 1,370,292	$ 312,492	$ 263,907	$ 705,579	$ 261,754	$ 499,692
Total Projected Replacement Reserve Funds		$ 734,975	$ 715,784	$ 715,784	$ 715,784	$ 715,784	$ 715,784	$ 715,784	$ 715,784
Replacement Reserve Fund Balance on 3/1/14		$ 4,569,609							
Remainder of Projected Replacement Reserve Additions 3/1/14-6/30/14		$ 243,462							
Remainder of Projected Captial Expenses 3/1/14-6/30/14		$ 3,377,297							
Anticipated Replacement Reserve Fund Balance 7/1/14		$ 1,435,774							

Holdbacks and Reserve Summary with no Rental Increase

	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021
Replacement Reserve Fund AFTER Annual Addition, BEFORE Annual Expenses	$ 2,151,558	$ 1,377,194	$ 722,686	$ 1,125,979	$ 1,577,857	$ 1,588,062	$ 2,042,092
Replacement Reserve Fund AFTER Annual Addition, AFTER Annual Expenses	$ 661,409	$ 6,902	$ 410,195	$ 862,072	$ 872,277	$ 1,326,308	$ 1,542,400

		$/Unit/Year (Average)
Replacement Reserve Capability with **NO RENT INCREASE**	$ 715,784	$ 2,021.99
Physical Needs Over the Term:	$ 4,903,865	$ 1,978.96
Replacement Reserve Capability with **PROPOSED INCREASE**	$ 771,469	$ 2,179.29

Holdbacks and Reserve Summary with Proposed Increase

	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021
Replacement Reserve Fund AFTER Annual Addition, BEFORE Annual Expenses	$ 2,207,243	$ 1,488,562	$ 889,739	$ 1,348,716	$ 1,856,278	$ 1,922,167	$ 2,431,882
Replacement Reserve Fund AFTER Annual Addition, AFTER Annual Expenses	$ 717,093	$ 118,270	$ 577,247	$ 1,084,809	$ 1,150,698	$ 1,660,413	$ 1,932,190

Preston Park

Market Survey

May 13, 2014

Attachment D to Item 8c
FORA Board Meeting, 6/13/14

COMMUNITY DESCRIPTION	
Street address	682 Wahl Court
City, State, Zip Code	Marina, CA 93933
Telephone	(831) 384-0119
Construction type	Mixed use
Year built	1987
Owner	Fort Ord Reuse Authority
Management	Alliance Residential Company
Total units	354
Physical occupancy	98%

COMMUNITY RATINGS	
Location	B
Visibility	C
Curb appeal	B
Condition	B
Interiors	C
Amenities	D

PAYER OF UTILITIES	
Gas	Resident
Electric	Resident
Water	Res/Meter
Sewer	Resident
Trash	Resident
Cable TV	N A
Internet	Resident
Pest control	Community
Valet trash	N A

FEES, DEPOSITS, AND LEASE TERMS	
Application fee	$44
Lease terms	MTM and 6 months
Short term premium	N/A
Refundable security deposit	Equal to one months' rent
Administrative fee	$0
Non refundable pet deposit	N/A
Pet deposit	$250 covers up to 2 pets
Pet rent	$0

CONCESSIONS
No concessions. Community is partially Below Market Rent and Section 8.

COMMENTS
50% complete replacing roofs. All units have an attached garage, in-home laundry room, and gated backyard. $25 fee for end units.

APARTMENT AMENITIES			
Accent color walls	No	Paneled doors	No
Air conditioning	No	Patio/Balcony	Yes
Appliance color	White	Refrigerator	Frost-Free
Cable TV	No	Roman tubs	No
Ceiling	No	Security system	No
Ceiling fans	No	Self cleaning oven	No
Computer desk	No	Separate shower	No
Crown molding	No	Upgraded counters	No
Fireplace	No	Upgraded flooring	Plush Cpt
Icemaker	No	Upgraded lighting	No
Kitchen pantry	Yes	Vaulted ceiling	No
Linen closets	Yes	Washer/Dryer	No
Microwave	No	W/D connection	Full size
Outside storage	No	Window coverings	1" mini

COMMUNITY AMENITIES			
Access gates	No	Free DVD/movie library	No
Addl rentable storage	No	Laundry room	No
Attached garages	Yes	Movie theater	No
Barbecue grills	No	Parking structure	No
Basketball court	Yes	Pet park	No
Billiard	No	Playground	Yes
Business center	No	Pools	No
Club house	Yes	Racquetball	No
Concierge services	No	Reserved parking	No
Conference room	No	Sauna/Jacuzzi	No
Covered parking	No	Tennis court	No
Detached garages	No	Volleyball	No
Elevators	No	Water features	No
Fitness center	No	WiFi	No

FLOORPLANS AND RENTS

Floorplan Type	Unit Description	# of Units	% of Units	Square Feet	Rent per Unit				Concessions		Effective Net Rents	
					Low	High	Average	Avg PSF	Mos Free	Term	Average	Avg PSF
2X1		10	3%	1,150	$1,610	$1,610	$1,610	$1.40	0.00	0.00	$1,610	$1.40
2X1		2	1%	1,150	$1,700	$1,700	$1,700	$1.48	0.00	0.00	$1,700	$1.48
2X1.5		79	22%	1,278	$1,665	$1,690	$1,677	$1.31	0.00	0.00	$1,677	$1.31
2X1.5	1 car attached Renovated	2	1%	1,278	$2,200	$2,200	$2,200	$1.72	0.00	0.00	$2,200	$1.72
2X1.5		1	0%	1,278	$1,700	$1,715	$1,708	$1.34	0.00	0.00	$1,708	$1.34
2X1.5	1 car attached Renovated	135	38%	1,323	$1,690	$1,715	$1,702	$1.29	0.00	0.00	$1,702	$1.29
3X2.5		124	35%	1,572	$1,985	$2,010	$1,997	$1.27	0.00	0.00	$1,997	$1.27
3X2.5	1 car attached Renovated	1	0%	1,572	$2,150	$2,150	$2,150	$1.37	0.00	0.00	$2,150	$1.37
Total / Weighted Average		**354**	**100%**	**1,395**	**$1,790**	**$1,814**	**$1,801**	**$1.29**	**0.00**	**0.00**	**$1,801**	**$1.29**

Attachment E to Item 8c
FORA Board Meeting, 6/13/14

Attachment E Unit Matrix

				Utility costs*								Market Survey Data				
Bedrooms	Bathrooms	Square footage	Average Rent per unit	Water	Sewer	Trash	Total Utilities	Total Rent including utilities	Total Rent per square foot BEFORE rent increase	Total Rent per suare foot after 2.4% increase	Total Rent per square foot AFTER rent increase	Sunbay Suites rent per square foot	Marina Square rent per square foot	Marina del Sol rent per square foot	Shadow Market rent per square foot	Abrams Park rent per square foot not including utilities
2	1	1150	$1,459	$39	$26	$20	$85	$1,544	$1.34	$1,577.00	$1.37	$1.88	$1.36	$1.77	$1.59	$1.50
2	1.5	1278	$1,459	$39	$26	$20	$85	$1,544	$1.21	$1,577.00	$1.23	N/A	N/A	N/A	N/A	N/A
2	1.5	1323	$1,459	$39	$26	$20	$85	$1,544	$1.17	$1,577.00	$1.19	N/A	N/A	N/A	N/A	N/A
3	2.5	1572	$1,754	$50	$26	$20	$96	$1,850	$1.18	$1,891.50	$1.20	N/A	N/A	N/A	$1.09	N/A

* Utility costs for 2 Bedroom Unit derived from 3-person household sample
* Utility costs for 3 Bedroom Unit derived from 4-person household sample

Note that in addition to the rental amounts paid by in-place residents, Preston Park residents pay for Water, Sewer, and Trash services that the majority of the comparables in the market place pay on behalf of the household.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Consistency Determination: Consider Certification, in whole or in part, of the City of Seaside Zoning Code amendments related to the 2013 Zoning Code update as Consistent with the 1997 Fort Ord Reuse Plan	
Meeting Date: **Agenda Number:**	June 13, 2014 8d	**ACTION**

RECOMMENDATION(S):

Approve Resolution 14-XX (**Attachment A**), certifying the City of Seaside's (Seaside's) legislative land use decision that the Seaside Zoning Code text amendments related to the 2013 Zoning Code Update are consistent with the Fort Ord Reuse Plan (Reuse Plan).

BACKGROUND:

Seaside submitted the legislative land use decision for their 2013 Zoning Code Update for Fort Ord Reuse Authority (FORA) certification of their consistency determination on May 19, 2014 (*http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=9519 and http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=642*). At that time, Seaside requested a legislative land use decision review of these items in accordance with sections 8.02.010 and 8.02.030, respectively, of FORA Master Resolution.

Under state law, (as codified in FORA's Master Resolution) legislative land use decisions (plan level documents such as General Plans, General Plan Amendments, Zoning Codes, Redevelopment Plans, etc.) must be scheduled for FORA Board review under strict timeframes. This item is included on the Board agenda because it includes a legislative land use decision, requiring Board certification.

On January 16, 2014 the Seaside City Council adopted Resolution No. 14-06: Adopting a negative declaration for proposed text amendments as part of a comprehensive update to the zoning code (Title 17 of the Seaside Municipal Code); and on February 20, 2014 the Seaside City Council adopted Resolution No. 1012: Adopting amendments to Title 17 (Zoning Code) of the Seaside Municipal Code as part of a comprehensive update to the zoning code consistent with the goals, policies and implementation programs of the 2004 Seaside General Plan.

DISCUSSION:

Seaside staff will be available to provide additional information to the Administrative Committee on June 4, 2014. In all consistency determinations, the following additional considerations are made and summarized in a table (**Attachment B**).

Rationale For Consistency Determinations FORA staff finds that there are several defensible rationales for certifying a consistency determination. Sometimes additional information is provided to buttress those conclusions. In general, it is noted that the Reuse Plan is a framework for development, not a precise plan to be mirrored. However, there are thresholds set in the resource constrained Reuse Plan that may not be exceeded without other actions, most notably 6,160 new residential housing units and a finite water allocation. More particularly, the rationales for consistency analyzed follow:

LEGISLATIVE LAND USE DECISION CONSISTENCY FROM SECTION 8.02.010 OF THE FORA MASTER RESOLUTION

(a) In the review, evaluation, and determination of consistency regarding legislative land use decisions, the Authority Board shall disapprove any legislative land use decision for which there is substantial evidence support by the record, that:

(1) Provides a land use designation that allows more intense land uses than the uses permitted in the Reuse Plan for the affected territory;

Seaside's submittal is consistent with the Reuse Plan and would not result in land use that would be more intense than the uses permitted in the Reuse Plan for the affected area within the City of Seaside. Staff notes that the 2013 Zoning Code Update did not result in changes to the Seaside Zoning Map.

(2) Provides for a development more dense than the density of uses permitted in the Reuse Plan for the affected territory;

Seaside's submittal is consistent with the Reuse Plan and would not result in any type of land use that would be denser than the uses permitted in the Reuse Plan for the affected area within the City of Seaside.

(3) Is not in substantial conformance with applicable programs specified in the Reuse Plan and Section 8.02.020 of this Master Resolution;

Seaside's submittal is in substantial conformance with the applicable programs in the Reuse Plan and Master Resolution.

The 2004 Seaside General Plan was certified consistent with the Fort Ord Reuse Plan on Dec 10, 2004. The proposed zoning code text amendments have been developed to implement the policies of the 2004 Seaside General Plan and are also consistent with the Reuse Plan and the Master Resolution.

The proposed zoning code text amendments will not change Seaside General Plan policies relating to: historical/cultural resources; waste reduction and recycling; on-site water collection; and inter-jurisdictional cooperation.

(4) Provides uses which conflict or are incompatible with uses permitted or allowed in the Reuse Plan for the affected property or which conflict or are incompatible with open space, recreational, or habitat management areas within the jurisdiction of the Authority;

Seaside's submittal is consistent with the Reuse Plan and noted documents. The submittal would not result in any type of land use that would be incompatible with the uses permitted in the Reuse Plan for the affected area within the City of Seaside.

(5) Does not require or otherwise provide for the financing and/or installation, construction, and maintenance of all infrastructure necessary to provide adequate public services to the property covered by the legislative land use decision;

Any future development affected by the 2013 Zoning Code Update will be required to comply with the policies & regulations of the Seaside General Plan, Zoning Code and the Reuse Plan relevant to this issue.

(6) Does not require or otherwise provide for implementation of the Fort Ord Habitat Management Plan;

The City of Seaside 2013 Zoning Code Update provides for implementation of the Fort Ord Habitat Management Plan.

(7) Is not consistent with the Highway 1 Design Corridor Design Guidelines as such guidelines may be developed and approved by the Authority Board; and

The City of Seaside 2013 Zoning Code Update is consistent with the Highway 1 Design Corridor Design Guidelines.

(8) Is not consistent with the jobs/housing balance requirements developed and approved by the Authority Board as provided in Section 8.02.020(t) of the FORA Master Resolution.

The City of Seaside 2013 Zoning Code Update is consistent with the jobs/housing balance requirements of Section 8.02.020. Any future development will be required to comply with the adopted job/housing policies and regulations of the Seaside General Plan and the Reuse Plan.

Additional Considerations

(9) Is not consistent with FORA's prevailing wage policy, Section 3.03.090 of the FORA Master Resolution.

The City of Seaside 2013 Zoning Code Update is consistent with FORA's prevailing wage policy in FORA Master Resolution Section 3.03.090. Any future development will be required to comply with the policies & regulations of the Seaside General Plan, Zoning Code and the Reuse Plan relevant to this issue.

FISCAL IMPACT:

Reviewed by FORA Controller _____

This action is regulatory in nature and should have no direct fiscal, administrative, or operational impact. Seaside has agreed to provisions for payment of required fees for future developments in the former Fort Ord under its jurisdiction.

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

COORDINATION:

Seaside staff, Authority Counsel, Administrative Committee, and Executive Committee

Prepared by______________________ Reviewed by____________________________

Josh Metz Steve Endsley

Approved by____________________________

Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY
Resolution 14-XX

Resolution Determining Consistency of Seaside General Plan Zoning Text Amendments for the 2013 Zoning Code Update

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

A. On June 13, 1997, the Fort Ord Reuse Authority ("FORA") adopted the Final Reuse Plan under Government Code Section 67675, et seq.

B. After FORA adopted the reuse plan, Government Code Section 67675, et seq. requires each county or city within the former Fort Ord to submit to FORA its general plan or amended general plan and zoning ordinances, and to submit project entitlements, and legislative land use decisions that satisfy the statutory requirements.

C. By Resolution No. 98-1, the Authority Board of FORA adopted policies and procedures implementing the requirements in Government Code 67675, et seq.

D. The City of Seaside ("Seaside") is a member of FORA. Seaside has land use authority over land situated within the former Fort Ord and subject to FORA's jurisdiction.

E. After a noticed public meeting on December 11, 2013, the City of Seaside adopted a General Plan zoning text amendment related to the 2013 Zoning Code update. Seaside also found these items consistent with the Fort Ord Base Reuse Plan, FORA's plans and policies and the FORA Act and considered the Fort Ord Base Reuse Plan Environmental Impact Report ("EIR") in their review and deliberations.

F. On May19, 2014, the City of Seaside recommended that FORA concur in the City's determination that FORA's Final Reuse Plan, certified by the Board on June 13, 1997, and Seaside General Plan zoning text amendments related to the 2013 Zoning Code update are consistent. Seaside submitted to FORA these items together with the accompanying documentation.

G. Consistent with the Implementation Agreement between FORA and Seaside, on May 19, 2014, Seaside provided FORA with a complete copy of the submittal for lands on the former Fort Ord, the resolutions and ordinance approving it, a staff report and materials relating to the City of Seaside's action, a reference to the environmental documentation and/or CEQA findings, and findings and evidence supporting its determination that the Seaside General Plan zoning text amendments related to the 2013 Zoning Code update are consistent with the Fort Ord Reuse Plan and the FORA Act (collectively, "Supporting Material"). Seaside requested that FORA certify the submittal as being consistent with the Fort Ord Base Reuse Plan for those portions of Seaside that lie within the jurisdiction of FORA.

H. FORA's Executive Officer and the FORA Administrative Committee reviewed Seaside's application for consistency evaluation. The Executive Officer submitted a report recommending that the FORA Board find that the Seaside General Plan zoning text amendments related to the 2013 Zoning Code update are consistent with the Fort Ord Base Reuse Plan. The Administrative Committee reviewed the Supporting Material, received additional information, and concurred with the Executive Officer's recommendation. The Executive Officer set the matter for public hearing regarding consistency of the Seaside General Plan zoning text amendments related to the 2013 Zoning Code update before the FORA Board on June 13, 2014.

I. Master Resolution, Chapter 8, Section 8.02.010(a)(4) reads in part: "(a) In the review, evaluation, and determination of consistency regarding legislative land use decisions, the Authority Board shall disapprove any legislative land use decision for which there is substantial evidence supported by the record, that [it] (4) Provides uses which conflict or are incompatible with uses permitted or allowed in the Reuse Plan for the affected property..."

J. FORA's review, evaluation, and determination of consistency is based on six criteria identified in section 8.02.010. Evaluation of these six criteria form a basis for the Board's decision to certify or to refuse to certify the legislative land use decision.

K. The term "consistency" is defined in the General Plan Guidelines adopted by the State Office of Planning and Research as follows: "An action, program, or project is consistent with the general plan if, considering all its aspects, it will further the objectives and policies of the general plan and not obstruct their attainment." This includes compliance with required procedures such as 8.02.010 of the FORA Master Resolution.

L. Master Resolution, Chapter 8, Section 8.02.010(a)(1-6) reads: "(a) In the review, evaluation, and determination of consistency regarding legislative land use decisions, the Authority Board shall disapprove any legislative land use decision for which there is substantial evidence supported by the record, that (1) Provides a land use designation that allows more intense land uses than the uses permitted in the Reuse Plan for the affected territory; (2) Provides for a development more dense than the density of use permitted in the Reuse Plan for the affected territory; (3) Is not in substantial conformance with applicable programs specified in the Reuse Plan and Section 8.02.020 of this Master Resolution. (4) Provides uses which conflict or are incompatible with uses permitted or allowed in the Reuse Plan for the affected property or which conflict or are incompatible with open space, recreational, or habitat management areas within the jurisdiction of the Authority; (5) Does not require or otherwise provide for the financing and/or installation, construction, and maintenance of all infrastructure necessary to provide adequate public services to the property covered by the legislative land use decision; and (6) Does not require or otherwise provide for implementation of the Fort Ord Habitat Management Plan."

NOW THEREFORE be it resolved:

1. The FORA Board recognizes the City of Seaside's December 11, 2013 recommendation that the FORA Board certify consistency between the Fort Ord Base Reuse Plan and the Seaside General Plan text amendments related to the 2013 Zoning Code update was appropriate.

2. The Board has reviewed and considered the Fort Ord Base Reuse Plan Final Environmental Impact Report and Seaside's environmental documentation. The Board finds that this documentation is adequate and complies with the California Environmental

Quality Act. The Board finds further that these documents are sufficient for purposes of FORA's determination for consistency of the Seaside General Plan zoning text amendments related to the 2013 Zoning Code update.

3. The Board has considered the materials submitted with this application, the recommendation of the Executive Officer and Administrative Committee concerning the application and oral and written testimony presented at the hearings on the consistency determination, which are hereby incorporated by reference.

4. The Board finds that the Seaside General Plan zoning text amendments related to the 2013 Zoning Code update are consistent with the Fort Ord Base Reuse Plan. The Board further finds that the legislative decision consistency determination made herein has been based in part upon the substantial evidence submitted regarding allowable land uses, a weighing of the Base Reuse Plan's emphasis on a resource constrained sustainable reuse that evidences a balance between jobs created and housing provided, and that the cumulative land uses contained in Seaside's submittal are not more intense or dense than those contained in the Base Reuse Plan. This finding does not modify the BRP Land Use Concept Ultimate Development Figure 3.3-1. It remains Public Facilities Institutional.

5. The Seaside General Plan zoning text amendments related to the 2013 Zoning Code update will, considering all their aspects, further the objectives and policies of the Final Base Reuse Plan. The Seaside application is hereby determined to satisfy the requirements of Title 7.85 of the Government Code and the Fort Ord Base Reuse Plan.

Upon motion by _______________, seconded by _______________, the foregoing Resolution was passed on this 13th day of June, 2014, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

____
Jerry Edelen, Chair

ATTEST:

____
Michael A. Houlemard, Jr., Clerk

FORA Master Resolution Section	Finding of Consistency	Justification for finding
(1) Does not provide for a land use designation that allows more intense land uses than the uses permitted in the Reuse Plan for the affected territory;	Yes	Uses would not result in any type of land use that would be more intense than the uses permitted in the Reuse Plan for the affected area within the City of Seaside.
(2) Does not provide for a development more dense than the density of uses permitted in the Reuse Plan for the affected territory;	Yes	Uses would not result in any type of land use that would be denser than the uses permitted in the Reuse Plan for the affected area within the City of Seaside.
(3) Is in substantial conformance with applicable programs specified in the Reuse Plan and Section 8.02.020 of this Master Resolution.	Yes	With the adoption of its 2004 General Plan (December 10, 2004), Seaside fulfilled its obligations to FORA for long range planning to implement the Base Reuse Plan.
(4) Does not provide uses which conflict with or are incompatible with uses permitted or allowed in the Reuse Plan for the affected property or which conflict with or are incompatible with open space, recreational, or habitat management areas within the jurisdiction of the Authority;	Yes	Uses would not result in any type of land use that would be incompatible with the uses permitted in the Reuse Plan for the affected area within the City of Seaside.
(5) Requires or otherwise provides for the financing and/or installation, construction, and maintenance of all infrastructure necessary to provide adequate public services to the property covered by the legislative land use decision;	Yes	Zoning ordinance does not address these issues. Any future development will be required to comply with the policies & regulations of the Seaside General Plan, Zoning Code and the Reuse Plan relevant to this issue.
(6) Requires or otherwise provides for implementation of the Fort Ord Habitat Management Plan ("HMP").	Yes	Zoning ordinance does not affect this issue. Any future development will be required to comply with the policies & regulations of the Seaside General Plan, Zoning Code and the Reuse Plan relevant to this issue.
(7) Is consistent with the Highway 1 Design Corridor Design Guidelines as such standards may be developed and approved by the Authority Board.	Yes	Zoning ordinance does not address this issue. Any future development will be required to comply with the design policies and regulations of the Seaside General Plan, the Base Reuse Plan, and associated documents.

(8) Is consistent with the jobs/housing balance requirements developed and approved by the Authority Board as provided in Section 8.02.020(t) of this Master Resolution.	Yes	Zoning ordinance does not address this issue. Any future development will be required to comply with the adopted job/housing policies and regulations of the Seaside General Plan and the Base Reuse Plan.
(9) Prevailing Wage	Yes	Zoning ordinance does not address this issue. Any future development will be required to comply with the prevailing wage policies and regulations of the Seaside General Plan and the Base Reuse Plan.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Marina-Salinas Multimodal Corridor Plan	
Meeting Date: **Agenda Number:**	June 13, 2014 8e	**INFORMATION/ACTION**

RECOMMENDATION(S):

i. Receive a presentation on the Marina-Salinas Multimodal Corridor Plan from TAMC staff (**Attachment A**).

ii. Support Transportation Agency for Monterey County's (TAMC's) recommended corridor alignment, analyzed in their June 13, 2014 memorandum to the Fort Ord Reuse Authority (FORA) Board (**Attachment B**).

BACKGROUND/DISCUSSION:

At its January 10, 2014 meeting, the FORA Board received an informational multimodal corridor presentation from TAMC staff. TAMC, supported by its staff, consultant, and stakeholders, has developed a recommended multimodal corridor alignment through an opportunities and constraints analysis, stakeholder outreach, and community workshops. TAMC staff will present project history and the recommended corridor alignment. At the conclusion of their presentation, they will respond to questions and seek the FORA Board's conceptual support for the recommended alignment.

FISCAL IMPACT:

Reviewed by FORA Controller _____

FORA previously contributed $15,000 in matching funds for a CalTrans planning grant application made by TAMC which was approved by the FORA Board on April 13, 2012. These funds were applied against FORA's obligation to Inter-Garrison Road improvements, Capital Improvement Program Project #FO6. No additional contributions are anticipated.

COORDINATION:

Authority Counsel, County of Monterey, UCP East Garrison, LLC, CDFW, Administrative and Executive Committees.

Prepared by_______________________ Reviewed by_________________________
Jonathan Garcia Steve Endsley

Approved by_________________________
Michael A. Houlemard, Jr.

Attachment A to Item 8e
FORA Board Meeting, 6/13/2014

Attachment A to Item 8e
FORA Board Meeting, 6/13/2014

Marina-Salinas Multimodal Corridor Conceptual Plan

FORA Board

June 2014

1

Partner Agencies

SALINAS CALIFORNIA

CITY OF MARINA

MONTEREY COUNTY CALIFORNIA 1850

FORA

MST
MONTEREY-SALINAS TRANSIT

CSUMB

2

Goals

- Preserve a multimodal corridor
- Plan for regional bus rapid transit (BRT) service
- Provide a safe and comfortable regional bicycle route that enhances the greater bicycle network
- Improve pedestrian safety
- Develop a conceptual design for the corridor; and
- Estimate the cost of implementation

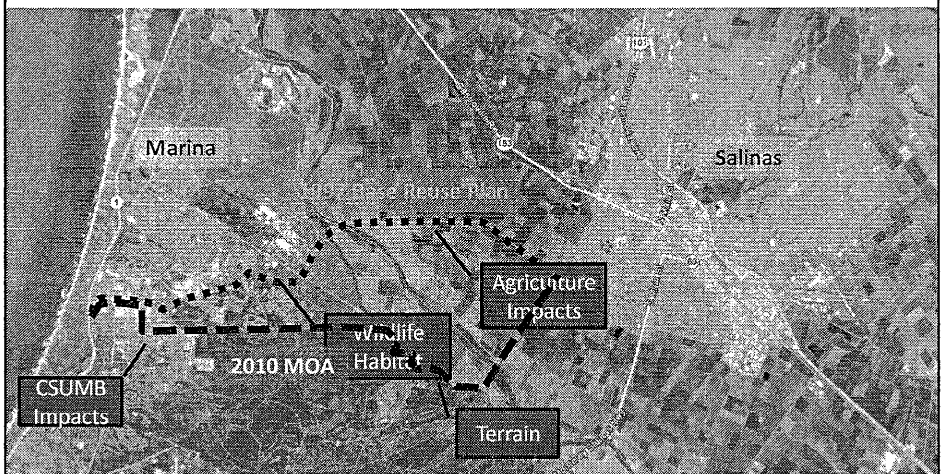
3

Why High Quality Transit?

- Faster Travel Time
  - Jazz line is 20% faster (with minor improvements)
- Rider Preference
  - People prefer fast and frequent service and will walk further to stops/stations

4

Project History



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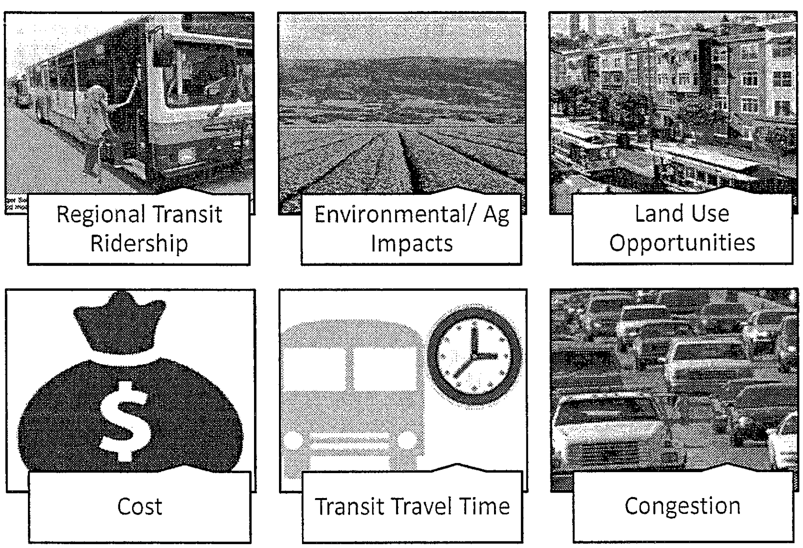
Evaluation Criteria



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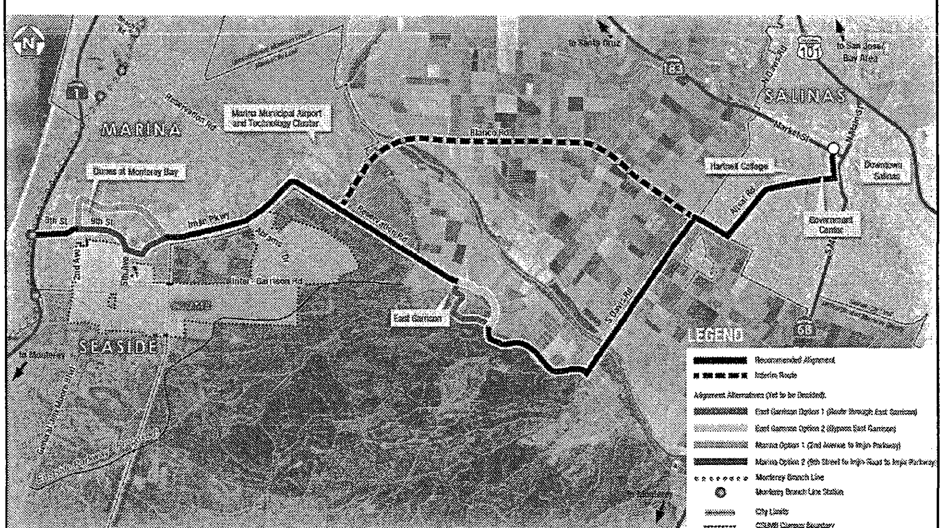
Planning Activities

- Opportunities & Constraints Analysis
- Stakeholder Outreach
- Community Workshops

7

Draft Recommended Alignment



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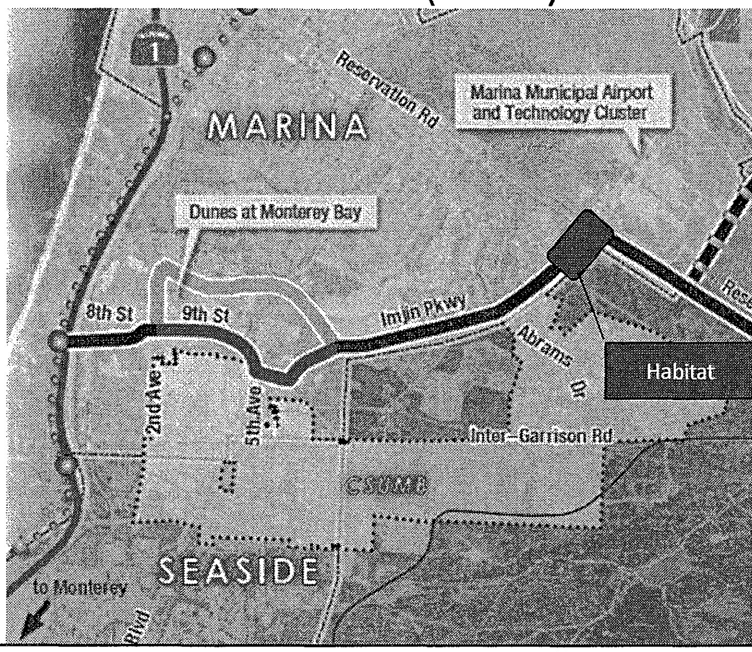
Corridor (West)



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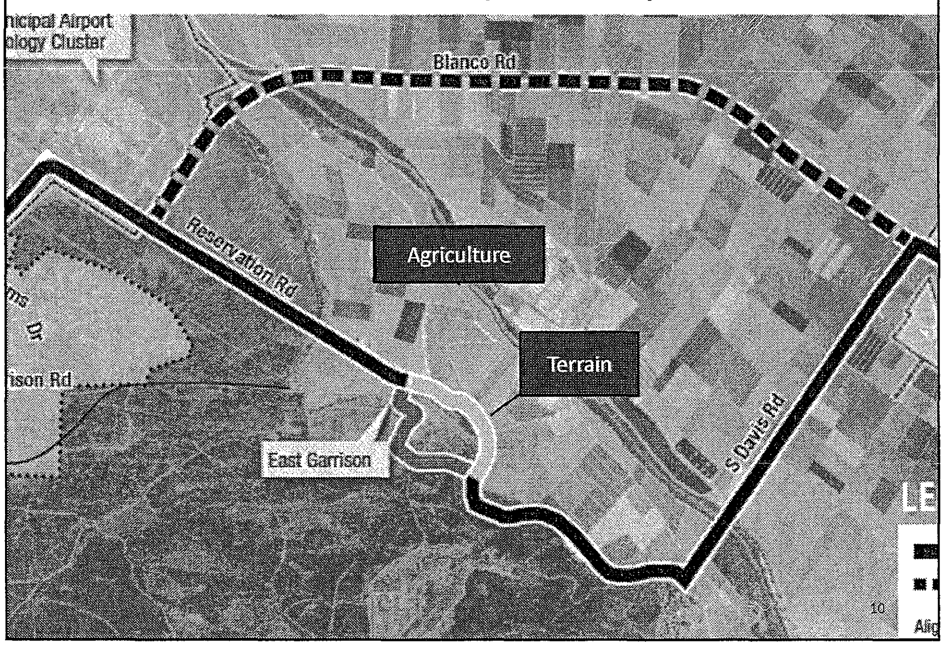
Corridor (Central)



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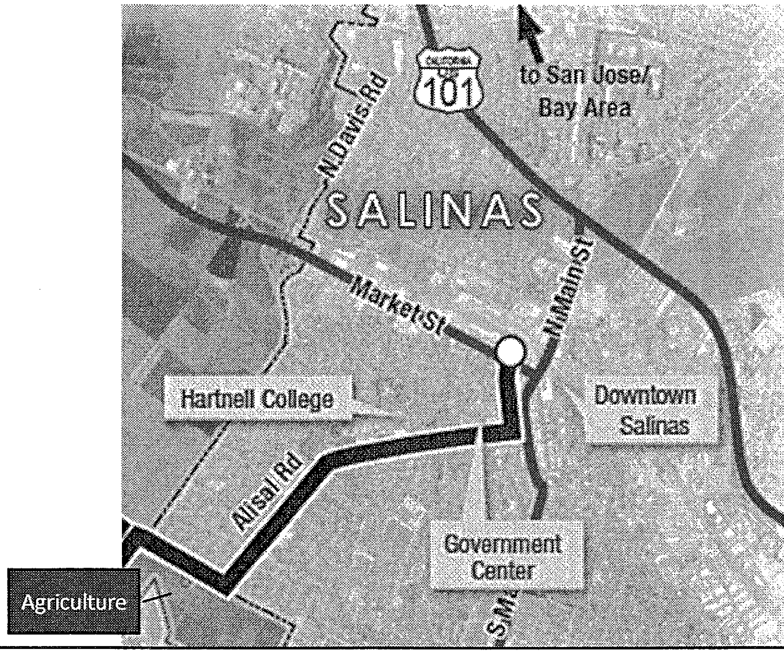
Corridor (East)



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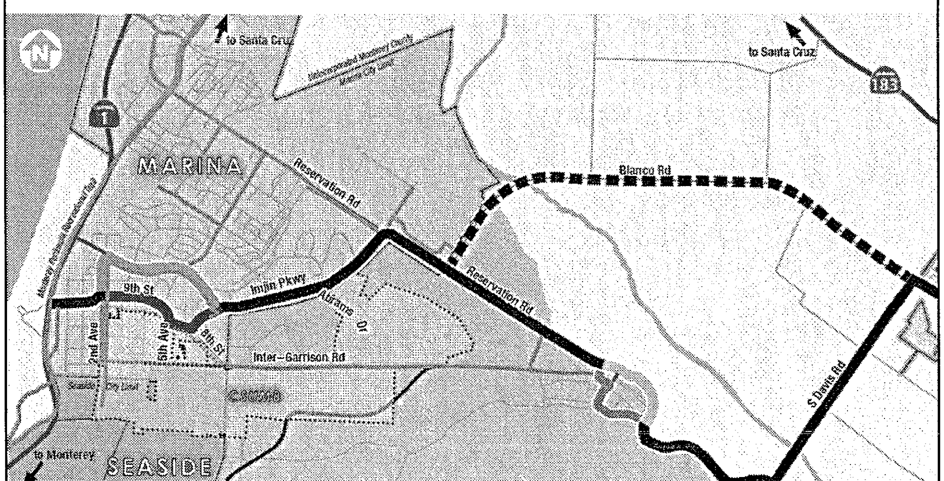
Bicycle Network



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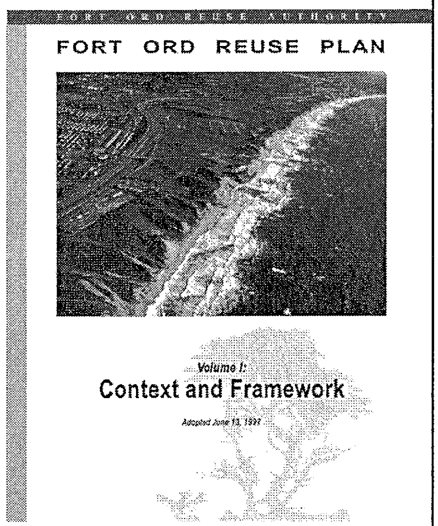
Policy Considerations



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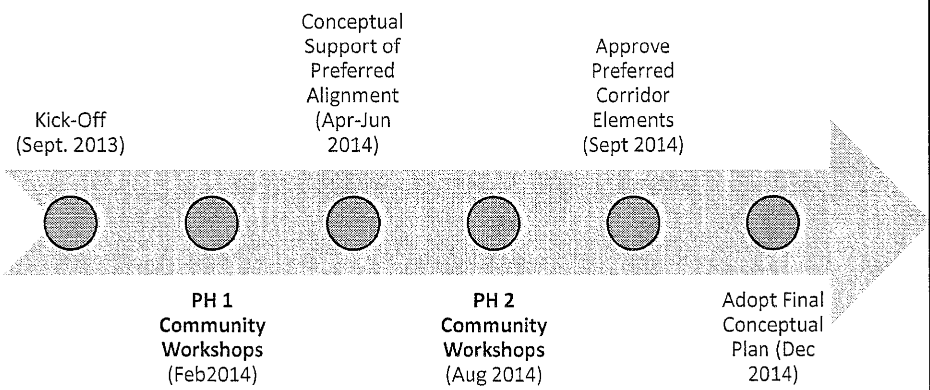
Project Schedule



14

Questions?

Ariana Green

Project Manager

831-775-4403

ariana@tamcmonterey.org

TAMC
TRANSPORTATION AGENCY FOR MONTEREY COUNTY

15

TAMC

TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Memorandum

To: Fort Ord Reuse Authority Board

From: Ariana Green, Transportation Planner

Meeting Date: June 13, 2014

Subject: **Marina-Salinas Multimodal Corridor Plan**

RECOMMENDED ACTION:

RECEIVE an update on the Marina-Salinas Multimodal Corridor Plan; and

SUPPORT the recommended corridor alignment.

SUMMARY:

The multimodal corridor conceptual plan will preserve a multimodal corridor that will connect Marina to Salinas. This project will focus on accommodating bus rapid transit (BRT) and will also consider the transportation modes of walking, bicycling and driving. Transportation Agency staff is working with partner agencies and members of the public to develop the plan. This presentation will focus on the opportunities and constraints associated with the recommended corridor alignment which was developed with input from partner agencies and members of the community.

DISCUSSION:

Project Goals

- Preserve a multimodal corridor that will be developed consistently across jurisdictional boundaries;
- Plan for regional bus rapid transit (BRT) service with enhanced transit facilities;
- Provide a safe and comfortable regional bicycle route that enhances the greater bicycle network;
- Identify improvements that will encourage walking and increase pedestrian safety along the multimodal corridor;

- Develop a conceptual design for the corridor; and
- Estimate the cost of implementation;

This project will formalize a bus rapid transit (BRT), bicycle, pedestrian and auto corridor that will serve as a key regional connection between the Salinas passenger rail service to be extended to Silicon Valley and the San Francisco Bay Area, and the Monterey Branch Line running along the Monterey Peninsula. The corridor design will incorporate already planned improvements on and along the corridor alignment and seek additional opportunities for connecting the multimodal corridor with the baseline transportation network. In January 2014, Transportation Agency staff presented the project history, scope of work and potential corridor routes to the Fort Ord Reuse Authority Board. Since January 2014, the Transportation Agency has worked with the County, other Partner Agency staff and members of the public to identify potential project opportunities and constraints and to identify a preferred route for the corridor.

Transportation Agency Staff held the first series of public workshops at California State University Monterey Bay (CSUMB) and in Salinas (Steinbeck Center) on February 5 and 6, 2014 respectively. The input from the workshops has been incorporated into the opportunities and constraints analysis (see attached Opportunities and Constraints Matrix).

Evaluation Criteria
The following evaluation criteria were developed by the Partner Agency group to qualitatively assess the multimodal corridor and determine a preferred alignment:

- Impacts to agriculture
- Impacts to habitat land
- Cost (considering projects already funded and/or programmed)
- Serves regional destinations
- Travel time

Recommended Corridor Alignment (See Attachment)
Through the public engagement with partner agencies, interest groups and members of the community, the Transportation Agency has formed a recommendation for a preferred corridor alignment. The recommended corridor alignment begins at the proposed Monterey Branch Line Light Rail station at 8th Street and continues along 8th Street to 2nd Avenue. Staff is still working with the City of Marina to determine whether the corridor should continue on 9th Street and Imjin Road to Imjin Parkway or up 2nd Avenue to Imjin Parkway. The corridor will continue along Imjin Parkway to Reservation Road and along Reservation Road to Davis Road. The County plans to widen Davis Road and construct a new Davis Road Bridge, and is currently in the preliminary design/environmental phase. At the intersection of Davis Road and Blanco Road, the corridor shifts East on Blanco Road and accesses Salinas and the future Intermodal Transit Center via W. Alisal Street and Lincoln Avenue.

One of the recurring comments from the public workshops and meetings with stakeholders was a desire to identify an additional bicycle and pedestrian route through the former Fort Ord area that is separate from the regional transit route. Transportation Agency staff recommends that Inter-

Garrison be studied further as an alternative route for bicyclists and pedestrians that would connect to the Multimodal Corridor at the East Garrison Development and at 8th Street near the proposed Monterey Branch Line Light Rail station.

Although Blanco Road has not been identified as part of the long-term regional multimodal corridor, it is recommended that it serve as an interim multimodal corridor until the Reservation Road/Davis Road sections are developed. Blanco Road will remain a long-term regional bicycle route. Some potential short-term improvements to Blanco Rd that could improve conditions for all modes are: center turn pockets, defined and paved access points for trucks and agricultural vehicles to reduce bicycle lane maintenance, and bus prioritization at the intersection of Davis Road and Blanco Road.

Opportunities & Constraints

An evaluation of the opportunities and constraints associated with each potential segment of the corridor is summarized in the attached matrix. The major constraints associated with the recommended corridor alignment are the cost of roadway widening, impacts to agricultural land along Reservation Road and Davis Rd, and maintaining acceptable Level of Service along Imjin Parkway through Marina. The major opportunities are that the corridor will provide high-quality transit service to major employment areas, affordable housing, the Veterans Affairs Clinic, universities and regional transit connections. The Davis Road Bridge and Widening project is still in design phase and can incorporate enhanced bicycle and transit facilities. West Alisal Road serves major transit destinations Hartnell College and the Government Center, and can be redesigned to accommodate the multimodal corridor without widening. Providing better accommodations for bicyclists and pedestrians along W. Alisal Road is consistent with the draft Vibrancy Plan. Lincoln Avenue will provide access to the existing Monterey-Salinas Transit Center, Salinas Rail Station and future Intermodal Transit Center.

County Planning Commission and Fort Ord Subcommittee voted to support the recommended multimodal corridor alignment in April 2014. Staff will seek input on the proposed corridor alignment from Marina, Salinas, County, MST and FORA, and TAMC in June 2014. Once a preferred alignment has been agreed upon by all parties, the next phase of the planning process is to identify the preferred conceptual roadway design features along the agreed upon corridor route. Some features that will be considered are bicycle facilities, sidewalks or paths, transit stops/shelters, transit prioritization at signalized intersections, dedicated bus rapid transit facilities and pedestrian and equestrian crossing enhancements.

Approved by: ______________________________ Date signed: ______________
Debra L. Hale, Executive Director

Attachments:

1. Marina Salinas Multimodal Corridor Recommended Alignment Map
2. Opportunities and Constraints Matrix

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Approve Memorandum of Agreement between the County of Monterey, UCP East Garrison, LLC, and FORA Regarding Parker Flats Habitat Management	
Meeting Date: **Agenda Number:**	June 13, 2014 8f	**ACTION**

RECOMMENDATION(S):

Approve Memorandum of Agreement between the County of Monterey, Union Community Partners (UCP) East Garrison, LLC, and Fort Ord Reuse Authority (FORA) regarding Parker Flats Habitat Management (**Attachment A**).

BACKGROUND/DISCUSSION:

At its January 12, 2006 meeting, the FORA Board certified the County of Monterey's East Garrison Specific Plan, zoning, and project development entitlements as consistent with the 1997 Fort Ord Reuse Plan. On August 4, 2004, the United States Fish and Wildlife Service (USFWS) listed the California Tiger Salamander (CTS) as a threatened species under the federal Endangered Species Act (ESA). The USFWS issued a 2004 CTS Biological Opinion, allowing development at the East Garrison to occur provided certain restrictions were enforced. The developer, at that time, East Garrison Partners I, LLC, FORA, County of Monterey, and County of Monterey Redevelopment Agency entered into a Memorandum of Agreement regarding ESA enforcement of development restrictions at East Garrison, dated October 6, 2005. That agreement assures the USFWS that restrictions are fully implemented as part of East Garrison development.

On March 3, 2010, the California Fish and Game Commission designated CTS as threatened under the California Endangered Species Act (CESA). Several years ago, the current developer UCP East Garrison, LLC, sighted an unconfirmed CTS within the East Garrison development project site and has pursued a State of California 2081 Incidental Take Permit (ITP) since that time. To obtain an ITP, California Department of Fish and Wildlife (CDFW) requires the County of Monterey, UCP East Garrison, LLC, and FORA to execute an agreement whereby the parties agree to ensure CTS habitat preservation at a 134-acre habitat preservation and restoration area within the Parker Flats Habitat Reserve on former Fort Ord. According to this draft agreement, the County currently owns or will own these 134-acres and would agree to allow preservation and restoration on these habitat deed-restricted lands. UCP East Garrison would agree to fund five years of habitat management and restoration on these lands. FORA would agree to fund and implement long-term habitat management and restoration on these lands through terms of the future Fort Ord Habitat Conservation Plan (HCP).

FISCAL IMPACT:

Reviewed by FORA Controller _____

Staff time for this item is included in the approved FORA budget. Collection of the FORA Community Facilities District (CFD) Special Tax/Development Fee is the primary funding source for the future Fort Ord HCP. FORA has collected more than $2,000,000 in CFD Special Taxes from the East Garrison development project in the past 18 months. If UCP East Garrison, LLC, obtains a CDFW-issued ITP, it will allow the developer to proceed with future project phases in a timely manner.

COORDINATION:

Authority Counsel, County of Monterey, UCP East Garrison, LLC, CDFW, Administrative and Executive Committees.

Prepared by______________________ Reviewed by______________________
Jonathan Garcia Steve Endsley

Approved by______________________
Michael A. Houlemard, Jr.

Placeholder for Attachment A to Item 8f

Approve Memorandum of Agreement between the County of Monterey, UCP East Garrison, LLC, and FORA Regarding Parker Flats Habitat Management

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This document will be included in the final Board packet.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	2nd Vote: Adopt Resolution 14-XX to Retain Preston Park Property in Accordance with Government Code Section 67678(b)(4)	
Meeting Date: **Agenda Number:**	June 13, 2014 8h	**ACTION**

RECOMMENDATION(S):

Take a second vote to approve Resolution 14-xx (**Attachment A**) to retain Preston Park Property in accordance with Government Code section 67678(b)(4).

BACKGROUND/DISCUSSION:

From 2000 to 2010, Marina and FORA shared the understanding that the FORA-Marina Implementation Agreement required Marina to purchase FORA's interest in Preston Park should Marina desire to acquire the property. Given this mutual understanding, Marina and FORA coordinated since 2002 to use Preston Park and its revenue as collateral to finance vital FORA projects, many of which directly benefit Marina. This includes Revenue Bonds issued in 2002 to FORA for building removal and roadway construction in the City of Marina, a 2004 loan from Community Bank to pay FORA's Pollution Legal Liability Insurance Policy premium, and a 2006 line of credit from Rabobank to FORA to fund building/blight removal in the City of Marina and other capital projects. In 2007, Marina purchased FORA's interest in the apartment complex known as Abrams B for $7.7 million, which was half of the Abrams B property appraised value. After appointing an ad hoc Preston Park negotiating committee (composed of FORA Board members), in the Spring of 2010, Marina and FORA representatives entered into similar negotiations for Marina to purchase FORA's interest in Preston Park.

In 2010, FORA borrowed $19 million from Rabobank, secured by a note and deed of trust on Preston Park. Marina representatives on the FORA Board voted in favor of the loan. FORA entered into a loan agreement with Rabobank based on its reasonably held belief that FORA would be able to liquidate its interest in Preston Park in a timely fashion. One of the Rabobank-FORA loan agreement terms is that the remaining principal balance on the $19 million loan (approximately $18 million) is due on or before June 15, 2014. If extended, the loan will be due on or before December 15, 2014.

After an unsuccessful negotiation, including judicially supervised mediation, concerning Marina's potential purchase of Preston Park from FORA, in 2012, FORA initiated a sale process. On July 10, 2012, Marina filed a lawsuit against FORA, blocking FORA from selling the property. Since that lawsuit is still pending, at its May 16, 2014 meeting, the FORA Board approved a resolution to seek a Preston Park loan extension with Rabobank to avoid loan default and property foreclosure. Marina's Preston Park lawsuit has also prevented FORA from completing building/blight removal in the Cities of Seaside and Marina through FORA's 50% of Preston Park land sales proceeds.

In light of such challenges, FORA staff and Authority Counsel have reviewed Government Code section 67678(b)(4), which provides the FORA Board with the ability to retain property within former Fort Ord, including Preston Park, and recommend that the Board approve resolution 14-xx because retention of Preston Park will:

1) Allow FORA to fulfill its CEQA and non-CEQA mandated capital improvement projects through sale of the property. The FORA CIP (comprised of CEQA and non-CEQA

mandated projects) depends upon sale of Preston Park and using FORA's 50% of sale proceeds to repay CIP debt and advance CIP projects.

2) Allow FORA to sell the property and repay the $18 million Rabobank loan, avoiding property foreclosure.
3) Not cause significant financial hardship to the City of Marina because FORA will share with the City of Marina 50% of the net lease proceeds during FORA's ownership and 50% of the net land sales proceeds when the property is sold.

FISCAL IMPACT:

Reviewed by FORA Controller _____

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

COORDINATION:

Executive Committee and Authority Counsel.

Prepared by___________________________ Reviewed by_____________________________
Jonathan Garcia Steve Endsley

Approved by_____________________________
Michael A. Houlemard, Jr.

Attachment A to Item 8h
FORA Board Meeting, 6/13/2014

FORT ORD REUSE AUTHORITY
Resolution 14-XX

Resolution of the Fort Ord Reuse Authority Board to retain the Preston Park Property, pursuant to the authority granted to the Board by Government Code section 67678(b)(4)

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

A. In response to the US Government's closure of the Fort Ord military reservation, the Fort Ord Reuse Authority (FORA) was created by California statute in 1994 (Govt. Code 67650, et seq.) as the Local Reuse Authority for the whole of the former Fort Ord.

B. FORA is governed by a 13 member Board that includes two representatives from the City of Marina (Marina)(Govt. Code §67660(a)).

C. FORA is required by statute to plan, finance, and implement Fort Ord's transition from military to civilian use (Govt. Code §67651). FORA's mission is to effect the "transfer and reuse of. . .Fort Ord with all practical speed," and the Legislature declared that mission to be "the policy of the State of California" (Govt. Code §67651). FORA's mission of planning, financing, and managing the reuse of Fort Ord is "a matter of statewide importance" (Govt. Code §67657(c)). Under the Fort Ord Reuse Act, FORA's "board may sell, lease, or otherwise dispose of. . .property at full market value or at less than full market value...in order to facilitate the rapid and successful transition of the base to civilian use" (Govt. Code §67678(a)).

D. Preston Park is a large townhouse complex located in Marina, originally built by the U.S. Army, and currently owned in fee-simple by FORA.

E. FORA and Marina split Preston Park's rental proceeds.

F. FORA's interest in Preston Park is principally governed by: (1) the Fort Ord Reuse Authority Act; (2) the Army/FORA Economic Development Conveyance Agreement (the EDC); and (3) the FORA/Marina Implementation Agreement (Implementation Agreement or IA).

G. FORA manages Preston Park under a management agreement with Alliance Management, Inc., which rents individual housing units to private citizens.

H. For years, both Marina and FORA shared the understanding that the IA required Marina to "buy-out" FORA's interest in Preston Park, if Marina wanted to hold title to the property. Based upon this mutual understanding, Marina and FORA have worked together since 2002 to use Preston Park and its revenue as collateral to finance vital FORA projects, many of which directly benefit Marina. This includes Revenue Bonds issued in 2002 to FORA for building removal and roadway construction in the City of Marina, a 2004 loan from Community Bank to pay FORA's Pollution Legal Liability Insurance Policy premium, and a 2006 line of credit from Rabobank to FORA to fund building removal in the City of Marina and other capital projects.

I. In 2007, Marina bought out FORA's interest in the legally indistinguishable apartment complex known as Abrams B for $7.7 million, which was one half of the appraised value of the Abrams B property. In the Spring of 2010, Marina and FORA entered into negotiations, similar to Marina's acquisition of Abrams B, for Marina to purchase FORA's interest in Preston Park.

J. In 2010, FORA borrowed $19 million from Rabobank, secured by a note and deed of trust on Preston Park.

K. Marina's representatives on the FORA Board consented to and encouraged Rabobank's secured loan.

L. For the reasons discussed above, FORA entered into a loan transaction with Rabobank based on its reasonably held belief that FORA would be able to liquidate its interest in Preston Park in a timely fashion.

M. The remainder of that $19 million Rabobank loan (approximately $18 million) is due to be paid on or before June 15, 2014.

N. In August 2010, Preston Park had an appraised value of $57.3 million. In February 2012, the updated appraised value of Preston Park was $60.9 million. As of September 2013, the updated appraised value of Preston Park was $66.7 million.

O. On July 10, 2012, Marina filed a lawsuit against FORA, entitled *City of Marina v. Fort Ord Reuse Authority, et al* (Monterey County Superior Court, Case No. M118566). In that currently pending lawsuit, Marina alleges that it is entitled to a "no cost conveyance" of the Preston Park property. FORA disputes that contention.

P. FORA and Marina have engaged in unsuccessful mediation with retired Monterey County Superior Court Judge Richard Silver of JAMS.

Q. FORA has a legal obligation under CEQA to mitigate the environmental impacts of base reuse. Those mitigation measures are described in the Environmental Impact Report for the Fort Ord Base Reuse Plan and the FORA Capital Improvement Plan.

R. If FORA cannot liquidate its interest in Preston Park, FORA will fall approximately $25 million short of being able to fulfill its CEQA and non-CEQA-mandated capital improvements, which include $6.2 million in remaining building/blight removal (includes removal of lead-based paint and Asbestos Containing Materials), $118.2 million in remaining transportation/transit, $34 million in remaining habitat management, and $24 million in remaining water augmentation.

S. FORA has a limited amount of time to accomplish its statutory goals and mandates. The Fort Ord Reuse Authority Act "shall become inoperative when the [FORA] board determines that 80 percent of the territory of Fort Ord that is designated for development or reuse in the plan prepared pursuant to this title has been developed or reused in a manner consistent with the [Base Reuse Plan] . . . or June 30, 2020, whichever occurs first, and on January 1, 2021, [the Fort Ord Reuse Authority Act] is repealed" (Govt. Code §67700).

T. Government Code §67678(b)(4) provides that:

The [FORA] Board may retain real or personal property received…[if] both of the following occur:

i. The board determines that retention of the property is necessary or convenient to carrying out the authority's responsibilities pursuant to law.

ii. The board determines that its retention of the property will not cause significant financial hardship to the city or county with jurisdiction over the property.

NOW THEREFORE the Board hereby resolves that:

1. The Fort Ord Reuse Authority finds and determines that FORA's retention of the Preston Park property is necessary and convenient to carrying out FORA's responsibilities pursuant to law. This determination is based on the following:

   a. If FORA cannot liquidate its interest in Preston Park, FORA will fall approximately $25 million short of being able to fulfill its CEQA and non-CEQA mandated capital improvements.

   b. The $18 million remainder of Rabobank's loan must be repaid by June 15, 2014, or if extended, by December 15, 2014. If that loan is not repaid in a timely fashion, Rabobank will likely foreclose on Preston Park.

   c. If FORA cannot liquidate its interest in Preston Park, then FORA will not be able to fulfill its CEQA and non-CEQA-mandated capital improvements, nor will FORA be able to pay back the $18 million Rabobank loan.

2. The Fort Ord Reuse Authority finds and determines its retention of Preston Park will not cause significant financial hardship to the City of Marina for the following reasons:

   a. To date, Marina has received approximately $18 million in lease proceeds from Preston Park. FORA has also invested approximately $4 million in the rehabilitation of Preston Park.

   b. After FORA retains Preston Park pursuant to Government Code §67678(b)(4), FORA intends to share the proceeds of a Preston Park sale with Marina, which – based on appraised value – is estimated to result in a payment to Marina in excess of $30 million.

   c. Through the Preston Park sale, Marina will have the funds to pay FORA its development fee, legal fees related to the dispute, and other incidental expenses.

   d. The City of Marina government will not be significantly impaired or forced to shut down if FORA sells Preston Park and shares the proceeds with Marina. To the contrary, FORA's retention and sale of Preston Park will likely result in a large monetary payment to Marina.

e. In the *Marina v. FORA* lawsuit, Marina has never claimed that it opposes the sale of Preston Park for the sake of its financial well-being. Instead, Marina alleges that it opposed the sale of Preston Park because it wishes to exert control over the Preston Park property.

3. In light of the determinations above, the FORA Board hereby resolves to retain the Preston Park property, pursuant to the authority granted to the Board by Government Code § 67678(b)(4).

4. This Resolution will take effect immediately upon adoption, or as soon thereafter as permitted by the Monterey County Superior Court.

Upon motion by ________, seconded by ________, the foregoing Resolution was passed on this ___ day of ________, _____, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

____
Mayor Jerry Edelen, Chair

ATTEST:

____
Michael A. Houlemard, Jr., Clerk

Placeholder for Item 8i

2nd Vote: Consider Resolutions 14-XX and 14-XX Adopting a Compensation Plan for Base-wide Water and Sewer Services on the Former Fort Ord

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The 1st vote on this item coincided with distribution of the draft Board packet. As such, this staff report will be included in the final Board packet.

-END-

DRAFT
BOARD PACKET