



# FORT ORD REUSE AUTHORITY

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | [www.fora.org](http://www.fora.org)

## ADMINISTRATIVE COMMITTEE MEETING

8:15 a.m. Wednesday, December 3, 2014

920 2<sup>nd</sup> Avenue, Suite A, Marina CA 93933 (FORA Conference Room)

### AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**
4. **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.
5. **APPROVAL OF MEETING MINUTES**
  - a. October 1, 2014 Administrative Committee Meeting Minutes
  - b. November 5, 2014 Administrative Committee Meeting Minutes
6. **DECEMBER 12, 2014 BOARD MEETING AGENDA REVIEW** INFORMATION/ACTION
7. **BUSINESS ITEMS**
  - a. Approve 2015 Meeting Dates ACTION
  - b. Pollution and Legal Liability Insurance Policy INFORMATION/ACTION
    - i. First-Named Insured Designee After 2020
    - ii. Individual Insurance Coverage Amounts
    - iii. Insurance Cost Reimbursement Agreements
  - c. 2012-14 Land Use Covenant Reporting Status Update INFORMATION
  - d. Regional Urban Design Guidelines Update INFORMATION
  - e. January 22, 2015 Trails Symposium Update INFORMATION
8. **ITEMS FROM MEMBERS**
9. **ADJOURNMENT**

Next Meeting Date: December 17, 2014

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# FORT ORD REUSE AUTHORITY

## ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES

8:15 a.m., Wednesday, October 1, 2014 | FORA Conference Room  
920 2<sup>nd</sup> Avenue, Suite A, Marina CA 93933

### 1. CALL TO ORDER

Co-chair Houlemard called the meeting to order at 8:18 a.m. The following were present (*\*voting members*):

John Ford, County of Monterey\*  
John Dunn, City of Seaside \*  
Elizabeth Caraker, City of Monterey \*  
Layne Long, City of Marina\*  
Vicki Nakamura, MPC  
Anya Spear, CSUMB  
Lisa Rheinheimer, MST  
Patrick Breen, MCWD  
Brian Lee, MCWD  
Tim O'Halloran, City of Seaside

Graham Bice, UC MBEST  
Donna Blitzer, UCSC  
Steve Matarazzo, UCSC  
Lyle Shurtleff, Fort Ord BRAC  
Kathleen Lee, Sup. Potter's Office  
Bob Schaffer  
Don Hofer, Shea-Homes  
Brian Boudreau, Monterey Downs  
Chuck Lande, Marina Heights

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

Voting Members Absent: Dan Dawson (City of Del Rey Oaks)

### 2. PLEDGE OF ALLEGIANCE

John Ford led the Pledge of Allegiance.

### 3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Associate Planner Josh Metz stated that a staff working group, primarily comprised of Seaside City and Monterey County staff, was meeting to discuss compliance with Base Reuse Plan policies across jurisdictional boundaries. Executive Officer Michael Houlemard announced that Congressman Farr and Senator Monning had held a joint press conference that Monday to announce that the \$6.7 million federal grant for construction of the California Central Coast Veterans Cemetery had been awarded to the State of California. Cemetery groundbreaking was anticipated to take place in February. Graham Bice explained that Donna Blitzer and Steve Matarazzo would be attending Administrative Committee meetings in his place for the next several months as he worked on another project.

### 4. PUBLIC COMMENT PERIOD

None.

### 5. APPROVAL OF MEETING MINUTES

#### a. September 10, 2014 Administrative Committee Meeting Minutes

The meeting minutes were approved by unanimous consent.

### 6. OCTOBER 10, 2014 BOARD MEETING - AGENDA REVIEW

Mr. Houlemard provided an overview of items on the October 10<sup>th</sup> Board meeting agenda, noting that item 7b would be pulled at the City of Marina's request and that other agenda items could be removed if the Executive Committee determined the agenda was too full. Mr. Houlemard added that item 8b would become an "information/action" item. The Committee discussed the challenges of prevailing wage compliance and Layne Long requested that Mr. Houlemard's letter to him be removed from the item 8g attachments.

## **7. BUSINESS ITEMS**

### **a. California Department of Toxic Substances Control (DTSC) Annual Land Use Covenant (LUC) Reporting - Combined FY 12-13 and FY 13-14 Report Request Letter**

Mr. Houlemard stated that one jurisdiction had yet to submit their FY 12-13 LUC Report, but FORA staff had received assurances it would be forthcoming. He emphasized the importance of submitting FY 13-14 reports in a timely manner.

### **b. Regional Urban Design Guidelines (RUDG) - Draft Interview List**

Mr. Metz announced that staff had begun preparations for the November 12-19<sup>th</sup> consultant site visit, during which the consultants would conduct a series of stakeholder meetings and interviews. He requested jurisdictions forward the names of any staff members that should be included in the process.

## **8. ITEMS FROM MEMBERS**

None.

## **9. ADJOURNMENT**

Co-Chair Houlemard adjourned the meeting at 9:03 a.m.



# FORT ORD REUSE AUTHORITY

## ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES

8:15 a.m., Wednesday, November 5, 2014 | FORA Conference Room  
920 2<sup>nd</sup> Avenue, Suite A, Marina CA 93933

### 1. CALL TO ORDER

Co-chair Dawson called the meeting to order at 8:16 a.m. The following were present (*\*voting members*):

Dan Dawson, City of Del Rey Oaks  
Carlos Urrutia, County of Monterey\*  
Daphne Hodgson, City of Seaside \*  
Layne Long, City of Marina\*  
Vicki Nakamura, MPC  
Anya Spear, CSUMB  
Lisa Rheinheimer, MST

Patrick Breen, MCWD  
Jarron Hollion, MCWD  
Dave Delfino, TAMC  
Doug Yount  
Bob Schaffer  
Don Hofer, Shea Homes  
Chuck Lande, Marina Heights

FORA Staff:  
Michael Houlemard  
Jim Arnold  
Crissy Maras  
Jonathan Garcia  
Josh Metz  
Lena Spilman

Voting Members Absent: Elizabeth Caraker (City of Monterey)

### 2. PLEDGE OF ALLEGIANCE

Daphne Hodgson led the Pledge of Allegiance.

### 3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Executive Officer Michael Houlemard thanked the Committee for their support and understanding as FORA experienced understaffing due to illness, injury, and family emergencies.

#### a. Infrastructure Financing Districts Legislation

Mr. Houlemard discussed the status of legislative and community efforts to establish infrastructure financing districts across the state.

### 4. PUBLIC COMMENT PERIOD

None.

### 5. NOVEMBER 14, 2014 BOARD MEETING - AGENDA REVIEW

Mr. Houlemard provided an overview of items on the November 14<sup>th</sup> Board meeting agenda and responded to questions from the Committee and public.

### 6. BUSINESS ITEMS

*The following items were taken out of agenda order.*

#### b. Pollution Legal Liability Insurance Policy

##### i. First Named Insured Designee After 2020

##### ii. Individual Insurance Coverage Amounts

##### iii. Insurance Cost Reimbursement Agreements

FORA Special Counsel Barry Steinberg joined the meeting via telephone. Senior Planner Jonathan Garcia presented the item and Mr. Steinberg responded to questions from the Committee and public.

**a. Review 2015 Fort Ord Reuse Authority Legislative Agenda**

Mr. Houlemard reviewed the proposed 2015 Legislative Agenda and requested that Committee members advise their elected representatives of any desired amendments or additions to the document. Lisa Rheinheimer stated that MST would provide several proposed amendments related to transit for Legislative Committee consideration.

**7. ITEMS FROM MEMBERS**

Mr. Houlemard discussed the Committee and Board meeting schedules for December and January, noting that the regular Administrative Committee meeting would fall on New Year's Eve. The Committee suggested the meeting be rescheduled for the following week to allow for greater participation.

**8. ADJOURNMENT**

Co-Chair Dawson adjourned the meeting at 9:12 a.m.

DRAFT

**- START -**

**DRAFT  
BOARD PACKET**



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## REGULAR MEETING FORT ORD REUSE AUTHORITY BOARD OF DIRECTORS

Friday, December 12, 2014 at 2:00 p.m.  
910 2<sup>nd</sup> Avenue, Marina, CA 93933 (Carpenters Union Hall)

### AGENDA

**1. CALL TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. CLOSED SESSION**

- a. Public Employment , Gov Code 54959.7(b) - Executive Officer
- 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**

- a. Approve November 14, 2014 Board Meeting Minutes ACTION
- b. Approve 2015 Meeting Dates ACTION

**8. BUSINESS ITEMS**

- a. 2<sup>nd</sup> Vote: Approve an Agreement with Monterey Bay Economic Partnership ACTION
- b. Post Reassessment Advisory Committee Report -  
Approve Trails Symposium Budget ACTION
- c. Accept Fiscal Year 13-14 FORA Annual Financial Report (Audit Report) ACTION
- d. Approve Resolution Requesting Preston Park Loan Extension ACTION
- e. Approve Preston Park Management Agreement Extension  
with Alliance Communities, Inc. ACTION
- f. Authorize Preston Park Budget Amendment for Compliance Work ACTION

**9. PUBLIC COMMENT PERIOD**

Members of the public wishing to address the Board on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes. Comments on agenda items are heard under the item.

**10. EXECUTIVE OFFICER’S REPORT**

- a. Outstanding Receivables INFORMATION
- b. Habitat Conservation Plan Update INFORMATION
- c. Administrative Committee INFORMATION
- d. Finance Committee INFORMATION
- e. Post Reassessment Advisory Committee INFORMATION
- f. Regional Urban Design Guidelines Task Force INFORMATION
- g. Travel Report INFORMATION
- h. Public Correspondence to the Board INFORMATION
- i. Administrative Consistency Determination for Entitlement:  
City of Marina’s Church of Latter-day Saints Project INFORMATION/ACTION

**11. ITEMS FROM MEMBERS**

**12. ADJOURNMENT**

**NEXT BOARD MEETING: January 9, 2015 (Tentative)**

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](http://www.fora.org).



# **Placeholder for Item 7b**

**Approve 2015 Board Meeting Schedule**

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**This item will be reviewed by the FORA Executive Committee at their December 3<sup>rd</sup> meeting and included in the final Board packet.**

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

<b>Subject:</b>	2 <sup>nd</sup> Vote: Approve Agreement with Monterey Bay Economic Partnership	
<b>Meeting Date:</b>	December 12, 2014	<b>ACTION</b>
<b>Agenda Number:</b>	8a	

### RECOMMENDATION(S):

Take a second vote to authorize the Executive Officer to execute an agreement, not to exceed \$100,000 (**Attachment A**), to join the Monterey Bay Economic Partnership (MBEP).

### BACKGROUND/DISCUSSION:

During the Fort Ord Reuse Plan Reassessment process, FORA received a significant number of comments expressing concern that the employment and other economic benefits were lagging behind and required attention. In response, many Board members and speakers at the Fort Ord Reuse Colloquium suggested strengthening Fort Ord job creation activities and developing a program of enhancing the intellectual property transfer and strengthening economic development connections to benefit the overall recovery program. Responding to the suggestions, staff created a new position of Economic Development Specialist. The Fort Ord Reuse Authority (FORA) Finance Committee, Executive Committee and Board reviewed this proposal last spring. The Board specifically added accountability and performance measures to determine the success of such a position and limited funding to two years. On June 20, 2014 the FORA Board approved an Economic Development Specialist staff position and, in the position description, the total salary/benefits/support package was set not to exceed \$164,000. FORA independent Human Resources consultant, Avery Associates, recommended a \$90.7K to \$115.8K salary range based on the Job Description reviewed by the Board in approving the creation of the position.

The recruitment effort yielded fifteen applications and four applicants were advanced for interviews by a panel comprised of representatives from the local jurisdictions, education, and business communities. After completing interviews, the top ranked candidates expressed reservations about the level of compensation, the employment term limitations, and short timeframe for performance assessment and elected not to accept or not respond to employment offers.

Staff coordinated with members of the interview panel and explored alternatives to address this unsuccessful recruitment effort. In the past few weeks, several ideas surfaced. Interview panelists generated the following three options:

1. Re-initiate the position advertisement and extend the search to other states/ regions for the same staff position; purchase national executive search firm assistance; and consider increasing the compensation or Board directed term limitations.
2. Reconfigure the position advertisement to solicit consultant proposals to perform the same functions as an Economic Development Specialist; conduct a selection process for consultant services.

3. Representatives of MBEP (Mary Ann Leffel and Bud Colligan) have suggested FORA consider investing as a major contributor to the MBEP and acquire these services through that means. In particular, MBEP would provide to FORA:
  - i. Data organization and stewardship
  - ii. Opportunity site reporting
  - iii. Clearing house for economic development and job creation opportunities

Under this option, FORA would enter into an agreement with MBEP for Economic Development Specialist Services, not to exceed \$100,000, potentially leveraging local investor(s) to match FORA's \$100,000 contribution. FORA would reallocate the remaining \$64,000 in available budget to support the economic development specialist work conducted by MBEP, which may include acquiring part-time administrative support and additional staff assignments.

In reviewing these three options, staff concluded that the MBEP has the greatest potential to benefit the overall Fort Ord recovery program and is uniquely qualified since it is the only entity performing this level of work with broad reach, community support, capacity, and economic development mission.

On October 1, 2014, the Executive Committee reviewed these options and directed staff to include this item for Board consideration at its October 10 meeting. Due to time limitations, the item was not reviewed on October 10 and was considered on November 14.

At its November 14, 2014 meeting, the Board took a first vote to approve the FORA-MBEP agreement for Economic Development Specialist Services. The first vote received majority support, but was not unanimous. A second vote must take place for the motion to be approved.

**FISCAL IMPACT:**

Reviewed by FORA Controller \_\_\_\_\_

The Board approved up to \$164,000 for the Economic Development Specialist salary and related funding at the June 20, 2014 meeting. The MBEP agreement will not exceed \$100,000 and administrative support and staff reassignment will not exceed \$64,000, resulting in net expenses within the approved budget.

**COORDINATION:**

MBEP, Authority Counsel, Executive and Administrative Committees.

Prepared by \_\_\_\_\_ Approved by \_\_\_\_\_  
Jonathan Garcia Steve Endsley

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

Partnership Agreement

Memorandum of Understanding

THE FORT ORD REUSE AUTHORITY

and

THE MONTEREY BAY ECONOMIC PARTNERSHIP

This Memorandum of Understanding ("MOU") describes the responsibilities and expectations between the Fort Ord Reuse Authority, a subdivision of the State ("FORA") and the Monterey Bay Economic Partnership, a private non-profit association ("MBEP") in regard to combining FORA's regional interests with the MBEP's regional interests insofar as FORA and the MBEP (collectively hereinafter, the "Parties") are independently and cooperatively working on economic development programs that are structured to benefit the former Fort Ord and Monterey Bay Region. The purpose of this partnership is to aid both Parties' future course of conduct with respect to recovery from former Fort Ord closure and economic development and is entered into with regard to the following facts:

RECITALS

A. FORA is a regional agency established under Government Code Section 67650 to plan, facilitate and manage the three county Monterey Bay regional recovery from the closure/downsizing of the former Fort Ord Army Military Reservation (hereinafter referred to as "Fort Ord") and to facilitate former Fort Ord property reuse.

B. The MBEP is an alliance of business executives, professionals and public agencies that provide collaborative leadership to assist business, government, education, and the community to coordinate/enhance effective economic development efforts that reflect a strong environmental, business vitality, and quality of life commitment.

C. The Parties are independently and cooperatively working on economic development programs that are structured to benefit the former Fort Ord and Monterey Bay Region.

D. The MBEP will focus on supporting economic recovery and enhancement efforts such as business location/relocation, retaining enterprises currently active in the Monterey Bay Region, and strengthening or expanding existing businesses to increase production or diversification to increase Monterey County jobs.

E. The FORA Board of Directors and the MBEP leadership find it to be mutually beneficial to join these independent efforts to establish and sustain a coordinated approach to accomplish both Parties' economic development goals/objectives in the coming fiscal years.

F. The Parties now desire to enter into this MOA to set forth the Parties' understanding with regard to combining the MBEP's regional interests with FORA's regional interests and the Parties' future course of conduct with respect to recovery from former Fort Ord closure and economic development.

AGREEMENT

Now, therefore, for valuable consideration, as noted below, the Parties agree as follows:

1. Creation of an Economic Development Program. FORA acknowledges that it is solely responsible for the implementation of the terms and conditions of the former Fort Ord recovery program and any related policies, such as the Base Reuse Plan. In accordance with State Law, FORA will complete those recovery financing, planning, and other defined policies.
2. FORA Financial Support. FORA agrees to join MBEP at a level of \$100,000 per year in funding from FORA resources and/or other sources of grant funds secured by FORA for FY 14/15 and FY 15/16.
3. MBEP Financial Support. The MBEP hereby agrees to provide \$100,000 per year in funding from MBEP resources and/or other sources of private business or individual financial support secured by the MBEP for FY 14/15 and FY 15/16 to match the funds dedicated to membership in MBEP by FORA for economic development needs.
4. MBEP Services.
  - a. General MBEP Services: MBEP will provide the following general services to all its partners, including FORA:
    - i. Advocate for sustainable economic development and jobs, consistent with the environmental values of the Monterey Bay region, and will be a resource for factual information about the Monterey Bay region economy for policy makers, business and the public.
    - ii. Provide accountability for public investments and spending related to infrastructure and economic development.
    - iii. Convene education, government, business and non-profit entities regarding sustainable economic development issues.
    - iv. Provide linkage between education institutional priorities and workforce needs.
    - v. Work with the community to foster the continued success of our Department of Defense/federal assets.
    - vi. Support all MBEP partners with research, data, introductions, and networking.
  - b. Specific MBEP Services: MBEP will provide the following specific services to all its partners, including FORA:
    - i. Convene the annual Regional Economic Development Forum and Forecast for the Monterey Bay Region and provide an annual "State of the Region" report.
    - ii. Identify and work on 2 - 3 regional initiatives per year with important economic and jobs impact.
    - iii. Convene monthly sector roundtables of key stakeholders in critical Monterey Bay region economic sectors.
    - iv. Support regional efforts for the former Fort Ord's Economic Recovery through Educational Reuse Programs and Environmental Conservation.
    - v. Host the standard International Economic Development Corporation (IEDC) data sets on the MBEP website.
5. Maximum FORA Investment. FORA's investment is \$100,000 annually for fiscal years 2014/2015 and 2015/2016. FORA shall be entitled to all "Chairman" investor benefits as set forth in the MBEP "Investor Benefits" as set forth in the document attached hereto as Exhibit "A." FORA will be invoiced by MBEP upon FORA board approval.

6. Facilities and Equipment. FORA agrees to make conference rooms and other facilities available to MBEP for coordinated use to implement the terms of this MOA – subject to scheduling availability as contrasted with other FORA program demands.
7. Exhibits. All exhibits referred to herein/attached hereto are by this reference incorporated.
8. Time. Time is and shall be of the essence of each term of this MOA.
9. Severability. If any of the provisions of this MOA are determined to be invalid or unenforceable, those provisions shall be deemed severable from the remainder of this MOA and will not cause its invalidity unless this MOA without the severed provisions would frustrate a material purpose of either party in entering into the MOA.

AGREED AND ACCEPTED:

MONTEREY  
PARTNERSHIP

BAY

ECONOMIC

FORT ORD REUSE AUTHORITY

By: \_\_\_\_\_  
Brian E. Turlington


By: \_\_\_\_\_  
Michael A. Houlemard, Jr.

Its: President

Its: Executive Officer

Exhibit "A"

# Investor Benefits

 <b>monterey bay</b> <small>ECONOMIC PARTNERSHIP</small>	<b>Small Business/ Individual</b> <small>(under 10 employees)</small> <b>\$1,000-2,499</b>	<b>Shareholder</b> <b>\$2,500-4,999</b>	<b>Manager</b> <b>\$5,000-9,999</b>	<b>Executive</b> <b>\$10,000-24,999</b>	<b>Chairman</b> <b>\$25,000 and above</b>
MBEP print and electronic communications	X	X	X	X	X
Invitations to MBEP events and programs	X	X	X	X	X
Recognition in MBEP newsletter and annual report	X	X	X	X	X
Relationship building on behalf of your company or organization at trade shows & conferences	X	X	X	X	X
Access to MBEP research and data resources		X	X	X	X
Business link on website		X	X	X	X
Face Sheet on website		X	X	X	X
Company banner ad or log on website			X	X	X
Company profiled in newsletter and on website				X	X
Invitation to the MBEP Board				X	X
Video profile of company on website					X
Automatic sponsor of MBEP Regional Economic Forum and all site selector events which includes recognition as sponsor, logo in advertising, signage at event, table for 8, and introductory remarks					X

[montereybayeconomicpartnership.com](http://montereybayeconomicpartnership.com)



# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

<b>Subject:</b>	Post Reassessment Advisory Committee Report - Approve Trails Symposium Budget	
<b>Meeting Date:</b>	December 12, 2014	<b>ACTION</b>
<b>Agenda Number:</b>	8b	

### RECOMMENDATION(S):

Approve Fort Ord Trails Symposium Budget.

### BACKGROUND/DISCUSSION:

The December 2013 Fort Ord Colloquium at CSUMB brought together national thought leaders on critical Fort Ord reuse and recovery issues (that were identified in the 2012 Reassessment Report and recommended for prioritization by the Post Reassessment Advisory Committee (PRAC)). The conversations stimulated by the Colloquium lead to new actions by the Board including funding the current Regional Urban Design Guidelines (RUDG) process.

In February 2014, the Board requested the PRAC focus its efforts on the issues of Economic Recovery and Trails. Subsequently, the PRAC discussed convening a Regional Trails Symposium, modeled after the 2013 Colloquium, to bring together national thought leaders on the community and economic values of connectivity, trails and transit. The idea was refined during multiple PRAC meetings, and a date (Thursday Jan 22, 2015) and location (CSUMB University Center) were set in coordination with CSUMB and multiple partners agencies.

As currently conceived, the Fort Ord Trails Symposium will focus on: Reuse Plan Context, Local planning, Economics, Regional Coordination and Design (**Attachment A**). Staff is working with partner agencies to ensure the broadest possible outreach and quality representation of local programs. Estimated budget items for this event are outlined below:

CSUMB Event Fees: \$8,500  
Speaker Stipends: \$10,000  
Lodging/Travel: \$4,000  
Video Services: \$1,000  
**Total: \$23,500**

### FISCAL IMPACT:

Reviewed by FORA Controller \_\_\_\_\_

Staff time for this item is included in the approved FORA budget. FY 14-15 Reuse Plan Implementation budget includes funding to pay for FORA contributions not to exceed \$25,000 towards the Fort Ord Regional Trails Symposium. CSUMB is contributing facilities, parking, and some hospitality charges.

### COORDINATION:

PRAC, CSUMB, TAMC, MST, Monterey County, BLM, Administrative and Executive Committees

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

Josh Metz

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

Michael A. Houlemard, Jr.





**Fort Ord Trails Symposium**  
Regional trails, transit & economic vitality

**FORA**  
Fort Ord Reuse Authority

**CSUMB**

**TRANSPORTATION AGENCY FOR MONTEREY COUNTY**

**MONTEREY COUNTY CALIFORNIA 1850**

**MST**  
MONTEREY-SALINAS TRANSIT

- **CSUMB University Center**
- **9am-4:30pm**
- **January 22, 2015**
- **Topics:**
  - **Introduction**
    - Reuse Plan Context
  - **Economics**
    - Costs, benefits, funding
  - **Regional Coordination**
    - Organizational structure
  - **Design**
    - Design considerations

## Symposium Schedule



- **Doors 8:30am**
- **Welcome 9:00-9:15 am**
- **Introduction 9:15-9:45 am**
  - Reuse Plan Context
    - Economic Recovery
    - Routes, etc.
  - Local Planning (FORHA, Marina, Seaside, CSUMB, FORTAG)
  - Transportation / Recreation Nexus
- **Economics 9:45-11:15 am**
  - Costs, benefits
    - Real estate, employment, income, revenue
    - Development costs, insurance, etc.
  - Funding (sources, collaboration)
- **Local Officials Roundtables 11:15-11:45am**
- **Networking/Lunch 11:45am-12:15pm**
- **Keynote Speaker 12:15-1:15pm**
- **Regional Coordination 1:15-2:45pm**
  - **Multiple outside speakers**
    - Regional trail development organizations
    - Trail connections to/thru Federal / State lands
- **Networking 2:45-3:00 pm**
- **Design 3:00-4:30pm**
  - Design considerations
  - Urban connections
  - Multi-use
- **Full Panel Q&A 4:30-5:00pm**
- **Reception 5:00-6:00pm**

## Potential Speakers



- **Local Context**
  - **Josh Metz – FORA**
    - Reuse Plan overview and regional initiatives summary
- **Economics**
  - **Dena Belzer**
    - **Founder, Strategic Economics**
    - **Topic: Economic benefits of investment in transit, TOD & connectivity**
  - **Tim Blumenthal (?)**
    - **President, People 4 Bikes**
    - **Topic: Improving bicycle transit and economic vitality**
- **Local Officials Round Tables**
  - **Jurisdiction-focused discussions**
- **Keynote Lunch Speaker**
  - **Mia Birk**
    - **President, Alta Planning & Design**
    - **Author, Joyride**
    - **Topic: Portland's bike/transit conversion**
- **Regional Coordination**
  - **Laura Thompson, SF Bay Trail**
    - **Association for Bay Area Governments (ABAG) Planner**
    - **SF Bay Trail Project Manager**
    - **Topic: Trail Planning for California Communities**
  - **John Wentworth (?)**
    - **Executive Director, Mammoth Lakes Trails & Public Access**
    - **Topic: Urban-rural trail system planning, development and integration**
- **Design**
  - **Peter Katz (?)**
    - **Topic: Summary of advanced integrated transit networks**
  - **Bryan Jones, PE, PTP, AICP**
    - **Senior Associate**
    - **Alta Planning + Design**
    - **Topic: Trail system design issues**

# Placeholder for Item 8c

Accept Fiscal Year 13-14 FORA Annual Financial Report (Audit Report)

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**This item will be included in the final Board packet.**

# **Placeholder for Item 8d**

Approve Resolution Requesting Preston Park Loan Extension

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**This item will be included in the final Board packet.**

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

<b>Subject:</b>	Approve Preston Park Management Agreement Extension with Alliance Communities, Inc.	
<b>Meeting Date:</b>	December 12, 2014	<b>ACTION</b>
<b>Agenda Number:</b>	8e	

### RECOMMENDATION:

Authorize the Executive Officer to extend the Alliance/FORA Preston Park Management Agreement for one year or 90 days after the transfer of the property to another owner.

### BACKGROUND/DISCUSSION:

The 2014 Preston Park Management Agreement (PPMA) (**Attachment A**) between FORA and Alliance Communities, Inc. (Alliance) will expire on December 31, 2014. FORA and the City of Marina are finalizing a settlement agreement for the City of Marina to buy out FORA's ownership interests in Preston Park and settle the current litigation.

Extending the current PPMA will permit continued operation of the property during this time period and permit an orderly transition for a new owner.

**FISCAL IMPACT:** Reviewed by FORA Controller \_\_\_\_\_

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

### COORDINATION:

FORA Controller, Authority Counsel, FORA Auditor, and Alliance Management Staff.

Prepared by \_\_\_\_\_ Reviewed by \_\_\_\_\_  
Robert J. Norris, Jr. Steve Endsley

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

**PRESTON PARK  
MANAGEMENT AGREEMENT**

Attachment A to Item 8e  
FORA Board Meeting, 12/12/2014

THIS MANAGEMENT AGREEMENT ("Agreement") is dated for reference on \_\_\_\_\_, 2014. It is made by and between the Fort Ord Reuse Authority, a California public entity, ("Owner") and Alliance Communities, Inc., a Delaware corporation, ("Operator").

**RECITALS**

1. Owner holds exclusive title to certain improved real property commonly known as Preston Park consisting of 354 units ("Units") at 682 Wahl Court, Marina, CA 93933 (the "Property").
2. Owner requires the services of a professional management company to perform administrative and financial services. Owner has determined that Operator has the requisite skill, training experience and legal authority, including a California real estate brokerage license, needed to manage the Property.
3. The purpose of this Agreement is to articulate the terms under which Owner and Operator will share responsibilities for the Property.

**AGREEMENT**

In consideration of the promises in this Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, Operator and Owner agree as follows:

1. APPOINTMENT OF OPERATOR. Owner appoints Operator and Operator hereby accepts appointment as Owner's exclusive agent to manage, operate, supervise, and lease the Property and to perform those actions necessary to fulfill Operator's obligations to the Owner except as provided herein.

2. TERM

2.1 TERM. This Agreement shall commence on January 1, 2015, and shall continue to midnight, December 31, 2015 or until the Fort Ord Reuse Authority ("FORA") transfers title to the Property in which case the new owner can assume the contract.

2.2 EARLY TERMINATION. This Agreement is terminable on the occurrence of any of the following:

(a) If Owner fails to comply, after notice and an opportunity to cure, with any rule, order, determination, ordinance or law of any federal, state, county, or municipal authority. In that event, Operator may terminate this Agreement upon thirty (30) days written notice to Owner unless Owner is in good faith contesting same, under Section 4.2(g).

(b) If either party defaults in the performance of a material obligation and such default continues for thirty (30) days after written notice from the non-defaulting party to the defaulting party specifying such default. Notwithstanding the above, if a cure has commenced and the defaulting party is diligently pursuing said cure within said 30-day period then the party not in default shall not affect the termination.

(c) Owner or Operator may terminate this Agreement with cause upon sixty (60) days written notice to the other party. It is understood that the respective rights and obligations of the parties shall continue to be governed by this Agreement until the effective date of such termination.

2.3 DUTIES UPON TERMINATION. Upon the effective date of termination of this Agreement for any reason:

(a) Operator shall have no further right to act on behalf of Owner or to disburse any of Owner's funds;

(b) Operator will immediately deliver to Owner all Books, Records, and Documents (as herein defined) maintained under this Agreement and do all that is reasonably necessary to facilitate the orderly transition of Property management;

(c) Operator shall render to Owner an accounting of all funds (i. e. bank accounts) of Owner held by Operator relating to property and shall immediately cause such funds to be paid to Owner; and

(d) Operator shall perform all reporting and accounting functions hereunder for the period from the date of the last report or accounting to the date of termination.

### 3. COMPENSATION

3.1 Management Fee. In addition to other reimbursements to Operator provided for in this Agreement, Owner shall pay Operator a monthly management fee equal to 2.5% of the Gross Revenue, as defined in Section 3.2. Owner shall pay Management Fees in monthly installments at the beginning of each month. These fees shall be paid from the Trust Account as part of the operating expenses of the Property.

3.2 Gross Revenue. For purposes of computing the Management Fee, the term "Gross Revenue" means all revenue derived from the Property, determined on a cash basis, from (a) tenant rentals for each month during the Term of this Agreement; excluding tenant security deposits (except as provided below); (b) forfeited cleaning, security and damage deposits; (c) laundry and vending machines receipts; (d) other revenue from the operation of the Property received during the Term of this Agreement; (e) proceeds from rental interruption insurance, but not any other insurance proceeds or proceeds from third-party damage claims, and (f) charges collected in connection with termination of the tenant's right of occupancy. Gross Revenue does not include the proceeds of (i) sale, exchange, refinancing, condemnation, or other disposition of all or any part of the Property, (ii)

any loans to Owner whether or not secured by all or any part of the Property, (iii) any capital expenditures or funds deposited to cover costs of operations made by Owner, and (iv) any insurance policy (other than rental interruption insurance or proceeds from third-party damage claims).

3.3 Distribution of net profits to City of Marina and FORA. As provided in Government Code section 67678(b)(2), Operator shall distribute net profit from operation of the Property as follows

Fifty percent (50%) to the City of Marina, and

Fifty percent (50%) to FORA.

3.4 Capital Improvement Management Fee. ***On or before March 31, 2015*** Operator shall submit to Owner an annual Capital Improvement Program ("CIP"). The CIP shall describe recommended capital improvements. The Owner shall approve in writing the Capital improvement projects to be undertaken each year. Owner will pay to Operator a construction management fee for Capital Improvements managed by Operator. That fee shall be equal to six percent (6%) of the total project cost as set forth in an executed written proposal or agreement. Each project must be approved in writing by Owner. Operator's fee will be increased or decreased by all change orders approved by Owner. Operator's CIP management fee shall be computed and paid based on monthly construction invoices. Such fees and capital projects will be paid from Reserve Account. 3.5. Definitions For Section 3:

3.5.1. Capital Improvements and Maintenance. For purposes of this Section 3.4, a capital item is distinguished from maintenance in that a capital improvement is intended to extend the useful life of a fixed asset, whereas repairs and maintenance keep the asset in its customary state of operating efficiency. Minor improvements to structures or site involving a total expenditure of less than Five Thousand Dollars (\$5,000) are not capital improvements. Replacement of structural elements, even costing more than Five Thousand Dollars (\$5,000), caused by normal wear and tear, are maintenance and not a capital improvement. "Extraordinary maintenance," referring to those emergency items that need immediate replacement prior to the capital planned schedule for replacement, are provided for in the annual budget so that urgent replacements or repairs may be addressed immediately.

3.5.2. Routine maintenance: Simple, small-scale activities (usually requiring only minimal skills or training) associated with regular (daily, weekly, monthly, etc.) and general upkeep of a building, equipment, machine, plant, or system against normal wear and tear. Examples: Those items listed in the budget classified as general Repairs and Maintenance.

3.5.3. Non-routine maintenance: Activities that require specialized skills or training that are associated with irregular or out of the ordinary upkeep of a building, equipment, machine, plant, or system. Examples: Slurry seal, carpet and flooring replacements, appliance replacements,



minor roof and gutter repairs, dryer vent cleaning.

3.5.4. Capital items/construction: Complex or larger scale activity associated with buildings, structures, or other improvements including alterations, painting, remodeling, transportation of construction and furnishing goods and material etc. Examples: Replacement of windows, exterior building repaint, interior unit remodeling or remediation, re-plumbing projects, signage development, roof replacement.

#### 4. DUTIES AND RESPONSIBILITIES

4.1 OPERATOR'S RESPONSIBILITIES. Operator is responsible for management of the Property in accordance with the standards of practice of professional managers of similar properties in the Monterey Peninsula area. Operator will provide other customary management services related to the ordinary business affairs of the Property consistent with the standards of management, operation, leasing, and maintenance of similar property in the area. Those services shall include but not be limited to the Scope of Services described in Exhibit "A.". Operator shall also establish and implement a mutually agreeable business plan and shall operate within the annual budget as approved by Owner. Operator acknowledges and shall continue, unless given new instructions, the commingling of staff, space for maintenance and administrative staff, and equipment and supplies for property management of the Preston Park (FORA-owned property) and Abrams B (City of Marina-owned property) on a 60/40 basis.

4.2 SPECIFIC DUTIES AND RESPONSIBILITIES OF OPERATOR. Operator agrees and is hereby granted authority to undertake the functions described in this section.

4.2.1 Collections Practice. Operator shall use commercially reasonable efforts and means to collect rents and other charges due from tenants. When deemed a sound business practice, Operator will institute legal proceedings on behalf of Owner to collect unpaid debts. Owner hereby authorizes Operator to request, demand, collect, and receive funds for collection thereof in accordance with all applicable laws, regulations, ordinances or administrative grievance procedures and for the lawful dispossession of tenants, guests, and other persons from Property. Owner agrees to reimburse Operator's expenses of collection, provided such expenditures have been approved in writing by Owner.

##### 4.2.2 Books, Records, and Documentation.

4.2.2.1. Operator shall maintain at its principal office or on the Property, complete and separate books, records and documents relating to the management and operation of the Property, including without limitation contracts, leases, amendments, extensions and agreements relating to contracts and leases, annual contributions contracts, files, correspondence with tenants and prospective tenants, documentation of tenant eligibility, computations of rental adjustments, maintenance and preventive maintenance programs, schedules and logs, tenant finish and construction records, inventories of personal property and equipment, correspondence with vendors,

job descriptions, business correspondence, brochures, and accounts held or maintained by Operator (all such books, records, and documents being referred to herein as "Books, Records, and Documentation"). Operator shall maintain all financial books and records in conformance with generally accepted accounting principles at Operator's sole expense. Owner shall have the right to examine, audit and take originals and copies of said Books, Records and Documents at Operator's principal office with two day's written advance notice to Operator.

4.2.2.2. Upon request, Operator shall make financial books and records available for examination, audit, inspection and copying by public officials with regulatory authority over the Operator or Property to the extent required by law. Since the City of Marina obtains 50% of the proceeds, the City of Marina will have the same inspection rights as FORA.

4.2.2.3. On or before fifteen (15) days following the end of each calendar month, Operator shall deliver or cause to be delivered to Owner a standard Financial Reporting Package. The Financial Reporting Package shall include an unaudited financial statements and various reports as follows: Summary of Management Activities including summary of tenant comments and complaints, and a summary of any Tenant's Association meeting that occurs during the period in question, Variance Analysis, Market Survey, Income statement showing the results of operation of the Property for the preceding calendar month and the Fiscal Year to date, and comparison of actual income and expenses with the income and expenses projected in the Budget, Balance Sheet, Trial Balance, General Ledger detail report of all transactions in all accounts, summary of Account Receivable and Account Payable, Bank Reconciliation and Bank Statements for all three bank accounts, Capital Expenditures Statement, and Request for Reserves Withdrawal. All reporting will use Operator's standard chart of accounts and the Yardi software unless otherwise stipulated and as agreed to by Owner and Operator in writing.

4.2.3 Annual Audit. At the end of the term as described in Section 2.1 herein and as of the date of termination, Owner shall arrange and coordinate with Operator on an audit of the books and records of the Property made by a firm of certified public accountants as approved by Owner. Operator shall also have said accountants prepare for execution by Owner all forms, reports, and returns required by any federal, state, county, or municipal authority relating to the Property. The cost of said audit is a cost of the Property that shall be reflected in the annual budget approved by Owner.

4.2.4 Repairs and Maintenance. Operator will use commercially reasonable efforts to maintain the condition of the Property in the condition prescribed by Owner, will regularly inspect the readily accessible areas of Property, will take commercially reasonable efforts against fire, vandalism, burglary and trespass on the Property, and will arrange to make all necessary repairs. Operator's maintenance duties shall include making all necessary repairs for the Property and trash removal. Consistent with provisions of FORA and FORA ordinances and policies on local hire, Operator may employ independent contractors and other employees necessary to properly maintain, manage and operate the Property. Any contract over \$20,000 per year for an item which is not covered within the approved annual budget shall be presented to Owner for approval in advance of the execution of such a contract by Operator, unless the expenditure is for emergency repairs that

are immediately necessary for the preservation or safety of the Property, repairs for the health, safety or welfare of people or property, repairs to avoid suspension of necessary services to the Property, or to avoid criminal or civil liability to Owner or Operator. Furthermore, approval shall be required to incur any Property expense pertaining to operations that exceeds the budgeted annual amount for that line item, unless the expenditure is for emergency repairs that are immediately necessary for the preservation or safety of the Property, repairs for the health, safety or welfare of people or property, repairs to avoid suspension of necessary services to the Property, or to avoid criminal or civil liability to Owner or Operator. Notwithstanding the foregoing, any increase in a Property expense which does not increase the budgeted amounts for such expense by more than 5% and which, when combined with any decreases in budgeted amounts made by Operator, does not cause an increase in the overall budget, shall not require approval. Any expense which does require approval shall be either put out to bid by Operator or Operator shall have obtained at least three quotes for the cost of such item, unless the expenditure is for emergency repairs that are immediately necessary for the preservation or safety of the Property, repairs for the health, safety or welfare of people or property, repairs to avoid suspension of necessary services to the Property, or to avoid criminal or civil liability to Owner or Operator.

4.2.5 Rental of Housing Units. Operator's renting of the Units shall conform to this Agreement and the following policies:

4.2.5.1. The Units shall be rented on a six-month lease term or month-to-month.

4.2.5.2 Rents established Exhibit "B" will be applied until changed by Owner. Any amendment to the rental rate schedule shall be approved in advance in writing by Owner.

4.2.5.3. Applicants for the Units must qualify based upon the applicant's ability to pay and maximum occupancy guidelines published by the State of California at the time of renting and applicable occupancy standards for the Units. Fifty one (51) of the Units are to be rented at below market rate affordable rents ("Affordable Rents") of which thirty two (32) of the Units shall be considered low and nineteen (19) of the units shall be considered very low, as defined in the Regulatory Agreement. The Affordable Rents are set forth in Exhibit B and may be amended annually. Any increase in the Affordable Rents shall be subject to the approval of Owner and in accordance with the terms of the Regulatory Agreement. Applicants of units to be rented at the Affordable Rents must meet the same requirements as above, as well as qualify based upon maximum income limits and minimum occupancy guidelines according to rules and regulations promulgated by the State of California.

4.2.5.4. Operator shall select tenants for available units as follows:

(A) Operator shall first offer and rent available units to applicants on the basis of the following preferences, which have been determined by Owner and for which an applicant must qualify at the time of initial occupancy of a unit. No more than a total of 35% of the housing units shall be offered for lease at any one time on the basis of the preferences listed in (B) – (E)

below. Owner shall indemnify, defend and hold Operator, its officers, agents and employees, harmless from any cost, damage, claim, liability, suit, cause of action or other legal proceedings which may be brought or claimed against Operator as a result of implementing Owner's tenant selection criteria set forth below and as may be amended by Owner. Owner agrees to promptly notify Operator of any changes to the tenant selection criteria. For all preferences, a letter from the applicant's employer verifying the applicant's eligibility will be required when submitting the application. Incomplete applications will not be accepted.

(B) **FIRST PREFERENCE:** People who work at least twenty five (25) hours per week in a business or agency with a physical location within the City of Marina. Sales people or consultants who do business in Marina, but who do not have a physical location in Marina will not be considered as working in Marina.

(C) **SECOND PREFERENCE:** Employees of public safety departments, including police, fire, and public works employees of government jurisdictions in Monterey County.

(D) **THIRD PREFERENCE:** Employees of public or private education facilities, including colleges and universities located in Marina, on the former Fort Ord, and employees of the Monterey Peninsula Unified School District.

(E) **FOURTH PREFERENCE:** Employees of entities located on property known as "the former Fort Ord." A letter from the employer stating that the physical location where the applicant works is in this area must be provided."

(F) **Affordable Units.** Notwithstanding the foregoing, preferences (B), (C), (D) and (E) will be subordinate to the affordability requirements contained in paragraph (iii) above. In addition, said preferences will be subordinate to the requirement that, on average, twenty percent (20%) of the housing units at the Property will be affordable units."

(G) **Rental Agreements.** The prior Operator prepared and submitted to Owner for its approval and Owner has approved said rental agreements which shall be used by Operator for the property. If Operator desires to change the approved rental agreements, Operator shall seek Owner's comments and approval of the terms and conditions thereof. Owner's approval of the proposed rental agreements shall not be unreasonably withheld.

#### 4.2.6. Insurance.

4.2.6.1 Fire Coverage. Operator shall obtain and keep in force fire and extended coverage insurance and other customary property insurance for the Property, the cost of insurance to be paid out of the Trust Account as approved by the Budget.

4.2.6.2. Comprehensive General Liability Coverage. Operator shall obtain and keep in force a Comprehensive General Liability (CGL) insurance policy to cover Owner and Operator, in amounts no less than \$1,000,000 per occurrence of bodily injury and property

damage, and not less than \$2,000,000 policy general aggregate and an excess or umbrella liability policy in an amount not less than \$10,000,000 per occurrence basis, the cost of insurance to be paid out of the Trust Account as approved by the Budget. Such insurance shall name Owner as a named insured and shall provide Owner and Lender with 30-day prior written notice of cancellations or material change in coverage. Operator shall be named as an additional insured on such CGL policy.

4.2.6.3. E and O Coverage. Operator shall obtain and keep in force Error and Omission insurance in amount of at least \$1,000,000 per wrongful act and \$1,000,000 in the aggregate. Operator shall obtain such insurance within 30 days of the date of this Agreement, and notwithstanding any other provision herein, all costs of insurance under this Section 4.2(f)(iii) shall be at the expense of Operator.

4.2.6.4 Automobile Coverage. Operator shall obtain and keep in force commercial automobile liability insurance (where applicable) in an amount not less than \$1,000,000 (combined single limit), coverage shall include leased, hired and non-owned vehicles, the cost of insurance to be paid out of the Trust Account as approved by the Budget.

4.2.6.5 Minimizing Insurance Cost. Operator shall not knowingly permit the use of the Property for any purpose which might void any policy of insurance relating to the Property, increase the premium otherwise payable or render any loss there under uncollectible.

4.2.6.6 Workers' Comp. Operator shall cause to be placed and kept in force workers' compensation insurance up to the statutory limit, including broad form, all-states coverage and employer's liability of at least \$500,000. Such insurance shall provide Owner with 30-day prior written notice of cancellations or material change in coverage. Workers' compensation insurance expenses associated with employees employed for the direct benefit of Owner or the Property shall be included in the approved budget for the Property.

4.2.6.7 Selection of Carrier. All of the insurance policies required by this Agreement shall (a) be written by insurance companies which are licensed to do business in California, or obtained through a duly authorized surplus line insurance agent or otherwise in conformity with the laws of California, with a rating of not less than the third (3rd) highest rating category by anyone of the Rating Agencies or with an A.M. Best Company, Inc. rating of "A-" or higher and a financial size category of not less than VI; (b) specifically identify the Owner and Operator as insureds and Lender as an additional insured; mortgagee; loss payee and additional insured with the Owner as the named insured; and (c) include a provision requiring the insurance company to notify the Lender and the Owner in writing no less than thirty (30) days prior to any cancellation, non-renewal or material change in the terms and conditions of coverage. In addition, the Operator shall provide the Owner and Lender with certificates of insurance and certified copies of all insurance contracts required by this Agreement within thirty (30) days of their inception and subsequent renewals.

#### 4.2.7 Taxes and Assessments.

4.2.7.1 Operator shall process payments of all taxes, impositions, or assessments relating to the ownership or operation of the Property, including, without limitation, improvement assessments, possessory interest and real estate taxes, personal property taxes, taxes on income or rents, or any charges similar to or in lieu of any of the foregoing. Prior to payment, Operator shall verify bills for possessory interest and real estate, personal property or other taxes, improvement assessments, and other similar charges which are due or may become due against the Property on the basis of ownership or operation of the Property. If requested by Owner, Operator shall render advice and assistance to Owner in the negotiation and prosecution of all claims for the reduction or equalization of property tax assessments and other tax assessments affecting the Property. The parties agree, however, that such advice and assistance goes beyond the ordinary management responsibilities contemplated by this Agreement and, as such, if Operator provides such services, they shall be at an additional cost to Owner.

4.2.7.2 Operator shall annually review, and submit to Owner a report on, real estate, personal property and other taxes and all assessments affecting the Property.

4.2.8 Compliance with Legal Requirements. Operator shall use reasonable means to become aware of, and shall take such actions as Operator deems prudent and necessary to comply with any laws, orders, public housing agency plans or requirements affecting the use or operation of the Property by any federal, state, county, or municipal agency of authority, including but not limited to compliance with and participation in administrative grievance procedures, provided that if the cost of compliance in any instance exceeds \$10,000.00, Operator shall not expend funds for compliance without Owner's prior written consent. Operator shall promptly notify Owner in writing of all such orders, notices, plans or requirements requiring expenditure of non-budgeted amounts. Operator, however, shall not take any action as long as Owner is contesting, or has affirmed its intention to contest and promptly institutes proceedings contesting any law, order, plan or requirement. Operator shall prepare, execute, and, after obtaining the written approval of Owner, thereby file any customary and standard reports and documents required by an applicable governmental authority. The filing of any special report or document shall not be included as part of this Agreement and shall be an additional cost to Owner. Operator covenants and agrees to obtain and maintain all licenses and permits necessary for the conduct of its business as Operator of the Property. Amounts expended by Operator for use of non-employee consultants or experts, including attorneys, in the performance of these duties shall be reimbursed by Owner provided that such amounts are approved in writing by Owner prior to Operator incurring such expenses. Operator shall comply with the terms of the Regulatory Agreement, a copy of which has been provided previously to Operator. Owner shall indemnify, defend and hold Operator, its officers, agents and employees, harmless from any cost, damage, claim, liability, suit, cause of action or other legal proceedings which may be brought or claimed against Operator based on said compliance provided that Operator is in compliance with the Regulatory Agreement.

4.2.9 Energy and Water Conservation. Operator shall use prudent and customary means to use and control utilities and water use at the Property in a manner to minimize total costs and satisfy Owner's obligations to tenants.

4.2.10 Advertising. Operator shall advertise the Property for rent at such times and by use of such media as it deems necessary subject to the annual budget approved or Owner's prior written approval.

4.2.11 Employment of Personnel.

4.2.11.1. Operator will hire, train, supervise, direct the work of, pay, and discharge all personnel necessary for operation of the Property. Such personnel shall in every instance be employees of Operator and not of Owner. Owner shall have no right to supervise or direct such employees. All costs associated with the employment of personnel necessary for the on-site operation of the Property, including, but not limited to, salaries, wages, the costs of hiring, termination, training, uniforms, educational and motivational programs, other compensation and fringe benefits will be included in the approved budget for the Property. The term "fringe benefits" as used herein shall mean and include the employer's contribution of employment taxes, worker's compensation, group life and accident and health insurance premiums, 401K contributions, performance bonuses, and disability and other similar benefits paid or payable by Operator to its employees in other apartment properties operated by Operator subject to the annual budget approved by the Owner. The expenses of the Executive personnel of Operator who are assigned to on-site Property management for twenty percent (20%) of their time or more may also be included in the approved budget. Any litigation costs or expenses, including reasonable attorneys' fees and costs and wage penalties relating to the employment of on-site personnel are reimbursable to Operator by Owner, unless Operator has been negligent in its employment practices. Operator will not discriminate against any employee or applicant for employment in violation of any applicable law. The terms "employees" or "personnel" shall be deemed to mean and include employment of a casual, temporary, or part-time nature.

4.2.11.2. Operator may treat Property-related expenses of on-site, field, or maintenance as compensable business expenses. These expenses include worker's compensation insurance, travel and training. Such management expenses must be included in the approved budget for the Property. The property related expenses of Executive personnel of Operator who are assigned to on-site Property management for twenty percent (20%) of their time or more may also be included in the approved budget. Operator shall provide to Owner, at Owner's request, payroll and time sheets for all such employees. Notwithstanding the foregoing, employee compensation of workers performing services for Operator at properties other than the Property, shall be reimbursed to Operator *pro rata* based on the portion of working hours involved in services to the Property and such other properties; provided that Operator shall be reimbursed for any roving maintenance supervisor providing services to the Property at the rate of \$50 per hour for such services (or such amount as may reflected in the approved Budget). Operator shall solicit and receive approval from Owner to use the services of a roving maintenance supervisor prior to services being rendered.

4.2.11.3. Non-compensable Salaries. The salaries, wages, other compensation, benefits, travel, entertainment, and other expenses of Operator's executive personnel charged with general administration of this Agreement and off-site record-keeping personnel are

non-reimbursable expenses of Operator.

4.2.11.4. Leasing. Operator shall make diligent efforts to secure and/or retain tenants for the Property consistent with the character and status of the Property as outlined in the established Resident Selection Criteria. Operator shall make diligent efforts to assure that all leases and leasing practices conform to all laws, ordinances, regulations, public housing agency plans or annual contributions contracts applicable to the Property. Prior to the execution of a new lease by a tenant, Operator shall in good faith conduct such investigations of the financial responsibility and general reputation of the prospective tenant as are ordinarily and customarily performed by the managers of similar properties in the location of the Property.

4.2.11.5 Management Structure. Operator has previously provided an oral description of its management structure, roles and assurances as to the frequency of management visits to the Property and said description is attached as Exhibit "C" hereto.

4.2.11.6. Tenant Grievance Procedure. Operator has previously provided an oral description of its tenant grievance procedure and said procedure is attached as Exhibit "D."

## 5 OWNER'S EXPENSES

5.1 Except as otherwise provided in this Agreement, all reasonable expenses incurred by Operator in performance of its obligations under this Agreement described as reimbursable shall be reimbursed by Owner such expenses and reimbursables shall be paid with funds drawn from the Trust Account. Owner's responsibility for such expenses and reimbursables, including future attorneys' fees and costs relating to issues which arose during the term of this Agreement survive termination of this Agreement. Owner's expenses shall be limited to the amount included in the annual budget as approved by the Owner.

5.2 Operator may pay the following expenses directly from the Trust Account subject to other conditions in this Agreement:

a) Reasonable Administrative expenses of the Owner devoted to oversight of the Agreement limited to the amount included in the approved annual budget.

## 6. OPERATOR'S EXPENSES

6.1 Operator agrees to pay all salaries, wages and other compensation and benefits of personnel described in Section 4.2.11 of this Agreement as an Operator's expense without reimbursement by Owner, except as otherwise provided therein. Operator shall pay other expenses which are expressly (a) payable by Operator or (b) not reimbursable hereunder. Operator shall also pay (without reimbursement) any costs of providing corporate office facilities and supplies for such off-site corporate personnel and other expenses incurred by Operator which are not incurred in the performance of duties and obligations required by this Agreement.



## 7. BANK ACCOUNTS

### 7.1 ESTABLISHMENT OF ACCOUNTS.

7.1.1 Trust Account. Operator shall establish a separate bank account for the Property in such Name as Owner shall designate and at a bank selected by Operator (the "Trust Account"). Operator shall promptly deposit all rents and other funds collected by Operator at least monthly in respect of the Property, including, without limitation, any and all advance rents, into the Trust Account and shall not deposit funds attributable to any other property into the Trust Account. Operator shall inform such bank in writing that the funds deposited in the Trust Account are held in trust for Owner. Operator shall use funds in the account to pay the operating expenses of the Property and any other payments relative to the Property as allowed by the terms of this Agreement. Operator shall establish a working capital reserve equal to \$20,000 to be retained within the Trust Account to make up for operating shortfalls.

7.1.2 Security Deposit Trust Account. Operator shall establish a separate bank account for tenant security deposits at a bank designated by Operator (the "Security Deposit Trust Account") into which such security deposits shall be deposited. The Security Deposit Trust Account will be (a) maintained in accordance with applicable law and (b) used only for maintaining tenant security deposits for the Property. Operator shall inform the bank in writing that the funds are held in trust for Owner. Operator shall maintain detailed records of all security deposits deposited in the Security Deposit Trust Account, and such records will be open for inspection by Owner's employees or appointees.

7.1.3. Reserve Account. Operator shall establish a separate bank account ('Reserve Account') at a depository selected by Operator as agent for Owner, for the purpose of depositing funds for the Property in amounts Owner shall instruct and in such name as Owner shall designate. Deposits shall conform in all respects to depository and security requirements pertaining to Local Agency cash contained in California Government Code Title 5., Division 2., Part 1., Chapter 4., Article 2., Sections 53630 to 53686. To the extent sufficient funds are available, Operator shall promptly deposit funds in amounts instructed by Owner into the Reserve Account, and shall not deposit funds belonging or attributable to any other party or property into the Reserve Account. Operator shall execute and submit to Owner copies of bank documents demonstrating that funds deposited in the Reserve Account are held in trust for Owner. Operator shall not withdraw funds from the Reserve Account without express written consent of Owner.

7.1.4. Cash. Operator may also maintain a petty cash fund from money in the Trust Account and make payments therefrom in a manner consistent with the usual course of dealing with such funds in the property management business.

7.1.5. Distributions from Trust Account. Provided sufficient funds are available in the Trust Account, Operator will, on or about the fifteenth (15<sup>th</sup>) of each month, disburse funds via wire transfer to Owner to an account as stipulated by Owner to Operator in writing. On the 15<sup>th</sup> of the month, Operator will also

wire disbursement of Marina's 50% share to the City of Marina , as a continuation of current practice of simultaneous distribution.

7.1.6. Broker / Insurance. The designated broker for Operator shall be an authorized signer on the Trust Account, the Security Deposit Trust Account, and the Reserve Account. In addition, the designated broker may authorize any person who qualifies as an authorized signatory on such accounts. The name of the designated broker shall be communicated by Operator to Owner in writing. Authorized signatories on such accounts shall have authority to make disbursements from such accounts for the purpose of fulfilling Operator's obligations hereunder. Funds over Five Thousand Dollars (\$5,000.00) may be withdrawn from such accounts only upon the signature of at least two (2) individuals who have been granted that authority by Operator. Authorized signatories or persons who handle funds for the Property, whether on or off site, shall be insured for dishonesty in the minimum amount of Three Million Dollars (\$3,000,000.00) per occurrence or loss with not more than a Twenty Five Thousand Dollars (\$25,000.00) deductible. A certificate confirming such insurance naming Operator and Owner as named insureds and confirming that it will not be modified or cancelled without at least thirty (30) days prior written notice to Owner shall be delivered to Owner prior to the Fee Commencement Date."

7.2 FUNDS PROVIDED BY OWNER. If the funds collected by Operator from operation of the Property are not sufficient to pay authorized expenses incurred in operation of the Property and to make all reimbursements to Operator pursuant hereto, Operator shall submit to Owner a statement showing such shortfall and identifying the bills and charges requiring payment, and Owner shall release reserve funds sufficient to pay same to the Operator.

## 8. ANNUAL BUDGETS

8.1 SUBMISSION OF BUDGETS. Operator shall prepare and submit to Owner by March 31 for Owner's approval proposed budgets of (a) the estimated income and expenses of the Property and (b) the estimated capital expenditures for the Property for the next fiscal year or other operating period as may be agreed by the parties. The proposed budgets will be maintained under accrual accounting procedures or such basis as prescribed, in writing, by Owner. Operator will provide an explanation for the numbers used in such budgets. Operator shall make available executive personnel to discuss the proposed budget at a minimum of one meeting of FORA Board of Directors and other meetings as requested.

8.2 SUBMISSION OF OTHER REPORTS. When submitting such proposed budgets, Operator shall also include: rental rate recommendations with analysis if appropriate; a listing of all capital improvement and all repair, maintenance, renovation and replacement expenditures (together with estimated costs for each item) anticipated to be made in the upcoming operating period; a payroll analysis including a salary or wage description for every on-site employee, including any fringe benefits reimbursable hereunder, of Operator whose compensation is reimbursable hereunder;

8.3 APPROVAL OF BUDGETS. If Operator submits a timely budget recommendation, and Owner does not disapprove it in writing before July 1, Operator's proposed budget is deemed approved. If an annual budget has not been approved by that date, Operator shall continue to operate the Property under the approved budget for the previous year until Operator and Owner can agree on the new budget or the termination of this Agreement.

8.4 COMPLIANCE WITH BUDGETS. Approved budgets shall be used by Operator as a guide for the actual operation of the Property. Written approval from Owner's Executive Officer or such other person as Owner's Executive Officer may designate shall be required to exceed any expense which exceeds the budgeted annual amount for that line item. Notwithstanding the foregoing, any increase in a Property expense which does not increase the budgeted amounts for such expense by more than 5% and which, when combined with any decreases in budgeted amounts made by Operator, does not cause an increase in the overall budget, shall not require approval.

8.5 SUBJECT TO IMPLEMENTATION AGREEMENT. Owner and Operator acknowledge that lease revenues from the Property are subject to the Implementation Agreement dated May 1, 2001 ("Implementation Agreement") by and between FORA and the City of Marina. Operator acknowledges the previous receipt of a copy of the Implementation Agreement. Operator shall notify Owner of changed financial conditions to allow Owner to determine compliance with the Implementation Agreement. Owner shall indemnify, defend and hold Operator, its officers, agents and employees, harmless from any cost, damage, claim, liability, suit, cause of action or other legal proceedings which may be brought or claimed against Operator as a result of the Implementation Agreement as set forth in this Section 8.5.

## 9. GENERAL PROVISIONS

9.1 RELATIONSHIP. Contracts entered into by Operator with respect to the Property as provided for, and consistent with, this Agreement shall be the obligations of Owner. Owner agrees to indemnify, defend and hold harmless Operator from any liability or claims arising from such contracts. Operator agrees that to the extent Operator deems it necessary or prudent to have separate counsel from that of Owner, Operator shall bear all fees, costs, and expenses associated therewith.

Operator and Owner shall not be construed as joint venturers or partners, and neither shall have the power to bind or obligate the other party except as set forth in this Agreement. Operator understands and agrees that the relationship with Owner is that of independent contractor working on behalf of Owner and that it will not represent to anyone that its relationship to Owner is other than that of independent contractor. Notwithstanding the foregoing, Operator acknowledges and understands that it is acting as agent of Owner and as such owes Owner the duties a reasonable investor would expect if managing his own property.

9.2 ASSIGNMENT. This agreement shall not be assigned by Operator without the prior written approval of Owner which approval may be withheld in Owner's sole and absolute discretion.

9.3 BENEFITS AND OBLIGATIONS. Subject to the provisions of Section 9.2 above, the covenants and agreements herein contained shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, successors, and assigns.

9.4 INDEMNIFICATION.

9.4.1 Operator shall indemnify, hold harmless and defend Owner, its officers, and employees, with counsel reasonably satisfactory to Owner, for, from and against any and all liabilities, claims, causes of action, losses, demands and expenses whatsoever including, but not limited to attorneys' fees, court costs and other litigation expenses and costs arising out of or in connection with the maintenance or operation of the Property or this Agreement (collectively the "Claims"), except to the extent arising directly from the gross negligence or willful misconduct of Owner and the loss of use of property following and resulting from damage or destruction. The indemnification by Operator contained in this Section 9.4 is in addition to any other indemnification obligations of Operator contained in this Agreement. Owner shall approve the liability insurance coverage procured by Operator, and, once approved, Owner shall not be entitled to assert the inadequacy, in any respect, of the coverage. Operator's defense and indemnity obligation set forth in this Section 9.4.1 shall not apply to Claims that are not covered under the commercial general liability insurance policy procured by Operator pursuant to Section 4.2.6.2 of this Agreement unless Operator has engaged in gross negligence or willful misconduct.

9.4.2 Owner shall indemnify Operator (and Operator's affiliates, partners, directors, shareholders, officers, employees and agents) with counsel for, from and against any and all Claims which arise out of the gross negligence or willful misconduct of Owner.

9.4.3 The indemnification and hold harmless obligations of the parties in this Section 9.4 shall survive the expiration or earlier termination of this Agreement.

9.5 NOTICES. All notices provided for in this Agreement shall be in writing and served by registered or certified mail, postage prepaid, at the following addresses until such time as written notice of a change of address is given to the other party:

TO OWNER: FORT ORD REUSE AUTHORITY  
Attention: Executive Officer  
920 2<sup>nd</sup> Ave., Suite A  
Marina, California 93933

TO OPERATOR: ALLIANCE RESIDENTIAL, LLC  
Attn: James M. Krohn  
2415 East Camelback Road, Suite 600  
Phoenix, Arizona 85016

9.6 ENTIRE AGREEMENT. This Agreement represents the entire agreement between the parties with respect to the subject matter hereof. No alteration, modification, or interpretation of

this Agreement shall be binding unless in writing and signed by both parties. Titles of articles, sections and paragraphs are for convenience only and neither limit nor amplify the provisions of this Agreement.

9.7 SEVERABILITY. If any provision of this Agreement or application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to any person or circumstance, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

9.8 DISPUTE RESOLUTION. Disputes arising under this agreement shall be resolved as follows:

9.8.1. *Prevention of Claims: Meet and confer (10 days)*

The parties agree that they share an interest in preventing misunderstandings that could become claims against one another under this agreement. The parties agree to attempt to identify and discuss in advance any areas of potential misunderstanding that could lead to a dispute. If either party identifies an issue of disagreement, the parties agree to engage in a face-to-face discussion of the matter within ten calendar days of the initial written request. If the parties are unable to amicably resolve such disagreements or misunderstandings, they agree to enlist the informal assistance of a third party (who is mutually acceptable to both parties) to help them reach an accord. The cost of engaging any third party for the informal assistance described in the preceding sentence shall be shared equally by the parties. If any disagreement remains unresolved for ten days after delivery of the written request to engage in face-to-face discussions, the parties agree to submit it to mediation in accordance with the provisions set forth in Section 9.8.2.

9.8.2. *Mediation (60 days)*

Either party may demand, and shall be entitled to, mediation of any dispute arising under this agreement at any time after completing the meet and confer process described in subsection (a). Mediation shall commence not more than thirty (30) days after the initial mediation demand and must be concluded not more than sixty (60) days after the date of the first mediation demand. If mediation is not concluded within that time, then either party may demand arbitration.

Mediation shall be submitted first to a mediator with at least ten years experience in real estate management or related field. The mediator shall be selected by mutual agreement of the parties. Failing such mutual agreement, a mediator shall be selected by the presiding judge of the Monterey County Superior Court. The cost of the mediator shall be shared equally by the parties. In the interest of promoting resolution of the dispute, nothing said, done or produced by either party at

the mediation may be discussed or repeated outside of the mediation or offered as evidence in any subsequent proceeding. The parties acknowledge the confidentiality of mediation as required by Evidence Code 1152.5.

No mediator shall submit, and no arbitrator or court shall consider, any mediator recommendations, declarations, or findings unless the parties give their written consent to the proposed mediator statement.

### 9.8.3. *Arbitration (90 days)*

If mediation fails to resolve the dispute, the mediator shall become the arbitrator, and shall proceed to dispose of the case under such rules or procedures as he or she shall select. If the mediator is unable or unwilling to serve as arbitrator, the parties shall select an arbitrator by mutual agreement. Failing such agreement, the arbitrator shall be selected by the Presiding Judge of the Superior Court. The decision of the arbitrator shall be final and not subject to judicial litigation. The cost of the arbitrator shall be shared equally by the parties.

Arbitration shall be commenced within sixty (60) days of the arbitration demand and concluded within ninety (90) days of arbitration demand.

With respect to monetary disputes only, arbitration shall follow the so-called "baseball arbitration" rule in which the arbitrator is required to select an award from among the final offers presented by the contending parties. The arbitrator may not render an award that compromises between the final offers.

Unless the arbitrator selects another set of rules, the arbitration shall be conducted under the J.A.M.S. Endispute Streamlined Arbitration Rules and Procedures, but not necessarily under the auspices of J.A.M.S. Upon mutual agreement, the parties may agree to arbitrate under an alternative scheme or statute. The Arbitrator may award damages according to proof. Judgment may be entered on the arbitrator's award in any court of competent jurisdiction.

**NOTICE: IN AGREEING TO THE FOREGOING PROVISION, YOU ARE WAIVING YOUR RIGHT TO HAVE YOUR RIGHTS UNDER THIS AGREEMENT TRIED IN A COURT OF LAW OR EQUITY. THAT MEANS YOU ARE GIVING UP YOUR RIGHT TO TRIAL BY JUDGE OR JURY. YOU ARE ALSO GIVING UP YOUR RIGHT TO DISCOVERY AND APPEAL EXCEPT AS PROVIDED IN THE ARBITRATION RULES. IF YOU REFUSE TO ARBITRATE YOUR DISPUTE AFTER A PROPER DEMAND FOR ARBITRATION HAS BEEN MADE, YOU CAN BE FORCED TO ARBITRATE OR HAVE AN AWARD ENTERED AGAINST YOU BY DEFAULT. YOUR AGREEMENT TO ARBITRATE IS VOLUNTARY.**

BY INITIALING THIS PROVISION BELOW, THE PARTIES AFFIRM THAT THEY HAVE READ AND UNDERSTOOD THE FOREGOING ARBITRATION PROVISIONS AND AGREE TO SUBMIT ANY DISPUTES UNDER THIS AGREEMENT TO NEUTRAL BINDING ARBITRATION AS PROVIDED IN THIS AGREEMENT.

ALLIANCE'S' INITIALS \_\_\_\_\_

FORA'S: INITIALS \_\_\_\_\_

9.8.4. *Attorney's Fees.*

If arbitration or suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover as an element of costs of suit, and not as damages, a reasonable attorneys' fee to be fixed by the arbitrator or Court. The "prevailing party" shall be the party entitled to recover costs of suit, whether or not the suit proceeds to arbitrator's award or judgment. A party not entitled to recover costs shall not recover attorneys' fees. No sum for attorneys' fees shall be counted in calculating the amount of an award or judgment for purposes of determining whether a party is entitled to recover costs or attorneys' fees.

If either party initiates litigation without first participating in good faith in the alternative forms of dispute resolution specified in this agreement, that party shall not be entitled to recover any amount as attorneys' fees or costs of suit even if such entitlement is established by statute.

9.9 APPLICABLE LAW. This agreement shall be construed and enforced in accordance with the laws of the State of California. Venue shall take place in the County of Monterey, State of California.

9.10 OPERATOR. The term "Operator" as used in this Agreement shall include any corporate subsidiaries or affiliates of Operator who perform service, in, on or about the Property in connection with this Agreement.

9.11 NON-WAIVER. No delay or failure by either party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided in this Agreement.

9.12 HEADINGS. All headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

9.13 INTERPRETATION. This Agreement has been negotiated by and between representatives of the parties hereto and their staffs, all persons knowledgeable in the subject matter

of this Agreement, which was then reviewed by the respective legal counsel of each party. Accordingly, any rule of law (including Civil Code §1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

FORT ORD REUSE AUTHORITY

---

Michael A. Houlemard Jr.  
Executive Officer

Alliance Residential, LLC, an Arizona Limited Liability Company

---

By

DRAFT



**EXHIBIT A**  
Preston Park Management Agreement

**SCOPE OF SERVICES**

Manage, direct and supervise using commercially reasonable efforts, all aspects of property management for Preston Park which includes, but is not limited to:

- 1 Placement of residents in residential apartment homes with appropriate leases and addendums as prudent or required by law.
- 2 Collect all monthly rents and fees. Institute legal action for the collection of monies owed. Administer rent increases in close cooperation with FORA.
- 3 Maintain community standards of physical and social environment, while keeping within budget guidelines. Respond to requests for maintenance by tenants and FORA promptly. Schedule and conduct annual unit inspections and follow-up annual inspections with corrective work where required.
- 4 Hire, train and supervise all staff needed to effectively manage the community and provide a description of the staffing plan to Owner. Maintain access to multilingual resources to assist with applicants and tenants of Limited English Proficiency, said access may be accomplished through a "language hotline" or similar service so long as it's responsive to the needs of Owner, applicants and tenants.
- 5 Develop and maintain a list of qualified prospective renters. Develop and maintain a list of backup renters. Accept applications for apartment homes and maintain eligibility standards. Maintain preference lists as specified. Seek to maintain full occupancy with a minimum of vacancies.
- 6 Prepare an affirmative fair housing marketing plan. Prepare and circulate marketing materials; e.g. advertisements, brochures, displays, disclosure documents, contracts and program web site. Participate in community meetings as requested.
- 7 Analyze and review financial requirements for operations with Owner; prepare annual budget recommendations for Owner. Work within the approved budget; obtain Owner authorization for variances from the budget. Analyze and prepare multi-year capital improvements plan and make recommendations to Owner about financing and implementation of the plan.
- 8 Develop and implement written office procedures; train and supervise office and leasing personnel.
- 9 Maintain financial records including, but not limited to, the tracking of receipts and deposits, journal entries, bank deposits, accounts payable and accounts receivable.

Generate monthly financial reports. Prepare required periodic reports to Owner.

- 10 Report periodically to Owner to ensure that Owner is properly informed (through regular contact and periodic formal meetings) as to the current status of all operations so that the Owner may make proper and timely decisions on all strategic matters.
- 11 Manage the selection process for outside contractors including landscaping, trash removal, pest control, custodial, etc; prepare recommendations for Board approval. Continually inspect property, recording deficiencies and taking necessary action within budgetary allocations.
- 12 Prepare tenant handbook and circulate written communications to tenants periodically, such as quarterly newsletter, in format and content approved by the Owner. Participate in meetings and events with tenants as requested.
- 13 Explore opportunities for coordination/joint programs with housing developments at California State University-Monterey Bay.
- 14 Other duties as needed.

DRAFT

**EXHIBIT B**

**AFFORDABLE RENTAL RATES**

Rates may be established each year.

DRAFT

EXHIBIT "C"

Preston Park Management Agreement

MANAGEMENT STRUCTURE

Every year on June 1, Alliance will provide the names of the people associated with the management positions as described on the organization chart.

**The Senior Management Team for Preston Park:**

**Corinne Carmody, Regional Manager**

**Steve Keller, Regional Maintenance Supervisor**

**Amy Corcoran, Regional Training Manager**

**Jennifer Barrett, Regional Marketing Manager**

**Annette Thurman, Vice President of Operations**

**Corinne Carmody**, Regional Manager, has an office in Walnut Creek, California. She will be at the communities at least two days a week or to the extent mutually agreed upon by Owner and Operator. Corinne will be responsible for all compliance training related to the approved below market rate rental program.

**Steve Keller**, Regional Maintenance Supervisor, will perform monthly site inspections in addition to overseeing any capital projects that require completion. Steve will spend no less than one day per month at the community and possibly more depending on the capital project requirements.

**Amy Corcoran and Jennifer Barrett**, Regional Training Manager and Regional Marketing Manager, shall provide leasing and customer service training and marketing resources. Amy and Jennifer are also available on an as needed basis for one-on-one training.

**Annette Thurman**, Vice President of Operations, will be at the site no less than once per month.

The team above is available to meet with FORA as needed. Owner is to provide operator with an annual calendar of expected meetings during transition period.

## **EXHIBIT D**

### **Preston Park Management Agreement**

#### **TENANT GRIEVANCE PROCEDURE**

Note: All resident issues will be resolved within the guidelines set by FORA, Alliance Communities Inc., and State and Federal Fair Housing Laws.

**12-15-10**

#### **PRESTON PARK**

#### **GRIEVANCE PROCEDURE**

##### ***I. Definitions applicable to the grievance procedure***

- A. **Grievance:** Any dispute pertaining to a lease violation, maintenance charge or other disagreements with respect to Management's action or failure to act in accordance with the individual Tenant's lease or Management's Policies or regulations that adversely affects the individual Tenant's rights, duties, welfare or status.
- B. **Elements of due process:** An eviction action or a termination of tenancy in a State court in which the following procedural safeguards are required:
  - 1. Adequate notice to the Tenant of the grounds for terminating the tenancy and for eviction;
  - 2. Right of the Tenant to be represented by counsel;
  - 3. Opportunity for the Tenant to refute the evidence presented by Management, including the right to confront and cross examine witnesses and to present any affirmative legal or equitable defense which the Tenant may have;
  - 4. A decision on the merits of the case.
- C. **Hearing Officer:** A neutral party selected by FORA to hear grievances and render a decision. FORA has selected the Conflict Resolution and Mediation Center of Monterey County to be the Hearing Officer for grievances at Preston Park. If the Mediation Center of Monterey County is not available for the Grievance Hearing, FORA shall choose another Hearing Officer who is a neutral third party not involved in the management decisions at Preston Park and has experience and knowledge of management practices and procedures for comparable properties and has experience in mediation.
- D. **Tenant:** The adult person (or persons other than a live-in aide) who resides in the unit at Preston Park and who executed the lease with Alliance Residential or its predecessor(s).
- E. **Management:** The property management company for Preston Parks is Alliance Residential.
- F. **Management Policies:** Rules and/or regulations contained within the Tenant's valid and most

recent lease and any subsequent amendments thereto.

- G. Working days: For the purpose of these procedures, working days means the scheduled working days of FORA.
- H. Tenant's designated representative: A person that the Tenant has designated in writing to represent him/her in this grievance procedure or a legal document naming a person that represents the Tenant in such matters. The written designation along with the address and contact information for designated representative shall be placed in the Tenant's file. All correspondence related to this grievance procedure shall be distributed to both the Tenant and the designative representative.

## ***II. Applicability of this grievance procedure***

The purpose of this Grievance Procedure is to set forth the requirements, standards and criteria to assure that Tenants of Preston Parks have a procedure to dispute an act or failure to act by Management (see above for definition of grievance). The Grievance Procedure only applies to grievances lodged by Tenants who lived at Preston Park at the time the alleged dispute occurred.

This grievance procedure shall be applicable to all individual grievances (as defined in Section I above) between a Tenant and Management. The right to a grievance shall apply to disputes over the application of Management's policies to the detriment of a Tenant but shall not apply to the Management policies, class action lawsuits or evictions. Management policies may be discussed with the designated FORA staff representative. Class action lawsuits and evictions are heard in a court of law and receive due process in that manner.

The grievance procedure may not be used as a forum for initiating or negotiating policy changes between a group or groups of tenants and FORA. Such requests may be made to the designated FORA staff representative.

## ***III. Filing a Grievance and Informal Meeting***

Any grievance must be made in writing at the Alliance Residential Management Office, located at 682 Wahl Court, Marina, CA 93933, **within twenty (20) working calendar days after the grievable event.**

As soon as the grievance is received it will be reviewed by Management to be certain that neither of the exclusions in Paragraph II applies to the grievance. Should one of the exclusions apply, the Tenant or designated representative will be notified in writing that the matter raised is not subject to this grievance procedure, with the reason(s), that the grievance is dismissed and appropriate venue for the Tenant or designated representative to contact.

If neither of the exclusions cited above apply, the Tenant or designated representative will be contacted **within ten (10) working days** to arrange a mutually convenient time to meet so the grievance may be discussed informally and resolved. Management will assign a Staff Representative

(usually the Business Manager) to meet with Tenant or designated representative to discuss the grievance informally and attempt to resolve the matter without a further hearing. At this informal meeting the Tenant or designated representative will present the grievance and the Staff Representative will attempt to resolve the grievance to the satisfaction of both parties.

Within **five (5) working days following the informal meeting**, Management shall prepare and either hand deliver or mail to the Tenant or designated representative a summary of the discussion that must specify: the names of the Tenant(s) and all participants at the meeting, the date(s) of meetings, the nature of the grievance, the proposed disposition of the grievance and the specific reasons, and the Tenant's rights to a Grievance Hearing, and, if not satisfied with the disposition of the grievance, the procedure to either respond and have comments placed in the Tenants file or request a Grievance Hearing. A copy of this summary shall also be placed in the Tenant's file. A receipt signed by the Tenant or designated representative or return receipt for delivery of certified mail, whether signed or unsigned, will be sufficient proof of time of delivery for the summary of the informal discussion.

#### ***IV. Grievance Hearing***

If the Tenant is dissatisfied with the proposed disposition of the grievance arrived in the informal meeting, the Tenant or designated representative may submit a written request for a Grievance Hearing **no later than ten (10) working days after the summary of the informal meeting is received**.

A Tenant's request for a Grievance Hearing shall be addressed to the Regional Manager c/o Alliance Residential, 682 Wahl Court, Marina, CA 93933. The written request shall specify:

- The factual basis for the grievance, including any sections of the Tenant's lease or written Management policies allegedly violated;
- The action of relief sought from Management; and
- Several dates and times **in the following fifteen (15) working days** when the Tenant or designated representative can attend a grievance hearing.

If the Tenant or designated representative requests a Grievance Hearing in a timely manner, Management shall schedule a hearing on the grievance at the earliest time possible for the Tenant or designated representative, Management and the Hearing Officer. A written notice specifying the time, place and procedures governing the hearing will be either hand delivered or mailed to the Tenant or designated representative.

If the Tenant or designated representative fails to request a Grievance Hearing **within ten (10) working days** after receiving the proposed disposition of the grievance, Management's decision rendered at the informal meeting becomes final and Management is not obligated to offer the Tenant or designated representative a Grievance Hearing unless the Tenant or designated representative can show good cause why s/he failed to proceed in accordance with the procedure. Failure to request a Grievance Hearing does not affect the Tenant's right to contest the Management's decision in court.

## ***V. Scheduled hearing***

When a or designated representative submits a timely request for a grievance hearing, Management will, **within three (3) working days**, contact the Hearing Officer to schedule the hearing on one of the dates and times indicated by the Tenant or designated representative. If the Hearing Officer is not available for one or more of the times provided by the Tenant or designated representative during those ten working days, Management will schedule a convenient time for the Grievance Hearing for all parties as soon as possible.

## ***VI. Procedures governing the Grievance Hearing***

The Tenant shall be afforded a fair hearing, which shall include:

- A. The opportunity to examine before the hearing any Management documents, including records and regulations, that are directly relevant to the hearing.
- B. The Tenant or designated representative shall be allowed to copy any such documents. If Management does not make the document available for examination, Management cannot rely on such document at the grievance hearing.
- C. The Tenant may be represented by counsel or other person chosen as the Tenant's representative, at the Tenant's expense. Management may be represented by counsel. The Tenant, or the designated representative, must be present at the scheduled hearing.
- D. The right to present evidence and arguments in support of the Tenant's complaint and to controvert evidence relied on by Management and to confront and cross examine all witnesses upon whose testimony or information Management relies; and
- E. A decision based solely and exclusively upon the facts presented at the hearing.

The hearing shall be conducted informally by the Hearing Officer. Oral or documentary evidence pertinent to the facts and issues raised by the Tenant may be received without regard to admissibility under the rules of evidence applicable to judicial proceedings provided that such information is the kind of evidence on which reasonable persons are accustomed to rely on in the conduct of serious affairs.

The Hearing Officer shall require Management, the Tenant or designated representative, counsel and other participants to conduct themselves in an orderly fashion. Failure to comply with the directions of the Hearing Officer to maintain order may result in exclusion from the proceedings.

The Hearing Officer will hear evidence provided by both the Tenant or designated representative and Management and will review appropriate policies, regulations, lease, etc.



**VII. Failure to appear at the hearing**

If either the Tenant or designated representative or Management fails to appear at the scheduled hearing, the Hearing Officer may postpone the hearing **for another date not to exceed five (5) working days**. In the event that Management fails to appear at the re-scheduled hearing, the Hearing Officer shall make his/her decision based on the record including anything submitted by the Tenant or designated representative. In the event that the Tenant or designated representative fails to appear at the re-scheduled hearing, the Tenant is deemed to have waived his/her right to a hearing.

Both the Tenant or the designated representative and Management shall be notified of the determination by the Hearing Officer; provided, that a determination that the Tenant has waived his/her right to a hearing shall not constitute a waiver of any right the Tenant may have to contest Management’s disposition of the grievance in court.

**VIII. Decision of the Hearing Officer**

The Hearing Officer shall prepare a written decision, together with the reasons for the decision **within fifteen (15) working days after the hearing**. Any delay on the part of the Hearing Officer in submitting the written decision will not invalidate this process. A copy of the decision shall be sent to the Tenant or designated representative, Management and FORA. Management shall retain a copy of the decision in the Tenant’s folder.

The decision of the Hearing Officer shall be binding on Management, which shall take all actions, or refrain from actions, necessary to carry out the decision unless FORA determines **within ten (10) working days** after receiving the written decision, and promptly notifies the Tenant or the designated representative of its determination that:

- A. The grievance does not involve Management’s action or failure to act in accordance with the Tenant’s lease or the property’s policies, which adversely affect the Tenant’s rights, duties, welfare or status.
- B. The decision of the Hearing Officer is contrary to applicable Federal, State or local law or FORA policy or regulation.

A decision by the Hearing Officer or FORA which denies the relief requested by the Tenant in whole or in part shall not constitute a waiver of, nor affect in any way, the rights of the Tenant to judicial review in any court proceedings which may be brought in the matter later.

This Grievance Procedure does not preclude the Tenant from exercising his/her rights, including those rights pertaining to alleged discrimination on the basis of race, color, creed, religion, sex, age, disability, sexual orientation, familial or marital status, ancestry or national origin.

I acknowledge that I have received a copy of this Grievance Procedure.

\_\_\_\_\_ Date \_\_\_\_\_ Signature

Print Name Address

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

**Subject:** Authorize Preston Park Budget Amendment For Compliance Work

**Meeting Date:** December 12, 2014

**Agenda Number:** 8f

**ACTION**

### **RECOMMENDATION:**

Authorize the transfer of up to \$300,000 from the Preston Park FY 2013-14 Capital Improvement Program budget to the Preston Park Operating Budget to bring the property into compliance with California/Marina Coast Water District (MCWD) Drought Regulations.

### **BACKGROUND/DISCUSSION:**

Approval of the FY 2014-15 Preston Park Operating and Capital Improvement Budget has been postponed due to the pending transfer of the property to the City of Marina. MCWD has informed Alliance Management that its plan to phase in low-flow toilets, aerators, and shower heads must be accelerated if the property is to be sold or transferred to a new owner. In order to bring the property into compliance with California and MCWD regulations (**Attachment A**), all 354 units must be in compliance prior to the close of escrow on the sale or transfer to new ownership.

There are savings in the FY 2013-14 Capital Improvement Program due to lower than anticipated roof replacement costs. Staff recommends a transfer of up to \$300,000 from the Capital Improvement Program Budget to the Operating Budget to perform the compliance work prior to the estimated close of escrow.

**FISCAL IMPACT:** Reviewed by FORA Controller \_\_\_\_\_

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

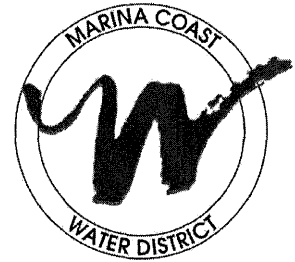
### **COORDINATION:**

FORA Controller, Authority Counsel, FORA Auditor, and Alliance Management Staff.

Prepared by \_\_\_\_\_ Reviewed by \_\_\_\_\_  
Robert J. Norris, Jr. Steve Endsley

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

Marina Coast Water District  
11 Reservation Road, Marina, CA 93933  
Phone (831) 384-6131  
www.mcwd.org



## Retrofit Requirements for Property Transfers

The following plumbing retrofits are required, prior to the close of title, for the sale or transfer of existing residential or commercial property within the jurisdiction of the Water District

### Residential Retrofit Requirements

- All toilets must be retrofitted with toilets with a maximum flush capacity of 1.6 gallons per flush or less. No flush devices or conversion devices of any other kind will be accepted.
- All showerheads must be retrofitted with low-flow showerheads with a maximum flow capacity of 2.5 gallons per minute or less. These low-flow showerheads must also have a shut-off button. Installing flow restrictors in existing showerheads does not satisfy the requirement.

### Commercial Retrofit Requirements

- Conventional urinals must be replaced with zero-water-use urinals
- Conventional clothes washers must be replaced with high-efficiency clothes washers.
- All toilets must be retrofitted with toilets with a maximum flush capacity of 1.6 gallons per flush or less. No flush devices or conversion devices of any other kind will be accepted.
- All showerheads must be retrofitted with low-flow showerheads with a maximum flow capacity of 2.5 gallons per minute or less. These low-flow showerheads must also have a shut-off button. Installing flow restrictors in existing showerheads does not satisfy the requirement.

Once the property has been retrofitted, Please call the District at (831) 384-6131 to schedule a Water Conservation Certification inspection.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Outstanding Receivables

**Meeting Date:** December 12, 2014

**Agenda Number:** 10a

**INFORMATION**

### **RECOMMENDATIONS:**

Receive a Fort Ord Reuse Authority (FORA) outstanding receivables update for November 2014.

### **BACKGROUND/DISCUSSION:**

Development Fee/Preston Park: In 1997, the U.S. Army and FORA entered into an interim lease for Preston Park. Preston Park consisted of 354 units of former Army housing within the jurisdiction of the City of Marina (Marina). Marina became FORA's Agent in managing the property. Marina and FORA selected Mid-Peninsula Housing Coalition to manage the property and lease it to tenants. In 1998, Mid-Peninsula completed rehabilitating Preston Park units and began leasing the property to the public. After repayment of the rehab loan, Marina and FORA have by state law each shared 50% of the net operating income from Preston Park.

The FORA Board enacted a base-wide Development Fee Schedule in 1999. Preston Park is subject to FORA's Development Fee Schedule overlay. In March 2009, the FORA Board approved the MOU between FORA and Marina whereby a portion of the Preston Park Development Fee was paid by the project. In 2009, Marina transferred \$321,285 from Preston Park, making an initial Development Fee payment for the project. The remaining balance is outstanding and is the subject of current litigation.

### **FISCAL IMPACT:**

All former Fort Ord projects are subject to either the developer fee overlay or the Community Facilities District fees to pay fair share of the California Environmental Quality Act required mitigation measures. In addition, the outstanding balance is a component of the Basewide Mitigation Measures and Basewide Costs described in Section 6 of the FORA Implementation Agreements. If any projects fail to pay their fair share it adds a financial burden to other reoccupied or development projects to compensate.

### **COORDINATION:**

Executive Committee

Prepared by \_\_\_\_\_  
Ivana Bednarik

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

<b>Subject:</b> Habitat Conservation Plan Update	
<b>Meeting Date:</b> December 12, 2014 <b>Agenda Number:</b> 10b	<b>INFORMATION</b>

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

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

### **BACKGROUND/DISCUSSION:**

The Fort Ord Reuse Authority (FORA), with the support of its member jurisdictions and ICF International (formerly Jones & Stokes), FORA's HCP consultant, is on a path to receive approval of a completed basewide HCP and 2081 permit in 2015, concluding with US Fish and Wildlife Service (USFWS) and California Department of Fish and Wildlife (CDFW) issuing federal and state Incidental Take Permits.

After meeting with CDFW Chief Deputy Director Kevin Hunting on January 30, 2013, FORA was told that CDFW and BLM issues require a Memorandum of Understanding (MOU) between CDFW and BLM, outlining certain assurances between the parties, resulting in additional time. Also, according to CDFW, final approval of an endowment holder no longer rests with CDFW due to passage of SB 1094 (Kehoe)]. However, CDFW must review the funding structure and anticipated payout rate of the HCP endowment holder to verify the assumptions are feasible. CDFW has outlined a process for FORA and other Permittees to expedite compliance with endowment funding requirements. FORA has engaged Economic & Planning Systems (EPS) to provide technical support during this process.

If the current schedule is maintained, FORA staff expects a Public Draft HCP available for public review by the middle of 2015. On March 25, 2014, FORA representatives met with representatives from CDFW, University of California, and State Parks to address outstanding State-Fed and State-State policy issues. State Senator Bill Monning convened a follow-up meeting on June 23 in Sacramento. General agreement was achieved to conclude policy issues and publish the HCP on schedule. A technical meeting was held July 30, 2014 with BLM, Permittees, USFWS, and CDFW representatives to review HCP governance and cost items. Comments on HCP technical items and agreements were received by the August 29, 2014 deadline. **Update:** ICF and Denise Duffy Associates (Environmental Impact Report/ Environmental Impact Statement consultant) are completing covered activities analyses and are preparing the screen check draft HCP. Confirming covered activity impacts and mitigations for future Marina Municipal Airport expansion and conceptual alignment of the Fort Ord Recreational Trail and Greenway (FORTAG) has taken longer than expected. Now that these covered activities are quantified, Staff expects consultants to complete the screen check draft HCP by the middle of January 2015.

### **FISCAL IMPACT:**

Reviewed by FORA Controller \_\_\_\_\_

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

### **COORDINATION:**

ICF, Denise Duffy and Associates, USFWS, CDFW, Executive and Administrative Committees

Prepared by \_\_\_\_\_  
Jonathan Garcia

Approved by \_\_\_\_\_  
Steve Endsley

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Administrative Committee

**Meeting Date:** December 12, 2014

**Agenda Number:** 10c

**INFORMATION**

### RECOMMENDATION:

Receive a report from the Administrative Committee.

### BACKGROUND/DISCUSSION:

The Administrative Committee met on October 1, 2014 and November 5, 2014, the approved minutes will be included in the final Board packet.

### FISCAL IMPACT:

Reviewed by the FORA Controller \_\_\_\_\_

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

### COORDINATION:

Administrative Committee

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

# **Placeholder for Item 10d**

**Finance Committee**

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**This item will be included in the final Board packet.**

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Post Reassessment Advisory Committee

**Meeting Date:** December 12, 2014

**Agenda Number:** 10e

**INFORMATION**

### RECOMMENDATION(S):

Receive a Post Reassessment Advisory Committee (PRAC) activity/meeting report.

### BACKGROUND/DISCUSSION:

The PRAC met on Friday November 21. The meeting focused on continuing planning for the Fort Ord Trail symposium scheduled for Thursday, January 22, 2015. The Symposium is currently planned to be sponsored by multi-agencies, including the Fort Ord Reuse Authority (FORA), CSUMB, Transportation Agency for Monterey County (TAMC), Monterey County Parks, and the Bureau of Land Management (BLM). The PRAC discussion focused on development of a symposium agenda including potential topics, speakers and timelines (*for more information on planned agenda and budget see Item 8b*). A draft budget outline is included in the PRAC meeting PowerPoint based on actual costs for the 2013 Fort Ord Colloquium.

The next meeting of the PRAC was scheduled for Friday, December 12 from 12:30-2:00 pm.

Approved minutes from the October 30 meeting are attached (**Attachment A**).

### FISCAL IMPACT:

Reviewed by Fort Ord Reuse Authority (FORA) Controller \_\_\_\_\_

Staff time for this item is included in the approved FORA budget. Costs associated with Fort Ord Trails Symposium were not anticipated in the approved 14-15 Reuse Plan Implementation budget. A specific budget adjustment request is included in Item 8b.

### COORDINATION:

PRAC, CSUMB, TAMC, BLM, Administrative and Executive Committees.

Prepared by \_\_\_\_\_  
Josh Metz

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.





**FORT ORD REUSE AUTHORITY**  
**BASE REUSE PLAN POST-REASSESSMENT ADVISORY COMMITTEE (PRAC)**  
**MEETING MINUTES**

12:45 p.m., Thursday, October 30, 2014 | FORA Conference Room  
920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

1. **CALL TO ORDER**

Confirming a quorum, Fort Ord Reuse Authority (FORA) PRAC Chair Jerry Edelen called the meeting to order at 12:50pm. The following people were in attendance:

**Committee Members**

Jerry Edelen (Chair), Del Rey Oaks  
Jane Parker, Monterey County  
Gail Morton, City of Marina  
Victoria Beach, Carmel-by-the-Sea  
Andre Lewis, CSUMB  
Tom Moore, MCWD

Jonathan Garcia, FORA  
Josh Metz, FORA

**Other Attendees**

Eric Morgan, BLM  
Rick Riedl, member of the public  
Bob Schaffer, member of the public  
Jane Haines, member of the public  
Steve Matarazzo, UCSC

**Staff**

Michael Houlemard, FORA

2. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

Staff noticed delivery of a letter from PRAC Chair Edelen to Carl Holm, Deputy Director, Monterey County Resources Agency, regarding the committee's encouragement for prioritizing improvements at the Jerry Smith Corridor Trailhead access point to the Fort Ord National Monument.

3. **APPROVAL OF MEETING MINUTES**

**MOTION**: Gail Morton moved, seconded by Victoria Beach, to approve the October 9, 2014 meeting minutes, as presented.

**MOTION PASSED**: Unanimous. *Tom Moore abstained.*

4. **PUBLIC COMMENT PERIOD**

None.

5. **BUSINESS ITEMS**

Staff presented an updated draft Trails Symposium agenda, potential speaker list and event schedule for discussion (**Attachment A**). Members gave input on the agenda and staff made

notes for a future revision. Members requested staff to contact potential speakers and bring back an updated list of options for the following meeting.

6. **ITEMS FROM MEMBERS**

None.

7. **NEXT STEPS**

a. FORA staff will continue to:

- i. monitor highway signage progress
- ii. bring recommended speaker bios for consideration at Trails Symposium
- iii. coordinate the Fort Ord Regional Trails Symposium at CSUMB on January 22, 2015

8. **ADJOURNMENT**

The next meeting of the PRAC was set for Friday November 21 at 9am. The meeting was adjourned at approximately 2:00pm.

Minutes prepared by Josh Metz

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Regional Urban Design Guidelines Task Force

**Meeting Date:** December 12, 2014

**Agenda Number:** 10f

**INFORMATION**

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

Receive Regional Urban Design Guidelines (RUDG) Task Force Update.

### **BACKGROUND/DISCUSSION:**

The RUDG Task Force met on Thursday October 30 in preparation for the November 12-19, 2014 Dover, Kohl & Partners (DKP) Site Visit. The task force reviewed preparations for the visit and made recommendations for schedule and format changes. The attached site visit schedule represents the final schedule that incorporated Task Force input (**Attachment A**).

Subsequently, DKP Principals Jason King and Victor Dover, with various members of their interdisciplinary consultant team, supported by FORA staff, completed the planned Site Visit. Organized activities included: stakeholder interviews (120+ people); elected official, developer and environmental interest small group interviews; developer, agency staff and community leader field visits; regional tour and filming; and in-depth discussions with each of the 5 FORA land use jurisdictions.

The main purpose of the site visit was to ensure the consultant team had necessary site specific knowledge, context and established relationships for the Design Charrette scheduled for February 2-13, 2015. This 2-week long charrette will have the consultant team on-site working with public and key stakeholders to work on the draft design guidelines.

A copy of approved RUDG Task Force meeting minutes from September 22, 2014 is attached (**Attachment B**). The next meeting of the RUDG Task Force is scheduled for 1:00pm, Thursday Dec 11, 2014.

### **FISCAL IMPACT:**

Reviewed by FORA Controller \_\_\_\_\_

Staff time for this item is included in the approved FORA budget. FY 2014-2015 Reuse Plan Implementation budget includes funding to pay for RUDG consultant services.

### **COORDINATION:**

Administrative Committee, RUDG Task Force, and Dover, Kohl & Partners.

Prepared by \_\_\_\_\_  
Josh Metz

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

# Fort Ord Regional Urban Design Guide Site Visit Schedule

**Attachment A to Item 10f  
FORA Board Meeting, 12/12/14**

	Thursday, Nov 13 DAY ONE	Friday, Nov 14 Day TWO	Saturday, Nov 15 Day THREE	Sunday, Nov 16 Day OFF	Monday, Nov 17 Day FOUR	Tuesday, Nov 18 Day FIVE
	<b>Public Interviews</b>	<b>Stakeholder Meetings</b>	<b>Filming the Region</b>	<b>Day OFF</b>	<b>Regional Tour</b>	<b>Jurisdiction Meetings</b>
8:00 AM						
8:30 AM						Marina
9:00 AM	Meet with Staff	Meet with Staff				
9:30 AM					Marina	
10:00 AM	Interviews: Economic Development	Small Group Meeting: Elected Officials			Transport: 15 min.	County
10:30 AM					County	
11:00 AM					Transport: 15 min.	
11:30 AM	Interviews: Education	Small Group Meeting: Developers			CSUMB	Del Rey Oaks
12:00 PM						
12:30 PM	Lunch	Lunch				Lunch
1:00 PM			Filming the Region	Day Off	Lunch	
1:30 PM	Interviews: Environment	Small Group Meeting: Environmental				Monterey
2:00 PM					Seaside	
2:30 PM					Transport: 15 min.	
3:00 PM	Interviews: Recreation/Trails	Brief the Board of Directors including Charrette 101 by Bill Lennertz			Del Rey Oaks	Education (CSU, UC, MPC, MPUSD)
3:30pm					Transport: 15 min.	
4:00 PM						Transport: 30 min.
4:30 PM	Interviews: Transportation				Monterey	
5:00 PM						Seaside
5:30 PM						

Questions? Contact Josh Metz  
(831) 883-3672 or josh@fora.org

Team Meetings	Technical Meetings	Filming	Regional Tour
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Last updated 11/04/14



**FORT ORD REUSE AUTHORITY**  
**REGIONAL URBAN DESIGN GUIDELINES (RUDG) TASK FORCE**  
**MEETING MINUTES**

1:00p.m., Monday, September 22, 2014 | FORA Conference Room  
920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

**1. CALL TO ORDER**

Confirming a quorum, Task Force Member Carl Holm called the meeting to order at 1:10pm. The following people were in attendance:

**Committee Members**

Victoria Beach, City of Carmel-by-the-Sea  
Layne Long, City of Marina  
John Dunn, City of Seaside  
Elizabeth Caraker, City of Monterey  
Carl Holm, Monterey County  
Anya Spear, CSUMB

Gail Morton, City Council Member, City of Marina  
Steve Endsley, FORA  
Jonathan Garcia, FORA  
Josh Metz, FORA  
Theresa Szymanis, City of Marina  
Lisa Rheinheimer, MST  
Ariana Green, TAMC  
LeVonne Stone, Member of the public  
Christen Torus, Member of the public  
Jane Haines, Member of the public  
Bob Schafer, Member of the public

**Other Attendees**

Ralph Rubio, Mayor, City of Seaside

**2. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

None.

**3. APPROVAL OF MEETING MINUTES**

a. Friday June 27, 2014

Motion: John Dunn moved, seconded by Elizabeth Caraker

Motion Passed: Unanimous

**4. PUBLIC COMMENT PERIOD**

None.

**5. BUSINESS ITEMS**

Task Force and RUDG Consulting team introductions were made. The Task Force received a presentation led by Jason King, Project Manager for Dover, Kohl & Partners, about the plan and schedule for the FORA RUDG project. Discussion focused on the components of the project and key upcoming dates including:

- RUDG Consultant Team Site Visit: Nov 12-19
- RUDG Charrette: Feb 2-13, 2015

Discussion also focused on defining the Invitation List for interviews to be held during the November Site Visit. The Task Force and audience members contributed categories of invitees.

6. **ITEMS FROM MEMBERS**

None.

7. **ADJOURNMENT**

The next meeting of the RUDG Task Force was set for Monday October 20 from 10-12pm. The meeting was adjourned at approximately 2:45p.m.

Minutes prepared by Josh Metz

# **Placeholder for Item 10g**

**Travel Report**

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**This item will be included in the final Board packet.**

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Public Correspondence to the Board

**Meeting Date:** December 12, 2014

**Agenda Number:** 10h

**INFORMATION**

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

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

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

DRAFT



# **Placeholder for Item 10i**

**Administrative Consistency Determination for  
Entitlement: City of Marina's Church of Latter-day  
Saints Project**

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**This item will be included in the final Board packet.**

**- END -**

**DRAFT  
BOARD PACKET**



# FORT ORD REUSE AUTHORITY

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | [www.fora.org](http://www.fora.org)

## 2015 FORA ADMINISTRATIVE COMMITTEE MEETING SCHEDULE

**January 7**  
*January 21*

**February 4**  
*February 18*

**March 4**  
*March 18*

**April 1**  
*April 15*

**April 29**  
*May 13*

**June 3**  
*June 17*

**July 1**  
*July 15*

**August 5**  
*August 19*

**September 2**  
*September 16*

**September 30**  
*October 14*

**November 4**  
*November 18*

**December 2**  
*December 16<sup>f</sup>*

**December 30**

*(for January 2016 Board meeting)*

The FORA Administrative Committee meets twice a month, on the Wednesday one week prior to the Board meeting and on the Wednesday following the Board meeting. The dates in bold above are the meetings that occur prior to the Board meeting, at which the Committee will review items for the upcoming Board agenda. Meetings begin at 8:15 a.m. in the FORA Conference Room, unless otherwise posted.

Meeting dates and times are subject to change. Agendas and other meeting materials are posted on the FORA website at [www.fora.org](http://www.fora.org) and are available upon request.

# FORT ORD REUSE AUTHORITY ADMINISTRATIVE COMMITTEE REPORT

## BUSINESS ITEMS

**Subject:** Pollution Legal Liability Insurance Policy

**Meeting Date:** December 3, 2014

**Agenda Number:** 7b

**INFORMATION**

### RECOMMENDATION(S):

Receive a report on the Pollution Legal Liability (PLL) Insurance Policy.

### BACKGROUND/DISCUSSION:

#### **First Named Insured Designee After 2020:**

Since the November 5, 2014 Administrative Committee meeting, Fort Ord Reuse Authority (FORA) staff met with County of Monterey staff to discuss potential assignment of the First-Named Insured role from FORA to the County of Monterey. County of Monterey is considering this issue and discussed a few prerequisites, including:

- 1) FORA's remaining four years and six months of coverage would be transferred to the County. *Answer: There are challenges. Insurance carrier is unlikely to agree;*
- 2) Any remaining self-insured retention retained by FORA (currently \$200,000+ in a grant FORA received from the Army) would be transferred to Monterey County, subject to the same grant restrictions. *Answer: FORA is likely to agree to this, which would adequately cover any costs incurred by County assuming first-named insured administrative role;*
- 3) FORA or participating agencies would provide funding to County to support the additional workload associated with the responsibilities of the first-named insured (e.g. Reporting claims, overseeing claims administrator, collecting deductible, communicating with underwriters on behalf of all additional named insureds, requesting certificates of insurance, etc.). *Answer: Unlikely, but may be made moot by answer to #2.*

Due to time constraints, it is not certain whether or not the County of Monterey will make a decision about First-Named Insured assignment before FORA binds the PLL insurance policy. If a decision is not made before binding, Chubb (the insurance carrier) must approve the assignment of FORA's First-Named Insured role to the County of Monterey before it can be recognized in the insurance policy.

#### **Individual Coverage Amounts:**

The base cost is \$20,000 per each \$1,000,000 of coverage, payable to FORA by the jurisdiction. The jurisdiction may make arrangement to be reimbursed by its additional insureds. Since the last Administrative Committee meeting, coverage amounts for FORA and City of Seaside have changed. FORA's coverage amount changed from \$11 million to \$7 million. City of Seaside's coverage amount changed from \$1 million to \$5 million. The following table summarizes current coverage amounts for each Named Insured.

<b>Named Insured</b>	<b>Coverage Amount</b>	<b>Premium at \$20K per \$1 Million Coverage</b>
FORA (First-Named Insured)	\$7,000,000	\$140,000
County of Monterey (considering role of First-Named Insured after 06/30/2020)	\$20,000,000	\$400,000
City of Seaside	\$5,000,000	\$100,000
City of Marina	\$5,000,000	\$100,000
City of Monterey	\$5,000,000	\$100,000
Monterey Peninsula College	\$5,000,000	\$100,000
Transportation Agency for Monterey County	\$2,000,000	\$40,000
Monterey-Salinas Transit	\$1,000,000	\$20,000
<b>Total</b>	<b>\$50,000,000</b>	<b>\$1,000,000</b>

**Insurance Cost Reimbursement Agreements:**

Concerning reimbursement agreements, several named insured have received approval from their policy makers to execute these agreements. The Marina City Council raised a number of questions when they met on November 18, 2014. These questions and answers are included under **Attachment A**.

**FISCAL IMPACT:**

Reviewed by FORA Controller \_\_\_\_\_

The new insurance policy premium, surplus lines tax, and broker fee will cost approximately \$1,710,000. FORA will use \$710,000 in ESCA funds dedicated for this purpose and \$1,000,000 from the General Fund to purchase the policy. FORA will receive repayment for its General Fund expenditures up to \$860,000 plus interest from the Named Insureds. FORA's purchase of \$7,000,000 in coverage will cost FORA \$140,000 in addition to the \$710,000 in ESCA funds. After FORA is repaid, the fiscal impact to FORA will be approximately \$850,000.

**COORDINATION:**

FORA land use jurisdictions and other agencies receiving property and accessing insurance coverage include: City of Marina, City of Seaside, City of Monterey, City of Del Rey Oaks, County of Monterey, Monterey Peninsula College, Transportation Agency for Monterey County, and Monterey-Salinas Transit.

## Marina City Council PLL policy questions from November 18, 2014

1. Is the \$500,000 SIR per occurrence? So if we purchased \$1,000,000 coverage and had a \$700,000 claim, we would pay the first \$500,000 the coverage would pick up the next \$200,000 which would leave us \$800,000 remaining coverage for the next claim? If we had a second claim of \$1,000,000 we would then pay another \$500,000 SIR which would then leave us \$300,000 coverage remaining for the next claim?

*RESPONSE: Yes. Yes. Yes. Note that the insurance is designed as catastrophic insurance. A \$5 million claim would result in a \$500k SIR payment by the City and a \$4.5 million payment by insurance, averting a result that would be devastating to the local jurisdiction.*

2. What exactly is included in the SIR?

*RESPONSE: SIR means "Self-Insured Retention." This is the amount a Named Insured would pay out-of-pocket before the policy coverage take effect. Think of it as like a deductible, although it has a different legal status. It ensures that the policy holder has some stake in the outcome.*

3. How are legal fees addressed in terms of the SIR? Are legal fees paid separately, or are these cost accumulated in terms of the SIR?

*RESPONSE: Legal defense costs are covered under the policy. As a named insured accumulates these costs, they will count towards the \$500,000 SIR.*

4. How is the City liable if we don't pick up the coverage?

*RESPONSE: As far as FORA is aware, none of the City of Marina's existing insurance policies, after 12/31/14, will cover explosive risk or any other pollution condition. It would mean that City has potential exposure to this liability should an incident occur. Which is to say, the City would be self-insured and on their own.*

5. Someone referenced a term called "ordinance of the ordinance"? Are you familiar with this Army term and does it specify how land is transferred and who is responsible?

*RESPONSE: The term is "Ordnance Ordinance." It is a term used to describe the City and County Ordinances on former Fort Ord that require property owners of former Munitions and Explosives of Concern contaminated sites to obtain excavation or grading permits from the local jurisdiction before they commence with such activities. All FORA land use jurisdictions have already enacted the 'Ordnance Ordinance.' It is a requirement of DTSC and State regulators.*

6. Does the insurance cover water?

*RESPONSE: The insurance generally covers unknown groundwater impacts except to the extent they are excluded. There are a number of exclusions in the policy, such as known groundwater impacts. Below is an excerpt of some of the exclusions. FORA can send you a copy of the entire policy if you would like. Known water contaminants are already being treated by the U.S. Army under existing remediation programs.*

Exclusion - Identified Contaminants At Insured Sites, Scheduled:  
Insured Parcels: All Parcels

Contaminants:

- Pollutants related groundwater impacts associated with any currently ongoing remediation.
- Pollutants related to known groundwater impacts associated with OU-1
- Pollutants related to known groundwater impacts associated with OU-2
- Pollutants related to known groundwater impacts associated with Del Ray Oaks parcels
- Pollutants related to known groundwater impacts associated with ESCA parcels
- Pollutants related to known groundwater impacts associated with the Marina Equestrian Center Parcels
- Pollutants related to known groundwater impacts associated with FOSET 2 parcels
- Pollutants related to known groundwater impacts associated with FOST 6 parcels
- Pollutants related to known groundwater impacts associated with Tract 0 parcels
- Pollutants related to known groundwater impacts associated with UCSC parcels
- Pollutants related to known groundwater impacts associated with IRP sites 2/12
- Pollutants in soil or groundwater related to SWMU FTO-007 and SWMU FTO-060 Located in Parcel E2b.2.1 and RI Site 12.
- Pollutants in soil or groundwater related to SWMU FTO-062 located in Parcel L5.8.2 and RI Site 16
- Pollutants in soil or groundwater related to SWMU FTO-065 located in Parcel S1.5.1.2 and RI Site 17
- Pollutants discovered during investigations undertaken as the result of "ARMYS right to conduct remediation activities"
- Pollutants related to Category 5 parcels where cleanup is ongoing or where contamination that requires cleanup is known.
- MRS-32A
- Range 30A
- Ranges 43-48
- Arising from pollution related to "Army Obligations" as defined in the ESCA
- Research Department Explosive (RDX), 2,4,6-Trinitrotoluene (TNT), High Melting Explosive (HMX, 2A-Dinitrotoluene (DNT), 4A-DNT, 2,4-DNT, or perchlorate in groundwater.
- Pollution arising from petroleum hydrocarbons or historic hazardous waste storage at parcels E18.2.1, E
- Petroleum hydrocarbons and lead in soil and groundwater related to parcels L23.3.2.1, L23.4, or S1.1.1.
- Petroleum hydrocarbons or VOCs/SVOCs in groundwater and soil related to parcel E8a.1.2

Exclusion - Failure To Maintain Engineering Or Institutional Controls:

Documents: All deed restrictions that apply to any of the insured sites including those used in the transfer of FOST and or any other parcel(s).

Exclusion – Asbestos, Silica Or Similar Compounds, Including Mixed Dust: