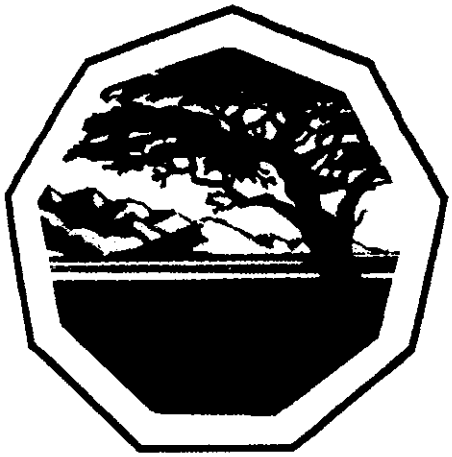
Fort Ord
Reuse Authority



Board Packet

For

Board Meeting
February 8, 2008

5

Fort Ord Reuse Authority
100 12th Street, Building 2880, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

BOARD OF DIRECTORS MEETING

Friday, February 8, 2008, at 3:30 pm
FORA Conference Facility/Bridge Center
201 13th Street, Building 2925, Marina (on the former Fort Ord)

AGENDA

1. CALL TO ORDER AND ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. ACKNOWLEDGEMENTS

4. PUBLIC COMMENT PERIOD: Members of the audience wishing to address the Board on matters within the jurisdiction of the Authority but not on the agenda may do so during the Public Comment Period. You may speak for a maximum of three minutes on any subject. Public comments on specific agenda items will be heard at the time the matter is being considered by the Board.

5. CONSENT AGENDA — ACTION

   a. Minutes of the January 11, 2008 board meeting

   b. Non-substantive changes to the Master Resolution

   c. Imjin Office Park - Paul Davis contract amendment

   d. Salary range adjustment: Executive Assistant/Deputy Clerk to the Board

6. OLD BUSINESS

   a. Habitat Conservation Plan approval process — INFORMATION

7. NEW BUSINESS

   a. Confirmation of 2008 FORA committee appointments — ACTION

   b. Acceptance of FORA mid-year budget — ACTION

   c. Water Augmentation Program
      (1) Review of the Division of Ratepayer Advocates Regional Plenary Oversight Group's (DRA REPOG) proposal – presentation by Lyndel Melton (RMC Water & Environment) — INFORMATION

      (2) Status report — INFORMATION

d. FORA's review and consideration of the revised business terms of the previously executed Disposition and Development Agreement between Marina Redevelopment Agency and Marina Community Partners, LLC, re The Dunes on Monterey Bay (2nd Implementation Agreement) – recommendations from the Administrative and Finance Committees INFORMATION/ ACTION

8. EXECUTIVE OFFICER'S REPORT

a. Administrative Committee report INFORMATION

b. Finance Committee report INFORMATION

c. Fort Ord Reuse Authority Quarterly Report (October–December 2007) INFORMATION

d. Fort Ord Reuse Authority investments - quarterly status report INFORMATION

9. ANNOUNCEMENTS AND CORRESPONDENCE

10. ADJOURNMENT

ACTION MINUTES
OF THE
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Fort Ord Reuse Authority Conference Facility/Bridge Center
February 8, 2008

APPROVED

1. CALL TO ORDER

Chair/ Mayor Joe Russell called the meeting to order at 3:31 p.m. and requested a roll call.

Voting members present:

Chair/Mayor Russell (City of Del Rey Oaks)
Mayor Mettee-McCutchon (City of Marina)
Mayor Pendergrass (City of Sand City)
Jim Cook (County of Monterey)
Councilmember Davis (City of Pacific Grove)
Councilmember Mancini (City of Seaside)
1st Vice Chair/Mayor Rubio (City of Seaside)
Councilmember Downey (City of Monterey)
Councilmember Wilmot (City of Marina)
Supervisor Salinas (County of Monterey)
Mayor McCloud (City of Carmel-by-the-Sea)

Absent were Councilmember Barnes (City of Salinas) and the third representative from the County of Monterey.

Ex-Officio members present:

Tony Boles (CSUMB)
Graham Bice (UC Santa Cruz)
Gail Youngblood (BRAC)
Vicki Nakamura (Monterey Peninsula College)
Kenneth K. Nishi (Marina Coast Water District)

Arriving after the meeting was called to order were Alec Arago (17th Congressional District) and Debbie Hale (TAMC). Brandon Gesicki, senior advisor to Senator Maldonado, and Dan Albert, Jr., Assistant Superintendent for Facilities at MPUSD, both attended as observers. Dr. Douglas Garrison (Monterey Peninsula College) arrived at 3:40 p.m. and replaced Ms. Nakamura during the discussion about the budget. There were no representatives from the 27th State Assembly District, Monterey-Salinas Transit, and U.S. Army.

With a quorum present, Chair Russell opened the meeting by requesting a moment of silence in memory of Councilmember Wilmot's father, who had passed away.

2. PLEDGE OF ALLEGIANCE

Chair Russell asked Mayor McCloud, who agreed, to lead the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS

Chair Russell acknowledged the presence of Monterey Councilmember Libby Downey, alternate to Mayor Chuck Della Sala.

4. PUBLIC COMMENT PERIOD - none

5. CONSENT AGENDA

There were four items on the Consent Agenda: Item 5a (Minutes of the January 11, 2008 board meeting), Item 5b (Non-substantive changes to the Master Resolution), Item 5c (Imjin Office Park – Paul Davis contract amendment), and Item 5d (Salary range adjustment: Executive Assistant/ Deputy Clerk to the Board). **Motion to approve all four items was made by Mayor Rubio, seconded by Mayor Mettee-McCutchon, and carried.**

6. OLD BUSINESS

Item 6a - Habitat Conservation Plan approval process: Director of Planning and Finance Steve Endsley reported that the next meeting with the regulators and Jones & Stokes, FORA's environmental consulting firm, was scheduled on February 28th in the FORA Barn.

7. NEW BUSINESS

Item 7a - Confirmation of 2008 FORA committee appointments: **Motion to confirm the Chair's board member recommendations to serve on the Finance and Legislative Committees was made by Councilmember Mancini, seconded by Mayor Rubio, and carried.** The 2008 Finance Committee members consist of Mayor McCloud (Chair); Councilmembers Mancini, Wilmot and Barnes; and Mr. Graham Bice; no alternates were appointed. The 2008 Legislative Committee members are Mayor Russell (Chair); Supervisors Potter and Calcagno; and Mayors Mettee-McCutchon and Rubio; alternates are Mayor Pendergrass and Supervisor Salinas.

Item 7b - Acceptance of FORA mid-year budget: Executive Officer Houlemard remarked that the recent downturn in the economy, particularly in the housing market, was having a significant impact on the FORA budget. He illustrated the variance in the figures, particularly in development fees, in a PowerPoint summary of the mid-year budget revenues and expenditures. Mayor McCloud, who is also Chair of the Finance Committee, said the Finance Committee had reviewed this budget and recommended approval by the Board. There were no public comments. **Motion to accept the mid-year status report of the FY 2007-08 FORA Operating Budget, as recommended by the Finance Committee, was made by Mayor Rubio, seconded by Councilmember Wilmot, and carried.**

Item 7c – Water Augmentation Program: (1) Review of the Division of Ratepayer Advocates Regional Plenary Oversight Group's (DRA REPOG) proposal – presentation by Lyndel Melton (RMC Water & Environment) and (2) Status report: Mr. Melton focused his report on the former Fort Ord components within the context of a sustainable water supply program for Monterey County. He presented a PowerPoint showing the different components of the proposal. He pointed out the benefits and cost savings of constructing a regional landfill cogeneration facility just north of Marina, with links to other area recycled and desalinated water projects. He said this regional plan has been reviewed by a number of technical experts and includes a component to reduce seawater intrusion. He pointed out that the California Public Utilities Commission and CalAm have three alternatives to help alleviate the water shortages and problems in the County: facilities at Moss Landing or in North Marina, or a regional plan, the latter of which mandates cooperation in creating a regional governance

structure and commitment to a regional plan. Chair Russell opened the item to the board members, who asked Mr. Melton a number of questions. Executive Officer Houlemard commented and emphasized that the regional plan is an opportunity to move forward on all the water augmentation issues that will have to be addressed eventually on any future project. John Fischer, a member of the public and also a REPOG group member, urged the board members to join together in creating a management group to be able to access Proposition 84 funds for this project and to move forward on the compromise effort.

Item 7d - FORA's review and consideration of the revised business terms of the previously executed Disposition and Development Agreement between Marina Redevelopment Agency and Marina Community Partners, LLC, re The Dunes on Monterey Bay (2nd Implementation Agreement) – recommendations from the Administrative and Finance Committee: Executive Officer Houlemard reported that the Administrative Committee had met on February 4th and after a two-hour discussion had moved to recommend pulling Item 7d from the February 8th board agenda, including any information or action associated with it. **Motion to pull the item from today's agenda and leave the matter open for presentation of further information and discussion was made by Mayor Rubio, seconded by Councilmember Mancini, and carried.**

8. EXECUTIVE OFFICER'S REPORT

There were four items in this report: Item 8a (Administrative Committee report), Item 8b (Finance Committee report), Item 8c (Fort Ord Reuse Authority Quarterly Report (October-December 2007), and Item 8d (Fort Ord Reuse Authority investments – quarterly status report). Executive Officer Houlemard called attention to the quarterly report and the Environmental Services Cooperative Agreement (ESCA) update, which is now included. He said there would not be a third quarter quarterly report but staff would prepare an annual report after June 30, 2008.

9. ANNOUNCEMENTS AND CORRESPONDENCE

Councilmember Mancini announced that the Veterans Cemetery Advisory Committee would meet next on Thursday, February 14th in the Marina Library. Mayor Rubio called attention to the Amgen Tour of California 2008 bike race that will start in Seaside at 10:00 a.m. on February 21st and said all are invited to attend. Libby Downey announced that the Monterey City Council had approved a $25,000 donation to the Veterans Cemetery Master Development Plan, the funding of which FORA is coordinating.

10. ADJOURNMENT

There being no further business, Chair Russell adjourned the meeting at 4:27 p.m.

Minutes prepared by Linda Stiehl, Deputy Clerk.

Approved by _____
Michael A. Houlemard, Jr., Executive Officer/Clerk

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA		
Subject:	Non-substantive changes to the Master Resolution	
Meeting Date:	February 8, 2008	**ACTION**
Agenda Number:	5b	

RECOMMENDATION:

Adopt Resolution #08-01 (**Attachment A**), approving non-substantive changes to the Master Resolution.

BACKGROUND/DISCUSSION:

Over time, members of the public and staff have noted minor, non-substantive edits and corrections that should be made to the Fort Ord Reuse Authority Master Resolution. These are found on Exhibit 1 to Resolution #08-01. To assist Board members in identifying precisely where these changes occur in the Master Resolution, we have attached (**Attachment B**) the select pages with the changes noted on the page.

Approving the attached resolution will amend the Master Resolution to reflect these minor adjustments. A new Master Resolution will be distributed to all Board Members at the March meeting, if the resolution is adopted.

FISCAL IMPACT:

None

COORDINATION:

Authority Counsel

Prepared by C Maras
Crissy Maras

Approved by Michael Houlemard
Michael A. Houlemard, Jr.

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ATTACHMENT A
To Consent Agenda Item 5b
February 8, 2008 FORA Board Meeting

RESOLUTION #08-01

Resolution of the Board of Directors
of the Fort Ord Reuse Authority
Approving Non-substantive Changes to the Master Resolution

WHEREAS, the Fort Ord Reuse Authority Board of Directors ("Authority") adopted the Fort Ord Reuse Authority Master Resolution ("Master Resolution") on March 14, 1997; and

WHEREAS, the Authority adopted changes or amendments to the Master Resolution on November 20, 1998, February 19, 1999, January 21, 2000, January 18 and February 8, 2002, and April 16, 2004; and

WHEREAS, members of the public or staff have noted some non-substantive typographical or syntactical inconsistencies in the amended Master Resolution; and

WHEREAS, the Authority reviewed the attached errata on February 8, 2008, noting non-substantive changes to the Master Resolution; and

WHEREAS, approving these minor adjustments will result in better general understanding of the Master Resolution.

NOW, THEREFORE, BE IT RESOLVED that the Authority approves the errata (corrections and adjustments) as appended hereto (as Exhibit 1) amending the Master Resolution to take effect from and after adoption of this resolution.

PASSED AND ADOPTED on February 8, 2008, by the Fort Ord Reuse Authority Board of Directors by the following vote:

Ayes:

Noes:

Abstain:

Absent:

I, Joseph Russell, Chair of the Board of Directors of the Fort Ord Reuse Authority of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of the said Board of Directors duly made and entered in the minutes hereof in Item 5b, page __ of the duly approved minutes dated February 8, 2008.

DATED: _____ BY: _____
Joseph Russell
Chair, Board of Directors
Fort Ord Reuse Authority

Exhibit 1 to RESOLUTION #08-01

Corrections and minor edits to the Fort Ord Reuse Authority Master Resolution

Errata

Page	Article	Sub-heading	Line	Correction/Edit
1	1.01.020		3	Remove comma after "right"
1	1.01.040		2	Remove word "headings"
3	1.01.050	Habitat Management Plan		Remove underline from period at end of sentence
7	1.01.100	(g)	6	Change second "of" to "or"
11	1.02.080		5	Change "County" to "Authority"
11	1.02.100		2	Change "any other provision" to "other provisions"
19	2.03.020		1	Add "(5)" after the word "five"
19	2.03.020		6	Change "provide" to "assign"
21	2.03.051	(a)	3	Remove "FORA"
29	3.01.020	Subcontractor	2	Change "who" to "that"
41	5.01.020	(b)	1	Change "Subsections" to "Subsection"
48	8.01.020	(b) (6)	3	Add space and "fifteen" between "within" and "(15)"
48	8.01.020	(c)	1	Add "ninety" between "within" and "(90)"
49	8.01.020	(c)	11	Add "(10)" between "ten" and "days"
50	8.01.040		1	Add "thirty-five" between "Within" and "(35)"
50	8.01.040		6	Add "thirty-five" between "the" and "(35)"
50	8.01.050	(a)	1	Add "ten" between "Within" and "(10)"
51	8.01.050	(a)	11	Add "sixty" between "within" and "(60)"
51	8.01.050	(a)	13	Add "(10)" between "ten" and "days"
51	8.01.050	(c)	2	Add "thirty-five" between "than" and "(35)"
51	8.01.080		2	Add "fifteen" between "within" and "(15)"
52	8.02.010	(a)	4	Add colon to the end of the sentence
52	8.02.010	(a) (3)	3	Add semi-colon to the end of the sentence
54	8.02.020	(i) (1)	5	Add semi-colon to the end of the sentence
54	8.02.020	(i) (2)	2	Change "action" to "actions"
55	8.02.020	(j) (2)	2	Add "of" between "development" and "additional"
55	8.02.020	(j) (3)	5	Change period at end of sentence to semi-colon
55	8.02.020	(j) (4)	6	Change period at end of sentence to semi-colon
55	8.02.020	(j) (5)	4	Change period at end of sentence to semi-colon
55	8.02.020	(j) (6)	6	Change period at end of sentence to semi-colon
55	8.02.020	(j) (7)	4	Change period at end of sentence to semi-colon
55	8.02.020	(j) (8)	3	Change period at end of sentence to semi-colon, add "and" after semi-colon
57	8.02.020	(o) (1)	5	Change colon at end of sentence to semi-colon

ATTACHMENT B
To Consent Agenda Item 5b
February 8, 2008 FORA Board Meeting

Chapter 1. GENERAL PROVISIONS

Article 1.01. THE MASTER RESOLUTION

1.01.010. SHORT TITLE.

This Master Resolution shall be known and may be cited as the "Fort Ord Reuse Authority Master Resolution" or the "Authority Master Resolution."

1.01.015. EXISTING LAW CONTINUED.

The provisions of this Master Resolution, insofar as such provisions are substantially the same provisions of ordinances relating to the same subject matter and existing at the time of the adoption of this Master Resolution, shall be continued as restatements and continuations of ordinances in existence at the time of the adoption of this Master Resolution and shall not be considered as new enactments.

1.01.020. THE EFFECTS OF PENDING ACTIONS AND ACCRUED RIGHTS.

The adoption of this Master Resolution as well as the provisions of this Master Resolution shall in no way affect the legality or enforceability of any action or proceeding commenced before this Master Resolution takes effect or any right which accrued before this Master Resolution takes effect. All procedures taken after adoption of this Master Resolution shall conform to the provisions of this Master Resolution so far as possible.

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1.01.030. RIGHTS UNDER EXISTING LICENSES AND CERTIFICATES.

No rights given by any license, permit or certificate under prior actions of any predecessor or governmental entities are affected by the enactment of this Master Resolution; however, such rights shall be exercised according to this Master Resolution from the effective date of this Master Resolution.

1.01.040. HEADINGS OF PROVISIONS.

The headings of the part, title, chapter, section, and subsection contained in this Master Resolution are intended to indicate the contents of such provisions and shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of such provisions.

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1.01.050. DEFINITIONS.

(a) In the interpretation and construction of this Master Resolution, the following definitions and rules of construction shall be observed, unless they are inconsistent with the manifest intent of the Authority Board or the context clearly required otherwise:

"Affected territory," means property within the Fort Ord Territory that is the subject of a legislative land use decision or an application for a development entitlement and such additional territory within the Fort Ord Territory that may be subject to an adjustment in density or intensity of allowed development to accommodate development on the property subject to the development entitlement.

(6) Replacement of any building or structure destroyed by a natural disaster with a comparable or like building or structure.

(7) Final subdivision or parcel maps issued consistent with a development entitlement subject to previous review and approval by the Authority Board.

(8) Building permit issued consistent with a development entitlement subject to previous review by the Authority Board.

"Enforcement" shall mean: the making of investigations as may be required; demanding and signing criminal complaints or civil declarations; appearing as a witness in any prosecution or proceeding when so required; and generally doing all things necessary and proper to enforce and obtain compliance with the provisions of this Master Resolution.

"Entitlement" means any license, permit, authorization, or grant, which is issued, granted, or given by the Authority or any of its officers, officials, agents, employees, departments, or agencies to any person.

"Executive Officer" means and includes the appointed official of the Authority who occupies the position of Executive Officer of the Authority pursuant to the Authority Act or any person designated by the Executive Officer to perform certain duties pursuant to this Master Resolution under the direction of the Executive Officer.

"Ex-Officio Members" means the persons or entities designated in the Authority Act as ex-officio members or such persons or entities as the FORA Board may designate as ex-officio members. Ex-Officio Members include the Monterey Peninsula Community College District, the Monterey Peninsula Unified School District, the Member of Congress from the 17th Congressional District, the Senator from the 15th Senate District, the Assembly Member from the 27th District, the United States Army, the Chancellor of the California State University, the President of the University of California, the Transportation Agency of Monterey County, the Monterey-Salinas Transit Authority and Marina Coast Water District.

"First Generation Construction" means construction performed during the development and completion of each parcel of real property contemplated in a disposition or development agreement at the time of transfer from each member agency to a developer(s) or other transferee(s) and until issuance of a certificate of occupancy by the initial owners or tenants of each parcel.

"Fort Ord Territory" means all territory within the jurisdiction of the Authority.

"Goods" means and includes wares or merchandise.

"Habitat Management Plan", means the Fort Ord Installation-Wide Multi-Species Habitat Management Plan dated April 1997.

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"Land use agency" means a member agency with land use jurisdiction over territory within the jurisdiction of the Authority Board.

"Legislative land use decisions" means general plans, general plan amendments, redevelopment plans, redevelopment plan amendments, zoning ordinances, zone district maps or amendments to zone district maps, and zoning changes.

"Master Resolution" or "this Master Resolution" means the Authority Master Resolution.

(g) The sections, paragraphs, sentences, clauses, and phrases of this Master Resolution are severable and any declaration of unconstitutionality of any phrase, clause, sentence, paragraph, or section of this Master Resolution or any amendment to this Master Resolution by the valid judgment or decree of a court of competent jurisdiction shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Master Resolution or any amendment to this Master Resolution.

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1.01.110. **GRAMMATICAL INTERPRETATION.**

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(a) General Rules.

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(1) Any gender includes the other genders.

(2) The singular number includes the plural, and the plural includes the singular.

(3) Words used in the present tense include the past and the future tenses and vice versa.

(4) The word "or" may be read "and" and the word "and" may be read "or" if the sense requires it.

(5) Words and phrases used in this Master Resolution that are not specifically defined shall be construed according to the context and approved usage of the language. The provisions of Section 13 and 1645 of the Civil Code of the State of California are adopted in the interpretation of words and phrases, unless otherwise provided in this Master Resolution.

(b) Specific Rules.

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(1) It is the policy of the Authority Board that the legal documents of this Authority, including all ordinances, resolutions, and contracts, should be gender neutral.

(2) It is the policy of the Authority Board that the legal documents of this Authority including all ordinances, resolutions, and contracts, should be written in "plain English."

Article 1.02. ENFORCEMENT OF MASTER RESOLUTION

1.02.010. RESPONSIBILITIES FOR ENFORCEMENT.

(a) Whenever the enforcement of any provision of this Master Resolution is imposed upon or delegated to a specific official, such official shall be primarily responsible for the enforcement of such provision. In the absence of any specific impositions or delegation or enforcement responsibility, the Executive Officer shall be primarily responsible for enforcing the provisions of this Master Resolution.

(b) Enforcing Officers Generally.

under which to proceed; but not more than one recovery shall be had against the same person for the same offense. The provisions of this section apply only to criminal sanctions pursuant to Section 1.02.040 of this Master Resolution. Nothing in this section shall be construed as limiting or prohibiting the Executive Officer or the Authority from securing compliance with the provisions of the Master Resolution through the civil remedies provisions authorized pursuant to Section 1.02.040 or Sections 1.02.070, 1.02.080, and 1.02.090 of this Master Resolution.

1.02.070. PUBLIC NUISANCES; CONTINUING OFFENSES.

Any condition caused or permitted to exist in violation of any of the provisions of this Master Resolution shall be deemed a public nuisance and may be abated as such in a manner consistent with law. Each and every day during which such condition is allowed to exist shall be deemed a separate offense and may be abated accordingly.

1.02.080. ABATEMENT AND ENJOINMENT OF PUBLIC NUISANCES.

Any violation of any provision of this Master Resolution is unlawful and a public nuisance. The District Attorney or the Authority Counsel, or their respective designees, may commence such actions or proceedings for the abatement, removal, and enjoinment in the manner provided by law and may take such other steps and initiate such judicial proceedings as the District Attorney or Authority Counsel deems necessary or appropriate to abate and restrain such violation. The remedies provided in this section shall be cumulative and not exclusive.

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1.02.090. REIMBURSEMENT OF COSTS AND CIVIL PENALTIES.

(a) Any person, firm, or corporation who creates or maintains a public nuisance in violation of this Master Resolution shall be liable for the cost of abatement, which shall include, but not be limited to:

(1) Cost of Investigation;
(2) Court costs;
(3) Attorneys' fees; and
(4) Costs of monitoring compliance.

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(b) Upon continuation of a public nuisance after notice from the Authority to cease the nuisance, any person, firm, or corporation shall be liable for the costs of abatement set forth in Subsection (a) of this section plus a civil penalty of fifty percent (50%) of those costs payable to the Authority in addition to any other costs of enforcement imposed by the court or such other amount as may be specified in the Authority Fee Resolution. Penalties imposed pursuant to the provisions of this subsection are in addition to any civil penalties that may be imposed pursuant to Section 1.02.040.

1.02.100. REMEDIES CUMULATIVE.

Unless otherwise expressly provided, the remedies provided in this Article or other provisions of this Master Resolution are cumulative and not exclusive. Nothing in this Master Resolution bars any legal, equitable, administrative, or summary remedy to which any aggrieved person, the Authority, or any Official may otherwise be

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exclusion shall be effected by an appropriate peace officer upon being so directed by the Chair.

2.02.070. NOTICE OF ABSENCE.

If any member of the Board is to be unable to attend a meeting, that Board member shall, if possible, notify the Executive Officer prior to the meeting.

2.02.080. VACATION PERIOD.

The Authority Board shall determine by resolution each calendar year vacation periods during which no regular meetings will be held.

Article 2.03. COMMITTEES

2.03.010. PURPOSE.

Committees and subcommittees may be established, as the Authority may deem appropriate to provide the Board with options, critique, analysis, and other information as the Board may request from time to time.

2.03.020. EXECUTIVE COMMITTEE.

The Executive Committee shall be comprised of not more than five (5) members of the Board. The Committee shall be comprised of the Chair, First Vice-Chair, Second Vice-Chair, a Past Chair, and one representative member appointed by the Board. If the Past Chair position is vacant, the Board may appoint another representative. The Executive Committee will provide such duties as the Board may assign. If any designated representative is unable to serve on the Executive Committee, the Board may fill such vacancy with another member of the Board.

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2.03.021. EXECUTIVE COMMITTEE DUTIES.

The Executive Committee shall meet on a date and time the Committee determines is convenient or necessary. The Executive Officer and Authority Counsel shall attend the meetings of the Executive Committee. The duties of the Executive Committee are:

(a) Review and approve all agendas of all regular and special meetings of the Board of Directors;

(b) Provide initial performance evaluation of the Executive Officer and make recommendations to the Board of Directors regarding employment and personnel matters relating to the Authority staff; and

(c) Perform such other duties as the Board of Directors may direct.

2.03.030. ADMINISTRATIVE COMMITTEE.

The chief administrative officer, county administrative officer, or city manager of each member agency, or designee, may serve on an administrative

(a) Review and evaluate the annual budget of the Authority as presented by the Controller. Recommend action to the Executive Committee and the Authority Board, including parameters to staff compensation budgets.

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(b) Review and evaluate the scope of services for the selection of the Authority auditor as prepared by the Controller. Comment, as appropriate, on modifications to the scope of services. Serve as an advisory selection committee to the Authority Board on the selection of the auditor. Review and evaluate the annual audit of the Authority financial statements as presented by the selected auditor.

(c) Consult with the Authority Administrative Committee, the Executive Officer, the Controller and/or Director of Planning and Finance, and advise and inform the Authority Board on proposed financing mechanisms to fund the obligations of the Authority. The Finance Advisory Committee will develop recommendations to the Authority Board for actions associated with its advice and information responsibilities.

Article 2.04. EXECUTIVE OFFICER

2.04.010. OFFICE CREATED.

The office of the Executive Officer is created and established, as provided in the Authority Act. The Executive Officer shall be appointed by the Authority Board wholly on the basis of his or her administrative and executive ability and qualifications and shall hold office for and during the pleasure of the Authority Board.

2.04.020. BOND.

The Executive Officer shall furnish a corporate surety bond to be approved by the Authority Board in such sum as may be determined by the Authority Board, and shall be conditioned upon the faithful performance of the duties imposed upon the Executive Officer and as prescribed in this Article. Any premium for such bond shall be a proper charge against the Authority.

2.04.030. COMPENSATION.

The Executive Officer shall receive such compensation as the Board shall from time to time determine. In addition, the Executive Officer shall be reimbursed for all actual and necessary expenses incurred by him in the performance of his official duties.

2.04.040. POWERS AND DUTIES OF THE EXECUTIVE OFFICER.

(a) The Executive Officer shall be the administrative head of the Authority under the direction and control of the Authority Board except as otherwise provided in this Master Resolution. The Executive Officer shall be responsible for the efficient administration of all the affairs of the Authority, which are under the control of the Executive Officer. In addition to general powers of the Executive Officer as administrative head, and not as a limitation thereon, it shall be the duty of the Executive Officer and the

Chapter 3. PROCUREMENT CODE

Article 3.01. GENERAL PROVISIONS

3.01.010. GENERAL PROVISIONS.

This chapter of the Fort Ord Reuse Authority Master Resolution shall be known and may be cited as the "Procurement Code of the Fort Ord Reuse Authority."

3.01.020. DEFINITIONS.

As used in this chapter the following terms shall have the following meanings, unless the context clearly indicates that a different meaning is intended:

"Area" means Monterey County, San Benito County, and Santa Cruz County.

"Construction" means the process of building, altering, repairing, improving, or demolishing any structure or building owned or leased by the Authority or other improvements of any kind to any real property owned or maintained by the Authority or within any public right-of-way or easement within the jurisdictional limits of the Authority.

"Contractor" means any person, firm, corporation (including nonprofit), partnership, joint venture, association, or enterprise having a contract or attempting to obtain a contract with the Authority.

"Procurement" means the buying, purchasing, renting, leasing, or otherwise acquiring of any supplies, services, or construction. It also includes all functions that pertain to the obtaining of any supplies, services, or construction, including description of requirements, selection and solicitation of sources, preparation, and award of contracts, and all phases of contracting administration.

"Public project" means a project for construction.

"Resident" means a person who: (1) Maintains a domicile within the Area and such domicile is a person's true, fixed, established principal and permanent home; (2) Has no claim of residency elsewhere; and (3) Intends to remain in the Area indefinitely.

"Subcontractor" means any person, firm, corporation, partnership, joint venture, association, or enterprise that has or seeks to have a contract with a contractor to perform work required as part of a contract or agreement between a contractor and the Authority.

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3.01.030. WAIVER.

The Board, in an appropriate circumstance as determined by the Board, may waive any provision of this chapter when deemed in the best interests of the Authority.

Chapter 5. FINANCES AND CLAIMS

Article 5.01. CLAIMS AGAINST THE AUTHORITY.

5.01.010. FILING REQUIREMENT.

All claims against the Authority shall be filed with the Clerk to the Authority. The Clerk to the Authority Board shall transmit copies of all such claims to the Executive Officer. For the purpose of this Article, the term "Executive Officer" shall mean a person designated by the Executive Officer, including the Executive Officer, and such person may include a contractor of the Authority who performs risk management or claims adjustment duties for the Authority.

5.01.020. PROCESSING OF CLAIMS AGAINST THE AUTHORITY.

(a) The Executive Officer shall evaluate the sufficiency and form of all claims against the Authority and give notices relative to any deficiency of such claims to the claimant. The Executive Officer shall have all such claims investigated and shall prepare an investigative report and a recommendation relating to each such claim. The Executive Officer, with the concurrence of the Authority Counsel, may approve for payment any claim within the jurisdictional limits of a municipal court in the State of California, deny any claim amounting to $50,000 or less, or compromise any claim in an amount less than the jurisdictional limits of a municipal court in the State of California. The Executive Officer shall be responsible for immediately notifying the claimant of such decision and expediting payment of any claim, which has been approved or compromised.

(b) For all claims not disposed of pursuant to Subsection (a) or of this section, the Authority Counsel shall prepare and submit, as soon as practicable, a report to the Authority Board either in open session or in closed session, at the Authority Counsel's election, together with a recommendation that such claim be approved, compromised, or denied. The Authority Counsel shall advise the Executive Officer of the Board's decision in the matter. The Executive Officer shall thereupon notify the claimant, in writing, of the decision and expedite payment of any claim, which has been approved or compromised.

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(c) Notwithstanding the above provisions, the Executive Officer shall notify and send copies of all claims which are determined by the Executive Officer to be covered by insurance to the insurance carrier which provides coverage to the Authority, and shall be the Authority liaison with such carriers for the purpose of any claim involvement.

(d) In order to protect the best interest of the Authority and the officers, employees, and agents of the Authority with regard to the investigation, defense, or adjustment of applicable claims incurred against the Authority or its officers, employees, and agents, the Executive Officer and the Authority Counsel are directed to establish and maintain necessary administrative procedures and incident report forms to ensure the confidential coordination of case facts and related information. The

Authority, including the Master Resolution, and/or constraints on development identified in the Reuse Plan, including lack of available water supply, wastewater and solid waste disposal capacity, and inadequate transportation and other services and infrastructure.

8.01.020. PROCEDURES FOR CONSISTENCY DETERMINATIONS FOR LEGISLATIVE LAND USE DECISIONS.

(a) Each land use agency shall submit all legislative land use decisions affecting property in the territory of the Authority to the Executive Officer for review and processing.

(b) All submissions regarding a legislative land use decision shall include:

(1) A complete copy of the legislative land use decision, including related or applicable text, maps, graphics, and studies;

(2) A copy of the resolution or ordinance of the legislative body approving the legislative land use decision, adopted at the conclusion of a noticed hearing certifying that the portion of a legislative land use decision applicable to the Fort Ord Territory is intended to be carried out in a manner fully in conformity with the Reuse Plan and the Authority Act;

(3) A copy of all staff reports and materials presented or made available to the legislative body approving the legislative decision, or any advisory agency relating to the legislative land use decision;

(4) A copy of the completed environmental assessment related to the legislative land use decision;

(5) A statement of findings and evidence supporting the findings that the legislative land use decision is consistent with the Reuse Plan, the Authority's plans and policies, including the Master Resolution, and is otherwise consistent with the Authority Act; and

(6) Such other materials as the Executive Officer deems necessary or appropriate and which have been identified within fifteen (15) days of the receipt of the items described in subsection (b) of this Section.

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(c) Within ninety (90) days of the receipt of all of the items described in subsection (b) above, or from the date the Executive Officer accepts the submission as complete, whichever event occurs first, the Authority Board shall conduct a noticed public hearing, calendared and noticed by the Executive Officer, to certify or refuse to certify, in whole or in part, the portion of the legislative land use decision applicable to Fort Ord Territory. The Authority Board shall adopt a resolution making findings in support of its decision, such decision shall be rendered within the time frame described in this section, and such decision shall be final. In the event the Authority

Board fails, within the time frames described in this section, to conduct a public hearing or take action on determining whether the land use decision is consistent with the Plan and the Authority Act, the land use agency may file, upon ten (10) days notice, a request with the Executive Officer to have the matter placed on the next Board agenda for a noticed public hearing to take action to consider the consistency finding and the Board shall take action at such noticed public hearing and such decision shall be final.

(d) In the event the Authority Board finds, on the basis of substantial evidence supported on the record, that the legislative act is consistent with the Reuse Plan and this chapter, the Authority Board shall certify the legislative act pursuant to the provisions of the Authority Act.

(e) In the event the Authority Board refuses to certify the legislative land use decision in whole or in part, the Authority Board's resolution making findings shall include suggested modifications which, if adopted and transmitted to the Authority Board by the affected land use agency, will allow the legislative land use decision to be certified. If such modifications are adopted by the affected land use agency as suggested, and the Executive Officer confirms such modifications have been made, the legislative land use decision shall be deemed certified. In the event the affected land use agency elects to meet the Authority Board's refusal or certification in a manner other than as suggested by the Authority Board, the legislative body of the affected land use agency shall resubmit its legislative land use decision to the Executive Officer and follow the procedures contained in this section.

(f) No legislative land use decision shall be deemed final and complete, nor shall any land use entitlement be issued for property affected otherwise permitted by such legislative land use decision unless it has been certified pursuant to the procedures described in this section.

(g) The Authority Board may only refuse to certify zoning ordinances, zoning district maps, or other legislative land use decision on the grounds that such actions do not conform with, or are inadequate to carry out, the provisions of the general plan, certified as consistent with the Reuse Plan pursuant to the provisions of this section, applicable to the affected property.

(h) Nothing in this section or in this chapter shall apply to be or construed as adversely affecting any consistency determination previously obtained by a land use agency and certified by the Authority Board pursuant to the Authority Act.

8.01.030. REVIEW OF DEVELOPMENT ENTITLEMENTS.

(a) After the portion of a general plan applicable to Fort Ord Territory has become effective, development review authority within such portion of territory shall be exercised by the land use agency with jurisdiction lying within the area to which the general plan applies. Each land use agency may issue or deny, or conditionally issue, development entitlements within their respective jurisdictions so long as the land use agency has a general plan certified pursuant to Section 8.01.020 and the

decisions issuing, denying, or conditionally issuing development entitlements are consistent with the adopted and certified general plan, the Reuse Plan, and is in compliance with CEQA and all other applicable laws.

(b) All decisions on development entitlements of a land use agency affecting property within the territory of the Authority may be reviewed by the Authority Board on its own initiative, or may be appealed to the Authority Board, subject to the procedures specified in this Section. No development entitlement shall be deemed final and complete until the appeal and review procedures specified in this Section and Sections 8.01.040 and 8.01.050 of this chapter have been exhausted.

(c) The land use agency approving a development entitlement within the jurisdiction of the Authority shall provide notice of approval or conditional approval to the Executive Officer. Notice of approval or conditional approval of a development entitlement shall include:

(1) A complete copy of the approved development entitlement, including related or applicable text, maps, graphics, and studies.

(2) A copy of all staff reports and materials presented or made available to any hearing body that reviewed the development entitlement.

(3) A copy of the completed environmental assessment related to the development entitlement.

8.01.040. REVIEW OF DEVELOPMENT ENTITLEMENTS BY INITIATIVE OF THE AUTHORITY BOARD.

Within thirty-five (35) days of the receipt of all of the notice materials described in Subsection (c) of Section 8.01.030, the Authority Board, on its own initiative, may consider a resolution setting a hearing on a development entitlement affecting Fort Ord Territory. The Authority Board may continue the matter of setting a hearing once for any reason. In the event the Authority Board does not act to set the matter for hearing within the thirty-five (35) day time period or at the continued meeting, whichever event is last, the decision of the land use agency approving the development entitlement shall be deemed final and shall not be subject to review by the Authority Board pursuant to this section. Nothing in this section shall be construed as abrogating any rights that any person may have to appeal development entitlements to the Authority Board pursuant to Section 8.01.050. In the event the Authority Board sets the matter for hearing, such hearing shall commence at the first regular meeting of the Authority Board following the date the Authority Board passed its resolution setting the matter for hearing or at a special hearing date prior to such regular meeting. The Authority Board may continue the matter once. In the event the Authority Board fails to take action on the development entitlement within such time period, the development entitlement shall be deemed approved.

8.01.050. REVIEW OF DEVELOPMENT ENTITLEMENTS BY APPEAL TO AUTHORITY BOARD.

(a) Within ten (10) days of a land use agency approving a development entitlement, any person aggrieved by that approval and who participated either orally or in writing, in that agency's hearing on the matter, may file a written appeal of such approval with the Executive Officer, specifically setting forth the grounds for the appeal, which shall be limited to issues raised at the hearing before the land use agency. The person filing the appeal shall pay a filing fee in an amount equal to the fee for appeal of combined development permits as established by the Monterey County Board of Supervisors for the cost of processing the appeal. The Executive Officer shall set, schedule, and notice a public hearing before the Authority Board. In the event the Authority Board fails to act on the development entitlement within the time periods specified in this section to conduct a public hearing and take action within sixty (60) days on determining whether the development entitlement is consistent with the Reuse Plan and the Authority Act, the land use agency may file, upon ten (10) days notice, a request with the Authority Board to have the matter placed on the next Board agenda for a noticed public hearing to take action to consider the development entitlement.

(b) At the time and place noticed by the Executive Officer, the Authority Board will conduct a hearing on the development entitlement. The Authority Board may continue the matter once for any reason.

(c) Said continued hearing must be rescheduled to a date that is not later than thirty-five (35) days from the date of the initial hearing date. In the event the Authority Board determines the development entitlement is not consistent with the Reuse Plan, the development shall be denied and the Authority Board's decision shall be final. In the event the Authority Board determines the development entitlement is consistent with the Reuse Plan, the Authority Board shall approve the development entitlement.

8.01.060. SUPERCESSION.

In the event of a conflict or inconsistency between this chapter of the Master Resolution and the Reuse Plan, the Development and Resource Plan, and other adopted FORA policies and procedures in regards to legislative land use decisions and/or development entitlements affecting lands within the affected territory, the provisions of this chapter shall govern.

8.01.070. FORA AS RESPONSIBLE AGENCY UNDER CEQA.

In taking action on all legislative land decisions and for review of all development entitlements, the Authority Board shall act as a responsible agency under CEQA.

8.01.080. ADMINISTRATIVE APPEALS.

Any administrative decision made by the Executive Officer may be appealed to the Authority Board within fifteen (15) days by completing and filing a notice of appeal at the Office of the Executive Officer.

Article 8.02. CONSISTENCY DETERMINATION CRITERIA

8.02.010. LEGISLATIVE LAND USE DECISION CONSISTENCY.

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

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

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

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

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

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

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

(b) FORA shall not preclude the transfer of intensity of land uses and/or density of development involving properties within the affected territory as long as the land use decision meets the overall intensity and density criteria of Sections 8.02.010(a)(1) and (2) above as long as the cumulative net density or intensity of the Fort Ord Territory is not increased.

(c) The Authority Board, in its discretion, may find a legislative land use decision is in substantial compliance with the Reuse Plan when the Authority Board finds that the applicant land use agency has demonstrated compliance with the provisions specified in this section and Section 8.020.020 of this Master Resolution.

8.02.020. SPECIFIC PROGRAMS AND MITIGATION MEASURES FOR INCLUSION IN LEGISLATIVE LAND USE DECISIONS.

(f) Each land use agency with jurisdiction over property in the Army urbanized footprint shall adopt the cultural resources policies and programs of the Reuse Plan concerning historic preservation, and shall provide appropriate incentives for historic preservation and reuse of historic property, as determined by the affected land use agency, in their respective applicable general, area, and specific plans.

(g) The County of Monterey shall amend the Greater Monterey Peninsula Area Plan and designate the Historic East Garrison Area as an historic district in the County Reservation Road Planning Area. The East Garrison shall be planned and zoned for planned development mixed uses consistent with the Reuse Plan. In order to implement this aspect of the plan, the County shall adopt at least one specific plan for the East Garrison area and such specific plan shall be approved before any development entitlement shall be approved for such area.

(h) Each land use agency shall include policies and programs in their respective applicable general, area, and specific plans that shall support all actions necessary to ensure that sewage treatment facilities operate in compliance with waste discharge requirements adopted by the California Regional Water Quality Control Board.

(i) Each land use agency shall adopt the following policies and programs:

(1) A solid waste reduction and recycling program applicable to Fort Ord Territory consistent with the provisions of the California Integrated Waste Management Act of 1989, Public Resources Code Section 40000 *et seq.*.

(2) A program that will ensure that each land use agency carries out all actions necessary to ensure that the installation of water supply wells comply with State of California Water Well Standards and well standards established by the Monterey County Health Department; and

(3) A program that will ensure that each land use agency carries out all actions necessary to ensure that distribution and storage of potable and non-potable water comply with State Health Department regulations.

(j) Each land use agency shall include policies and programs in their respective applicable general, area, and specific plans to address water supply and water conservation. Such policies and programs shall include the following:

(1) Identification of, with the assistance of the Monterey County Water Resources Agency and the Monterey Peninsula Water Management District, potential reservoir and water impoundment sites and zoning of

such sites for watershed use, thereby precluding urban development;

(2) Commence working with appropriate agencies to determine the feasibility of development of additional water supply sources, such as water importation and desalination, and actively participate in implementing the most viable option or options;

(3) Adoption and enforcement of a water conservation ordinance which includes requirements for plumbing retrofits and is at least astringent as Regulation 13 of the Monterey Peninsula Water Management District, to reduce both water demand and effluent generation; Deleted: .

(4) Active participation in support of the development of "reclaimed" or "recycled" water supply sources by the water purveyor and the Monterey Regional Water Pollution Control Agency to ensure adequate water supplies for the territory within the jurisdiction of the Authority; Deleted: .

(5) Promotion of the use of on-site water collection, incorporating measures such as cisterns or other appropriate improvements to collect surface water for in-tract irrigation and other non-potable use; Deleted: .

(6) Adoption of policies and programs consistent with the Authority's Development and Resource Management Plan to establish programs and monitor development of territory within the jurisdiction of the Authority to assure that it does not exceed resource constraints posed by water supply; Deleted: .

(7) Adoption of appropriate land use regulations that will ensure that development entitlements will not be approved until there is verification of an assured long-term water supply for such development entitlements; Deleted: .

(8) Participation in the development and implementation of measures that will prevent seawater intrusion into the Salinas Valley and Seaside groundwater basins; and Deleted: .

(9) Implementation of feasible water conservation methods where and when determined appropriate by the land use agency, consistent with the Reuse Plan, including; dual plumbing using non-potable water for appropriate functions; cistern systems for roof-top run-off; mandatory use of reclaimed water for any new golf courses; limitation on the use of potable water for golf courses; and publication of annual water reports disclosing water consumption by types of use.

contributed by development on territory within the jurisdiction of the Authority; and

(2) Support and participate in regional and state planning efforts and funding programs to provide an efficient regional transportation effort to access Fort Ord Territory.

(o) Each land use agency shall include policies and programs in their respective applicable general, area, and specific plans that ensure that the design and construction of all major arterials within the territory under the jurisdiction of the Authority will have direct connections to the regional network consistent with the Reuse Plan. Such plans and policies shall include:

(1) Preparation and adoption of policies and programs consistent with the Authority's Development and Resource Management Plan to establish programs and monitor development to assure that it does not exceed resource constraints posed by transportation facilities;

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(2) Design and construction of an efficient system of arterials in order to connect to the regional transportation system; and

(3) Designate local truck routes to have direct access to regional and national truck routes and to provide adequate movement of goods into and out of the territory under the jurisdiction of the Authority.

(p) Each land use agency shall include policies and programs in their respective applicable general, area, and specific plans to provide regional bus service and facilities to serve key activity centers and key corridors within the territory under the jurisdiction of the Authority in a manner consistent with the Reuse Plan.

(q) Each land use agency shall adopt policies and programs that ensure development and cooperation in a regional law enforcement program that promotes joint efficiencies in operations, identifies additional law enforcement needs, and identifies and seeks to secure the appropriate funding mechanisms to provide the required services.

(r) Each land use agency shall include policies and programs in their respective applicable general, area, and specific plans that ensure development of a regional fire protection program that promotes joint efficiencies in operations, identifies additional fire protection needs, and identifies and seeks to secure the appropriate funding mechanisms to provide the required services

(s) Each land use agency shall include policies and programs in their respective applicable general, area, and specific plans that will ensure that native plants from on-site stock will be used in all landscaping except for turf areas, where practical and appropriate. In areas of native plant restoration, all cultivars, including, but

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA		
Subject:	Imjin Office Park - Paul Davis contract amendment	
Meeting Date:	February 8, 2008	**ACTION**
Agenda Number:	5c	

RECOMMENDATION:

Authorize the Executive Officer to execute the attached Architectural contract (**Attachment A**) amendment for building design (FC 0807C-2) with the Paul Davis Partnership to reduce the Paul Davis Partnership budget by $20,415.50.

BACKGROUND:

The current Fort Ord Reuse Authority ("FORA") office location is in the path of the City of Marina's Dunes on Monterey Bay (formerly known as University Village) development project. The FORA Board authorized staff to proceed with relocation from the current FORA Compound site by jointly participating with several other entities in the construction of a new office complex - the "Imjin Office Park." FORA obtained ownership of approximately 4.75 acres located at the northeast corner of Imjin Parkway and 2nd Avenue to serve as the site for the Imjin Office Park ("IOP") after other sites were explored with the City of Marina. The IOP is a four-building-lot commercial office subdivision, which will be developed jointly by FORA, Carpenters Local 605, the Association of Monterey Bay Area Governments, and the Builders Exchange of the Central Coast. The Paul Davis Partnership was chosen as the project architect after a competitive selection process.

DISCUSSION:

The Paul Davis Partnership has designed the entire IOP development to be a Leadership in Energy and Environmental Design ("LEED") certified project. The current Paul Davis Partnership building design contract has an approved budget of $50,000 for FORA's portion of the project's LEED certification costs. This $50,000 budget assumed that the Paul Davis Partnership would contract with a LEED commissioning agent. The Paul Davis Partnership informed FORA that their $50,000 LEED budget must be reduced by $20,415.50 since FORA must enter directly into a contract with the LEED commissioning agent.

FISCAL IMPACT

None. Approval of contract amendment FC 0807C-2 is fiscally neutral. The contract amendment would reduce the current Paul Davis Partnership building design budget by $20,415.50 from $236,275 to $215,859.50 and would redirect $20,415.50 to a contract with Enovity, Inc., the project's LEED commissioning agent, which was authorized previously by the Board at its January 11, 2008 meeting.

COORDINATION:

Authoriy Counsel, Paul Davis Partnership, Enovity, Inc., Administrative Committee, and Executive Committee.

Prepared by Jonathan Garcia Reviewed by D. Steven Endsley
Jonathan Garcia Steve Endsley

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

DRAFT

Attachment A
To Item 5c
FORA Board Meeting, February 8, 2008

Agreement No. FC-0807C - 2

Agreement for Professional Services – Extension #2

This is an Extension #2 to Agreement No. FC-0807C ("AGREEMENT") between the Fort Ord Reuse Authority, a political subdivision of the State of California (hereinafter referred to as "FORA") and the Paul Davis Partnership, LLP (hereinafter referred to as "CONSULTANT").

All terms and conditions in the AGREEMENT remain the same except for the following adjustments:

The attached Exhibit "A" shall replace the previous Exhibit "A" to reduce the LEED Certification costs from $50,000 to $29,584.50 and total contract amount from not-to-exceed $236,275 to not-to-exceed $215,859.50.

IN WITNESS WHEREOF, AUTHORITY and CONSULTANT execute this Agreement as follows:

Authority		CONSULTANT	
By _____	_____	By _____	_____
Michael A. Houlemard, Jr. Executive Officer FORA, Building C	Date	Paul E. Davis, Partner Architect	Date

Approved as to form:

_____

Gerald Bowden
Authority Counsel

EXHIBIT A
Compensation:

15,000 SF FORA & Lease Offices
Parcel 2, Imjin Office Park Bldg C

	Method of Compensation	Design Development & Construction Documents	Construction Observation	TOTALS
Architect The Paul Davis Partnership	Fixed Fee	$61,837.00	$12,950.00	$74,787.00
Structural Engineer Howard Carter Associates 9600 Blue Larkspur Lane Monterey, CA 93940 (831) 373-3119	Fixed Fee	$31,993.00	$6,700.00	$38,693.00
Mechanical Engineer Axiom Engineers 2511 Garden Road Monterey, CA 93940 (831) 649-8000	Fixed Fee	$24,170.00	$4,920.00	$29,090.00
Electrical Engineer Aurum Consulting Engineers 1900 Garden Road, Suite 120 Monterey, CA 93940 (831) 646-3330	Fixed Fee	$17,122.00	$2.883.00	$20,005.00
Lighting Consultant Luminae-Souter Associates, LLC 504 Roosevelt Way San Francisco, CA 94114 (415) 863-8800	Fixed Fee	$16.000.00	$2,700.00	$18,700.00
Reimbursable Expenses	Budget			$5,000.00
LEED Certification Costs	Budget			$29,584.50
TOTALS				$215,859.50

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA		
Subject:	Salary range adjustment: Executive Assistant/Deputy Clerk to the Board	
Meeting Date:	February 8, 2008	
Agenda Number:	5d	**ACTION**

RECOMMENDATION:

Receive a recommendation from the Executive Officer and the Executive Committee adjusting the salary range of the Executive Assistant/Deputy Clerk to the Board.

BACKGROUND/DISCUSSION:

Over the past four months, the Executive Assistant/ Deputy Clerk to the Board has been provided with information regarding the annual salaries and job descriptions of five positions in this area that are comparable to at least one of the "combined" positions in which Ms. Stiehl serves. These positions are from Monterey County, Monterey Regional Water Pollution Control Agency, the City of Marina, and two from the City of Monterey. None is an exact "fit" but does provide a reasonable basis for determining a comparable compensation range for duties and responsibilities performed.

Ms. Stiehl topped out in her salary range over two years ago and requested that the Executive Officer consider a salary range adjustment based on current ranges in the area. The Executive Committee concurred with Mr. Houlemard's recommendation at its meeting on January 30th to adjust the highest step of the existing salary range from $65,412 to $76,630 effective January 1, 2008.

FISCAL IMPACT:

The new range will provide opportunity for a step increase on January 1, 2008. The fiscal impact is within approved limits for Salaries and Benefits in the FY 07-08 budget.

COORDINATION:

Executive Officer and Executive Committee

Prepared and approved by Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS		
Subject:	Habitat Conservation Plan approval process	
Meeting Date:	February 8, 2008	
Agenda Number:	6a	**INFORMATION**

RECOMMENDATION:

Receive a status report regarding preparation of Habitat Conservation Plan ("HCP") and State of California 2081 Incidental Take Permit ("ITP") Process.

BACKGROUND/DISCUSSION:

The Fort Ord Reuse Authority ("FORA") completed a Draft HCP on January 23, 2007 covering topics necessary to submit the HCP to California Department of Fish and Game ("CDFG") and an application for a basewide State 2081 Incidental Take Permit ("ITP"). Upon completion of this document, budget authority for the biological HCP consultant was fully expended. The Draft HCP was circulated to U.S. Fish and Wildlife Service ("USFWS"), CDFG, FORA's land use jurisdictions, and other prospective habitat managers participating in the program. USFWS provided written comments on the Draft HCP in March and July 2007. CDFG provided written comments in April 2007.

To define necessary steps to obtain CDFG approval of a basewide State 2081 Permit, FORA's legislative representatives met with key stakeholders in CDFG, California Department of Parks and Recreation ("State Parks"), and the Governor's Office on April 30, 2007. Subsequent meetings were held with Mike Crisman, State of California Resources Secretary, and John McCamman, CDFG Chief Deputy Director (at the time). These discussions identified several steps for FORA and CDFG to take to secure a successful 2081 permit. The representatives and stakeholders identified a need for a larger scope for the work, requiring FORA to redistribute a Request for Qualifications ("RFQ") containing a larger budget than previously included in the March 2007 RFQ. In return, key stakeholders in Sacramento gave assurances they would perform required work on their end and support a "final" process. In response to the need for an expanded scope of work, at its May 11, 2007 meeting, the FORA Board directed staff to redesignate unused HCP funds in Fiscal Year ("FY") 06-07 for HCP consultant work and directed staff to enter into a contract, not to exceed $150,000, with an HCP consultant to conduct the larger scope of work.

FORA staff received several responses to its RFQ and selected Jones & Stokes, Inc. ("Jones & Stokes") for the contract, which gives FORA the expertise to respond to USFWS and CDFG comments on the draft HCP. Jones & Stokes successfully completed comparable HCP's in Northern California and is the author of the 1997 Fort Ord Habitat Management Plan. The initial contract was for $85,445 and covers revisions to Draft HCP chapters, resulting from agency comments and FORA staff concurrence. An amendment to this contract for additional tasks and budget to recombine State and Federal HCP's was approved at a previous Board meeting. The approved FY 06-07 and FY 07-08 budgets included additional funding for this purpose.

Jones & Stokes have identified a window of opportunity to expedite permit issuance. As noted, Jones & Stokes have proposed recombining the truncated State and Federal HCP processes into one HCP document and one combined public review period, which would

result in a shorter timeframe for federal and state permit issuance and a stronger HCP document. Significant progress on the State HCP made in the last year should allow Jones & Stokes to complete the necessary federal HCP chapters on an expedited basis. This allows FORA to use the HCP document for both Federal National Environmental Policy Act ("NEPA") and State of California Environmental Quality Act ("CEQA") permit applications.

On May 23, 2007, FORA hosted an HCP working group meeting among Jones & Stokes, FORA, CDFG, USFWS, University of California ("UC"), Bureau of Land Management ("BLM"), and State Parks to discuss agency comments on the Draft HCP Funding Chapter. The HCP working group identified issues and discussed probable solutions to improve the Draft HCP funding section. A follow-up conference call occurred May 31, 2007. To expedite agency review of the Draft HCP, Jones & Stokes suggested that USFWS and CDFG prepare comment letters on Draft HCP chapters reviewed to date and that the agencies offer oral comments on the remaining chapters. This approach was well received and was discussed in further detail during a strategy session among FORA, USFWS, and CDFG held in early June. On July 12, 2007, the HCP working group met, reviewed past comments received from USFWS and CDFG, reviewed Jones & Stokes' technical memo proposing revisions to the draft HCP, and reviewed Jones & Stokes' draft costing model. On August 29, 2007, the HCP working group held another meeting, in which the group: provided additional feedback on the draft costing model, requested feedback from working group members on Draft HCP sections, addressed questions on the Early Transfer/ Environmental Services Cooperative Agreement, and asked for feedback from USFWS and CDFG on inclusion of the proposed alignment of the Multi-Modal Corridor along Intergarrison Road in lieu of a previous alignment bisecting the UC Fort Ord Natural Reserve. On November 15, 2007 the working group reviewed a draft HCP Implementing Agreement, a required HCP document.

On October 1, 2007, Mayors Russell, Mettee-McCutchon, and Rubio met with State of California Resources Secretary Mike Crisman and CDFG Interim Director John McCamman and, as a consequence, a letter was drafted demonstrating CDFG support for FORA's Early Transfer/ Environmental Services Cooperative Agreement activities. In December 2007 Jones & Stokes personnel met with USFWS in Ventura regarding staff transition and other issues. Jones & Stokes are drafting a progress memo to be shared at the next working group meeting in February 2008.

FISCAL IMPACT:

In September 2007, the FORA Board amended the initial $85,445 Jones & Stokes Contract resulting in a combined budget authority not to exceed $236,550. Funding for this amount was designated in the fiscal year 06-07 and the 07-08 budgets.

COORDINATION:

Executive Committee, Administrative Committee, Legislative Committee, Coordinated Resources Management and Planning Team, City of Marina, County of Monterey, U.S. Army, USFWS and CDFG personnel, Jones & Stokes, Denise Duffy & Associates, UC, BLM, and various development teams.

Prepared by D. Steven Endsley
Steve Endsley

Approved by
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS		
Subject:	Confirmation of 2008 FORA committee appointments	
Meeting Date:	February 8, 2008	
Agenda Number:	7a	**ACTION**

RECOMMENDATION:

Confirm the 2008 appointments to the Finance Advisory Committee (aka the Finance Committee) and the Legislative Advisory Committee (aka the Legislative Committee), as recommended by Chair Russell.

BACKGROUND/DISCUSSION:

At the February board meeting each year, the FORA Chair recommends one-year appointments of the chairs, the members and any alternates who will serve on the Finance and Legislative Committees. All appointed members and alternates must be current members or alternates on the FORA Board of Directors. Chair Russell has recommended the following to serve through the February 2009 board meeting:

Finance Committee:

Members: Mayor Sue McCloud (Carmel) (to serve as Chair)
Councilmember Tom Mancini (Seaside)
Councilmember Gary Wilmot (Marina)
Councilmember Janet Barnes (Salinas)
Graham Bice (UC Santa Cruz)

Alternate: none

Legislative Committee:

Members: Mayor Joe Russell (Del Rey Oaks) (to serve as Chair)
Supervisor Dave Potter (Monterey County)
Supervisor Lou Calcagno (Monterey County)
Mayor Ila Mettee-McCutchon (Marina)
Mayor Ralph Rubio (Seaside)

Alternates: Mayor David Pendergrass (Sand City)
Supervisor Simon Salinas (Monterey County)

FISCAL IMPACT: None

COORDINATION: Executive Committee

Prepared by Linda L. Stiehl **Approved by** Michael A. Houlemard, Jr.

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FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS		
Subject:	Acceptance of FORA Mid-Year Budget	
Meeting Date:	February 8, 2008	**ACTION**
Agenda Number:	7b	

RECOMMENDATION:

Accept a mid-year status report of the FY 07-08 Fort Ord Reuse Authority ("FORA") Operating Budget - recommended by the FORA Finance Committee.

BACKGROUND:

The mid-year budget update is typically provided to the Board by the February meeting. This report covers the operations budget status for the budget approved at the June 2007 meeting. The Finance Committee reviewed the mid-year budget at its January 28, 2008 meeting.

DISCUSSION:

The FY 07-08 mid-year budget update reports a decrease in expenditures from $85 million to $42 million. FORA General Fund and Capital Improvement Program activities are greatly reduced due to recessionary economic conditions delaying development projects.

REVENUES

Mid-Year Budget projects an overall decrease of $46,790,126

Additions

- $425,000 Tax Increment (TI) Payments: FORA collections from the Dunes on Monterey Bay (Dunes) project.
- $41,820 Interest Reimbursements: Interest reimbursement by East Garrison Partners (EGP) on the $4.1 million loan (to provide funds in lieu of land sale proceeds); the preliminary budget anticipated partial principal repayment thus lower interest payments.

Deletions

- $35,961,000 in Development Fees: Anticipated fee payments from delayed/rescheduled major projects (Marina Heights, Dunes, Seaside Main Gate, Seaside Golf course resort); jurisdictional forecast adjustments at mid-year reflect a decrease from the January 2007 jurisdictional projections of $36 million to $170 thousand; $0 fees collected at mid-year.
- $10,834,946 in Land Sale Proceeds: Anticipated sales from all major projects delayed/rescheduled (Cypress Knolls, Del Rey Oaks, Seaside Main Gate), jurisdictional forecast adjustments at mid-year reflect a decrease from January 2007 jurisdictional forecasts of $11.3 million to $497 thousand (IOP parcels, Young Nak Church).
- $461,000 Investment Income: Decreased investment income as result of reduced invested funds (delayed fee payments/land sale revenue) and drop in investment rate; by January 2008, FORA withdrew $3.6 million from invested funds to fund capital projects (roadway construction, ET/ESCA CCO #2).

EXPENDITURES

Mid-Year Budget reflects an overall decrease of $43,489,965

Additions

- $4,033,832 additional expenditures authorized by the FORA Board since preliminary budget adoption:
  a) $191,000 Veterans cemetery: November 2007, funding toward the preparation of a Veterans Cemetery master development plan; FORA anticipates financial participation from jurisdictions and other interested parties.
  b) $3,272,479 ET/ESCA CCO #2: September 2007, a contract change order request to accelerate MEC clearance of the top priority areas to accommodate FORA's CIP construction schedule.
  c) $570,353 IOP Project: January 2008, FY 07-08 IOP budget to complete building plans/grading.

Deletions/Reductions

- $330,921 in Salaries and Benefits: As a result of project slow downs and/or deferrals FORA laid off one CIP staff person, withheld hiring of two approved positions, reassigned workload to existing personnel.
- $35,000 in Supplies and Services: A purchase of FORA vehicle eliminated from the budget.
- $1,478,415 in Contractual Services:
  a) $678,415 contract price reduction to Creegan and D'Angelo for roadway improvement designs; approved budget included broader services.
  b) $800,000 Base Reuse Plan reassessment project deferred.
- $45,679,461 in Capital Projects: All CFD funded capital projects deferred with the exception of the completion of General Jim Moore Phase III and continued habitat management program by UC Regents, funded by FORA habitat mitigation reserve fund. Building removal at the Dunes site continued thru fall of 2007; FORA fulfilled its financial obligation under the existing MOA for building removal.

OTHER BUDGETARY ITEMS

- Loan Proceeds and Loan Repayments. Delays in land transfers/sales influenced FORA's ability to pay down the outstanding principal in the revolving line of credit (obtained in 2006 to provide interim financing for capital projects) as budgeted; advances of $6.6 million for the FY to process building removal and road design invoices. Estimated outstanding principal at year end is $8.9 million. Interest payments are estimated at $535 thousand for the fiscal year; FORA receives interest reimbursements from East Garrison Partners on a $4.1 million portion of the outstanding balance ($287K) and uses its own resources (lease revenue) to finance the rest ($248K).
- Land Sale Credits-The Dunes project. Per MOA for building removal, the cost of building removal at the Dunes site is $46 million; FORA to pay $22 million in cash and receive $24 million in land sale credits (land sale proceeds directly applied against invoices, no cash payments to FORA); according to project time schedule in the MOA, the land transfer to the developer should have been completed by the end of this FY; in reality, only one of the three parcels has been purchased to date. Therefore, land sale credits not available to offset costs; FORA completed its cash obligation.

ENDING FUND BALANCES

Mid-Year Budget reflects an overall decrease of $5,295,265

As a result of the budget adjustments, the projected FY ending balance is $1,396,350. Ending balance in the ESCA fund is $1.3 million; ending balances in all other funds are minimal, but positive.

Attachment 7b-1 illustrates the updated budget and compares it with the approved budget; corresponding notes offer brief narrative descriptions of budget variances.

Attachment 7b-2 provides detail on changes in expenditures.

FISCAL IMPACT:

Decreased fund balances, reduction or deferral of all capital projects except environmental cleanup project, minimal General Fund ending balance (reserve).

COORDINATION:

Finance Committee, Executive Committee.

Prepared by: Ivana Bednarik

Approved by: Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY - FY 07- 08 MID-YEAR BUDGET - ALL FUNDS COMBINED

CATEGORIES	FY 07-08 PRELIMINARY Budget	FY 07-08 MID-YEAR Budget	BUDGET VARIANCES	NOTES
REVENUES				
Membership Dues	257,740	**257,740**	-	
Franchise Fees - MCWD	193,700	**193,700**	-	
Federal Grants	30,000,000	**30,000,000**	-	May be adjusted to account for Army early payment
PLL Loan Payments	983,657	**983,657**	-	
Development Fees	36,131,000	**170,000**	(35,961,000)	Jurisdictional forecast adjustments for current year
Fair Share In Lieu Payments (CSU)	TBD	**TBD**	-	
Land Sale Proceeds	11,332,000	**497,054**	(10,834,946)	Jurisdictional forecasts adjustments, only sale IOP
Rental/Lease Revenues	1,327,032	**1,327,032**	-	
Tax Increment Payments	1,015,000	**1,440,000**	425,000	Actual 06-07 collection increased by the Dunes project valuation
Loan Reimbursements	245,180	**287,000**	41,820	From East Garrison Partners per MOA of 4/2006; approved budget anticipated loan reduction
Investment Income	676,000	**215,000**	(461,000)	Decreased rate, invested funds used for projects
Other Income	-	-	-	
	82,161,309	**35,371,183**	(46,790,126)	Overall Decrease in Revenues
EXPENDITURES				
Salaries & Benefits	2,085,477	**1,754,556**	330,921	Reduction in staff (layoff), withheld approved new hiring
Supplies & Services	298,500	**263,500**	35,000	Purchase/lease of FORA vehicle eliminated
Contractual Services	4,005,000	**3,287,938**	717,062	Reuse plan reassessment deferred, IOP pre-construction and Veteran's cemetery added
Contractual Services - ET/ESCA	29,000,000	**32,272,479**	(3,272,479)	$3.272M CCO #2 to the LFR Remediation Services Agreement
Capital Projects	50,108,203	**4,428,742**	45,679,461	Reduction in all capital programs
Total Expenditures	85,497,180	**42,007,215**	43,489,965	Overall Decrease in Expenditures
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	6,247,753	**6,937,262**	689,509	Advances from revolving line of credit (LOC) to finance CIP activities.
Debt Service (P+I)	(5,318,126)	**(4,051,653)**	1,266,473	Lower reduction in principal, land sale proceeds not available
Building Removal Credits	4,500,000	**(1,425,408)**	(5,925,408)	Anticipated transfer at The Dunes site deferred, land sale credits to be applied in future years
Revenue Bonds, Series A Proceeds	267,000	**223,437**	(43,563)	Decreased available balance to fund HMP projects reflects actual consultant billings
Total Other Financing Sources	5,696,627	**1,683,638**	(4,012,989)	Overall Decrease in Other Financing Sources
REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES	2,360,756	**(4,952,395)**		
FUND BALANCE - BEGINNING (7-07)	4,330,859	**6,348,745**	2,017,886	Audited beginning balances in unreserved funds
FUND BALANCE - ENDING (6-08)	6,691,615	**1,396,350**	(5,295,265)	Decrease in ending balance

Attachment 7b-1

FORT ORD REUSE AUTHORITY
FY 07-08 MID-YEAR BUDGET

EXPENDITURES - ITEMIZED

EXPENDITURE CATEGORIES	APPROVED	ADJUSTMENTS	NOTES
SALARIES & BENEFITS - EXISTING STAFF	1,737,477	(87,921)	Project Manager laid-off 9/07
SALARIES & BENEFITS - PROPOSED STAFF			
1 PRINCIPAL PLANNER	95,000-125,000	(125,000)	Not hired
1 ESCA PROJECT COORDINATOR	55,000-70,000		
.5 ACCOUNTING SERVICES ASSISTANT	35,000		
1 QUALITY CONTROL COORDINATOR	98,000-118,000	(118,000)	Not hired
		(330,921)	**Total reduction in Salaries and Benefits**
TOTAL STAFF (S+B)	**2,085,477**	**1,754,556**	
SUPPLIES & SERVICES	298,500	(35,000)	Purchase/lease of FORA vehicle deferred
		(35,000)	**Total reduction in Supplies and Services**
TOTAL SERVICES & SUPPLIES	**298,500**	**263,500**	
CONTRACTUAL SERVICES			
VETERANS CEMETERY	-	191,000	Potential jurisdictional sharing
LEGAL EXPENSES	25,000		
AUTHORITY COUNSEL	125,000		
AUDITOR - INDEPENDEDNT	34,000		
BRP REASSESSMENT/REVIST	800,000	(800,000)	Project deferred
EDC COUNSEL (EDC-ESCA)	150,000		
REGULATORY RESPONSE (ESCA)	500,000		Porion to be used for Quality Assurance Consultant
MEC REMEDIATION (ESCA)	28,500,000	3,272,479	ET/ESCA CCO #2 MEC cleanup on FORA CIP parcels
FINANCIAL CONSULTANT	25,000		
LEGISLATIVE SERVICES CONSULTANT	30,000		
PUBLIC INFORMATION	30,000		
IOP BUILDING	TBD	570,353	IOP FY 07-08 budget approved 9-26-07
ARCHITECT & ENGINEERS	2,136,000	(678,415)	Actual contract amount $1,457,585
WATER RESOURCE POLICY	150,000		
NEPA/CEQA CONSULTING FIRM	230,000		
HABITAT MITIGATION	200,000		
PARKER FLATS ENDANGERED SPECIES	9,000		
HABITAT FUNDING CONSULTANT	25,000		
OTHER (BOND TRUSTEE, PIPERIA SURVEY)	36,000	-	
		2,555,417	**Total increase in Contractual Services**
TOTAL CONTRACTUAL SERVICES	**33,005,000**	**35,560,417**	
CAPITAL PROJECTS			
		(45,679,461)	**Total reduction in Capital Projects**
TOTAL CAPITAL PROJECTS	**50,108,203**	**4,428,742**	$4.4 M in Capital Projects itemized:
			$208,808 completion of GJM III
			$75,000 habitat managemet program/UC Regents
			$4,144,934 building removal at Dunes site
		(43,489,965)	**Overall decrease in Expenditures**
TOTAL FY 07-08 EXPENDITURES	**85,497,180**	**42,007,215**	

FORT ORD REUSE AUTHORITY

FY 2007-08

MID-YEAR BUDGET

FORT ORD REUSE AUTHORITY - FY 07- 08 MID-YEAR BUDGET - SUMMARY

	APPROVED 07-08 BUDGET	MID-YEAR 07-08 BUDGET	VARIANCES
REVENUES	82,161,309	**35,371,183**	(46,790,126)
EXPENDITURES	85,497,180	**42,007,215**	43,489,965
FUND BALANCE - ENDING (6-08)	6,691,615	**1,396,350**	(5,295,265)

FORT ORD REUSE AUTHORITY - FY 07- 08 MID-YEAR BUDGET - REVENUES

	APPROVED 07-08 BUDGET	MID-YEAR 07-08 BUDGET	VARIANCES
REVENUES			
Membership Dues	257,740	**257,740**	-
Franchise Fees - MCWD	193,700	**193,700**	-
Federal Grants	30,000,000	**30,000,000**	-
PLL Loan Payments	983,657	**983,657**	-
Development Fees	36,131,000	**170,000**	(35,961,000)
Fair Share In Lieu Payments (CSU)	TBD	**TBD**	-
Land Sale Proceeds	11,332,000	**497,054**	(10,834,946)
Rental/Lease Revenues	1,327,032	**1,327,032**	-
Tax Increment Payments	1,015,000	**1,440,000**	425,000
Loan Reimbursements	245,180	**287,000**	41,820
Investment Income	676,000	**215,000**	(461,000)
Other Income	-	**-**	-
	82,161,309	**35,371,183**	(46,790,126)

FORT ORD REUSE AUTHORITY - FY 07- 08 MID-YEAR BUDGET - EXPENDITURES

	APPROVED 07-08 BUDGET	MID-YEAR 07-08 BUDGET	VARIANCES
EXPENDITURES			
Salaries & Benefits	2,085,477	**1,754,556**	(330,921)
Supplies & Services	298,500	**263,500**	(35,000)
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Contractual Services - ET/ESCA	29,000,000	**32,272,479**	3,272,479
Capital Projects	50,108,203	**4,428,742**	(45,679,461)
	85,497,180	**42,007,215**	(43,489,965)

FORT ORD REUSE AUTHORITY

FY 2007-08 MID-YEAR BUDGET

RECOMMENDATION

ACCEPT THE FY 07-08 MID-YEAR BUDGET REPORT

AS RECOMMENDED BY THE FINANCE AND EXECUTIVE COMMITTEES

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS		
Subject:	Water Augmentation Program	
Meeting Date:	February 8, 2008	**INFORMATION**
Agenda Number:	7c	

RECOMMENDATIONS:

1) Review the Division of Ratepayer Advocates Regional Plenary Oversight Group's ("DRA REPOG") proposal – presentation by Lyndel Melton from RMC Water & Environment (**Attachment A**) and

2) Receive a status report

BACKGROUND/DISCUSSION:

The DRA REPOG, formerly referred to as the Monterey Regional Water Supply Reliability Collaboration, was formed during a process begun by the DRA of the California Public Utilities Commission (CPUC), with the assistance of the University of California Santa Cruz (UCSC). DRA and UCSC are engaged in a project with the goal of developing a comprehensive water resource plan for the Monterey Region. To accomplish this goal, DRA has been facilitating a series of meetings, or dialogues, with all interested parties over the past year. The objective of the dialogues is to achieve consensus through collaboration among the various interested parties on a solution, or perhaps several complementary solutions, to supplying the water needs of the Monterey Region in a cost-effective and sustainable way.

Lyndel Melton from RMC Water & Environment presented the DRA REPOG proposal to the FORA Administrative Committee on January 30, 2008 and has been invited to present the proposal to the FORA Board on February 8, 2008. The proposal's approach depends on regional cooperation among the various water management entities and land use jurisdictions in the Monterey Region to develop a Regional Water Supply Plan that is sustainable, pragmatic, publicly and politically acceptable, and more cost effective than other alternatives.

The proposal is congruent with the Fort Ord Reuse Authority ("FORA") and Marina Coast Water District ("MCWD") Boards of Directors' "Hybrid Alternative" (June 10, 2005) to augment Fort Ord water resources, which directed their respective staff to scope this two-component project. Since that time, MCWD and FORA have proceeded with the Hybrid program, which includes both recycled water and desalinated water. MCWD has completed California Environmental Quality Act ("CEQA") documentation for this augmented water program. The REPOG proposal has the potential to offer substantial savings to FORA, MCWD, jurisdictional developers, and other users.

Regarding the current version of the FORA/ MCWD hybrid project, the MCWD Board certified Amendment 2 to the Project Environmental Impact Report, increasing the Recycled Water Project ("RWP") size from 1,500 acre-feet per year (AFY) to 1,727 AFY, the greatest capacity the RWP can provide for the former Fort Ord without adding storage. On May 11, 2007, the FORA Board of Directors adopted Resolution 07-10, allocating the 1,427 AFY of recycled

water for the Ord Community. A final agreement between MCWD and the Monterey Regional Water Pollution Control Agency has not been reached, which has delayed bidding and construction for this project. MCWD continues to install portions of this pipeline when streets are open for other construction, including one mile of pipeline recently completed in Marina Heights and a half-mile segment under construction in CSUMB.

The Desalination Plant Basis of Design Report is complete, and the Main Garrison Wastewater Treatment Plant was recommended as the preferred location for the new Seawater Desalination Facility. The cost of this facility is approximately $42,000,000, mainly due to the high cost of disposing of the waste brine. MCWD is considering obtaining other sources of potable supply or other locations for a desalination plan that may be lower in overall cost before initiating the final design for the desalination plant.

FISCAL IMPACT:

Significant savings could be realized by FORA, jurisdictional developers, and other users should the REPOG proposal ultimately be selected as the preferred alternative.

COORDINATION:

DRA REPOG, Marina Coast Water District, Executive Committee, and Administrative Committee

Prepared by Jonathan Garcia Reviewed by D. Steven Endsley
Jonathan Garcia Steve Endsley

Approved by Michael A. Houlemard, Jr.

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Attachment A
To Item 7c
FORA Board Meeting, February 8, 2008

Sustainable Water Supply Program for Monterey County

February 8, 2008

RMC

A Brief History of Water Issues In the Monterey Region

- Increased demands
- Intruded groundwater basins
- Regulatory decisions affecting water rights
- Adjudication of important aquifer water source

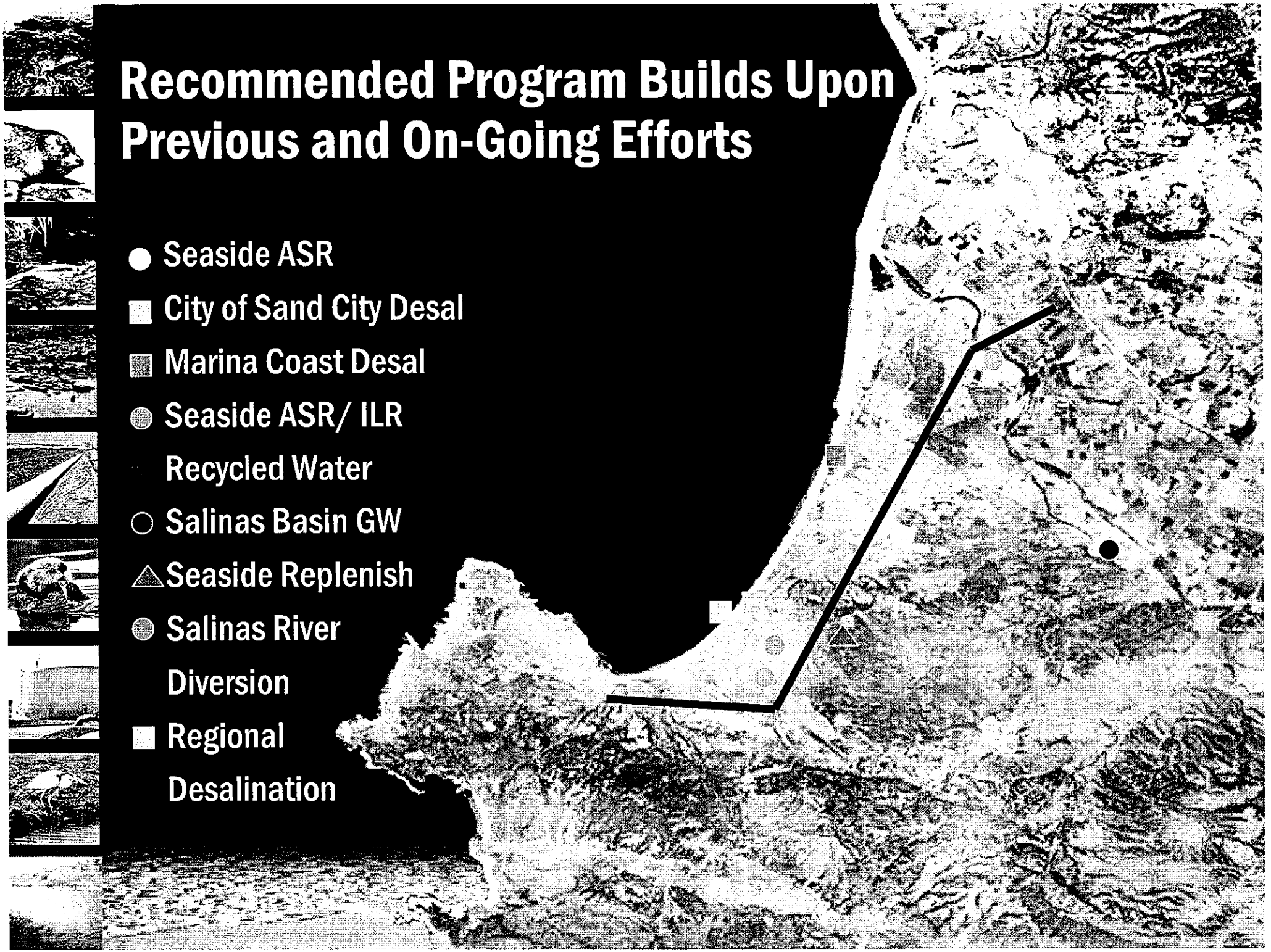
- Managers Discussions – Beginning Dec. 2004
- Cal Am Coastal Water Project Development
- Regional Leadership Task Force Process
- Division of Rate Payer Advocacy REPOG Process

Regional Managers Have Been Meeting with the Following Results....

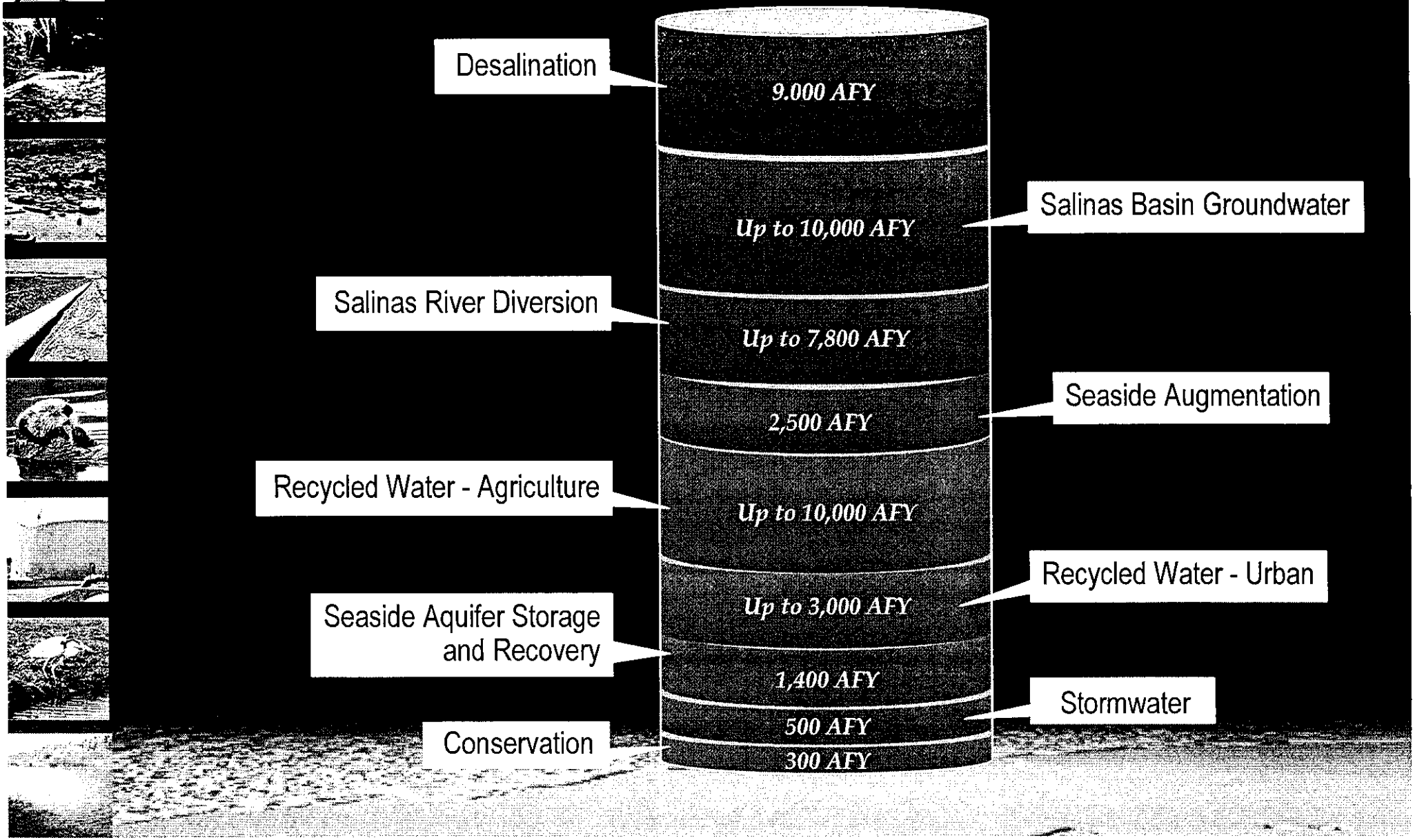
- A regional plan that is
  - Implementable
  - Sustainable
  - Publicly and politically acceptable
  - Less expensive than a desalination plant at Moss Landing
  - Solves many issues with the same investment

Regional Water Supply Plan Addresses Gaps in Northern Monterey County Water Supplies

Recommended Program Builds Upon Previous and On-Going Efforts



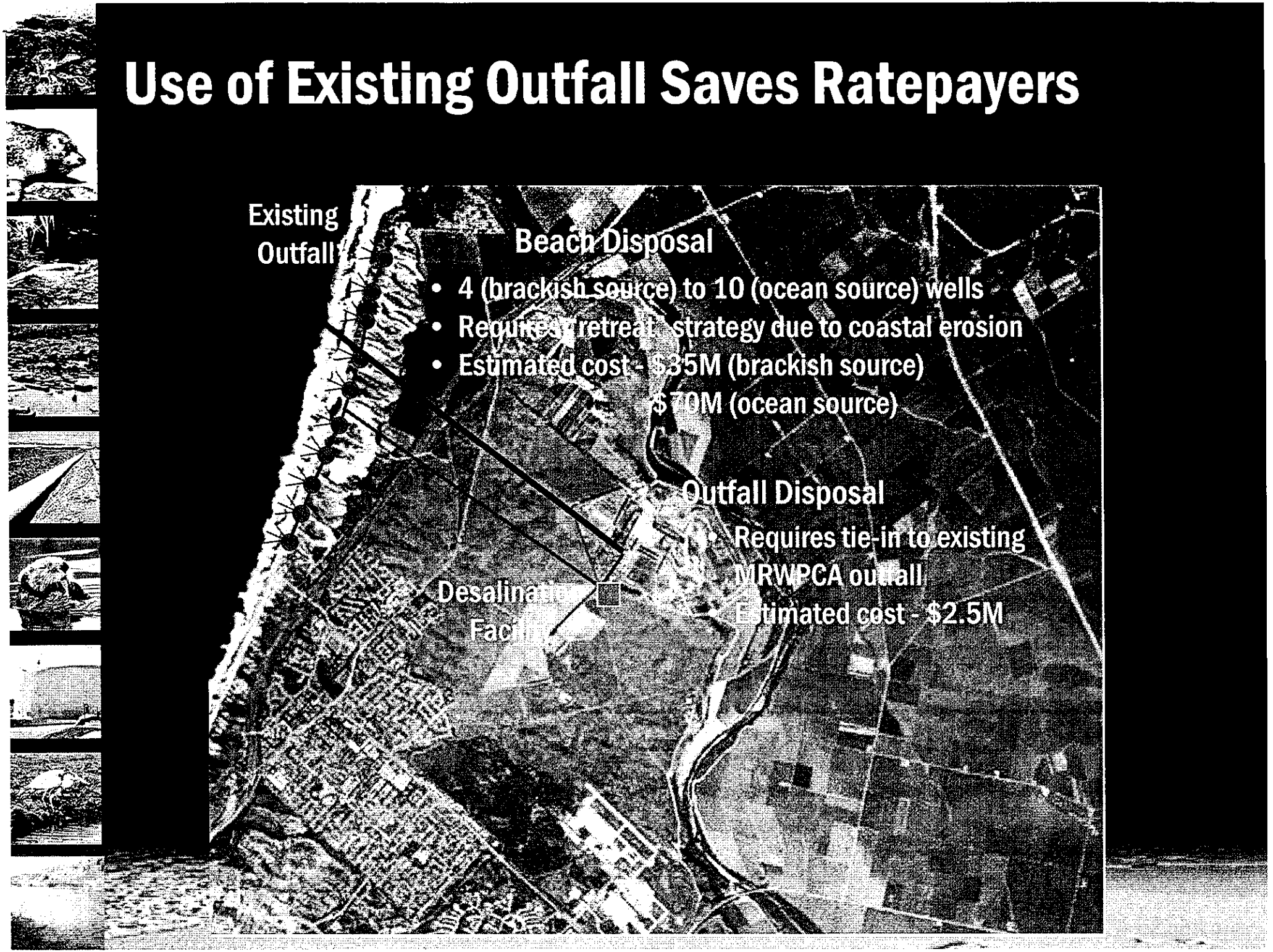
Recommended Program Provides Incremental Implementation, Building on Early Successes

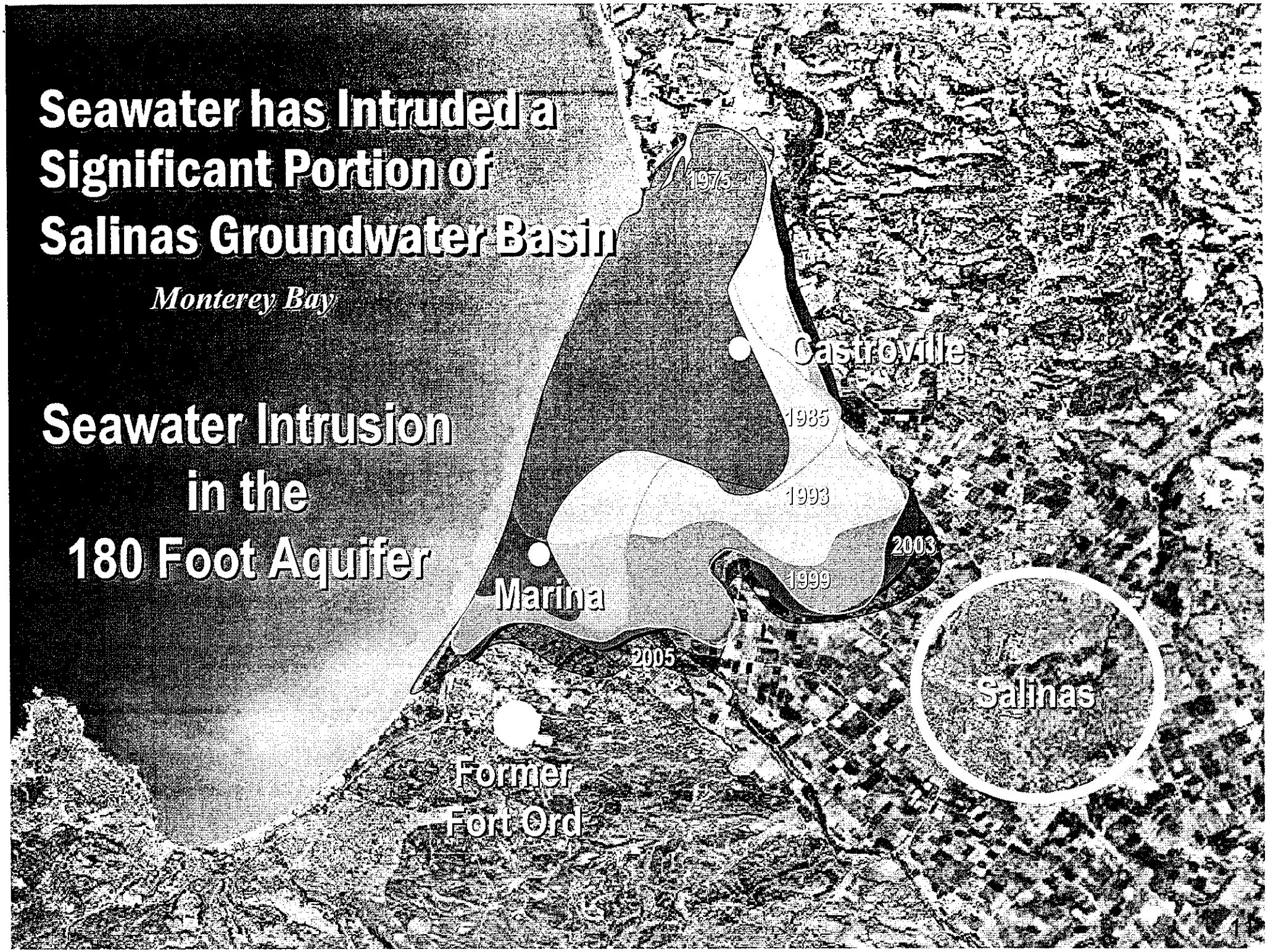


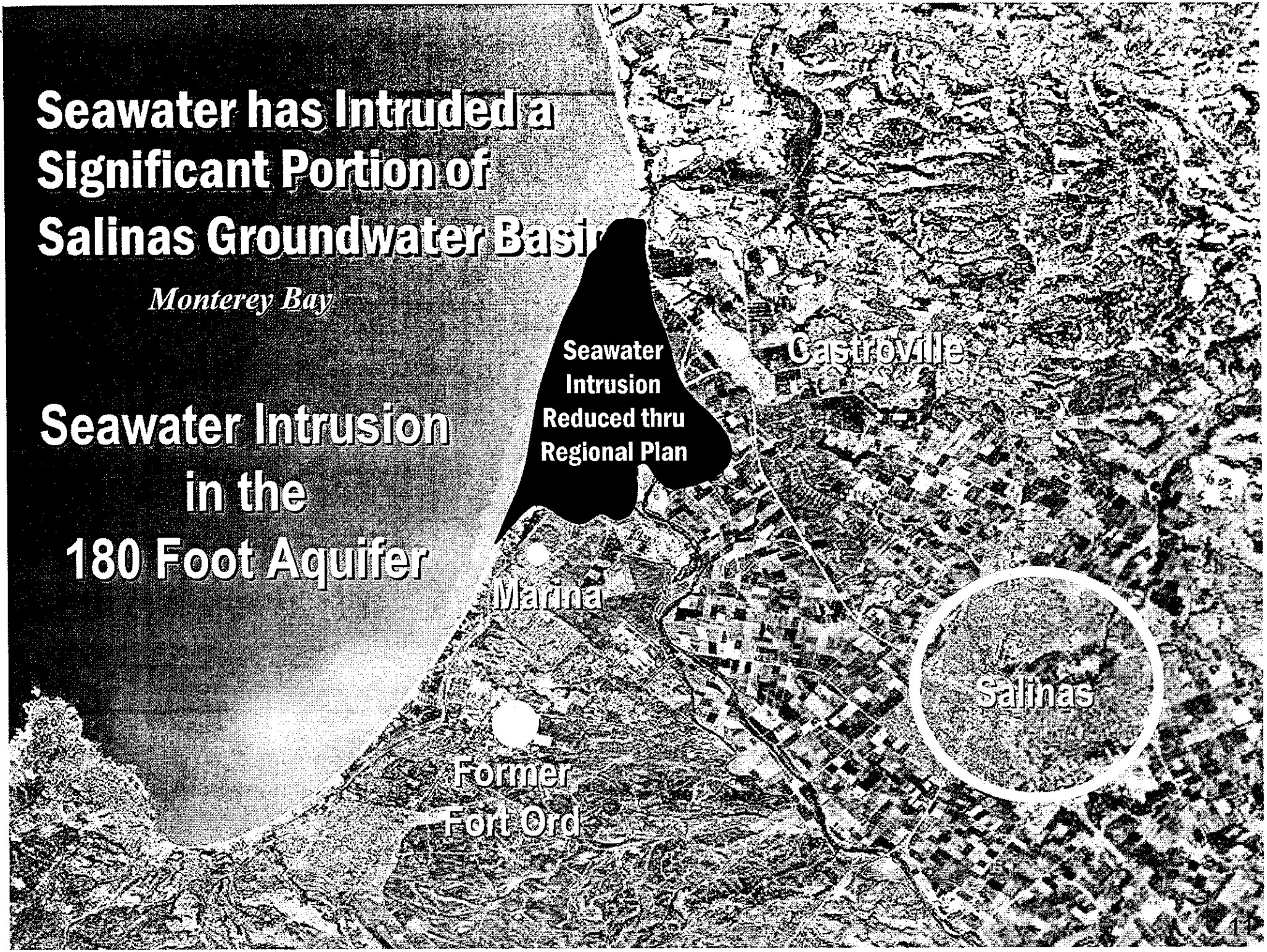
Total Program Makes Highest Use of All Available Recycled Water Supplies

Total Program Provides a Sustainable Supply that Meets Regional Needs

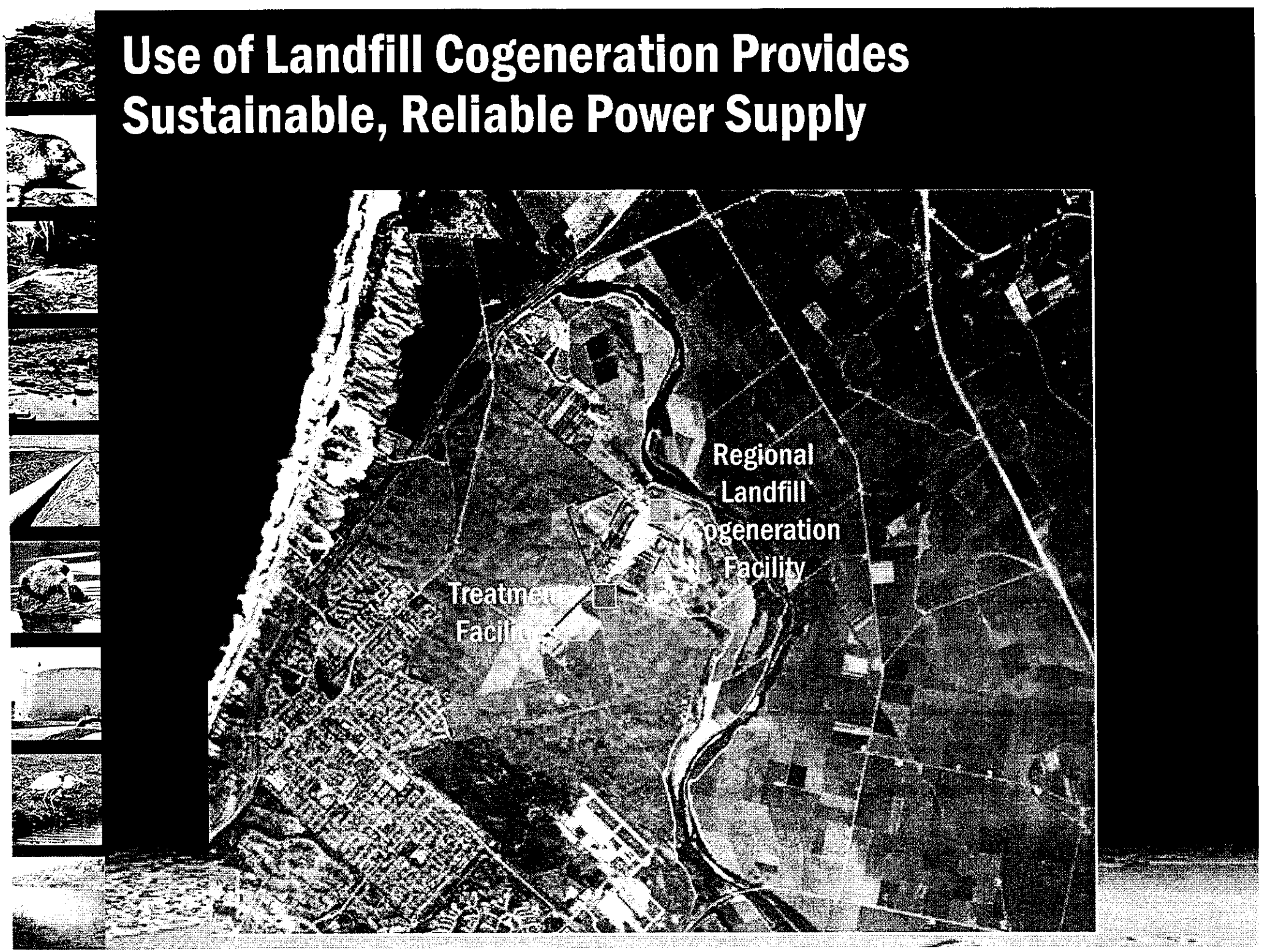
Use of Existing Outfall Saves Ratepayers




Seawater has Intruded a Significant Portion of Salinas Groundwater Basin
Monterey Bay
Seawater Intrusion in the 180 Foot Aquifer
1975
Castroville
1985
1993
2003
1999
Marina
2005
Salinas
Former Fort Ord

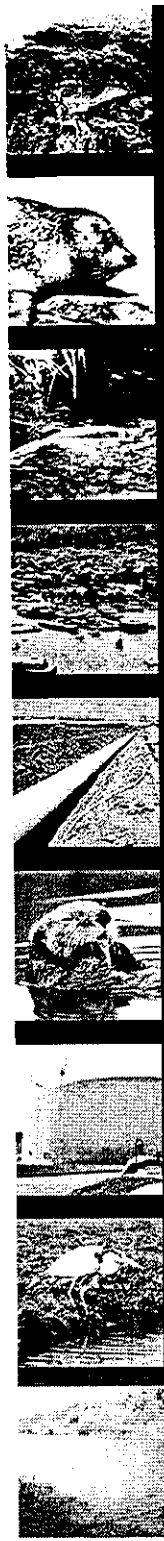

Seawater has Intruded a Significant Portion of Salinas Groundwater Basin
Monterey Bay
Seawater Intrusion Reduced thru Regional Plan
Castroville
Seawater Intrusion in the 180 Foot Aquifer
Marina
Salinas
Former Fort Ord

Use of Landfill Cogeneration Provides Sustainable, Reliable Power Supply



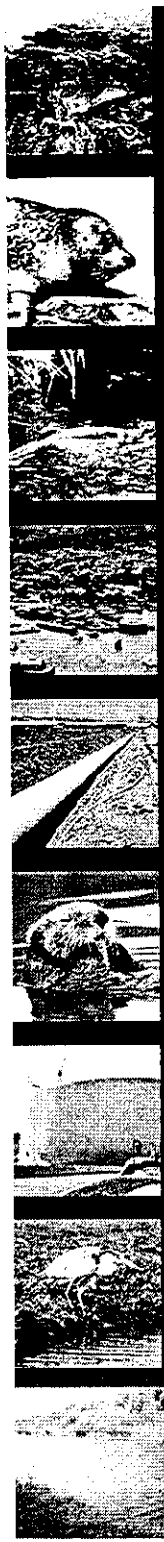
The Regional Program Provides Significant Regional Water Benefits...

- Meets urban water supply needs
- Improves agricultural water supplies
- Enhances protection of Salinas Groundwater Basin
- Utilizes 100% of available recycled water
- Utilizes available surface water



..While Enhancing Regional Sustainability

- Potential to create Environmental Park
- Reduces nutrient discharge to Monterey Bay National Marine Sanctuary
- Reduces environmental impacts
- Reduces incremental cost of water
- Predictable energy supply from Regional Landfill
  - Reduces costs and emissions
  - Creates a locally controlled energy supply
- Reduces carbon footprint



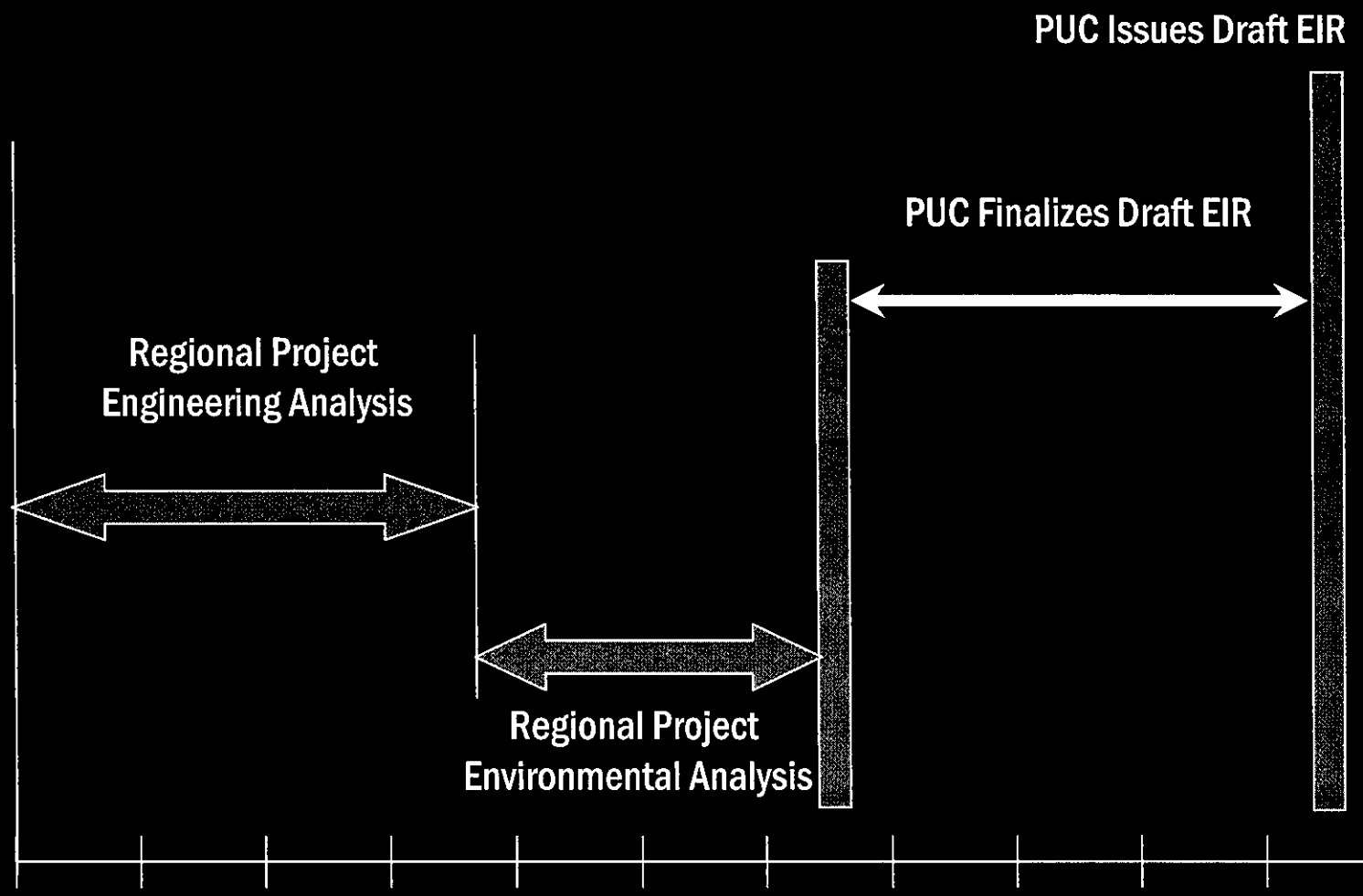
California PUC and Cal Am Now Have Three Alternatives . . .

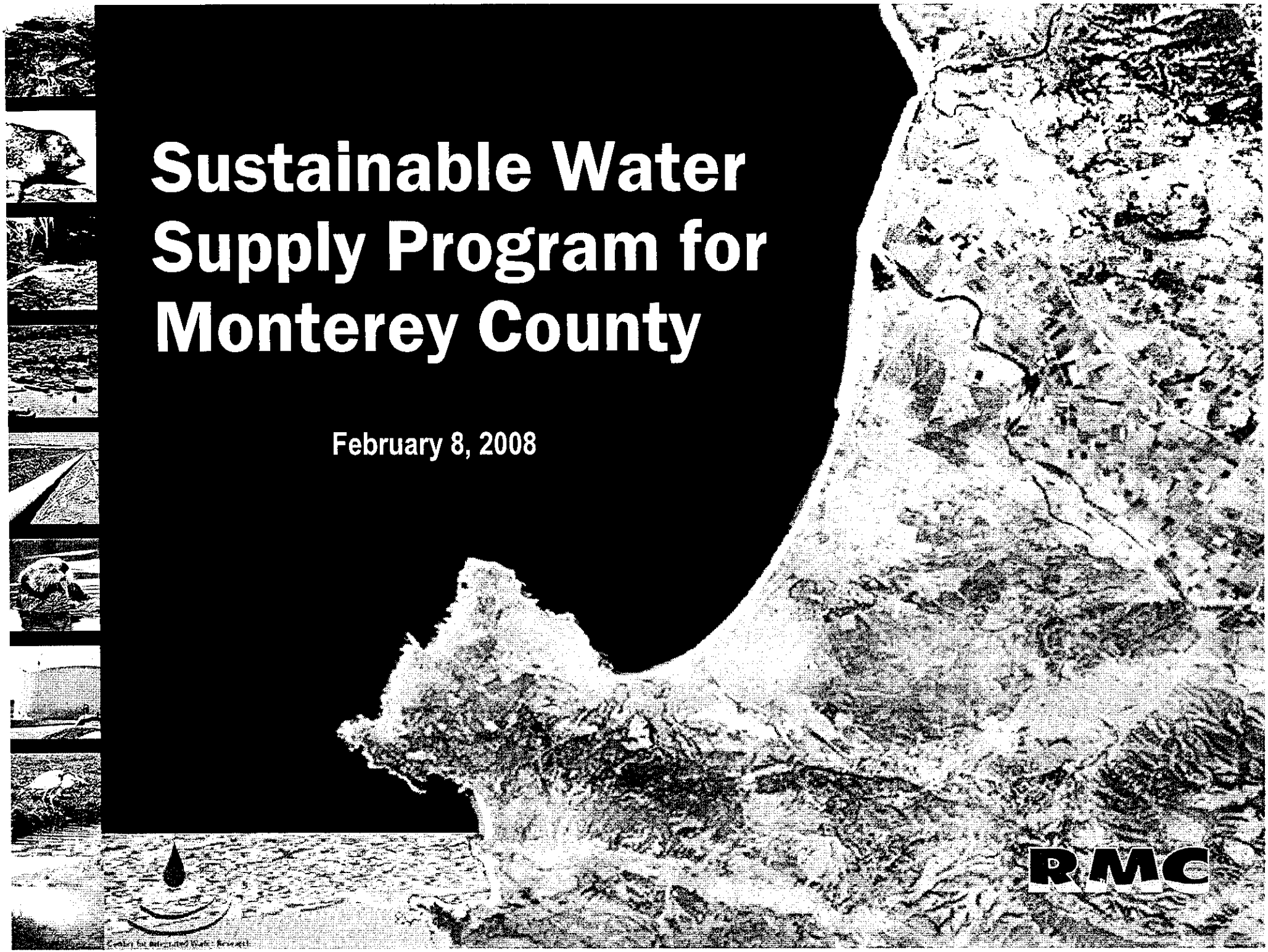
- 12,500 AFY facility at Moss Landing
- 12,500 AFY facility at North Marina
- Regional Plan

. . . If Local Entities Commit to

- Regional cooperation
- Developing the proposed Regional Plan

What Are The Next Steps?





Sustainable Water Supply Program for Monterey County

February 8, 2008

RMC

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS		
Subject:	FORA review and consideration of the revised business terms of the previously executed Disposition and Development Agreement between Marina Redevelopment Agency and Marina Community Partners, LLC, regarding The Dunes on Monterey Bay (2nd Implementation Agreement) – recommendations from the Administrative and Finance Committees	
Meeting Date:	February 8, 2008	**INFORMATION / ACTION**
Agenda Number:	7d	

This staff report and all attachments will be delivered during the afternoon of Monday, February 4, 2008, after the Administrative Committee has met (8:30 – 10:30 a.m.) for the continuation of the January 30, 2008 adjourned Administrative Committee meeting and provided a recommendation on this item, as requested by the Executive Committee.

Fort Ord Reuse Authority
100 12th Street, Building 2880, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

MEMORANDUM

DATE: February 4, 2008

TO: Fort Ord Reuse Authority ("FORA") Board of Directors

FROM: Michael A. Houlemard, Jr.
Executive Officer

RE: **FORA Board Agenda Item 7d on the February 8, 2008 Board Agenda: "FORA's review and consideration of the revised business terms of the previously executed Disposition and Development Agreement between Marina Redevelopment Agency and Marina Community Partners, LLC, re The Dunes on Monterey Bay (2nd Implementation Agreement) - recommendations from the Administrative and Finance Committees"**

The FORA Administrative Committee met on January 30, 2008, to discuss and consider a recommendation to the FORA Board regarding Item 7d. When time ran out, the members recognized that additional time was needed to fully review this item; therefore, the members approved a motion to adjourn the meeting to a time certain of 8:30 a.m., February 4, 2008 (this morning) to continue the discussion. After two hours of deliberation this morning, a motion was made and carried to recommend pulling Item 7d from the February 8, 2008, Fort Ord Reuse Authority board agenda, including any information or action associated with it. In addition, the committee approved a recommendation to form an ad hoc working group to complete the review and consideration, negotiate the terms and conditions of this real estate transaction, and achieve a "mutually satisfactory resolution" pertaining to this item.

This memo to the board, which is in lieu of a regular board report, will not be couriered to the board members this afternoon, since there is no information or a recommendation to report at this time.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT		
Subject:	Administrative Committee report	
Meeting Date:	February 8, 2008	
Agenda Number:	8a	**INFORMATION**

RECOMMENDATION:

Receive a report from the Administrative Committee.

BACKGROUND/DISCUSSION:

The Administrative Committee met on January 2, 16, and 30, 2008. Attached are the approved minutes of the first two meetings. The minutes of the January 30th meeting have not yet been prepared.

FISCAL IMPACT:

None

COORDINATION:

Administrative Committee

Prepared by Linda L. Stiehl
Linda L. Stiehl

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

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ACTION MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING Wednesday, January 2, 2008

APPROVED

1. Call to Order

Acting Chair Jim Feeney called the meeting to order at 8:20 a.m. The following representatives from the land recipient jurisdictions, representing a quorum, were present:

*Nick Nichols – County of Monterey
*Dick Goblirsch - City of Del Rey Oaks
*Les Turnbeaugh – City of Monterey
*Doug Yount – City of Marina

Also present, as indicated by the roll sheet signatures, were:

Crissy Maras – FORA
*Rob Robinson – BRAC
Bob Holden – MRWPCA
(*)Heidi Burch – Carmel
Thom Gamble – Marina Community Partners
Jim Arnold – FORA
Ivana Bednarik - FORA
Jim Feeney – FORA
Steve Endsley – FORA
*Mehul Mody – CSUMB
Bob Schaffer
*Debbie Hale - TAMC
*Jim Heitzman – Marina Coast Water District

* indicates a committee member and (*) indicates FORA voting member but not a land recipient jurisdiction.

Voting board member jurisdictions not represented at this meeting were Seaside, Sand City, Salinas, and Pacific Grove.

2. Pledge of Allegiance

Acting Chair Feeney asked Nick Nichols, who agreed, to lead the Pledge of Allegiance.

3. Acknowledgements, announcements and correspondence - None

4. Public comment period - None

5. Approval of December 19, 2007 meeting minutes

Motion to approve the December 19, 2007 meeting minutes was made by Dick Goblirsch, seconded by Doug Yount, and carried unanimously.

6. Review draft January 11, 2008 FORA Board agenda

Re agenda item 6e (Imjin Office Park – financing FORA's building): Director of Planning and Finance Steve Endsley summarized the funding issues for the FORA building, which are currently being worked on. Re a new agenda item 7a (potential revisions to the business terms in The Dunes on Monterey Bay project): There was discussion about adding this to the draft board agenda, since the Administrative Committee members had just received the supporting documents but no recommendation was made.

7. Old Business

Item 7a – Central Coast Veterans Cemetery – jurisdictional participation: Director of Planning and Finance Steve Endsley reported that notices had been sent to the jurisdictions and several had responded positively. He said a total of $50,000 had already been pledged. When asked, he said the suggested donation was $25,000, although individual circumstances might dictate more or less.

Item 7b – Draft California State University, Monterey Bay ("CSUMB"), Environmental Impact Report ("EIR"): Mehul Mody (CSUMB) reported that the document was made public on December 24th and the public comment period would begin on January 2, 2008 and extend out 45 days. Mr. Endsley said that meetings to discuss this EIR would be set up. Acting Chair Feeney suggested that a telephone discussion be calendared before the next Administrative Committee meeting, and he called attention to the traffic impact. He said that Caltrans and TAMC, along with FORA, are in the process of reviewing the EIR, and he expects FORA staff to have a report for the committee on January 16th. Difficulties accessing the document on the CSUMB website were mentioned. The following were acknowledged as contact people: Christi DiIorio (Marina), Nick Nichols (County), Les Turnbeaugh or Chip Rerig (Monterey), Dick Goblirsch (Del Rey Oaks), Rich Guillen (Carmel, and Mike Zeller (TAMC).

Item 7c – Environmental Services Cooperative Agreement (ESCA) – update: In Project Manager Stan Cook's absence, Acting Chair Feeney reported that the cleanup activity is now underway. The Munitions and Explosives of Concern (MEC) activities are currently focused on the transportation corridors (General Jim Moore Blvd. and Eucalyptus Road) in the Seaside parcels (1-4), which are expected to be cleared by mid/late spring. Following no further action letters issued by the regulatory agencies, FORA's prime general engineering contractor could be working on the roadways by late spring/ early summer, with completion by late summer/early fall, if all goes as planned and funding is secured. He added that FORA's public outreach program is geared up and continues to keep the community informed as work progresses. Mehul Mody requested that the map showing access to the Bureau of Land Management parcels be circulated, and it was noted that the access plan would be unveiled at the meeting scheduled for next Thursday.

Item 7d – Water Augmentation Program – status report: Acting Chair Feeney gave an overview of the discussion at the December Monterey Bay Area Managers Group meeting, which focused on a recent presentation by Steve Kasower, a consultant to the Public Utilities Commission ("PUC") representing the Division of Rate Payer Advocates ("DRP"). [Mr. Kasower's presentation detailed a regional program that would consist of a desalination facility constructed on Marina Coast Water District (MCWD)-owned property on Armstrong Ranch adjacent to the Monterey Regional Water Pollution Control Agency (MRWPCA) facilities, that would utilize the MRWPCA outfall for brine

disposal; would draw brackish water from the shallow aquifer in lieu of seawater for operational cost savings; would utilize power generated from the methane recovery system at the Monterey Regional Waste Management District (MRWMD) and would employ the existing potable water distribution systems in Marina and the former Fort Ord to deliver the augmented water to the former Fort Ord development projects.] Mr. Feeney said the proposed regional plan, which would be much less costly than the currently envisioned water augmentation program, is being supported by the PUC (according to Mr. Kasower) as a program that could potentially become the preferred alternative to a Moss Landing desalination facility solution to the Carmel River overpumping problem. He said the governance structure has not been, to his knowledge, detailed to any degree and needs significant attention to allow such a plan to move ahead. Ray Corpuz said he would follow-up with Mr. Kasower to secure presentations to the managers' group. MCWD General Manager Jim Heitzman said he would be meeting in two weeks with Monterey Regional Water Pollution Control Agency to discuss such items as how to provide water services at the lowest cost. He added that REPOG is now meeting monthly and is planning to schedule meetings with the mayors and city managers. He also noted that the plan is being examined closely by PUC and DRP. Les Turnbeaugh asked how CalAm would fit into the plan, and Mr. Heitzman responded that they would buy water from whoever supplies it at the lowest cost, noting that their project at Moss Landing has not moved forward yet. Mr. Feeney commented that timing is critical if this plan is acknowledged as a potential solution; if so, the environmental work must begin by June. Mr. Endsley said that there is potential in the plan for FORA to cut its water costs in half and lower capital charges for potential users. Mr. Feeney said that more outreach and meetings need to be planned for the new proposal to be adequately vetted. Mr. Heitzman stated that MCWD had approved $480,000 to fund the initial work on the plan. Debbie Hale asked if the railroad parcels would be used for the pipeline and Mr. Heitzman responded yes. She said this would have to be presented to the TAMC board and coordinated with the mayors and city managers.

8. New Business

Item 8a – 2008-2009 Capital Improvement Program ("CIP") – forecast updates: Mr. Feeney thanked all who had submitted updated figures and reported that FORA Associate Planner Jonathan Garcia had been working on the clarifications to the submittals with representative from the land use jurisdictions. He said that a joint CIP Committee, Water/Wastewater Oversight Committee, and Administrative Committee meeting would be scheduled following the January 16th Administrative Committee meeting. Mr. Endsley remarked that FORA staff is available to work with the jurisdictions in this year's "haircutting." Mr. Feeney stated that the forecasts as submitted are reflective of the economic downturn, with a significant reduction in Community Facility District ("CFD") fees collected anticipated for the next several years. He said FORA staff would make every reasonable effort try to get the reprogrammed figures out before the January 16th meeting.

Item 8b – Potential revisions to the business terms of previously executed Disposition and Development Agreement ("DDA") between Marina Redevelopment Agency and Marina Community Partners ("MCP"), LLC, re The Dunes on Monterey Bay (2nd Implementation Agreement): Doug Yount, director of the Marina Strategic Development Center, summarized Marina's letter to FORA and the supporting documents, remarking that this project is a significant resource for basewide funding. Noting the national economic downturn in the housing market, he reported that few new housing permits are being pulled, although the commercial sector is moving forward, which will need the infrastructure improvements that FORA is obligated to construct. Mr. Yount said that to continue The Dunes project, it would be important to have additional resources for deconstruction and

infrastructure and requested that FORA provide them from tax increment and other FORA funds in the amount of $12.7 million. A lengthy discussion followed, including which buildings of those remaining need to be deconstructed. It was clarified by FORA staff that although FORA is willing to work with the City of Marina ("City") to find solutions to the problem, under existing agreement with the City, FORA has completed its cash payments for building removal. Mr. Endsley reported that the proposed modification will be presented by Marina staff to the Marina City Council on January 8th and will be discussed at today's FORA Executive Committee. He also said that the proposed modification is a policy decision, especially if FORA's share of The Dunes project tax increment is to be returned to the project, as FORA's share of tax increment has been programmed by FORA as a back-up revenue source to CFD and land sale revenues. Mr. Yount noted that the developer has offered to reduce its profit from 22% to 9%, which is a form of payback. Mr. Endsley expressed concern about the impact of the modification on FORA's water augmentation program and Habitat Conservation Plan obligations and raised the possibility of the City's selling Preston Park to obtain the funds, or some related form of loan agreement that might be devised to assist the City in keeping the project moving forward. Mr. Feeney noted the impacts of the City's suggested approach on the CIP, since tax increment is viewed as a backup to land sales and CFD revenues among other things. He said that FORA is working on a counter-proposal to the City's and needs more "air time" before taking the request to the FORA Board. Dick Goblirsch noted that Del Rey Oaks had asked FORA for a return of FORA's share of that city's tax increment and been turned down. He suggested that input from the cities and county is needed at this time. He commented that there appear to be several potential solutions and also more information and a presentation should be considered before any recommendations are made. Mr. Yount said he would meet with anyone to discuss the modification request but noted that time is of the essence. He remarked that without a tax increment advance, The Dunes project would not go forward and result in loss of CFD and tax increment revenue to FORA. He said this economic slowdown is a basewide issue and all resources and opportunities need to be looked at. Discussion followed about the possible impacts of subsidizing other projects on former Fort Ord and the agreements that would have to be drafted. Debbie Hale asked what the City of Marina had put into this project modification request, and FORA staff indicated that the City had added substantial tax increment and housing set-aside funds of their own to the new agreement. Mr. Endsley said FORA staff is working on analyzing the effect of such a potential deal on FORA's finances but has no recommendation yet. Les Turnbeaugh commented that he is uncomfortable with an open-ended timeline of delay, and Debbie Platt responded that the DDA has no timeline if a delay occurs but that MCP has offered to modify the DDA to keep the project going. Mr. Endsley asked what assurance could be given to FORA that the commercial and housing projects would actually go forward if FORA assisted the project. Bob Schaffer commented that all projects are subject to market conditions and The Dunes project, in particular, is a major economic development on former Fort Ord. He remarked that the new REI store had experienced the biggest opening of a new store in the company's history and there is already much leasing interest in the Main Street commercial area, which has not started construction yet.

9. **Adjournment:** Acting Chair Feeney adjourned the meeting at 9:42 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant with input from Jim Feeney and Steve Endsley

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MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING
Wednesday, January 16, 2008

APPROVED

1. Call to Order

Chair Houlemard called the meeting to order at 8:17 a.m. The following representatives from the land recipient jurisdictions, representing a quorum, were present:

*Jim Cook – County of Monterey
*Dick Goblirsch - City of Del Rey Oaks
*Ray Corpuz – City of Seaside
*Bill Reichmuth – City of Monterey
*Tony Altfeld – City of Marina

Also present, as indicated by the roll sheet signatures, were:

Bridgit Koller – Urban Community Partners
Jim Feeney – FORA
Les Turnbeaugh – City of Monterey
Paul Moore – Monterey/Santa Cruz BTC
Steve Endsley – FORA
Diana Ingersoll – City of Seaside
Bob Holden – MRWPCA
Mehul Mody – CSUMB
Doug Yount – City of Marina
David Gazek – Federal Development
Debbie Platt – City of Marina
Crissy Maras – FORA
*Vicki Nakamura – Monterey Peninsula College
*Rob Robinson – BRAC
Bob Schaffer
Jim Arnold – FORA
Tim O'Halloran – City of Seaside
*Don Bachman – TAMC
(*)Heidi Burch – City of Carmel
Kevin Wolf – Federal Development
*Graham Bice – UC MBEST
Michael Houlemard - FORA

* indicates a committee member and (*) indicates a FORA voting member but not a land recipient jurisdiction

Voting board member jurisdictions not represented at this meeting were Seaside, Sand City, Salinas, and Pacific Grove.

2. Pledge of Allegiance

Chair Houlemard asked Bridgit Koller and Ron Chesshire, who agreed, to lead the Pledge of Allegiance.

3. Acknowledgements, announcements and correspondence

Vicki Nakamura reported that the Monterey Peninsula College Marina satellite campus on former Fort Ord would open for its first classes in February and be processing registration, financial aid, etc., there. All are invited to attend an open house from 10:00 – 2:00 on February 2nd.

4. Public comment period - None

5. **Approval of January 2, 2008 meeting minutes**

Motion to approve the January 2, 2008 meeting minutes was made by Les Turnbeaugh, seconded by Ray Corpuz, and carried.

6. **Follow-up to January 11, 2008 FORA board meeting**

Re the Environmental Services Cooperative Agreement (ESCA): Chair Houlemard said significant work is occurring adjacent to the Seaside portion of General Jim Moore Blvd and FORA's public outreach program has sent or hand-delivered informational notices to the nearby residents and also the Bureau of Land Management personnel. He said that contacting FORA either directly or via the ESCA hotline whenever there is a concern or if an object that might be MEC (Munitions and Explosives of Concern) is discovered is encouraged.

Re the Imjin Office Park project: Chair Houlemard reported that the Board has approved a "short" Request for Proposals ("RFP") solicitation to find a developer/partner to fund the FORA building on the site. Copies of the RFP will distributed to the Administrative Committee and board members when available.

7. **Old Business**

Item 7a – Central Coast Veterans Cemetery – jurisdictional participation: Chair Houlemard reported that: (1) the Monterey City Council will consider a donation at its first meeting in February; (2) the Marina City Council has already approved a $25,000 donation; and (3) Del Rey Oaks will discuss this item at its meeting later this month. He requested that all jurisdictions keep FORA informed of any action they might be taking to allocate funds for the Master Plan and design work. He said a report to the FORA Board will be on the agenda for the February meeting

Item 7b – Draft California State University, Monterey Bay ("CSUMB"), Environmental Impact Report ("EIR"): Assistant Executive Officer Jim Feeney reminded all that the EIR is now public and that he had had a follow-up discussion with TAMC, MST and Caltrans following the last Administrative Committee meeting. He noted that the public comment period closes on February 15th, and FORA will have a set of draft comments to share at the January 30th meeting, if not before. The members asked that a meeting of the subcommittee be scheduled before January 30th.

Item 7c – Water Augmentation Program – status report: Chair Houlemard said there is little to report that had not previously been discussed. He reported that the water managers and city managers will meet today at 10:30 and that Steve Kasower [CPUC Division of Ratepayer Advocates ("DRA")] has scheduled another meeting. He said that some projects on former Fort Ord have been pushed out due to the current economic downturn, so water needs have followed suit. He added that DRA is moving ahead with their recommended alternative plan regarding the desalination project at Moss Landing and it would be important for the local water managers to wait to see the outcome before moving ahead with their project plans. Jeff Catanneo [District Engineer at Marina Coast Water District ("MCWD")] reported that RMC has begun work on Armstrong Ranch and MCWD is still moving ahead to produce 3,000 acre-feet/year. Bill Reichmuth said a meeting of the city managers and Caltrans has been scheduled for next Monday, and a "phenomenal increase" in water rates for upper end residential users is in their plans. He clarified that there is no water in Cal-Am's plans for former

Fort Ord lands, adding that Cal-Am personnel are available for briefings upon request. Mr. Reichmuth also reported that Monterey Regional Water Pollution Control Agency is hosting a meeting today at 10:30. Jim Cook commented on the number of water proposals out there and asked if FORA staff would prepare a one-or two-page summary of them. Mr. Reichmuth said there is some notion for collaborating on water plans. He commented that no action or interest to approve the joint memorandum of understanding addressing the Peninsula water problems has yet come from the County.

Item 7d – Potential revisions to the business terms of previously executed Disposition and Development Agreement ("DDA") between Marina Redevelopment Agency and Marina Community Partners ("MCP"), LLC, re The Dunes on Monterey Bay (2nd Implementation Agreement): Chair Houlemard reminded all that the Executive Committee had requested a recommendation from the Administrative Committee on this matter before addressing the issues at the board level. He said the Finance Committee would be discussing the financial impacts at their meeting on January 28th. Doug Yount requested that the Administrative Committee finalize their recommendation at the January 30th meeting, since the matter is time-sensitive. He introduced Debbie Platt, Project Manager for The Dunes project, who distributed a hand-out of her presentation, which covered the following topics: Looking Back (project summary at build-out and key milestones and metrics), Looking Around (facts and comments on the present economic situation and impacts on the project), and Looking Forward (anticipated benefits to FORA and the region in next 5-7 years, a look at the modified business terms proposal, key schedule milestones in 2008-09, the request for financial assistance from FORA, and the next steps). Since it was 9:00 a.m., the time certain for adjournment, Chair Houlemard asked if there were any objections to extending the meeting another 10 minutes and there were none.

Discussion followed: Doug Yount commented about the previous undesignated status of FORA tax increment. Chair Houlemard noted that previous use of FORA's tax increment has been to provide matching funds for grants, funding for the veterans cemetery reimbursement loan, backup for Habitat Conservation Plan and deconstruction funds, and the Capital Improvement Program, when no funds are available from the Community Facility District fees. Chair Houlemard remarked that $36 million in fees were anticipated for the 2007-08 year and this figure has now plummeted to $200,000. When asked, he said The Dunes currently existing project is expected to bring in about $100,000 in tax increment funds per year. Ray Corpuz raised the question of whether FORA can cover what Marina is asking, and FORA staff responded that it is still working through an analysis. Chair Houlemard indicated that the board will be asked to act on both fiscal and policy issues. Jim Cook requested that the financial analysis be brought back to the committee no later than the January 30th meeting. Doug Yount asked that all the jurisdictions examine the possible impacts to their projects. Ron Chesshire made the only public comment, saying that big infrastructure projects are slated to begin this spring, which underlies the importance of keeping the redevelopment moving forward. He emphasized the importance of paying prevailing wages in all the projects on former Fort Ord.

8. **New Business** - None

9. **Adjournment:** Chair Houlemard announced a five-minute break before the joint meeting and adjourned the meeting at 9:20 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT		
Subject:	Finance Committee Report	
Meeting Date:	February 8, 2008	**INFORMATION**
Agenda Number:	8b	

RECOMMENDATION:

Receive report from the Finance Committee meeting of January 28, 2008.

BACKGROUND/DISCUSSION:

The Finance Committee met on January 28, 2008 to review the FY 07-08 Mid-Year budget report and the staff analysis of revisions in business terms for the Dunes on Monterey Bay project. The Finance Committee made recommendations to the FORA's Board regarding each of these items. Please refer to the attached minutes from this meeting for details.

FISCAL IMPACT:

None

COORDINATION:

Finance Committee

Prepared by _____
Marcela Fridrich

Reviewed by _____
Ivana Bednarik

Approved by _____
Michael A. Houlemard, Jr.

DRAFT

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Finance Committee Meeting
Monday, January 28, 2008, at 3:30 pm
Action Minutes

Present: Chair Sue McCloud, Members: Tom Mancini, Janet Barnes, Gary Wilmot, Graham Bice
Staff: Michael Houlemard, Ivana Bednarik, Steve Endsley, Marcela Fridrich
Guests: Annette Yee, Jim Cook, Debby Platt, Scott Hilk

AGENDA

The Finance Committee (FC) discussed the following agenda item(s):

1. Roll Call: All members present. Quorum was achieved at 3:30 PM.

2. October 29, 2007 Minutes: Approved. (Motion Mancini, Second Wilmot. Passed 4–0, Abstained Graham Bice).

3. FY 07-08 Mid-Year Budget Update:

   a) Marina/Marina Community Partners Second Implementation Agreement for the Dunes on Monterey Bay: Analysis of budget impact: FC members received the staff analysis, presented by FORA financial advisor Annette Yee, of the Marina proposed revisions in business terms for the Dunes on Monterey Bay project and the City's request for financial support of $12.7 M. FC members received further explanation by the financial advisor and staff regarding this request for project investment and its fiscal impact on FORA. Staff pointed out that the requested funds were already either spent by FORA Board actions or needed to pay off existing debt. Chair McCloud asked FORA staff for their recommendation. Executive Officer Houlemard responded that staff could not recommend approval since the economic downturn, FORA does not have resources to accommodate the City's request; such an investment would impact FORA's ability to pay off existing debt and using these resources would constrain the Capital Improvement Program (CIP) over the next two years in exchange for funding in future years. FC members Janet Barnes and Graham Bice also expressed similar concerns about the request, which also requires a change in FORA policies regarding investing in projects vs. CIP basewide obligations and use of tax increment funds. Member Barnes recommended concentrating on fiscal impact only. Chair McCloud suggested equal distributions of funds according to all basewide reuse was an appropriate policy. Councilmember Wilmot spoke in support of the request, and that moving ahead with the project head benefits for the entire region and explained those to FC members. He noted without this additional investment from FORA, the project will not likely proceed forward. After further discussion, FC decided not to concur with the City of Marina request and to recommend to the FORA Board not to invest additional $12.7 M to the Dunes project, as it would set a financial precedent and funds are not available. (Motion Barnes, Second Mancini. Passed 4 – 1).

b) Mid-Year Budget: Adjustments reflecting Board actions and economic conditions: FC members received the FY 07-08 Mid-Year budget prior to the meeting. Executive Officer Houlemard introduced the item, and summarized the major changes in the budget reflecting recessionary economic conditions delaying development projects. He noted that the jurisdictions had dramatically modified their projections from January 2007, and that FORA was anticipating an 85% decrease in projected revenue for the combined 2008 – 2009 fiscal years. As a consequence, the Mid-Year budget projects an overall decrease of $46.7 M in revenues. Staff has taken action to make $43.4 M in expenditure reductions. Anticipated Development Fee and Land Sale Proceed collection from all major projects are delayed or rescheduled. All CFD funded capital projects are deferred with exception of the completion of GJM Phase III and projects related to habitat management program. The additional expenditures of $4 M authorized by the FORA Board since the adoption of the preliminary budget are due to financing of ET/ESCA CCO #2, the IOP project, and Veterans cemetery project. In addition, delays in land transfers influenced FORA's ability to pay down the outstanding principal in the revolving line of credit. The estimated outstanding principal at year end is $8.9 M. FC members reviewed deletions in Salaries and Benefits, Supplies and Services and Contractual services categories. FC recommended keeping the $145,000 Water resource policy funded in the FY 07-08 budget. As a result of the budget adjustments, the projected FY ending balance is $1,396,350, the ESCA fund is $1.3 M of this total. Ending balances in all other funds are minimal. FC unanimously voted to recommend to the FORA Board accepting the FY 07-08 Mid-Year budget report with the above noted adjustment. Approved. (Motion McCloud, Second Bice. Passed 5 – 0).

4. 2008 Meeting Calendar: FC members received the draft 2008 FC calendar prior to the meeting. FC agreed on meeting dates and a time adjustment from 4:00 PM to 3:30 PM. Approved. (Motion Bice, Second Mancini. Passed 5 – 0).

5. Adjournment: The meeting adjourned at 5:35 PM.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT		
Subject:	Fort Ord Reuse Authority Quarterly Report (October-December 2007)	
Meeting Date:	February 8, 2008	**INFORMATION**
Agenda Number:	8c	

RECOMMENDATION:

Receive the Fort Ord Reuse Authority ("FORA") Quarterly Report dated 12/31/07 for the Second Quarter of FY '07-08.

BACKGROUND/DISCUSSION:

FORA Staff provides quarterly project and activity updates to keep the Monterey regional community, FORA Board of Directors, local jurisdictions, concerned agencies, and the public informed of the redevelopment progress on former Fort Ord. The information in this report covers the period from October 1, 2007 to December 31, 2007.

FISCAL IMPACT:

No direct impact, but individual projects have specific financial implications as noted in the report. Staff time to produce these reports is covered within the approved FORA budget.

COORDINATION:

The cities of Del Rey Oaks, Seaside, Marina, and Monterey; and the County of Monterey.

Prepared by Sharon Strickland
Sharon Strickland

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

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Fort Ord Reuse Authority Quarterly Report

OCTOBER 1, 2007 TO DECEMBER 31, 2007

Environmental Services Cooperative Agreement

In early March 2007, the U.S. Army ("Army") awarded the first $40M in munitions removal funding to Fort Ord Reuse Authority ("FORA"). This award concluded nearly two years of negotiating and processing of an Environmental Services Cooperative Agreement ("ESCA") to implement explosives remediation in Economic Development Conveyance ("EDC") properties on behalf of the Army. The ESCA contract provides for earlier removal of dangerous hazards still suspected to exist on properties. In September 2007, FORA received another $19M from the Army for this purpose.

Removal of former Fort Ord munitions and explosives of concern ("MEC") has been implemented by the Army since 1992. Several former military training areas have been cleared over the years, but nearly 3,400 acres must still undergo specific MEC removal activities before they can be reused for key elements of the Fort Ord Base Reuse Plan. Separately, the Army is processing an Early Transfer ("ET") of the EDC acreage that requires U.S. Environmental Protection Agency ("EPA") and California state gubernatorial concurrence. In August 2006, FORA and the Army reached an agreement for the ET/ESCA.

The EPA, CA Department of Toxic Substances Control ("DTSC") and FORA finalized an Administrative Order on Consent ("AOC"). This was the first step in finalizing a multitude of documents that identify responsibilities for each and all of the parties involved in the ET/ESCA process. Documents for regulatory and gubernatorial concurrence have been submitted and the transfer to FORA should begin by Spring 2008.

ESCA on-site remediation preparatory activities such as brush cutting, debris pick up, and building removal began in December 2007 along General Jim Moore Boulevard under a Right of Entry from the Army. Remediation preparatory activities are expected to be completed by mid-February 2008. Munitions removal work is expected to begin shortly thereafter.

FORA held its first Community Orientation Meeting to introduce the FORA ESCA Remediation Program ("RP") to the general public on December 3, 2007. The meeting was well-attended and community members had the opportunity to learn how this work will be done and meet and talk with the experts who will be performing this work.

ESCA property land uses include residential, commercial and habitat. MEC removal is managed in four segments, applying Best Available Detection Technology. Residential areas are the most sensitive with respect to human health and safety and special provisions are included in the regulatory agreements. FORA contractors will test a pilot program to determine whether supplemental actions such as additional soil removal, scans and erosion control will offer measurable risk reduction for future residential areas. Based on the outcome of those efforts, regulators (DTSC and EPA), the Army and FORA, will determine appropriate remediation for the balance of residential ESCA properties.

INSIDE THIS ISSUE:

Capital Improvement Program

FORA staff has initiated in-house and joint Administrative Committee and Capital Improvement Program ("CIP") Committee meetings to begin re-programming the CIP document for fiscal year 2008/09 through 2021/22. Land use jurisdictions have submitted updated development forecasts, which reflect a 77% decrease in revenue for the 2008/09 fiscal year in the upcoming CIP document, compared with forecasts for the same year in the current CIP. This decrease has dramatically impacted FORA's ability to maintain the speed at which development mitigation improvements can be accomplished. CIP meetings will continue until a draft CIP document is approved for presentation to the FORA Board for adoption in the May/June 2008 timeframe.

Current CIP activities include:

MEC cleanup along the next phase and new alignment of General Jim Moore Boulevard ("GJMB") is proceeding. Funding of cleanup is through the FORA Board approved contract change order to the MEC cleanup contract, which allows for the cleanup of this roadway corridor on an accelerated time frame.

The next phase of GJMB construction includes earthwork, grading, and installation of utilities in GJMB (Phase IV) from Coe Avenue to the City of Del Rey Oaks northerly border. FORA anticipates advertising for bids for construction of these improvements in spring 2008 with the start of construction, funding dependent, in July 2008. The commencement of work is also dependent on regulatory sign-off at completion of the MEC cleanup. The remainder of the project (Phase V) will be constructed as funds become available.

CIP projects currently under design include Phase V improvements to GJMB from south of Coe Avenue in the City of Seaside to the City of Del Rey Oaks/City of Seaside border; Eucalyptus Road from GJMB to Parker Flats cut-off; Gigling Road from GJMB to the City of Seaside/ Monterey County border; and South Boundary Road from GJMB to Rancho Saucito Road. FORA has been convening design progress meetings with the land use jurisdictions, developers, and utility providers to ensure that the FORA designed roadways meet the needs of the community and the land use jurisdiction in which they lie.

FORA and Monterey County continue to negotiate a reimbursement agreement for the construction of Eastside Parkway and Intergarrison Road that would establish Monterey County as lead agency for these construction projects. Under the developing agreement, Monterey County has selected the firm of Harris and Associates to design construction of Eastside Parkway and Intergarrison Road.

Records of Survey

FORA assisted the land use jurisdictions in preparing mapping and legal descriptions for US Army land transfers. Finding of Suitability for Early Transfer #5 and Finding of Suitability for Transfer #10 land transfers are prepared and in process by the Army Corps of Engineers. Transfers are expected in Spring 2008.

Regional Urban Water Augmentation

FORA and Marina Coast Water District ("MCWD") Boards of Directors endorsed a "Hybrid Alternative" to augment Fort Ord water resources, adopt comparable resolutions and direct their respective staff to scope this two-component project. Since that time, MCWD and FORA have proceeded with the Hybrid program. MCWD has completed California Environmental Quality Act ("CEQA") documentation for this augmented water program that includes both recycled water and desalinated water.

The MCWD Board certified Amendment 2 to the Project Environmental Impact Report, increasing the Recycled Water Project ("RWP") size from 1,500 acre-feet per year (AFY) to 1,727 AFY, the greatest capacity the RWP can provide for the former Fort Ord without adding storage. The FORA Board of Directors then adopted Resolution 07-10, allocating the 1,427 AFY of recycled water for the Ord Community. A final agreement between MCWD and the Monterey Regional Water Pollution Control Agency has not been reached, which has delayed bidding and construction for this project. MCWD continues to install portions of this pipeline when streets are open for other construction, including one mile of pipeline recently completed in Marina Heights and a half-mile segment under construction in CSUMB.

The Desalination Plant Basis of Design Report is complete, and the Main Garrison Wastewater Treatment Plant was recommended as the preferred location for the new Seawater Desalination Facility. The cost of this facility is approximately $42,000,000, mainly due to the high cost of disposing of the waste brine. MCWD is considering obtaining other sources of potable supply or other locations for a desalination plant that may be lower in overall cost before initiating the final design for the desalination plant. During the past quarter, planning for resolution of regional water needs, an alternative to the proposed Moss Landing desalination plant, has surfaced for consideration. This alterative has the potential to serve former Fort Ord (and others) water needs in a much more economical manner. Staff has scheduled discussion of this option for their February FORA meeting.

Fort Ord Housing Development — Summary Table

The June 1997 approved Base Reuse Plan assumes between 10,816 and 13,368 housing units comprised of existing dwellings to be used by California State University Monterey Bay, existing units to be rehabilitated by jurisdictions, existing units to be replaced by jurisdictions or military, and new units to be built on undeveloped and under-developed areas on the former Fort Ord. Of 13,368 total units, 6,160 units were to be new housing units. FORA's land use jurisdictions provided the information for the table below, demonstrating the total number of housing units by jurisdiction along with corresponding percentages of "market rate"[1] units, "affordable housing"[2] units, and "workforce housing"[3] units. In summary, out of 9,194 former Fort Ord existing, permitted, or proposed housing units, 53 percent are market rate, 38 percent are affordable, and 9 percent are workforce.

Jurisdiction	New Res. Permits	Market Rate Units	Market Rate Units	Affordable Units	Affordable Units	Workforce Units	Workforce Units	Total Units
Marina								
Existing[4]				481	72%			667
New Permits								0
Proposed[7]		2,204	73%	627	21%	354	12%	2,999
Subtotal		2,204	60%	1,108	30%	354	10%	3,666
Seaside								
Existing[5]		256	49%	0	0%	223	43%	520
New Permits[6]	380	380	100%					380
Proposed		174	66%	129	49%	0	0%	262
Subtotal		810	69%	129	11%	223	19%	1,162
Monterey County								
New Permits								0
Proposed		980	70%	280	20%	140	10%	1,400
Del Rey Oaks								
New Permits								0
Proposed		483	70%	138	20%	70	10%	691
CSUMB								
Existing				1,253	100%			1,253
New Permits								0
Proposed				492	100%			492
Subtotal		0	0%	1,745	100%	0	0%	1,745
UCMBEST								
New Permits								0
Proposed		371	70%	106	20%	53	10%	530
Total	380	4,848	53%	3,506	38%	840	9%	9,194

[1]"Market rate" - housing rented or purchased by persons/families who earn more than 180% of Monterey County median income ($62,200 – family of 4).
[2]"Affordable housing" - housing rented or purchased by persons/families earning between 0% and 120% of the Monterey County median income, utilizing less than 30% of their total income for housing.
[3]"Workforce housing" - housing rented or purchased by persons/families who earn more than 120% and up to 180% of the Monterey County median income.
[4]"Existing" units do not add up to 667 because Marina Heights' affordable component (under "Proposed") will include 186 affordable units from existing Abrams B housing.
[5]"Existing" units to not add up to 520 because Seaside Resorts' affordable component (under "Proposed") will include 41 affordable units from existing Sunbay housing.
[6]City of Seaside intends to comply with State of California redevelopment law and the Fort Ord Reuse Authority Master Resolution by causing the construction of a minimum of 20% low and moderate income housing for the Seaside Highlands project on a separate site on the former Fort Ord to be determined.
[7] City of Marina Market rate units include: 499 at Cypress Knolls, 840 at Marina Heights, 865 at The Dunes. Workforce units include: 71 at Cypress Knolls, 159 at Marina Heights and 124 at The Dunes. Proposed Affordable units include: 142 at Cypress Knolls, 248 at The Dunes and at Marina Heights: 51 new construction and 186 units at Abrams B housing.

Contact List for Fort Ord Housing Projects

City of Marina	Preston Park Apartments (831) 384-0119	Dunes on Monterey Bay (831) 384-0220 www.dunesonmontereybay.com
	Cypress Knolls (800) 368-4740 www.cypressknolls.com	Marina Heights (831) 887-3994 www.marinaheightscommunity.com
City of Seaside	Bayview (831) 899-9900 www.bayviewcommunity.com/bvc/	Sunbay Apartments (831) 394-2515 www.sunbaysuites.com
Monterey County	East Garrison (831) 647-2446 www.egarrison.com	

Habitat Conservation

FORA is committed to preserving two-thirds of the 28,000-acre former base as habitat lands into perpetuity. Over the past twelve years, FORA has worked with resource and habitat management agencies in the state of California to develop a basewide Habitat Conservation Plan ("HCP"). In January 2007, FORA's HCP Consultant completed and submitted a draft HCP for coordinated review. FORA's Legislative Representatives met with key leaders in US Fish and Wildlife Service ("USFWS") and California Department of Fish and Game ("CDFG") to define challenges and commit to a final process leading to HCP approval. These efforts are expected to lead to approval of a "2081" permit in 2008.

Jones & Stokes, FORA's HCP Consultant, is leading the effort to address all USFWS and CDFG draft HCP comments and is revising "draft" HCP chapters and the draft Implementing Agreement. Denise Duffy & Associates, FORA's Environmental Consultant, will complete the California Environmental Quality Act and federal National Environmental Policy Act compliance documents. As a part of this work, FORA anticipates public review of the HCP and an estimated cost model during the coming year. FORA has and will continue to set aside millions of developer fee dollars to meet habitat management responsibilities under the HCP. FORA's current objective is to set aside $12-15 million in developer fees over the next few years, adjusting the final number as HCP habitat management cost estimates are refined. In these ways, FORA and the habitat recipients will ensure that appropriate resources are secured to protect former Fort Ord habitat for many years to come!

Imjin Office Park

The current FORA office location is in the path of the City of Marina's Dunes on Monterey Bay (formerly known as University Village) development project. In preparation for relocation, FORA has collaborated with the Association of Monterey Bay Area Governments, the Builders Exchange of the Central Coast and the Carpenters Local 605 (known jointly as the Imjin Office Park Partners) to create a joint use facility (called Imjin Office Park or "IOP") to house their respective organizations on the former Fort Ord.

The new offices and conference facility will incorporate sustainable and "green" features. Each Imjin Office Park Partner is committed to building a LEED (Leadership in Energy & Environmental Design) certified building. The project entitlements were processed and approved by Marina in 2006. Marina recently approved the subdivision map, which allowed FORA to sell individual parcels to Imjin Office Partners in November 2007. Site grading is anticipated to begin in February 2008.

FY 06-07 Financial Audit (Fiscal Year Ended 06-30-2007)

FORA Auditor, Nicholson & Olson, LLP, conducted the FY 2006-07 financial audit in September-October 2007; they expressed an opinion that the financial statements present fairly, in all material respects, the financial position of the Fort Ord Reuse Authority as of June 30, 2007.

They also asserted that the results of FORA operations for the year concluded in conformity with Generally Accepted Accounting Principles ("GAAP"). There were no findings or questioned costs. The FORA Board accepted the Audit Report at its November 9, 2007 meeting.

City of Del Rey Oaks

Negotiations are on going with the master developer, Federal/JER to create a 340 acre resort project located on the former Fort Ord. The EIR on the project is being prepared and the developer has secured the necessary water commitment from the Marina Coast Water District, the water purveyor for the former base. Negotiation still continues with the State of California Environmental Protection Agency over the standards to be used to assure the property is free and clear of any unexploded ordnance.

City of Monterey

The City of Monterey continues its efforts to work with and participate in the water solutions to strengthen the growth and water needs of the region and the former Fort Ord. Although the negotiations between MRWPCA and Marina Coast Water District aren't completely in place, it's clear that the need for water in the FORA boundaries is greater than can be supplied. The "entities" involved plan on creating a future phase to provide additional water to the needs of the cities/agencies within FORA property.

Monterey County

East Garrison Planning Area
The property conveyed to East Garrison Partners January 31, 2007 and they broke ground on the project February 5, 2007. They are now well underway with the site work. EGP hopes to have the first model homes available the beginning of 2009.

Landfill Planning Area
During July and August 2007, the Agency solicited developer qualifications for a 50-acre commercial-industrial park along Intergarrison Road. The Agency has reviewed the qualifications and is inviting two developers to submit more detailed proposals. The lessee of the Ord Market is currently finalizing the financing to reinstall the gas station facilities by the winter of 2007.

Habitat Planning Area
A new Joint Powers Authority ("JPA") is proposed to be created as part of the FORA Habitat Conservation Plan process. The JPA will be responsible for managing approximately 1,000 acres of habitat adjacent to the Bureau of Land Management property. The Agency continued to work with FORA to facilitate the adoption of a Habitat Management Plan that will satisfy state and federal regulatory agencies.

Laguna Seca Planning Area
The County is receiving approximately 530 acres adjacent to the Laguna Seca County Park and Raceway to be managed as habitat. The balance of the property is designated for development and fronts onto Highway 68. The County Parks Department is working on a development strategy for the parcel fronting onto Highway 68.

Parker Flats Planning Area
The flagship development in the Parker Flats Planning Area is the Monterey Equestrian Center. The Agency has entered into an exclusive negotiating agreement with a non-profit that will develop and manage the horse park facilities on 376 acres within this area. All parties have signed an amended Exclusive Negotiating Agreement and developer reimbursement agreement, and the Horse Park advocates are preparing an economic impact analysis of the proposed development.

UCMBEST Triangle Planning Area
This property is managed by University California Santa Cruz, who continues to work with the Agency for a Model Urban Village to integrate housing and job creation centers. The development is currently on hold.

City of Marina

Marina Heights

The 248-acre, 1,050-unit Marina Heights residential project is located along Abrams Drive in the northern portion of the former Fort Ord. 80% of the former military houses have been demolished. First phase grading and road improvements were completed in the Summer of 2007 with lot preparation and infrastructure completed for the first phase of housing. The 299 first phase homes were to begin construction in the Fall of 2008 but given the current market downturn, will likely come forward in 2009.

Cypress Knolls

Cypress Knolls, is a 712-unit active adult housing development approved by the Marina City Council in November 2006. Cypress Knolls will be built in four phases, beginning in late 2008: 499 single-family market rate units, 71 "bridge income" duets, 49 moderate income patio homes and 92 affordable rental apartments, and a community center/club facility to provide personal services and recreation facilities. The 188-acre property also includes trails on 34 acres of open space that is open to the public and a City of Marina park/school site and future City Senior Center. Litigation against the project was resolved on August 20, 2007. Demolition permits are anticipated to be processed in the winter of 2008 pending market conditions

The Dunes on Monterey Bay

The Dunes on Monterey Bay, developed by Marina Community Partners, will provide 1,237 new homes (affordable apartments, town homes and duets, and single-family estate homes), several retail shopping opportunities, offices, and several parks to provide a full-range of jobs, housing, education and recreational opportunities. The first phase regional retail began at the end of 2005, and five of the nine stores opened in Fall of 2007 (Target, REI, Kohl's, Old Navy and Best Buy). Two more stores plan to open in 1st Quarter of 2008 (Bed Bath and Beyond and Michael's).

Because of the serious decline in the residential market nationally, development work on the residential portion of the project has slowed. Negotiations were ongoing this quarter to determine the feasibility of the current development progress. If the business terms can be renegotiated, the project may be able to continue with development through the downturn beginning again in 2nd quarter of 2008.

City of Seaside

The Strand at Seaside

A draft specific plan and screen check EIR is to be circulated for public review and comment the end of January 2008. Clark/General and the Redevelopment Agency are to commence negotiations on terms of a Disposition and Development Agreement ("DDA") for the Lifestyle Mall whose ENA is due to expire in February 2008. A separate ENA for the proposed hotel/spa/conference center was terminated in December 2007. Clark/General and the Redevelopment Agency are in discussions on a new ENA for that project.

Seaside Resort

The proposed project ground breaking for the Fairmont hotel is anticipated in November 2008. Completion of the 275 room luxury hotel will be completed in early 2011.

Seaside East

Pending completion of the land transfer from the federal government to FORA, the Agency is planning to issue a Request for Qualifications/Proposal for a master developer for over 730 acres in Seaside East. The master developer will handle land planning and horizontal development of the site. Upon completion of all of the infrastructure improvements, the vertical development will commence. The Agency also entered into an ENA with CHISPA, a non profit affordable housing developer, for a proposed project within the Seaside East area pending selection of a master developer and agreement on a proposed partnership with that selected developer. It is anticipated that the Request for Qualifications/Proposal ("RFQ/P") will be released in March/April 2008.

South of Main Gate

Pending completion of the land swap and finalization on terms of a DDA for the Main Gate Lifestyle Mall, the Agency intends to release an RFQ/P to developers for a 26-acre site south of Lightfighter Drive and the proposed Main Gate project. The Agency's goal for the acreage is development of an entertainment oriented retail center with a potential for a residential component geared to CSUMB students and/or faculty. The proposed Monterey Bay Blues Festival project is envisioned as an anchor for the proposed development. It is anticipated that the RFQ/P will be released in the Spring 2008.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT		
Subject:	Fort Ord Reuse Authority Investments - Quarterly Status Report	
Meeting Date:	February 8, 2008	**INFORMATION**
Agenda Number:	8d	

RECOMMENDATION:

Receive the Fort Ord Reuse Authority (FORA) FY 07-08 second quarter investments report (ending December 31, 2007).

BACKGROUND/DISCUSSION:

On December 8, 2006 the FORA Board approved adjustments to the investment policy, which requires the FORA management to provide quarterly investment reports to the FORA Board. The policy continues to be periodically reviewed to make sure that it accommodates FORA's cash flow and investment needs.

During this reporting period FORA withdrew $3.2 million from the account to finance the ET/ESCA Contract Change Order #2 approved by the FORA Board on September 26, 2007. As of December 31, 2007, the ending balance in the investment account was $5,137,887.

Financial Institution	Investment Type	Yield (Annual)	Portfolio Percent	12/31/07 Balance	9/30/07 Balance	Maturity
First Nat. Bank	**PrimeVest Investment Account**					
	Mutual Funds and Bond Funds	8.04%	99.72%	5,123,469	6,841,758	Liquid
	CODs	5%-5.15%	0.00%	-	1,493,940	Withdrawn
	Money Market Acct	4.20%	0.28%	14,417	54,358	Liquid
	TOTALS		**100.00%**	**5,137,887**	**8,390,056**	

FISCAL IMPACT:

All certificates of deposit were closed at the beginning of this reporting period. Mutual funds showed a loss of $52,169; the average yield for the quarter was -1.19% and 5.43% for the past 12 months.

This was the first significant loss in earnings since opening the account in 2003. The account still produces a positive yield for the FY (it has earned $81,464 since 7/1/07) and is closely monitored by staff and the investment account manager. Should the weak mutual fund performance continue during coming quarter, staff will deploy changes within the investment policy to prevent further losses.

COORDINATION:

John Pira, First National Bank

Prepared by: Ivana Bednarik

Approved by: Michael A. Houlemard, Jr.