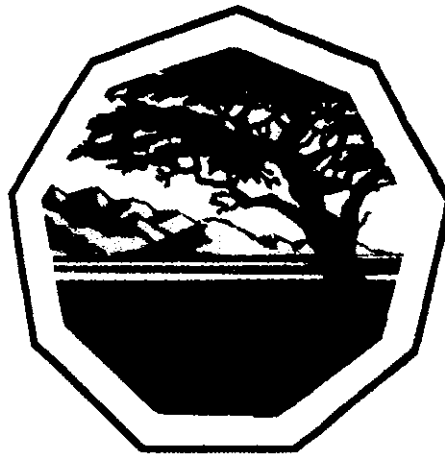


Fort Ord  
Reuse Authority



Board Packet  
For  
Board Meeting  
June 13, 2008



# Fort Ord Reuse Authority

100 12<sup>th</sup> Street, Building 2880, Marina, CA 93933  
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

## BOARD OF DIRECTORS MEETING

Friday, June 13, 2008

3:30–4:00 pm Closed Session ~ 4:00–6:00 pm Open Session

FORA Conference Facility/Bridge Center

201 13<sup>th</sup> Street, Building 2925, Marina (on the former Fort Ord)

## AGENDA

1. **CALL TO ORDER AND ROLL CALL OF VOTING MEMBERS - 3:30 PM**
2. **CLOSED SESSION**
  - a. **CONFERENCE WITH LEGAL COUNSEL – Potential Litigation [§54956.9(b)]**  
Number of cases: 1
3. **CALL TO ORDER AND ROLL CALL FOR ALL MEMBERS - 4:00 PM**
4. **REPORT OUT OF CLOSED SESSION BY AUTHORITY COUNSEL**
5. **PLEDGE OF ALLEGIANCE**
6. **ACKNOWLEDGEMENTS**
7. **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.
8. **CONSENT AGENDA** **ACTION**
  - a. **May 9, 2008 board meeting minutes**
  - b. **Preston Park budget for FY 2008-09**
  - c. **Executive Officer's contract extension**
9. **OLD BUSINESS**
  - a. **Habitat Conservation Plan approval process** **INFORMATION**
  - b. **Central Coast Veterans Cemetery: status report and presentation** **INFORMATION**
  - c. **Approval of interim water use policy** **ACTION**

- d. FORA FY 08-09 Preliminary Budget
  - (1) Operating budget ACTION
  - (2) Capital Improvement Program for FY 2008/2009 through 2021/2022 ACTION
- 10. NEW BUSINESS - none
- 11. EXECUTIVE OFFICER'S REPORT
  - a. Administrative Committee report INFORMATION
  - b. Finance Committee report INFORMATION
  - c. Executive Officer's goals for fiscal year 2008-09 ACTION/ INFORMATION
  - d. Association of Defense Communities 2009 Annual Conference - update INFORMATION
- 12. ANNOUNCEMENTS AND CORRESPONDENCE
  - a. Congratulatory resolution to George Blumenthal on his inauguration as chancellor of the University of California Santa Cruz
- 13. ADJOURNMENT

(Information about items on this agenda is available at the FORA office located at 100 12<sup>th</sup> Street, Building 2880, Marina, on the former Fort Ord or by calling 831-883-3672 or by accessing the FORA website at [www.fora.org](http://www.fora.org).)

**ACTION MINUTES  
OF THE  
FORT ORD REUSE AUTHORITY  
BOARD OF DIRECTORS' MEETING  
Fort Ord Reuse Authority Conference Facility/Bridge Center  
June 13, 2008**

**APPROVED**

1. CALL TO ORDER AND ROLL CALL OF VOTING MEMBERS

Chair/ Mayor Joe Russell called the meeting to order at 3:35 p.m. and requested a roll call of the voting members:

Chair/Mayor Russell (City of Del Rey Oaks)	1 <sup>st</sup> Vice Chair/Mayor Rubio (City of Seaside)
Mayor Wilmot (City of Marina)	Councilmember Mancini (City of Seaside)
Mayor Della Sala (City of Monterey)	Councilmember Davis (City of Pacific Grove)
Jim Cook (County of Monterey)	Mayor Pendergrass (City of Sand City)
Mayor McCloud (City of Carmel-by-the-Sea)	Councilmember McCall (City of Marina)

Arriving after the roll call was Supervisor Calcagno (County of Monterey). The third representative from the County of Monterey and a representative from the City of Salinas were absent.

Mayor Russell immediately adjourned the meeting to Closed Session.

2. There was one item in the Closed Session: Item 2a – Conference with Legal Counsel – Potential litigation [§54956.9(b)], Number of Cases: 1

3. CALL TO ORDER AND ROLL CALL FOR ALL MEMBERS

All voting members, including Supervisor Calcagno, who were present during the Closed Session were still present, and the two absentees noted above were still absent.

Ex-Officio members present:

Hunter Harvath (Monterey-Salinas Transit)	Vicki Nakamura (Monterey Peninsula College)
COL Pamela Martis (U.S. Army)	Graham Bice (UC MBEST)
Gail Youngblood (BRAC)	Kenneth K. Nishi (Marina Coast Water District)
Debbie Hale (TAMC)	Colleen Freeman (27 <sup>th</sup> State Assembly District)
Dr. Marilyn Shepherd (MPUSD)	James Main (CSUMB)

Absent were representatives from the 17<sup>th</sup> Congressional District and the 15<sup>th</sup> State Senate District.

With a quorum present, Chair Russell opened the meeting.

4. REPORT OUT OF CLOSED SESSION BY AUTHORITY COUNSEL

In the temporary absence of Authority Counsel Jerry Bowden, Executive Officer Houlemard reported that the Board had discussed the potential litigation and given direction to counsel.

5. PLEDGE OF ALLEGIANCE

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

6. ACKNOWLEDGEMENTS

Executive Officer Houlemard gave special recognition to COL Pamela Martis, congratulating her on the U.S. Army's "extraordinary event" celebrating the beginning of Army's Community Covenant Housing Project, which was marked by the demolition of an old Army house in the Stilwell Kidney. He commended the Army's commitment to the region for providing more housing for not only military and government employees but also members of the community and noted that the exchange of properties had made this project possible. Mr. Houlemard also noted the significant contribution by Congressman Farr's office to the success of the property exchange. COL Martis thanked the community leaders for their participation and support.

7. PUBLIC COMMENT PERIOD - none

8. CONSENT AGENDA

There were three items on the Consent Agenda: Item 8a (May 9, 2008 board meeting minutes), Item 8b (Preston Park budget for FY 2008-09), and Item 8c (Executive Officer's contract extension). Executive Officer Houlemard recused himself from Item 8c. **Motion to approve Items 8a, 8b and 8c was made by Councilmember Mancini, seconded by several board members, and carried.**

9. OLD BUSINESS

Item 9a - Habitat Conservation Plan ("HCP") approval process: Director of Planning and Finance Steve Endsley reported that a conference call this week with U.S. Fish & Wildlife representatives to discuss the all-important funding chapter issues had occurred. He said considerable progress had been made, particularly on getting the assurances needed from the Bureau of Land Management for their contributions over time. There were no board or public comments regarding this informational item.

Item 9b - Central Coast Veterans Cemetery: status report and presentation: Executive Officer Houlemard introduced Monterey County Housing and Redevelopment Director Jim Cook, who gave a broad overview of this project, assisted by a PowerPoint which covered the early collaboration and consensus building, the goals and objectives, preliminary designs, the endowment fund, cleanup of the site, the environmental review process, construction and maintenance of the cemetery and several maps. Lou Alley, RHAA principal emeritus, discussed the key features of the Site Master Plan. Mr. Cook said if all goes according to the current expectations and schedule, the cemetery could be in operation as early as 2011. He recognized Eddie Pedrozo, an ex-officio representative of the Monterey County Military & Veterans Advisory Commission and president of a Salinas cemetery, which is collaborating with the Cemetery Advisory Committee ("CAC") to buy the endowment parcel. Public comments included the following: (1) Norm Channell, a retired Navy officer representing Board of Supervisors ("BOS") Region 5, who thanked FORA for funding the design study and urged moving forward with the cemetery; (2) Jack Stewart, representing the United Veterans Council and the CAC vice-chair, remarked that veterans are not giving up on this project. He said more progress has been made during the past year than during the 13 prior years and urged "getting it done." (3) James Bogan, representing BOS Region 4 and the current CAC chair, asked the FORA members to share their ideas about this cemetery with the CAC, since the government would not provide all the funding; he also urged keeping the project moving forward; (4) Richard Garza, Monterey County Veterans Affairs officer, stated that WW2 veterans are dying at the rate of 1,000 per day and urged that construction of the cemetery be started as soon as possible. [Also present were Ralph Villar, representing BOS Region 1, and Frank Aguillon, representing BOS Region 2.]

Chair Russell thanked the veterans for attending the FORA Board meeting today and opened the item to the Board. Mayor McCloud asked if the \$3.4 million endowment fund estimate were enough for the cemetery operations and maintenance, and Mr. Cook responded that it would probably be sufficient, all things being

the same as now projected. When Mayor Wilmot asked about a recommendation for action on the cemetery, Mr. Cook responded that the item had not been agendaized for action at this meeting but that meetings with the jurisdictions and regulators have been initiated and FORA's continuing support would be appreciated. Executive Officer Houlemard said that a process is needed first and perhaps a resolution. He suggested keeping in mind the Army's part in this project and suggested asking BRAC Director Gail Youngblood to become involved in the meetings. Mayor Rubio asked about the habitat conservation piece in the cemetery parcel. Mr. Houlemard responded that credits for future habitat won't be needed in the future, if the HCP continues to move along as guided by FORA staff. If not, the County is proposing this area as a habitat "bank" that may be helpful in the future.

Item 9c – Approval of interim water use policy: Authority Counsel Bowden reported that he had received a letter this morning from Attorney Richard Rosenthal, pointing to a number of alleged defects in the interim water use policy resolution, followed by three pages of legal arguments. He recommended that the Board remove Item 9c from the agenda, so he could review the issues and possibly return the item at a future meeting. **Motion to accept Authority Counsel's recommendation was made by Mayor McCloud, seconded by Councilmember Wilmot, and carried.**

Item 9d – FORA FY 08-09 Preliminary Budget

Item 9d(1) - Operating budget: Executive Officer Houlemard spoke from a PowerPoint, which summarized the revenues and expenditures, followed by figures in broad categories of each and adjustments recommended by staff and the Finance Committee. A year-end balance of \$2.6-2.7 million is anticipated on June 30, 2008, but Mr. Houlemard noted that borrowing from FORA's line of credit to complete projects during the 2008-09 fiscal year had been incorporated in this budget. There were no board or public comments. **Motion to approve the FORA fiscal year 2009 (2008-09) preliminary budget was made by Mayor Rubio, seconded by Councilmember Mancini, and carried.**

Item 9d(2) - Capital Improvement Program ("CIP") for FY 2008-2009 through 2021/2022: Assistant Executive Officer Jim Feeny spoke from a PowerPoint presentation and provided highlights of the 2008-2009 CIP along with additional information regarding FORA's remaining CIP obligations under the Base Reuse Plan, which amount to \$198,819,678 (Table 3). He summarized the following: (1) program offsets [grants, local matches, bonds, Community Facilities District ("CFD") fees and land sales], which were detailed in Tables 1 and 2; (2) updates in the 2008/2009 draft CIP, which included the annual construction cost inflation index of 2.7%, the impacts of the timing of the ESCA cleanup work on the basewide and regional transportation/transit projects, and (3) the potable water augmentation program, if the regional plan (also known as the REPOG) replaces the current "hybrid alternative." Executive Officer Houlemard called attention to the Finance Committee's recommendation that the operating budget show half of the CIP figures projected for CFD and land sale revenues, because in past years the jurisdictional projections in the CIP have not matched the reality.

Board comments included the following: (1) Mayor Rubio asked that the General Jim Moore Blvd./Eucalyptus Road project remain a high priority, since it is already serving as a regional thoroughfare. He said that if the REPOG plan is approved and causes changes in the CIP priorities or target dates, the document should be revisited. (2) Jim Cook asked what is meant by the "approved" water augmentation project, as discussed on page 13, #4 (The Board approved the "hybrid alternative" on 6/10/05.) (3) Chair/Mayor Russell expressed support for keeping the General Jim Moore Blvd. improvement project a priority project and said that reference to the REPOG as possibly replacing the hybrid project as the "preferred" project is "pure speculation." He asked that the word "preferred" be deleted from the last paragraph under "b) – Water Augmentation" on page 6 (Mr. Feeny responded that the REPOG project is a standing item on the Administrative Committee agendas, so that members can

keep abreast of new developments); and (4) Councilmember McCall said that it appears that some of Marina's inner city streets have become "regional highways," which bears further consideration, because the large volume of traffic cannot be shoved through Marina. There were no public comments. **Motion to approve the draft FY 2008/2009 through 2021/2022 CIP document, along with the changes described in the previous comments, was made by Mayor Rubio, seconded by Councilmember Mancini, and carried.**

10. NEW BUSINESS - none

11. EXECUTIVE OFFICER'S REPORT

There were four items in this report: Item 11a (Administrative Committee report), Item 11b (Finance Committee report), Item 11c (Executive Officer's goals for fiscal year 2008-09) and Item 11d (Association of Defense Communities 2009 Annual Conference – update). All were informational, except Item 11c. RE Item 11c – Executive Officer Houlemard said that his goals had received the recommendation for approval by the Chair Russell and the Executive Committee. There were no board or public comments. **Motion to approve the Executive Officer's goals for fiscal year 2008-09, as presented, was made by Mayor Rubio, seconded by Mayor Della Sala, and carried.** RE Item 11d – Executive Officer Houlemard reported that staff had negotiated a 10% discount on the registration fee for FORA board members, alternates, and their jurisdictional/entity staff members. He said Linda Stiehl has information and a special form for those interested in taking advantage of this opportunity.

12. ANNOUNCEMENTS AND CORRESPONDENCE

Item 12a – Congratulatory resolution to George Blumenthal on his inauguration as chancellor of the University of California Santa Cruz: Executive Officer Houlemard reported that the Executive Committee had approved the text of the resolution at their June 4<sup>th</sup> meeting, due to the short time span until Chancellor Blumenthal's inauguration ceremony (June 6<sup>th</sup>), and it was presented to the full board today as an information item.

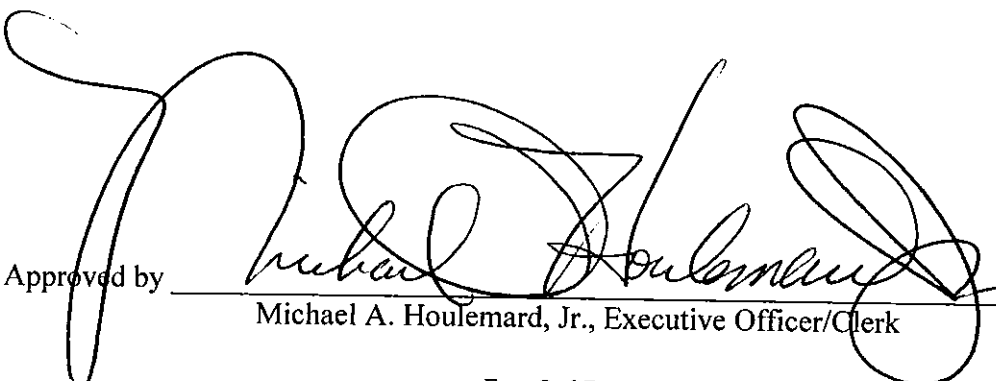
TAMC Executive Director Debbie Hale asked that flyers about TAMC's Carmel Hill & River Trail Project, which she provided, be distributed to the Board. Construction on this bike and walking trail from Hatton Canyon to across the Carmel River is expected to begin in late 2009.

13. ADJOURNMENT

Chair Russell adjourned the meeting at 4:45 p.m.

Minutes prepared by Linda Stiehl, Deputy Clerk.

Approved by

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

Fort Ord Reuse Authority Board Meeting

June 13, 2008

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# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

**Subject:** Preston Park budget FY 2008-09

**Meeting Date:** June 13, 2008

**Agenda Number:** 8b

**ACTION**

### RECOMMENDATION(S):

1. Approve the Fiscal Year ("FY") 08-09 Preston Park Budget (**Attachment A**) and
2. Authorize the Executive Officer to make adjustments in the reserve accounts in coordination with the City of Marina ("Marina") and the property manager.

### BACKGROUND/ DISCUSSION:

Alliance was the firm selected to negotiate the Preston Park management services contract, which was approved by the FORA Board on November 9, 2007. Consistent with the contract, Alliance assumed Preston Park management responsibilities in January 2009. Alliance offers a lower management fee with potential cost savings and efficiencies from management of 1,100 housing units at California State University Monterey Bay, located near Preston Park housing.

On May 20, 2008, the Marina City Council considered and approved the FY 08-09 Preston Park Budget. After coordinating the budget with Marina Staff, FORA staff recommend approval of the attached budget. It is noted that there may be some adjustments to reduce the amounts necessary for the replacement reserves, which may require re-configuration during the fiscal year. Staff will review these with Marina and is requesting authorization to make adjustments. Marina staff's May 20, 2008 presentation is included as additional background material (**Attachment B**).

### FISCAL IMPACT:

Reviewed by FORA Controller 

The Preston Park budget includes FORA distributions of \$1.2 million in FY 08-09. This amount should increase with the adjustments to the reserve accounts.

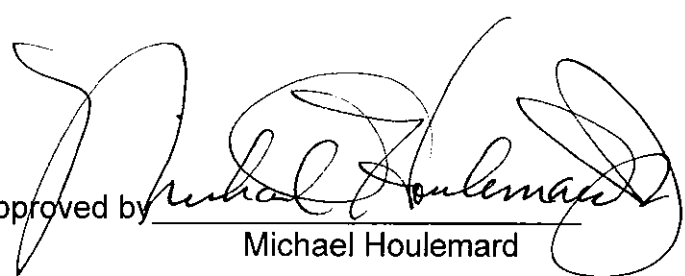
### COORDINATION:

City of Marina Staff, Alliance Staff, Administrative Committee, Executive Committee.

Prepared by

  
Jonathan Garcia

Approved by

  
Michael Houlemard



May 15, 2008

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of May 20, 2008

Honorable Chair and Members  
of the Marine Redevelopment Agency

Redevelopment Agency Board  
Meeting of May 20, 2008

**RECOMMENDATION TO CONSIDER ADOPTING RESOLUTION NO.  
2008-, AND RESOLUTION NO. 2008- (MRA) APPROVING ANNUAL  
PRESTON PARK HOUSING AREA BUDGET FOR FY 2008-09**

**RECOMMENDATION:**

It is recommended that the City Council and Agency Board:

1. Consider adopting Resolution No. 2008-, and Resolution No. 2008- (MRA), approving annual Preston Park Housing Area budget for FY 2008-09.

**BACKGROUND:**

The Preston Park Housing Area (Preston Park) was built in the late 1980's as military housing for families assigned to the former military reservation. The area was leased from the Army to the Ford Ord Reuse Authority (FORA) in 1997 to provide housing for public, military and lower income families.

FORA subleased the property to Mid-Peninsula Housing Coalition (Mid-Pen) through the recommendation of the City, acting as FORA's agent, in the rehabilitation, occupancy and management of Preston Park. The property was subsequently transferred from the U.S. Army to FORA in June 2000.

FORA continues to hold title to the Preston Park Housing Area. Under the terms of the initial agreement, the City of Marina continues to serve as FORA's agent. Until December 31, 2007, Mid-Pen remained under a sublease and management agreement with FORA that was overseen by the City as management agent.

At the regularly scheduled meeting of October 3, 2006, the Agency Board adopted Resolution No. 2006-44 (MRA), between the Marina Redevelopment Agency and FORA, for the Preston Park Housing Area that deed restricted fifty-one (51) of the three hundred fifty four (354) Preston Park housing units. The regulatory agreement requires that nineteen (19) units be rented to very-low income families and thirty two (32) be rented to low-income families.

At the regularly scheduled meeting of October 16, 2007, the City Council adopted Resolution No. 2007-248, approving a contract with the Alliance Residential Company (ARC) to manage the property beginning January 1, 2008.

Currently, of the fifty one (51) deed restricted units, thirty seven (37) are rented to very low-income families at fifty percent (50%) of area median income, and sixteen (16) are being rented to low-income families at sixty (60%) of area median income.

In addition, forty-nine (49) units are currently rented with Section 8 financial support and the remaining two hundred thirty one (231) units are rented at market rents. ARC employees occupy three (3) units.

**ANALYSIS:**

ARC staff has worked diligently to effect a smooth transition from the prior management. ARC has been responsive to tenant and City requests, particularly in the areas of tenant relations and communication, availability of trained and motivated staff, property appearance and maintenance. City staff appreciates ARC's goals for FY 2008-09 in water conservation, distribution of a tenant handbook and undertaking a deferred capital project in parking and landscaping improvements at Preston Park.

Since 2002 or earlier, the Preston Park Tenants Association (PPTA) has met with property management and City staff to address and resolve management issues and review the proposed budget prior to the beginning of each fiscal year. The parties met and discussed the proposed FY 2008-09 Preston Park Housing Area Budget.

Staff received a letter from ARC dated May 6, 2008, which outlines the proposed FY 2008-09 Budget ("EXHIBIT A"). Consensus was generally reached on most components of the budget.

A rental increase of 3.5% is proposed, which would result in market rate rents for new move-ins in FY 2008-09 as follows:

Unit Size	Current Rent	New Rent
Two Bedroom	\$1,105.00	\$1,144.00
Three Bedroom	\$1,435.00	\$1,485.00

Every year, including this year, the Preston Park budget has included an appropriation to reserves based on a formula of 50% of the amount of revenues less expenses. In April 2008, ARC engaged the firm of EMG to undertake a "Fannie Mae Physical Needs Assessment," or Reserve Replacement Study, to form the basis of a fifteen (15) year Capital Improvements Program.

ARC is the City's agent as it relates to the management of a significant asset of the City and the Fort Ord Reuse Authority (FORA). The underlying assumptions of the proposed budgets submitted to the City of ARC and PPTA have been reviewed and discussed by ARC, PPTA, FORA and City staff.

It is recommended that the City Council consider accepting the proposed budget submitted by ARC, which represents a cash flow increase of \$153,156 over the FY 2007-08 Budget. In addition the proposed budget includes a Capital Improvements Budget which contains capital projects in the amount of \$1,167,519 in FY 2008-09.

**FISCAL IMPACT:**

Preston Park rental revenues for the 2004-05, 2005-06 and 2006-07 Fiscal Years totaled \$1,163,695, \$1,171,026 and \$1,189,211 respectively. Rental revenues-to-date for the current fiscal year are \$1,285,000. The City currently receives standard monthly rental revenues of \$100,000, and sometimes receives an additional payment after fiscal- year end, after the management company reconciles actual Preston Park revenues and expenses for the previous year.

Should the City Council approve this request, SDC Staff estimates that FY 2008-09 revenues might be approximately \$1,537,290 after the year-end reconciliation is concluded. When received, Preston Park rental revenues are credited to the Conveyance Fund, Account No. 26.122.56421.

**CONCLUSION:**

This request is submitted for City Council and Agency Board consideration and possible action.

Respectfully submitted,

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Jennifer N. M. Coile, AICP  
Interim Housing Coordinator  
City of Marina

**REVIEWED/CONCUR:**

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Douglas A. Yount  
Director of Development Services  
City of Marina

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Anthony J. Altfeld  
City Manager  
City of Marina

**NOTED FOR FISCAL IMPACT:**

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Richard B. Standridge, CPA  
Interim Finance Director  
City of Marina

RESOLUTION NO. 2008-  
RESOLUTION NO. 2008- (MRA)

A RESOLUTION OF THE CITY OF MARINA AND  
THE REDEVELOPMENT AGENCY BOARD OF THE CITY OF MARINA  
APPROVING ANNUAL PRESTON PARK HOUSING AREA BUDGET FOR FY 2008-09

WHEREAS, the Alliance Residential Company is under contract as the management agent of Preston Park and they submitted a draft budget in March, 2008, and;

WHEREAS, the Preston Park Tenant Association, Alliance Residential Company staff and City of Marina staff have worked collectively on preparing a budget to be presented to the City Council, and;

WHEREAS, the City of Marina staff have coordinated this budget with Fort Ord Reuse Authority (FORA) staff in accordance with the existing contracts with FORA, and;

WHEREAS, on May 20, 2008, the Marina City Council reviewed and considered the proposed budget, and;

WHEREAS, a rental increase of 3.5% is proposed, which would result in market rate rents for new move-ins in FY 2008-09 as follows:

Unit Size	Current Rent	New Rent
Two Bedroom	\$1,105.00	\$1,144.00
Three Bedroom	\$1,435.00	\$1,485.00

, and;

WHEREAS, Preston Park rental revenues for the 2004-05, 2005-06 and 2006-07 Fiscal Years totaled \$1,163,695, \$1,171,026 and \$1,189,211 respectively. Rental revenues-to-date for the current fiscal year are \$1,285,000. The City currently receives standard monthly rental revenues of \$100,000, and sometimes receives an additional payment after fiscal- year end, after the management company reconciles actual Preston Park revenues and expenses for the previous year, and;

WHEREAS, SDC Staff estimates that FY 2008-09 revenues might be approximately \$1,537,290 after the year-end reconciliation is concluded. When received, Preston Park rental revenues are credited to the Conveyance Fund, Account No. 26.122.56421.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina and the Agency Board of the Redevelopment Agency of the City of Marina does hereby approve annual Preston Park Housing Area budget for FY 2008-09 ("Exhibit A").

PASSED AND ADOPTED by the City Council of the City of Marina and the Agency Board of the Redevelopment Agency of the City of Marina at a regular meeting duly held on the 20<sup>th</sup> day of May 2008, by the following vote:

AYES: COUNCIL/AGENCY MEMBERS:

NOES: COUNCIL/AGENCY MEMBERS:

ABSENT: COUNCIL/AGENCY MEMBERS:

ABSTAIN: COUNCIL/AGENCY MEMBERS:

\_\_\_\_\_  
Gerald J. Wilmot, Mayor/Chair

ATTEST:

\_\_\_\_\_  
Joy P. Junsay, City Clerk/Secretary



May 6, 2008

Ms. Jennifer Coile  
Interim Housing Coordinator  
City of Marina  
211 Hillcrest Avenue  
Marina, California 93933

Re: Preston Park 2008-2009 Proposed Budget

Dear Ms. Coile:

Pursuant to the terms outlined in the Management Agreement between the City of Marina, Fort Ord Reuse Authority, and Alliance Residential, LLC; and in accordance with the management agreement, please find enclosed the proposed 2008-2009 budget for Preston Park. We have met with and solicited input from the City and the Preston Park Tenant's Association.

Revenues/ Market Rents

Pursuant to the Economics Development Conveyance Memorandum of Agreement (EDC) we realize the importance of keeping rental rates comparable to the market and the importance of applying revenue to baseline obligations. (See attached Market Survey)

Therefore, after carefully reviewing unit rents, we've determined that it is imperative to increase rental rates an average of \$35 per household in order to continue to meet the day to day operational needs of the community. Moreover, the current rent structure is significantly below market rents in Marina and the surrounding cities. The results of the proposed 3.5% rent increase will continue to be within range of comparative housing rents in Marina, Salinas, and the surrounding counties.

The average two bedroom apartment in Marina rents for between \$1000-1285 per month. Additionally, the comparables as outlined in the attached market survey are significantly less in square footage than units at Preston Park.

Preston Park offers unique three bedroom town home floor plans, each with front and back yards, and garages, unlike comparative apartments in the surrounding area. Rents on the three bedroom apartments would increase an average of \$42 per month.



Rental rates proposed for new move-ins in Fiscal Year 2008/09 are:

<u>Unit Size</u>	<u>Current Rent</u>	<u>New Rent</u>
Two Bedroom:	\$1105.00	\$1144.00
Three Bedroom:	\$1435.00	\$1485.00

Based on historical data obtained from the City of Marina and the Mid-Pen Housing Coalition (previous management company), the rental increase schedule below is a summary of how rental rates have increased an average of 3% per year over the past six years. Although there are two unit sizes, you will note 18 distinct rents, based on historical evolution of tenant longevity and negotiations with the Preston Park Tenants Association over the years.

**Rents at Preston Park, 2002 - 2008**

<u>Unit</u>	<u>7/02- 6/03</u>	<u>7/03- 6/04</u>	<u>7/04- 6/05</u>	<u>7/05- 6/06</u>	<u>7/06- 6/07</u>	<u>7/07- 6/08</u>	<u>% Inc 7/07</u>	<u>7/08- 6/09</u>	<u>% Inc 7/08</u>
2bdrm A	\$860	\$903	\$935	\$970	\$1005	\$1030	2.5	\$1066	3.5
2bdrm B	\$885	\$929	\$950	\$985	\$1020	\$1055	3.4	\$1092	3.5
2bdrm all	\$930	976	990	1000	1025	1060	3.4	1090	3.5
2bdrm all	\$955	1003	1020	1030	1050	1082	3.0	1120	3.5
2bdrm all	\$965	1013	1030	1040	1055	1087	3.0	1137	3.5
2bdrm all		1062	1070	1080	1085	1105	1.8	1144	3.5
2bdrm all			1090	1095	1100	1105	0.5	1144	3.5
2bdrm all				1100	1105	1105	0.0	1144	3.5
3bdrm	\$1065	1118	1168	1228	1285	1336	4.0	1385	3.5
3bdrm	\$1065	1118	1168	1239	1295	1347	4.0	1423	3.5
3bdrm	\$1080	1134	1184	1244	1300	1352	4.0	1423	3.5
3bdrm	\$1105	1160	1210	1270	1325	1378	4.0	1423	3.5
3bdrm	\$1140	1197	1247	1307	1360	1414	4.0	1464	3.5
3bdrm		1254	1304	1364	1415	1435	1.4	1485	3.5
3bdrm				1400	1415	1435	1.1	1485	3.5
3bdrm					1435	1435	0.0	1485	3.5



Preston Park residents are responsible for paying their own utilities such as gas, water, electricity, sewer, and trash. The market rate rent is adjusted to compensate for the cost of water use, utility costs, and garbage, not paid by residents at other communities in the area. Therefore, the budget assumes adjustments in rental rates in order to compensate such costs. Utility costs for 2008/2009 as referenced by the U.S. Department of Housing and Urban Development (HUD) are as follows:

	<u>Two Bedroom</u>	<u>Three Bedroom</u>
Water	\$24	\$39
Sewer	\$10	\$25
Garbage	\$11	\$13
Heating	\$20	\$22
Wtr Htg Gas	\$ 9	\$10
Cooking-Gas	\$ 4	\$ 5
Electric-other	<u>\$15</u>	<u>\$17</u>
Total	\$93	\$131

#### Affordable Rental Rates

Affordable rental rates are derived from medium income schedules published by governmental agencies. Rental rates for the affordable units at Preston Park are based upon 50% and 60% of the median income for Monterey County. The U.S. Department of Housing and Urban Development (HUD) publishes rental rates for various levels of income for families in Monterey County for each calendar year. The rental rates are based upon families at 50% and 60% of the Monterey County median income for 2008 and allowances for the cost of utilities are as follows:

<u>Gross Rent</u>	<u>Two Bedroom</u>	<u>Three Bedroom</u>
50% (Very Low)	\$635.00	\$707.00
60% (Low)	\$764.00	\$852.00

#### Rental Increase Implementation

If we could secure approval of the budget in May, rental increase notices could be mailed out on or before May 31, 2008 so that the new rental rates would become effective on July 1, 2008. Rents are increased once per year.

#### Vacancy

Based on historical data, the budget assumes a vacancy rate of 1.82%. The proposed vacancy allows enough time to turn units immediately after a resident vacates the community. The vacancy rate is well within the acceptable range based on market conditions and turn around times required to thoroughly complete turns. The current waiting list is sufficient, and we expect will continue, to fill vacancies quickly.



## Expenses

### Administrative:

\*Items referenced in this category were not commonly used by the previous management company. Therefore, a larger variance is noted.

A negative expense over the previous years' budget is largely due to costs associated with the following:

- **Marketing:** Printing and development of updated print material and other collateral required to properly market the community, including the creation of a website for Preston Park.
- **Training and Educational costs** associated with staff development. Required trainings include: Sexual Harassment, Fair Housing, YARDI software and other HUD related training courses as required.
- **Legal expenses** increased as well, due to the need to hire counsel to review lease agreements, for eviction proceedings and consultation on other legal issues.
- **Uniforms:** Alliance administrative and maintenance staff are required to wear career apparel; the apparel is seasonal and is budgeted twice per year.
- **Telephone Upgrades:** The budget assumes the installation of new telephone systems at a cost of \$1950, which will provide more reliable and enhanced after-hours features.
- **Annual YARDI software and IT support** \$3,600.

### Utilities

The categories impacting utility expenses are Cable at a cost of \$1500 per year and the overall increase in utilities is contributed to the monthly increase in utility costs.

### Operating & Maintenance

\*Items referenced in this category were not commonly used by the previous management company. Therefore, a larger variance is noted Example: Salaries were previously coded under this category by Mid-Pen .

- **Uniforms:** There is a significant increase associated in this category as all Alliance associates (administrative and maintenance) are required to wear career apparel. Staff are allocated monies for summer and winter apparel, however each associate is responsible for the laundering and upkeep of their uniforms.
- **Pest Control Services:** In order to control the large number of coyotes, raccoons, skunks and other unwelcome critters at the property, we will enlist the services of an outside vendor to set traps throughout the community.
- **Landscaping services:** Entered into a contract with a new landscape vendor, monthly costs slightly higher for services. Additional cost associated to this category includes anticipated monthly irrigation repairs.

### Taxes & Insurance

Overall insurance cost increased when switching to a new carrier.





#### Replacement Reserves

Reserve funds are transferred into the reserve account on or before the 10<sup>th</sup> of each month. To date, a balance of \$1,534,369 is in the R& R account; it is anticipated the reserve fund will increase to \$1,684,369 by June 30, 2008. Preston Park is prohibited from withdrawing from the R&R fund without prior approval from the Owner. It is expected that a major portion of these funds will be used to finance the pending Capital Improvements project of additional parking to bring the property in line with City code requirements.

EMG completed a physical needs assessment of the property on April 23, 2008 (see attached study) Based on the needs assessment, the property appears to be in relatively good condition. Therefore, the current reserve funding of \$50,000 per month or \$142.04 per unit is sufficient to cover the cost of improvements over the next fifteen years. The EMG study assumes funding at \$43.35 per unit over the next 15 years. While the attached budget reflects reserve funding at current levels, it is recommended that we discuss the reduction of reserve funding to the adequate funding amount assumed by EMG of \$43.35 per unit.

#### Capital Improvement Program

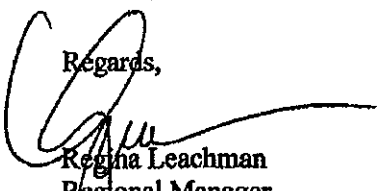
Forrest White, Director of Asset Engineering at Alliance Residential, is spear-heading the capital project at Preston Park. Forrest and his team are prepared to submit the application to the City of Marina to begin the parking lot expansion.

#### Cash Flow

Net cash flow projected in 2008-2009 is \$633,627.

Please feel free to contact me should you have additional questions or concerns at (831) 582-2005. We look forward to receiving approval of the final proposed budget prior to May 31, 2008 in order to implement rental increases by July 1, 2008.

Regards,

  
Regina Leachman  
Regional Manager  
Alliance Residential Company

cc: Jennifer Coile, City of Marina  
Kellie Hughes, Alliance Residential Company

#### Attachments:

- Market Study
- Replacement Reserves Study
- 2009 Standard Budget



**PRESTON PARK  
2008 STANDARD BUDGET  
CONSOLIDATION & SIGN-OFF**

Physical Occupancy 87.88 % 98.07 %  
Economic Occupancy 85.74 % 86.27 %

	87.88 %	98.07 %		85.74 %	86.27 %	
Gross Market Potential	\$4,266,344	\$4,717,386	\$148,593			3.1%
Market Gain/Loss to Lease	(\$128)	\$0	(\$128)			(101.0%)
Non-Rentable Apartments	(\$44,052)	(\$43,862)	(\$190)			(0.4%)
Rental Concessions	\$0	\$0	\$0			0.0%
Delinquent Rent	\$0	\$0	\$0			0.0%
Vacancy Loss	(\$104,073)	(\$90,839)	(\$13,234)			(12.7%)
Prepaid/Previous Paid Rent	\$0	\$0	\$0			0.0%
Other Market Gain/Deficiency Recovery	\$0	\$0	\$0			0.0%
Bad Debt Expense	(\$58,960)	(\$41,408)	(\$17,552)			(41.0%)
Other Resident Income	\$20,925	\$0	\$20,925			100.0%
Miscellaneous Income	\$450,108	\$0	\$450,108			100.0%
Corp Apartment Income	\$0	\$0	\$0			0.0%
Rental Income	\$0	\$0	\$0			0.0%
<b>TOTAL INCOME</b>	<b>\$3,429,334</b>	<b>\$4,641,488</b>	<b>\$1,212,154</b>			<b>35.4%</b>
<b>PAYROLL</b>	<b>\$559,148</b>	<b>\$577,448</b>	<b>\$18,299</b>			<b>3.3%</b>
<b>LANDSCAPING</b>	<b>\$163,900</b>	<b>\$124,700</b>	<b>(\$39,200)</b>			<b>(23.9%)</b>
<b>UTILITIES</b>	<b>\$407,820</b>	<b>\$55,735</b>	<b>(\$352,085)</b>			<b>(86.4%)</b>
<b>REDECORATING</b>	<b>\$50,870</b>	<b>\$55,100</b>	<b>\$4,230</b>			<b>8.3%</b>
<b>MAINTENANCE</b>	<b>\$57,768</b>	<b>\$27,119</b>	<b>(\$30,649)</b>			<b>(52.9%)</b>
<b>MARKETING</b>	<b>\$7,415</b>	<b>\$1,000</b>	<b>(\$6,415)</b>			<b>(87.5%)</b>
<b>ADMINISTRATIVE</b>	<b>\$139,958</b>	<b>\$72,113</b>	<b>(\$67,845)</b>			<b>(48.5%)</b>
<b>PROFESSIONAL SERVICES</b>	<b>\$200,544</b>	<b>\$193,960</b>	<b>(\$6,584)</b>			<b>(3.3%)</b>
<b>INSURANCE</b>	<b>\$173,172</b>	<b>\$148,100</b>	<b>(\$25,072)</b>			<b>(14.5%)</b>
<b>AD-VALOREM TAXES</b>	<b>\$148,232</b>	<b>\$98,489</b>	<b>(\$49,743)</b>			<b>(33.5%)</b>
<b>NON-ROUTINE MAINTENANCE</b>	<b>\$5,900</b>	<b>\$5,217</b>	<b>(\$683)</b>			<b>(11.3%)</b>
<b>TOTAL OPERATING EXP</b>	<b>\$1,864,953</b>	<b>\$1,489,814</b>	<b>(\$375,139)</b>			<b>(20.1%)</b>
<b>NET OPERATING INCOME</b>	<b>\$1,564,381</b>	<b>\$3,151,674</b>	<b>\$1,586,841</b>			<b>101.5%</b>
<b>DEBT SERVICE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>0.0%</b>
<b>DEPRECIATION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>0.0%</b>
<b>AMORTIZATION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>0.0%</b>
<b>PARTNERSHIP</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>0.0%</b>
<b>NET INCOME</b>	<b>\$1,564,381</b>	<b>\$3,151,674</b>	<b>\$1,586,841</b>			<b>101.5%</b>
<b>CAPITAL EXPENDITURES</b>	<b>\$1,167,519</b>	<b>\$1,072,162</b>	<b>(\$95,357)</b>			<b>(8.2%)</b>
<b>MORTGAGE PRINCIPAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>0.0%</b>
<b>TAX ESCROW</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>0.0%</b>
<b>INSURANCE ESCROW</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>0.0%</b>
<b>REPLACEMENT RESERVE</b>	<b>(\$567,519)</b>	<b>(\$28,000)</b>	<b>(\$539,519)</b>			<b>(95.3%)</b>
<b>REPLACEMENT RESERVE REIMBURSE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>0.0%</b>
<b>OWNER DISTRIBUTIONS</b>	<b>\$2,400,000</b>	<b>\$2,400,000</b>	<b>\$0</b>			<b>0.0%</b>
<b>DEPRECIATION AND AMORTIZATION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>0.0%</b>
<b>NET CASH FLOW</b>	<b>\$47,862</b>	<b>(\$28,326)</b>	<b>(\$76,188)</b>			<b>(159.3%)</b>

Owner \_\_\_\_\_ Date \_\_\_\_\_  
Asset Manager \_\_\_\_\_ Date \_\_\_\_\_  
COO \_\_\_\_\_ Date \_\_\_\_\_  
VP \_\_\_\_\_ Date \_\_\_\_\_  
Regional Manager \_\_\_\_\_ Date \_\_\_\_\_

Alliance Residential, LLC makes no guarantee, warranty or representation whatsoever in connection with the accuracy of this Operating Budget as it is intended as a good faith estimate only.



**PRESTON PARK  
2009 STANDARD BUDGET  
COMMUNITY PROFILE**

Operational Region	Midtown
Community Name	Preston Park
State	GA
Project No.	0
Payroll Community No.	0000-009
Community Owner	City of Marietta

Fiscal Year	2009
Contract Fiscal Year	2009
Budget Model	Standard
Accounting Method	Accrual
Management Fee %	2.00%
Minimum Management Fee	\$0
Housing Allowance	Record to Payroll
Community Payroll Month	Year
Community Payroll Processing Fees	Year

Pool	No
Secured/Secur	No
Water Features	No
Club House	No
Tennis Court	No
Sports Court	No
Playground	Yes
Month Theater	No
BOG/Gris	No
Complimentary Services	No
Business Center	No
Access Gate	No
Laundry Room	No

Year Built	1987
Year Owner Acquired	1988
Year Renovated	1988
Community Type	Garden
Construction Type	Brick
Roof Type	Shingles
Entrances	2
Parking Ratio	0.00

Number of Units	322
Number of Unit Types	22
Total Square Footage	438,349
Average Square Feet	1,361.7
Acres	36.06
Apartments per Acre	37
Number of Buildings	32
Apartments per Bldg	10
Number of Floors	1
Elevators	No

W/D Connection	No
Washer/Dryer	Yes
Frost-Free Refrigerator	Yes
Intercom	No
Self-Cleaning Oven	Yes
Microwaves	No
Midnight Party	Yes
Wastebowling	No
Calling Firms	No
Air Conditioning	No
Urban Choice	Yes
Cable TV	Yes
Separate Shower	Yes
Crown Molding	No
8" Foot Ceiling	No
Upgraded Flooring	No
Roman Tub	No
Security System	No
Computer Desk	No

Turnover	2
Lease Renewals	95.07%
Lease Renewal Commissions	\$0
New Lease Commissions	\$2
Vacancy Loss	(\$2,759)
Lease-to-Lease	(\$11)
Physical Occupancy	97.86%
Economic Occupancy	95.74%
2009 Turnover Coefficient (NR Avg)	
General Cleaning	\$181
Carpet/Tile	\$717
Painting	\$832
Depreciable	\$284
Total	\$1,786

Number of Units	322
Avg Rent	\$0.00
Unit Amenities	
Community Patching	0
Parking - Reserved	0
Parking - Unreserved	0
Parking Structure	0
Parking - Covered	0
Detached Garage	0
Attached Garage	0
Storage	0

W/D Connection	No
Washer/Dryer	Yes
Frost-Free Refrigerator	Yes
Intercom	No
Self-Cleaning Oven	Yes
Microwaves	No
Midnight Party	Yes
Wastebowling	No
Calling Firms	No
Air Conditioning	No
Urban Choice	Yes
Cable TV	Yes
Separate Shower	Yes
Crown Molding	No
8" Foot Ceiling	No
Upgraded Flooring	No
Roman Tub	No
Security System	No
Computer Desk	No

Swamp Dog	\$4
Large Dog	\$0
Call	\$0
Application Fee	\$25
MTA Premium	\$0
Short Term Premium	\$0
Cancellation Fee	\$0
Transfer Fee	\$0
NSF Fee	\$25
2d Non-Rent. Fee	
2d Non-Rent. Fee	
2d Non-Rent. Fee	
2d Non-Rent. Fee	
2d Non-Rent. Fee	
2d Non-Rent. Fee	
2d Non-Rent. Fee	
2d Non-Rent. Fee	

Lease Terms	
Lease Fee	\$25
On Day	\$0
Per Day	

Responsible Party	Average Recovery %
Gas Community	0.0%
Electricity Community	0.0%
Water Community	0.0%
Sewer Community	0.0%
Trash Community	0.0%
Cable Community	0.0%



**PRESTON PARK  
2009 STANDARD BUDGET  
SUMMARY BUDGET**

<b>INCOME</b>												
RENTAL INCOME	\$387,559	\$387,615	\$398,291	\$396,046	\$394,162	\$387,887	\$386,736	\$388,345	\$387,614	\$387,614	\$388,870	\$4,041,468
OTHER RESIDENT INCOME	\$600	\$1,828	\$1,300	\$2,300	\$3,376	\$2,728	\$2,276	\$3,276	\$4,876	\$1,560	\$1,576	\$60,828
WELL-BEING INCOME	\$37,509	\$37,509	\$37,509	\$37,509	\$37,509	\$37,509	\$37,509	\$37,509	\$37,509	\$37,509	\$37,509	\$1,279,509
CORPORATE-APT INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RENTAL INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL INCOME</b>	<b>\$425,068</b>	<b>\$427,148</b>	<b>\$428,100</b>	<b>\$428,649</b>	<b>\$428,678</b>	<b>\$428,121</b>	<b>\$428,678</b>	<b>\$428,678</b>	<b>\$428,678</b>	<b>\$428,678</b>	<b>\$428,678</b>	<b>\$4,641,408</b>
<b>OPERATING EXPENSES</b>												
PAYROLL	\$41,975	\$41,978	\$51,156	\$50,842	\$50,271	\$49,724	\$42,478	\$47,618	\$49,724	\$57,482	\$60,185	\$658,148
LANDSCAPING	\$18,600	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$120,000
UTILITIES	\$8,876	\$8,176	\$8,876	\$8,876	\$8,876	\$8,876	\$8,876	\$8,876	\$8,876	\$8,876	\$8,876	\$88,776
RECREATING	\$5,820	\$5,820	\$5,820	\$5,820	\$5,820	\$5,820	\$5,820	\$5,820	\$5,820	\$5,820	\$5,820	\$58,200
MAINTENANCE	\$7,563	\$4,103	\$12,588	\$5,103	\$5,953	\$5,953	\$11,238	\$3,953	\$5,953	\$3,953	\$5,953	\$59,788
WARRANTY	\$2,445	\$245	\$200	\$400	\$400	\$200	\$200	\$200	\$1,100	\$200	\$200	\$2,000
ADMINISTRATIVE	\$18,988	\$8,069	\$16,884	\$11,028	\$8,848	\$9,816	\$12,468	\$9,848	\$13,918	\$11,028	\$8,848	\$139,888
<b>TOTAL CONTROLLABLE EXPENSES</b>	<b>\$101,866</b>	<b>\$88,648</b>	<b>\$187,248</b>	<b>\$184,318</b>	<b>\$184,283</b>	<b>\$184,981</b>	<b>\$187,873</b>	<b>\$184,981</b>	<b>\$187,873</b>	<b>\$187,873</b>	<b>\$187,873</b>	<b>\$1,884,238</b>
<b>NON CONTROLLABLE EXPENSES</b>												
PROFESSIONAL SERVICES	\$10,548	\$13,066	\$10,704	\$10,704	\$10,727	\$10,726	\$10,683	\$10,683	\$10,687	\$10,687	\$10,686	\$108,686
INSURANCE	\$14,087	\$14,087	\$14,087	\$14,087	\$14,087	\$14,087	\$14,087	\$14,087	\$14,087	\$14,087	\$14,087	\$140,870
AD-VALOREM TAXES	\$12,186	\$12,186	\$12,186	\$12,186	\$12,186	\$12,186	\$12,186	\$12,186	\$12,186	\$12,186	\$12,186	\$121,866
NON-ROUTINE MAINTENANCE	\$0	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$37,000
<b>TOTAL NON CONTROLLABLE EXPENSES</b>	<b>\$36,821</b>	<b>\$43,639</b>	<b>\$40,377</b>	<b>\$40,377</b>	<b>\$40,690</b>	<b>\$40,690</b>	<b>\$40,690</b>	<b>\$40,690</b>	<b>\$40,690</b>	<b>\$40,690</b>	<b>\$40,690</b>	<b>\$406,956</b>
<b>TOTAL OPERATING EXP</b>	<b>\$138,687</b>	<b>\$132,287</b>	<b>\$147,625</b>	<b>\$125,195</b>	<b>\$124,973</b>	<b>\$125,671</b>	<b>\$127,563</b>	<b>\$125,671</b>	<b>\$128,563</b>	<b>\$128,563</b>	<b>\$128,563</b>	<b>\$1,491,194</b>
<b>NET OPERATING INCOME</b>												
	\$286,381	\$294,861	\$280,475	\$303,454	\$303,705	\$302,997	\$303,005	\$303,007	\$300,010	\$300,115	\$300,115	\$3,150,014
<b>DEBT SERVICE</b>												
DEBT SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEPRECIATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AMORTIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PARTNERSHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>NET INCOME</b>	<b>\$286,381</b>	<b>\$294,861</b>	<b>\$280,475</b>	<b>\$303,454</b>	<b>\$303,705</b>	<b>\$302,997</b>	<b>\$303,005</b>	<b>\$303,007</b>	<b>\$300,010</b>	<b>\$300,115</b>	<b>\$300,115</b>	<b>\$3,150,014</b>
<b>CAPITAL EXPENDITURES</b>												
MOORTGAGE PRINCIPAL	\$1,066,224	\$6,686	\$10,336	\$7,786	\$9,686	\$9,216	\$10,686	\$9,986	\$9,986	\$10,686	\$9,216	\$1,167,516
TAX ESCROW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INSURANCE ESCROW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
REPLACEMENT RESERVE	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$800,000
REPLACEMENT RESERVE REIMBURSEMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OWNER DISTRIBUTIONS	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$2,000,000
DEPRECIATION AND AMORTIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>NET CASH FLOW</b>	<b>(\$1,027,744)</b>	<b>(\$18,311)</b>	<b>(\$18,378)</b>	<b>\$25,668</b>	<b>\$125,022</b>	<b>\$183,326</b>	<b>\$183,326</b>	<b>\$183,326</b>	<b>\$183,326</b>	<b>\$183,326</b>	<b>\$183,326</b>	<b>(\$1,027,744)</b>



**PRESTON PARK  
2009 STANDARD BUDGET  
DETAIL BUDGET**

**INCOME**

	5102	5103	5115	5120	5125	5130	5135	5140	5145	TOTAL	%	TOTAL	%	TOTAL	%
<b>RENTAL INCOME:</b>															
Gross Market Potential	\$402,000	\$403,196	\$404,396	\$405,595	\$406,795	\$407,995	\$409,195	\$410,395	\$411,595	\$412,795	97.50%	\$414,000	97.50%	\$415,200	97.50%
Market Gain/Loss to Lease	(50)	\$1	\$21	\$10	\$10	\$10	\$10	\$10	\$10	\$10	97.50%	\$20	97.50%	\$30	97.50%
<b>ACTUAL POTENTIAL RENT</b>	<b>\$401,950</b>	<b>\$403,197</b>	<b>\$404,417</b>	<b>\$405,605</b>	<b>\$406,805</b>	<b>\$408,005</b>	<b>\$409,205</b>	<b>\$410,405</b>	<b>\$411,605</b>	<b>\$412,805</b>	<b>97.50%</b>	<b>\$414,000</b>	<b>97.50%</b>	<b>\$415,200</b>	<b>97.50%</b>
Non-Revenue Apartments															
Rental Compositions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Delinquent Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Vacancy/Loss	(\$5,800)	(\$5,873)	(\$5,946)	(\$6,019)	(\$6,092)	(\$6,165)	(\$6,238)	(\$6,311)	(\$6,384)	(\$6,457)	97.50%	(\$6,530)	97.50%	(\$6,603)	97.50%
Prepaid/Fees/Paid Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Other Months Prepaid/Delinquency Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Bad Debt Expense	(\$4,835)	(\$4,838)	(\$4,841)	(\$4,844)	(\$4,847)	(\$4,850)	(\$4,853)	(\$4,856)	(\$4,859)	(\$4,862)	97.50%	(\$4,865)	97.50%	(\$4,868)	97.50%
<b>TOTAL RENTAL INCOME</b>	<b>\$387,469</b>	<b>\$387,476</b>	<b>\$387,483</b>	<b>\$387,490</b>	<b>\$387,497</b>	<b>\$387,504</b>	<b>\$387,511</b>	<b>\$387,518</b>	<b>\$387,525</b>	<b>\$387,532</b>	<b>97.50%</b>	<b>\$387,539</b>	<b>97.50%</b>	<b>\$387,546</b>	<b>97.50%</b>
Physical Occupancy	98.15%	98.03%	98.50%	98.15%	98.01%	98.15%	98.01%	98.15%	98.01%	98.15%	97.50%	98.01%	97.50%	98.15%	97.50%
Economic Occupancy	96.18%	96.18%	96.19%	95.91%	95.91%	95.91%	95.91%	95.91%	95.91%	95.91%	95.91%	95.91%	95.91%	95.91%	95.91%

**OTHER RESIDENT INCOME**

Laundry	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Washer/Dryer Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Washer/Dryer Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Risk/Rent Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Carpet Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Garage Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Demaged/Cleaning Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Phone System Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Phone System Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Storage Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Termination Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
MTR Premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Application Fees	\$275	\$300	\$275	\$325	\$300	\$300	\$300	\$300	\$300	\$300	97.50%	\$300	97.50%	\$300	97.50%
Pat Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
NSF/Late Fees	\$925	\$925	\$925	\$925	\$925	\$925	\$925	\$925	\$925	\$925	97.50%	\$925	97.50%	\$925	97.50%
Resident Utility Bill Back Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Alerts Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
SMART Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Transfer Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Maid Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
<b>TOTAL OTHER RESIDENT INCOME</b>	<b>\$900</b>	<b>\$1,025</b>	<b>\$1,000</b>	<b>\$1,100</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>97.50%</b>	<b>\$1,000</b>	<b>97.50%</b>	<b>\$1,000</b>	<b>97.50%</b>

**MISCELLANEOUS INCOME**

Miscellaneous Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Chubbies Income	\$35,834	\$36,834	\$35,834	\$35,834	\$35,834	\$35,834	\$35,834	\$35,834	\$35,834	\$35,834	97.50%	\$35,834	97.50%	\$35,834	97.50%
Vending Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Interest Income	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	97.50%	\$2,000	97.50%	\$2,000	97.50%
Cable Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Cable Expense	(\$125)	(\$125)	(\$125)	(\$125)	(\$125)	(\$125)	(\$125)	(\$125)	(\$125)	(\$125)	97.50%	(\$125)	97.50%	(\$125)	97.50%
Collection Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
Bad Debt Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	97.50%	\$0	97.50%	\$0	97.50%
<b>TOTAL MISCELLANEOUS INCOME</b>	<b>\$37,809</b>	<b>\$37,508</b>	<b>\$37,508</b>	<b>\$37,508</b>	<b>\$37,508</b>	<b>\$37,508</b>	<b>\$37,508</b>	<b>\$37,508</b>	<b>\$37,508</b>	<b>\$37,508</b>	<b>97.50%</b>	<b>\$37,508</b>	<b>97.50%</b>	<b>\$37,508</b>	<b>97.50%</b>

Alliance Residential Budget Templates  
Standard Chart of Accounts



**PRESTON PARK  
2009 STANDARD BUDGET  
DETAIL BUDGET**

<b>CORPORATE APT INCOME</b>										
5405	Corp Apartment Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5408	Corp Apartment Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>TOTAL CORPORATE APT INCOME</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<b>RETAIL INCOME</b>										
5505	Retail Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5508	Retail Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5507	Retail Revenue (Retail Only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>TOTAL RETAIL INCOME</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>TOTAL INCOME</b>	\$425,968	\$427,149	\$428,150	\$429,249	\$429,878	\$429,121	\$428,519	\$428,129	\$428,888

<b>CONTROLLABLE OPERATING EXPENSES</b>										
<b>PAYROLL</b>										
	Administrative Salaries	\$15,159	\$15,159	\$15,159	\$15,159	\$15,159	\$15,159	\$15,159	\$15,159	\$15,159
	Maintenance Salaries	\$14,774	\$14,774	\$14,774	\$14,774	\$14,774	\$14,774	\$14,774	\$14,774	\$14,774
6405	Bonus	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
6410	Payroll Taxes	\$4,401	\$4,224	\$4,008	\$3,757	\$2,813	\$3,115	\$2,423	\$2,803	\$2,954
6430	Payroll Benefits and Burden	\$7,011	\$7,013	\$7,825	\$9,851	\$7,016	\$7,827	\$7,013	\$7,815	\$7,013
6440	Non-Shift Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6445	New Hire Expenses	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130
	<b>TOTAL PAYROLL</b>	\$41,578	\$41,526	\$41,138	\$40,842	\$40,271	\$39,724	\$42,478	\$47,918	\$45,165
<b>LANDSCAPING</b>										
7105	Landscaping Monthly Service	\$11,500	\$11,500	\$11,500	\$11,500	\$11,500	\$11,500	\$11,500	\$11,500	\$11,500
7110	Landscaping Other	\$5,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7118	Infiltrator/Sprinkler Repairs	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
	<b>TOTAL LANDSCAPING</b>	\$17,800	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000

<b>UTILITIES</b>										
7205	Electric - Common Area	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
7207	Electric - Vacant	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75
7210	Gas - Common Area	\$100	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
7212	Gas - Vacant	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
7215	Water	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375	\$1,375
7220	Sewer	\$5,100	\$5,400	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100
7225	Trash Removal	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
7230	Cable Expenses	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125
7235	Utility Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>TOTAL UTILITIES</b>	\$9,875	\$9,875	\$9,875	\$9,875	\$9,875	\$9,875	\$9,875	\$9,875	\$9,875

<b>REDECORATING</b>										
7305	Redecorating - General Cleaning	\$300	\$323	\$481	\$523	\$784	\$461	\$945	\$784	\$764
7310	Redecorating - Carpet/Tile	\$0	\$1,434	\$717	\$1,434	\$2,151	\$717	\$2,869	\$2,151	\$2,151
7315	Redecorating - Painting Supplies	\$1,050	\$1,323	\$1,187	\$1,480	\$1,187	\$1,480	\$1,187	\$1,187	\$1,187
7320	Redecorating - Painting Contract	\$0	\$2,491	\$408	\$891	\$2,898	\$408	\$1,982	\$2,898	\$1,488
7325	Redecorating - Rehab	\$2,470	\$2,470	\$2,470	\$2,470	\$2,470	\$2,470	\$2,470	\$2,470	\$2,470
7330	Redecorating - Drapes/Blinds	\$3	\$539	\$254	\$606	\$763	\$254	\$763	\$763	\$763
	<b>TOTAL REDECORATING</b>	\$5,820	\$8,950	\$6,998	\$7,358	\$10,915	\$5,998	\$10,915	\$9,115	\$9,115

Alliance Residential Budget Template  
Standard Chart of Accounts

**PRESTON PARK**  
2009 STANDARD BUDGET  
DETAIL BUDGET



MAINTENANCE																						
7420	Building & Structures	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800	\$0										
7422	Elevator Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7425	Electrical	\$100	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4,800	\$4,800										
7430	Plumbing	\$1,800	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$5,650	\$5,650										
7435	HVAC	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600	\$3,600										
7440	Supplies	\$600	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$9,600	\$9,600										
7442	Housekeeping	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000	\$3,000										
7445	Small Equipment	\$2,500	\$350	\$0	\$2,500	\$250	\$250	\$250	\$250	\$250	\$3,000	\$3,000										
7450	Fest Coorcn	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$10,200	\$10,200										
7455	Swimming Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7460	Maintenance Guarantees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7465	Snow Removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7470	Windows/Doors	\$250	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$6,600	\$6,600										
7475	Kyrs & Lobbies	\$100	\$0	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200	\$1,200										
7480	Fas Exchange, 1st Afl	\$0	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250	\$250										
7481	Alarm Expense	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500	\$1,500										
7485	Maintenance Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7488	Maintenance Uniforms	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500	\$1,500										
7490	Maintenance - Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
<b>TOTAL MAINTENANCE</b>											<b>\$7,553</b>	<b>\$4,103</b>	<b>\$12,656</b>	<b>\$2,603</b>	<b>\$3,883</b>	<b>\$6,103</b>	<b>\$17,325</b>	<b>\$3,963</b>	<b>\$3,963</b>	<b>\$3,963</b>	<b>\$47,708</b>	<b>\$27,118</b>
MARKETING																						
7605	Advertising-Print	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7610	Advertising-Product Exp.	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7615	Apartment Magazines/Guides	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7620	Advertising-Internet, Radio & TV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7625	Collateral	\$1,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,600	\$1,600										
7630	Advertising Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7635	Dues, Memberships & Subscriptions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7640	Resident Functions	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200	\$1,200										
7645	Signage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7650	Marketing Promotion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7655	Leasor/Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7660	Resident Referrals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7665	Resident Retention	\$0	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200	\$1,200										
7670	Model Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7675	Other Marketing - Non Advertisement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7680	Supplier Reports	\$345	\$345	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$345	\$345										
<b>TOTAL MARKETING</b>											<b>\$2,445</b>	<b>\$345</b>	<b>\$2100</b>	<b>\$325</b>	<b>\$400</b>	<b>\$1,100</b>	<b>\$200</b>	<b>\$1,100</b>	<b>\$200</b>	<b>\$200</b>	<b>\$7,418</b>	<b>\$1,905</b>



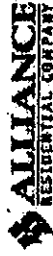


**PRESTON PARK  
2009 STANDARD BUDGET  
DETAIL BUDGET**



NON ROUTINE MAINTENANCE											
8410	Buildings and Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8415	Furniture & Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8420	Paving & Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8425	Apartment Interiors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8426	Floors - Carpet	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8427	Floors - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8430	Other Non-Routine	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL NON ROUTINE MAINTENANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL NON CONTROL EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL OPERATING EXP	\$138,488	\$189,325	\$149,448	\$141,451	\$122,914	\$127,283	\$128,574	\$122,785	\$182,462	\$128,316
	NET OPERATING INCOME	\$287,480	\$237,324	\$278,706	\$285,867	\$308,938	\$301,793	\$295,864	\$303,813	\$287,891	\$291,539
	DEBT SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9005	Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9010	Debt Service-2nd Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9016	Other Lease Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9020	Other Lease Payments-Ins/Electr	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9025	Other Lease Payments-Tax Escrow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL DEBT SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	DEPRECIATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8106	Deprec - Land Leases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8110	Deprec - Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8115	Deprec - Furniture & Pictures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8120	Deprec - Parking & Landscap	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8125	Deprec - Apartment Interiors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8130	Deprec - Other Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL DEPRECIATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	AMORTIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8210	Amortization Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL AMORTIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	PARTNERSHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9405	Legal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9410	Audit and Tax Preparation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9418	Supplies/Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9418	Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9420	Travel Partnership	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL PARTNERSHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	NET INCOME	\$287,480	\$237,324	\$278,706	\$285,867	\$308,938	\$301,793	\$295,864	\$303,813	\$287,891	\$291,539
	TOTAL	\$138,488	\$189,325	\$149,448	\$141,451	\$122,914	\$127,283	\$128,574	\$122,785	\$182,462	\$128,316

**PRESTON PARK  
2008 STANDARD BUDGET  
DETAIL BUDGET**



ACCOUNT	1410	1415	1420	1425	1428	1427	1430	TOTAL CAPITAL EXPENDITURES												
<b>CAPITAL EXPENDITURES</b>																				
1410 Building and Structures	\$376,215	\$0	\$0	\$0	\$0	\$0	\$0	\$376,215	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1415 Furniture & Fixtures	\$89,585	\$0	\$0	\$0	\$0	\$0	\$0	\$89,585	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1420 Painting & Landscaping	\$572,784	\$0	\$0	\$0	\$0	\$0	\$0	\$572,784	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1425 Apartment Interiors	\$10,110	\$6,535	\$10,335	\$7,885	\$9,885	\$0	\$0	\$52,750	\$0	\$10,590	\$8,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1428 Carpet/Plank - Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1427 Appliances - Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1430 Other Capital	\$16,550	\$0	\$0	\$0	\$0	\$0	\$0	\$16,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$1,065,224</b>	<b>\$6,535</b>	<b>\$10,335</b>	<b>\$7,885</b>	<b>\$9,885</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,117,819</b>	<b>\$0</b>	<b>\$10,590</b>	<b>\$8,960</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,550</b>
																				<b>\$1,136,369</b>
<b>MORTGAGE PRINCIPAL</b>																				
Mortgage Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL MORTGAGE PRINCIPAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TAX ESCROW</b>																				
1395 Tax Escrow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL TAX ESCROW</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>INSURANCE ESCROW</b>																				
1340 Insurance Escrow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL INSURANCE ESCROW</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>REPLACEMENT RESERVE</b>																				
1945 Replacement Reserve Inpound	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$317,519	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
<b>TOTAL REPLACEMENT RESERVE</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$1,117,519</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>
<b>REPLACEMENT RESERVE REIMBURSEMENT</b>																				
Replacement Reserve Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REPLACEMENT RESERVE REIMBURSEMENT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>OWNER DISTRIBUTIONS</b>																				
3010 Owner Distributions	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
<b>TOTAL OWNER DISTRIBUTIONS</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>
<b>DEPRECIATION AND AMORTIZATION</b>																				
Depreciation and Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL DEPRECIATION AND AMORTIZATION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET CASH FLOW</b>	<b>(\$1,027,244)</b>	<b>(\$18,511)</b>	<b>\$18,370</b>	<b>\$28,982</b>	<b>\$1,215,488</b>	<b>\$42,108</b>	<b>\$49,341</b>	<b>\$30,332</b>	<b>\$37,884</b>	<b>\$48,823</b>	<b>\$27,401</b>	<b>\$52,324</b>	<b>\$474,583</b>	<b>(\$186,320)</b>	<b>\$2,400,000</b>	<b>\$2,400,000</b>	<b>\$2,400,000</b>	<b>\$2,400,000</b>	<b>\$2,400,000</b>	<b>\$2,400,000</b>

**PRESTON PARK HOUSING  
SUMMARY  
RESERVE REPLACEMENT STUDY  
April 29, 2008**

## Project at a Glance

Preston Park  
Marina, California  
Date of site visit: April 23, 2008  
EMG Project No. 87404.08R-001.042

Building Type : Family Development  
Apartments : 352 Units  
Property Age : 19 Years

Physical Condition Summary	Good	Fair	Poor	Action	Immediate Physical Needs	Physical Needs Over the Term
<b>Code Compliance and Accessibility</b>						
3.1 Building, Zoning, and Fire Code Compliance				None Required	\$0	\$0
3.2 ADA Compliance				See Section 3.2	\$165	\$0
3.3 Mold					\$0	\$0
3.4 Follow-Up Recommendations					\$0	\$0
<b>Site Improvements</b>						
5.1 Utilities	✓				\$0	\$0
5.2 Parking, Paving and Sidewalks	✓			Seal	\$0	\$50,148
5.3 Storm Sewer, Drainage Systems & Erosion Control	✓				\$0	\$0
5.4 Landscaping and Topography	✓				\$0	\$0
5.5 General Site Improvements	✓				\$0	\$0
<b>Building Architectural &amp; Structural Systems</b>						
6.1 Foundations	✓				\$0	\$0
6.2 Superstructure and Floors	✓				\$0	\$0
6.3 Roofing	✓			Replace	\$0	\$482,000
FRT plywood				No FRT plywood present.		
6.4 Exterior Walls	✓			Refinish	\$0	\$246,400
6.5 Exterior and Interior Stairs	✓			Replace	\$0	\$0
6.6 Exterior Windows and Doors	✓			Replace	\$0	\$0
6.7 Patio, Terrace and Balcony	✓			Not Applicable	\$0	\$0
6.8 Common Areas, Entrances and Corridors	✓				\$0	\$0
<b>Building Mechanical, Electrical and Plumbing Systems</b>						
7.1 Building HVAC				Not Applicable	\$0	\$0
7.2 Building Plumbing and Domestic Hot Water				Not Applicable	\$0	\$0
Polybutylene piping				No polybutylene piping present.		
7.3 Building Gas Distribution	✓				\$0	\$0
7.4 Building Electrical	✓				\$0	\$0
7.5 Building Elevators and Conveying Systems				Not Applicable	\$0	\$0
7.6 Fire Protection	✓				\$0	\$0
Fire Sprinkler Heads				Not Applicable		
<b>Interiors</b>						
8.1 Interior Finishes	✓			Replace	\$0	\$580,800
8.2 Kitchen Appliances	✓			Replace	\$0	\$457,600
8.3 HVAC	✓			Replace	\$0	\$211,200
8.4 Plumbing	✓			Replace	\$0	\$281,600
8.5 Electrical	✓				\$0	\$0
Aluminum wiring in unit's branch circuits				No aluminum wiring present.		
Units Ampacity				EMG found min. 120-Amps to each unit		
Panel boxes				EMG found circuit breaker.		
<b>Other Structures</b>						
9.0 Type of Structure					\$0	\$0
<b>Totals</b>					<b>\$165</b>	<b>\$2,319,748</b>

Holdback and Reserve Summary	Today's Dollars	\$/Unit	Escalated
Immediate Physical Needs	\$165	\$0	\$/Unit/Year w / Escalation
Physical Needs Over the Term	\$2,319,748	\$6,590	\$2,747,019 \$520

Conditions noted in the Project At a Glance Table are representative of the overall conditions of the property. There may be more detail on specific assessment components in the Report text, therefore the Project At a Glance Table should not be used as a stand alone document.

### Immediate Physical Needs

Property Name: Preston Park	Number of Units: 352
Location: Marina, California	Number Buildings: 111
EMG Project No.: 87404.08R-001.042	Reserve Term: 15 years
	Property Age: 19 years

Sec	Component or System	Action / Comment	Quantity	Unit	Cost	Total \$
3.2	ADA compliance items	See Section 3.2 of Report	1	LS	\$165.00	\$165
5.0	immediate repairs not required.					
6.0	immediate repairs not required.					
7.0	immediate repairs not required.					
8.0	immediate repairs not required.					

Total Immediate Repairs	\$165
Cost per Dwelling Unit	\$0

Physical Needs Over the Term

Property Name: Pymont Park Reserves Term: 15  
 Location: Modesto, California Property Age: 19  
 GSID Project No.: 37464-001-001-01-2 Number of Units: 111  
 Lot Number: 225 Number of Units: 111

Sec.	Comment or System				Unit	Code	Type	Reserve	Physical Requirements Over 15 Year Period (Estimated)												Total Reserves Over Term												
	AE	AE	AE	AE					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12		Year 13	Year 14	Year 15									
5.1	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.2	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.3	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.4	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.5	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.6	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.7	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.8	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.9	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.10	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.11	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.12	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.13	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.14	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.15	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.16	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.17	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.18	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.19	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
5.20	0	0	0	0	EA	EA	EA	EA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
ANNUAL RESERVE (UNLIMITED)									\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
INFLATION ADJUSTMENT									\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0						
ANNUAL RESERVE (LIMITED)									\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0					
UNRELATED RESERVE (LIMIT/USER)									\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
UNRELATED RESERVE (LIMIT/USER)									\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
UNRELATED RESERVE (LIMIT/USER)									\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Physical Needs Over the Term (Table 2)

**ABRAMS B AND PRESTON  
PARK HOUSING**

**FY 2008/09 BUDGETS**

**Attachment B**  
To Item 8b  
FORA Board Meeting, June 13, 2008

**ABRAMS B: 194 units**

- owned by City
- leased to Abrams B Non-Profit Corporation

**PRESTON PARK: 354 units**

- owned by Fort Ord Reuse Authority
- City is FORA's agent



# MANAGEMENT OF ABRAMS B AND PRESTON PARK

- Contract with Mid-Peninsula Housing Coalition 1997 to Dec 31, 2007
- City engaged in RFP process summer 2007
- Hired Alliance Residential Company to begin management on January 1, 2008

# ALLIANCE RESIDENTIAL COMPANY

## COMMUNITY RELATIONS

- In January, all units inspected with immediate maintenance followup
- Monthly newsletter began in April
- Meetings with PP Tenants Association
- Grievance Procedure drafted
- Resident surveys circulated in March-April
- Preparation of Tenants Handbook underway
- Coordination with Water District

# ANNUAL BUDGET PROCESS

- Management Company submits draft budget by December 31
- City/Management/FORA/Tenants discuss
- Presented to City Council in May
- Inclusion in City FY budget in June

# 2008 BUDGET PROCESS

- Management transition January 1
- City housing staff transition March 1
- Delays by former management company in completing 2007 Audit (due Jan 31)
- New management company undertaking comprehensive physical needs assessment to develop reserve replacement budget for 15-30 years

# BUDGET FORMAT

- This budget format varies from previous years due to change in management companies
- Alliance is a national company with standard budget and reporting format
- Alliance budget categories are more specific or detailed than Mid-Pen's; at times difficult to determine which cost categories belonged in Mid-Pen's broader categories, therefore FY 2006/07 figures not presented
- In comparing projected actual FY 2007/08 to FY2008/09, some costs may appear to have increased excessively because of the difficulties in comparing categories

# CAPITAL IMPROVEMENTS PROGRAM

- Budgets include monthly contribution to reserve fund
- Ongoing capital project at Preston in FY 2008/09
- Comprehensive physical needs assessment in draft, analyzing 15 year and 30 year scenarios
- Alliance and staff note that development of CIP could affect budget recommendations, i.e. reduce shorter term reserves contributions, which would increase revenues from projects

# Schedule of Affordable Rents

<b>Income Category</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>	<b>4 Bedroom</b>
<b>Very Low (50% AMI)</b>	<b>\$570</b>	<b>\$636</b>	<b>\$708</b>	<b>\$755</b>
<b>Low (60% AMI)</b>	<b>\$699</b>	<b>\$782</b>	<b>\$870</b>	<b>\$930</b>
<b>Moderate (110% AMI)</b>	<b>\$1,347</b>	<b>\$1,510</b>	<b>\$1,680</b>	<b>\$1,805</b>

# ABRAMS B PROJECT HISTORY

- 1997: Army leased to FORA, subleased to Mid-Peninsula Housing Coalition
- March 2006: transferred from Army to FORA then City Redevelopment Agency
- August 2006: City created Abrams B NPC
- October 26: Redevelopment Agency conveyed property to City with lease to NPC
- NPC issued bonds to purchase FORA's share



# LINK TO AFFORDABLE HOUSING OF THE MARINA HEIGHTS PROJECT

- Nov 12, 2002: City/Redevelopment Agency approved Option Agreement for Marina Heights project
- Marina Heights to build some affordable housing on site and 136 affordable units to be provided at Abrams B

# ABRAMS B AFFORDABLE HOUSING MIX

Regulatory Agreement of City and RDA in October 2006:

- 75 Very Low Income (50% Area Median Income [AMI])
- 61 Low Income (60% AMI)
- Allowed for transition of market rate to affordable units with natural attrition, no displacement

Currently

120 Market Rate

51 Very Low Income

23 Low Income

# ABRAMS B FY 2008/09 RENTS

- Market rents: proposed increase of 3.5%

For move-ins:

2BR: \$1,139

4BR: \$1,604

Maximum Affordable rents calculated according to formula; AMI increased 2.2%, utility allowances increased

Transition of market units to affordable units affects revenues

# PROSPECTIVE ADJUSTMENTS TO ABRAMS B BUDGET

- Recommend reduction of reserve fund contributions in FY 2008/09 after analysis and preparation of final Capital Improvements Program
- Affordable rents must be capped according to formula for maximum
- Further review after 2007 Audit completed

# PRESTON PARK

- Regulatory Agreement of RDA and FORA in October 2006 specifies mix of affordable units
- Owner distributions split 50/50 with FORA

# PRESTON PARK FY 2008/09 PLANNING APPLICATIONS AND CAPITAL PROJECT

- Minor subdivision: from 1 to 5 parcels
- Zoning Map Amendment (R-4 to R-1)
- Use Permit for Planned Unit Development
- Design Review for construction of expanded parking and landscaping in the cul-de-sacs
- Environmental Review of the above

# PRESTON PARK FY 2008/09 RENTS

Range of rents evolved over time

Market rents: proposed increase of 3.5%

For new move-ins:

2 BR: \$1,144

3 BR: \$1,385

Maximum Affordable rents calculated according to formula; AMI increased 2.2%, utility allowances increased

# PROSPECTIVE ADJUSTMENTS TO PRESTON PARK BUDGET

- Reserve fund contributions may be reduced in FY 2008/09 after analysis and preparation of final Capital Improvements Program
- Further review by City and FORA after 2007 Audit completed



# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

<b>Subject:</b> Executive Officer's contract extension	
<b>Meeting Date:</b> June 13, 2008	<b>ACTION</b>
<b>Agenda Number:</b> 8c	

### RECOMMENDATION:

Approve recommendations from the May 9, 2008 Fort Ord Reuse Authority ("FORA") Closed Session regarding the Executive Officer's contract extension and additional paid leave.

### BACKGROUND/ DISCUSSION:

The Executive Committee discussed and approved Executive Officer Michael Houlemard's annual performance evaluation in Closed Session at the April 30, 2008 meeting. The members presented their recommendations in Closed Session at the May 9, 2008 FORA board meeting. The voting members attending this Closed Session concurred and approved the following:

- Concurrence with the Executive Officer Houlemard's self-evaluation based on the mutually agreed upon goals for the fiscal year;
- Extension of his contract, since it expires on June 30, 2008, through the life of FORA - June 30, 2014 (approximately six remaining years); and
- Authorization of two additional vacation days, bringing his annual total to twenty-six (26) days, at an additional annual cost of approximately \$1,730.00.

A copy of Extension #2 of Mr. Houlemard's employment agreement is attached for your review.

### FISCAL IMPACT:

Reviewed by FORA Controller 

Funds from the proposed FY 2009 general operating budget are adequate to cover said increase.

### COORDINATION:

Executive Committee

Prepared by   
Linda L. Stiehl

Approved by   
Michael A. Houlemard, Jr.

**EXECUTIVE OFFICER**  
**Extension #2 to Employment Agreement**

THIS is an Extension #2 to the Employment Agreement ("AGREEMENT") dated September 21, 2000, by and between FORT ORD REUSE AUTHORITY, ("FORA"), a public entity governed by a Board of Directors, and MICHAEL A. HOULEMARD, JR. (hereinafter "HOULEMARD"), an individual. All terms and conditions in the AGREEMENT, and in Extension #1 to the Agreement, remain the same except for the following adjustments:

2. TERM.

The term in the AGREEMENT shall be extended for the life of the Fort Ord Reuse Authority (through June 30, 2014) and shall terminate on said date.

3. COMPENSATION.

e) Paid Leave. HOULEMARD shall be entitled to Forty-Four (44) days per year as paid leave. Paid leave shall be allocated as follows: 18 days - One Hundred Forty Four Hours (144) hours per year sick leave and 26 days – Two Hundred Eight (208) hours annual leave. Earned annual leave shall carry over from year to year. At fiscal year-end, HOULEMARD may elect to receive any excess leave over One Hundred Twenty (120) hours at the rate of pay established as salary in this Agreement.

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

\_\_\_\_\_  
Joseph P. Russell, Chair  
Fort Ord Reuse Authority

\_\_\_\_\_  
Michael A. Houlemard, Jr.  
Executive Officer

  
\_\_\_\_\_  
Gerald Bowden  
Authority Counsel

# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** Habitat Conservation Plan approval process

**Meeting Date:** June 13, 2008

**Agenda Number:** 9a

**INFORMATION**

### RECOMMENDATION(S):

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 ITP. 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 2007, July 2007, and February 2008. 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 HCP consultant 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 on September 14, 2007. 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 on 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, Mayor Joe Russell, then Marina Mayor Ila Mettee-McCutchon, and Mayor Ralph Rubio met with State of California Resources Secretary Crisman and CDFG Interim Director 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 presented the revised draft HCP Funding Chapter, costing model assumptions/inputs, and HCP development schedule to the HCP working group on April 10, 2008 to generate feedback from working group members. The next working group meeting is scheduled for June 18, 2008 to discuss the Monitoring and Implementation Chapters.

In addition, FORA Chair/Mayor Russell, 1<sup>st</sup> Vice Chair/Mayor Rubio, and Executive Officer Michael Houlemard met with State of California Resources Secretary Crisman and CDFG Acting Director McCamman on March 28, 2008 to confirm commitments made on April 30, 2007 to a "final" process. Secretary Crisman confirmed prior commitments to employ sufficient staff and resources within CDFG to meet review schedules and resolve outstanding issues. In addition, Secretary Crisman noted that

some items may require final negotiation at the Department Director level. FORA's legislative representatives also met with USFWS Assistant Director Brian Arroyo in Washington, D.C., on April 21, 2008. Assistant Director Arroyo gave assurances that he would apply his resources to resolve funding issues between USFWS and BLM and to meet review schedules for the HCP and HCP NEPA documents. On May 5, 2008, Denise Duffy and Associates, NEPA/CEQA consultant, held a conference call meeting of the principals to schedule final processing for the Environmental Impact Statement/ Environmental Impact Report ("EIS/EIR") documents. USFWS have stated that they are comfortable with the draft HCP's project description, which will allow Denise Duffy and Associates to begin preparation of the EIS/EIR.

**FISCAL IMPACT:**

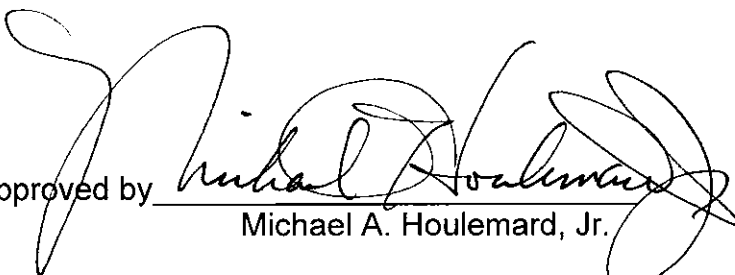
Reviewed by FORA Controller 

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 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   
Steve Endsley

Approved by   
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

<b>Subject:</b>	Central Coast Veterans Cemetery: status report and presentation	
<b>Meeting Date:</b>	June 13, 2008	<b>INFORMATION</b>
<b>Agenda Number:</b>	9b	

### RECOMMENDATION(S):

1. Receive an update regarding Veterans Cemetery funding and
2. Receive an update on the Veterans Cemetery planning effort from Monterey County staff and their consultant Royston, Hanamoto, Alley, and Abey Landscape Architects and Planners ("RHAA").

### BACKGROUND:

The Fort Ord Reuse Authority ("FORA") has long supported establishment of the Central Coast Veterans Cemetery on former Fort Ord. FORA supported adoption of AB 3035, authored by Assemblymember John Laird, which allows creation of an endowment fund into which donations would be deposited to fund cemetery operations and maintenance costs. At the May 11, 2007 FORA Board meeting, it was announced that Seaside Councilmember Tom Mancini would be FORA's representative to the Monterey County Cemetery Citizen's Advisory Committee ("CAC") and Mayor (at that time) Ila Mettee-McCutchon would serve as an alternate.

At its November 9, 2007 meeting, the FORA Board authorized the Executive Officer to execute a reimbursement agreement with the County of Monterey for up to a loan of \$191,000 for the preparation of a Veterans Cemetery Master Development Plan on the former Fort Ord, and authorized the Executive Officer to coordinate with the County of Monterey Military and Veterans Affairs Office to obtain financial participation from jurisdictions and other interested parties for the \$191,000 loan, plus interest.

### DISCUSSION:

The reimbursement agreement was executed by the County of Monterey, the Monterey County Redevelopment Agency, and FORA in January 2008. FORA has asked jurisdictions to consider sharing a portion of the FORA advance. To date, FORA received a total of \$60,500 in pledges and secured a \$138,000 loan for the balance and expenses from local jurisdictions.

Pledges include: City of Marina - \$25,000, City of Monterey - \$25,000, City of Del Rey Oaks - \$500, City of Sand City - \$2,500, and City of Carmel-By-The-Sea - \$7,500. Marina Coast Water District offered FORA a loan of up to \$138,000 (loaned at 1% interest rate, full repayment due by July 1, 2009). It is noted that the County of Monterey is providing financial support by donating its portion of the cemetery land and Monterey County staff time to manage the planning consultant contract. The City of Seaside is donating its portion of cemetery land and has committed staff time to help coordinate planning.

After a competitive process, RHAA was selected to prepare the Veterans Cemetery Master Development Plan. On May 14, 2008, Monterey County staff presented an update on the Veterans Cemetery planning effort to the Administrative Committee (**Attachment A**). On June 13, 2008, Monterey County staff and RHAA will provide a similar update to the FORA Board.


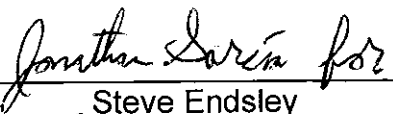
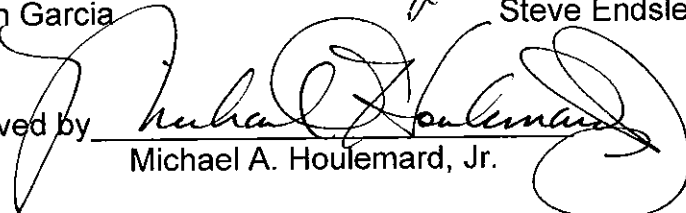
**FISCAL IMPACT:**

Reviewed by FORA Controller 

FORA will reimburse the County of Monterey up to \$191,000 on an interim basis to fund the cemetery planning consultant contract, paying itself back through anticipated reimbursements from local jurisdictions/agencies. The pledges total \$60,500 to date. FORA needs approximately \$130,500 in additional pledges to be made whole.

**COORDINATION:**

Monterey County Redevelopment Agency staff, RHAA, Executive Committee, Administrative Committee

Prepared by  Jonathan Garcia      Reviewed by  Steve Endsley  
Approved by  Michael A. Houlemard, Jr.

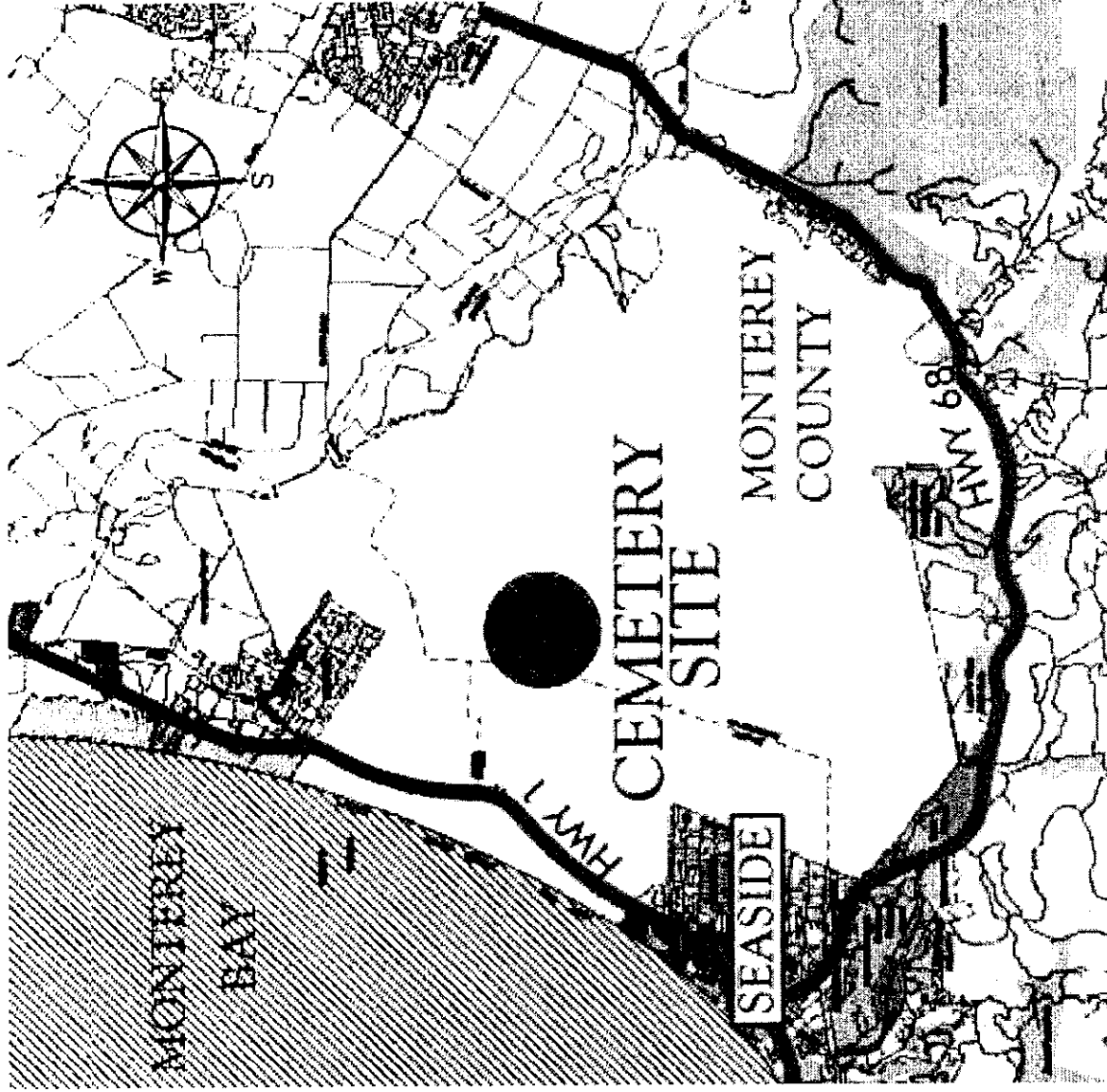


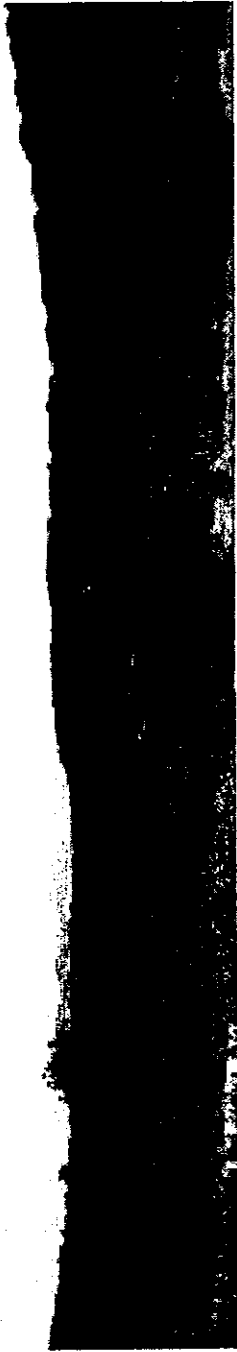
CENTRAL COAST VETERANS CEMETERY AT FORT ORD

Attachment  
To Item 9b  
FORA Board Meeting, June 13, 2008



• Located on a 160 acre site at the intersection of Normandy and Parker Flats Road on Fort Ord, the cemetery will serve the burial needs of area veterans for the next 200 years.





**1- preliminary design:**

Master plan the cemetery with input from Area Veterans through the Veterans Cemetery Citizens Action Committee (CAC)

**2- endowment fund:**

In response to CA Assembly Bill 3035, create a \$3.5 million endowment to cover maintenance costs- prior to applying for grant funding for construction. Current strategy is to sell or lease portion of site not required to meet projected burial needs for next 200 years.

### 3- clean up and environmental review

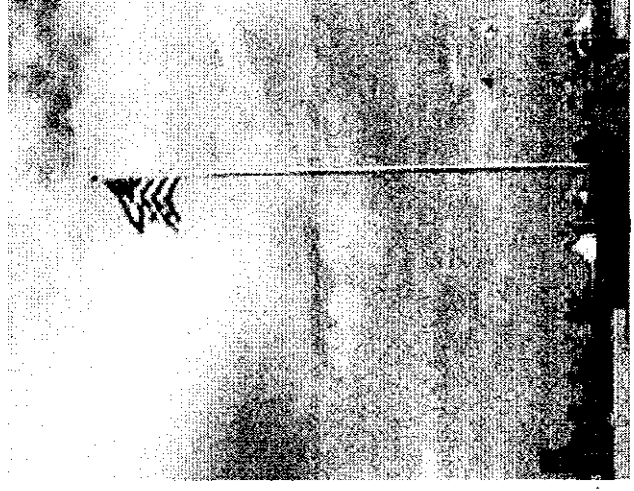
Fort Ord Reuse Authority cleans up site prior to dedicating to Cemetery. Simultaneously consultants complete the environmental review process and determine any required mitigation factors

### 4- building the cemetery:

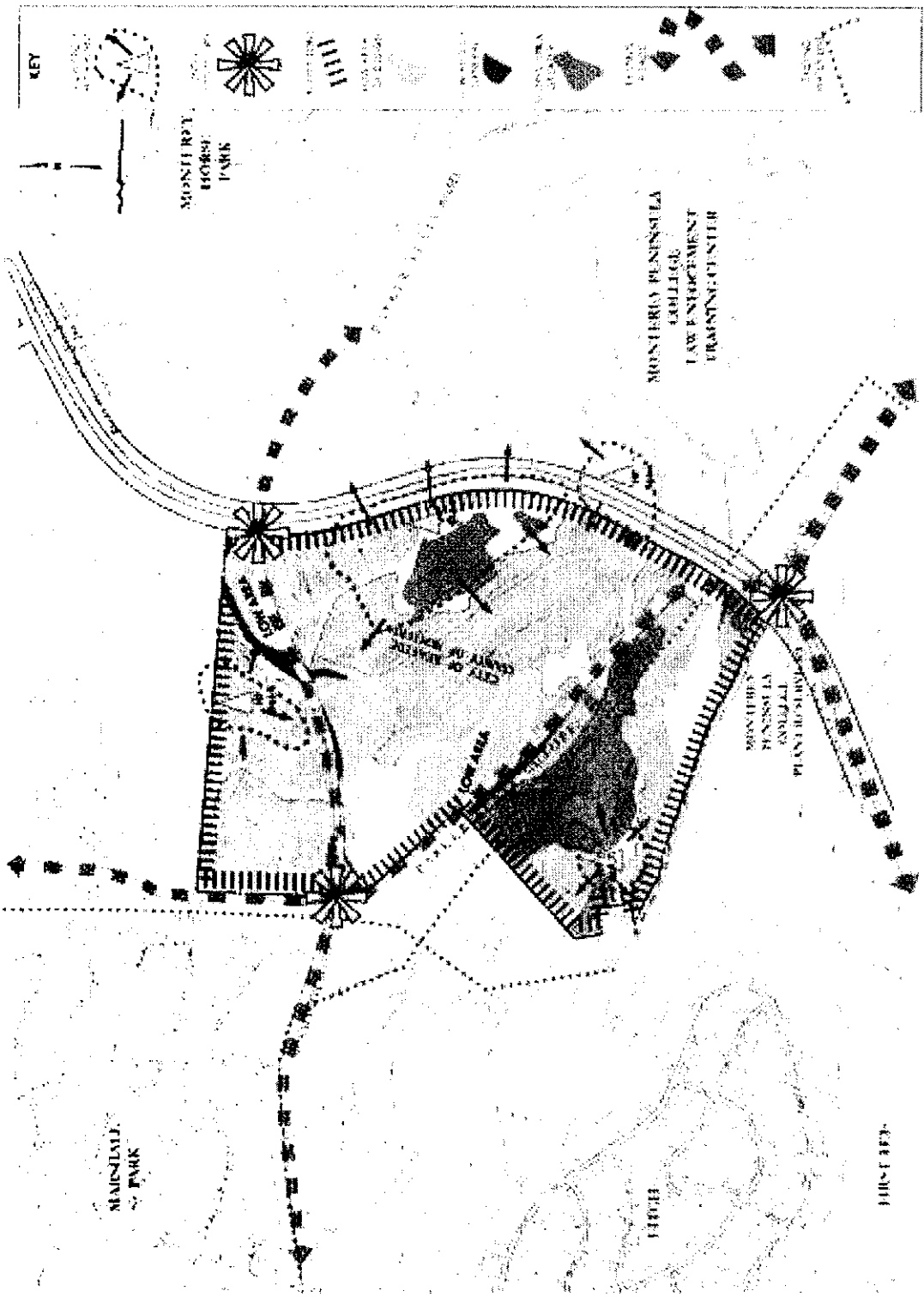
Federal grant program provides funds to build both initial phases and future phases

### 5- maintaining the cemetery:

The State of California is responsible for maintaining the cemetery- using the endowment fund raised by the CAC.



Plan is shown in detail in sheets 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.



100-113

## Goals & Objectives

Provide dignified, environmentally site-sensitive burial accommodations and infrastructure to support cemetery activities that honor and respect veterans

### Objective 1.a:

Serve the interment needs of approximately 100,000 veterans living within a 75-mile radius of the four target Central Coast counties, including Monterey, Santa Cruz, San Benito, and the southern half of Santa Clara, for the next 20 years with 11,500 interment sites.

### Objective 1.b:

Provide a Master Plan for 200 years of future burials, required for consideration in grant awards.

### Objective 1.c:

Offer efficient and cost-effective cemetery designs.

## goals & objectives

### Goal 2:

Develop additional functions for the property, ancillary to burial, that honor and respect veterans and veterans' activities

### Goal 3:

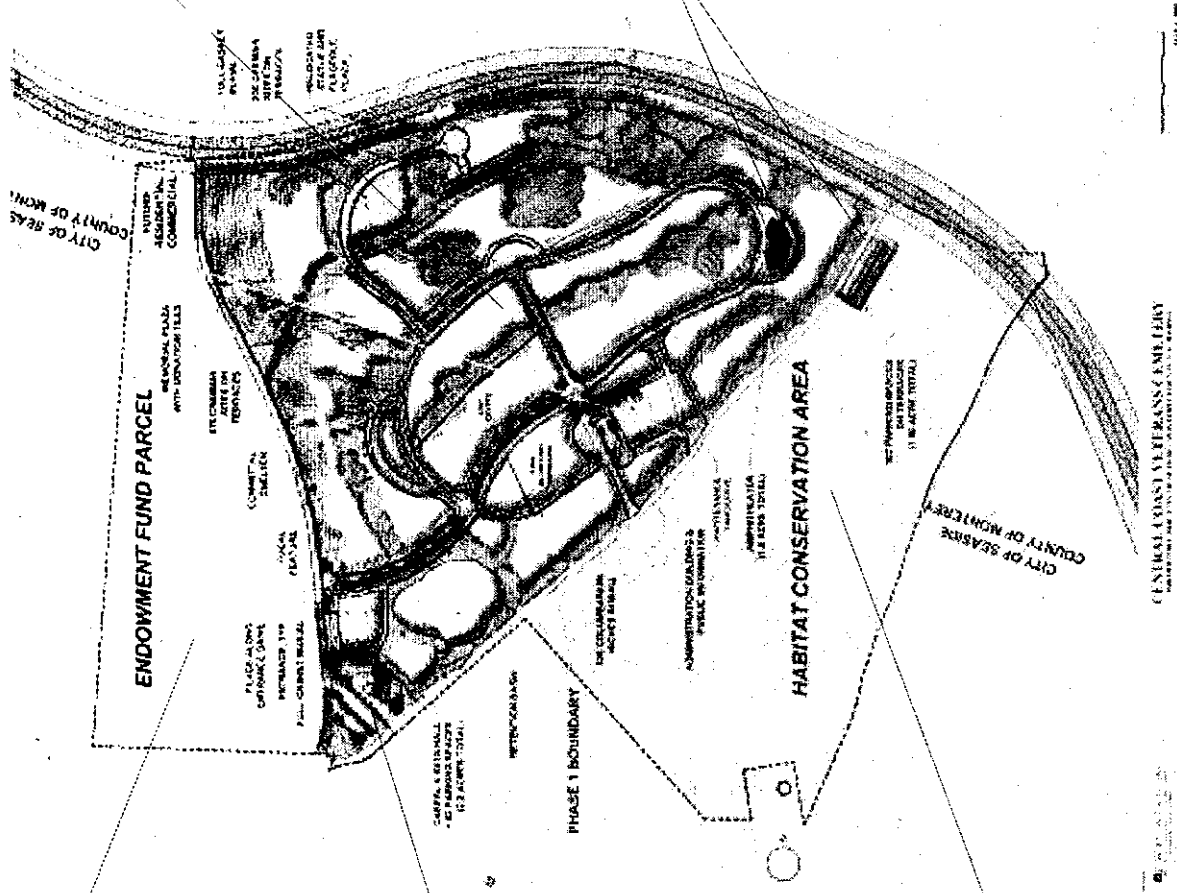
Find a manner that is appropriate to the purpose and spirit of the Cemetery, in which to create and maintain an Endowment Fund.

### Objective 3.a:

Propose development that is compatible with the policies and work of participating jurisdictional and governmental agencies and entities.



■ endowment fund parcel - 32.4 acres



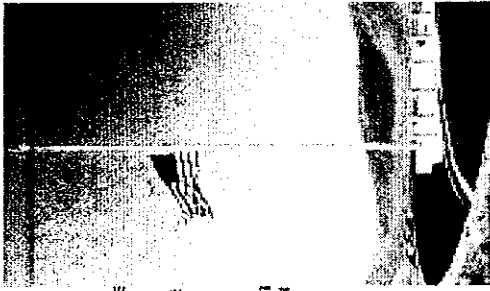
■ support facilities - veterans hall and chapel - 2.2 acres

■ habitat conservation area - 46.4 acres

■ central coast veterans cemetery at Fort Ord - 77.1 acres.

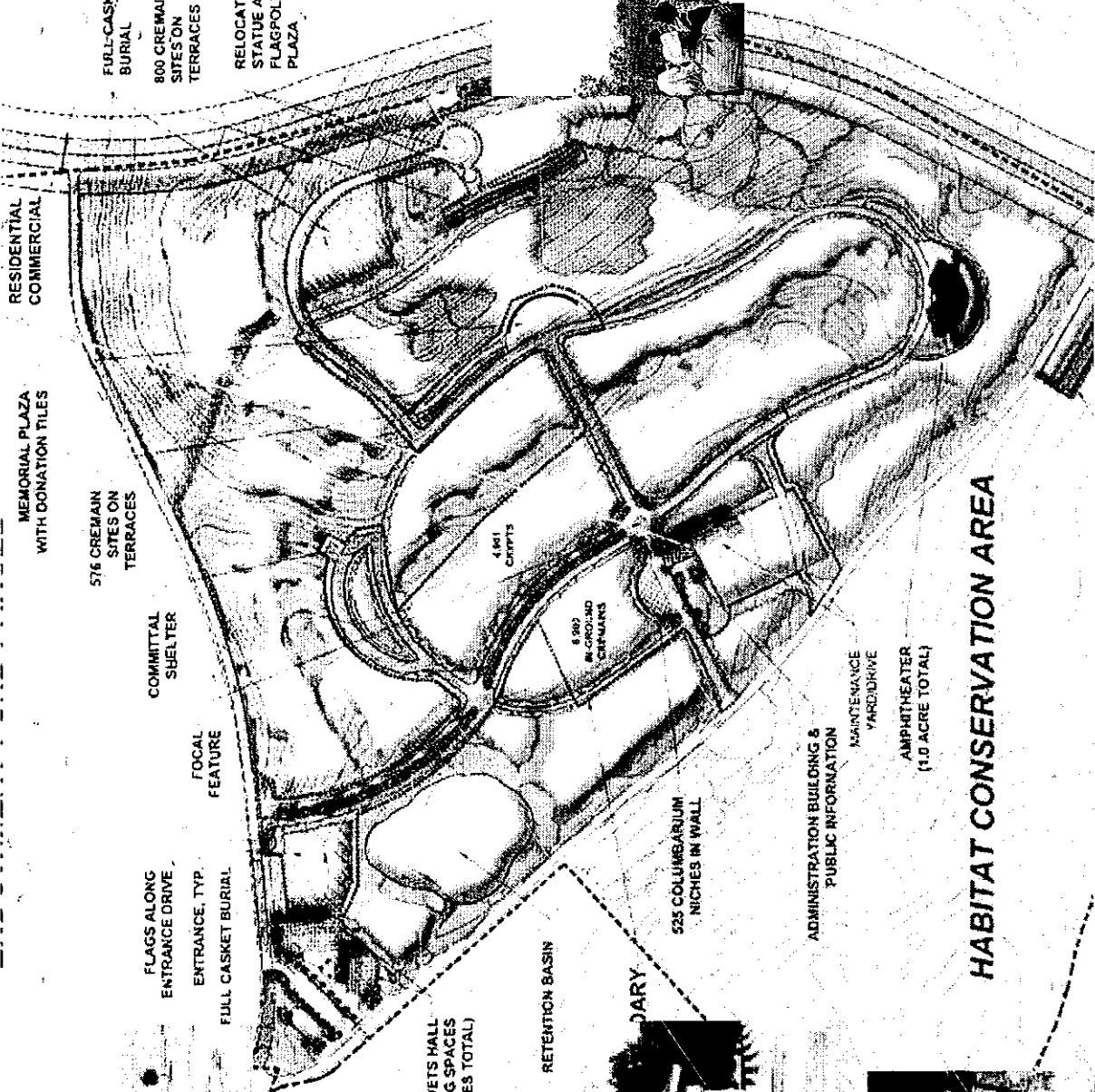
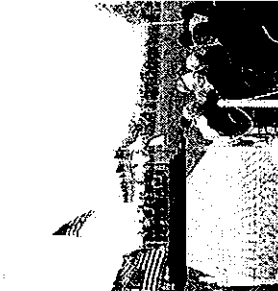
■ support facility - amphitheater and parking - 2.0 acres

site master plan



FULL-CASKE  
BURIAL  
800 CREMAIN  
SITES ON  
TERRACES

RELOCATED  
STATUE AND  
FLAGPOLE  
PLAZA



RESIDENTIAL  
COMMERCIAL

MEMORIAL PLAZA  
WITH DONATION TILES

576 CREMAIN  
SITES ON  
TERRACES

COMMITTAL  
SHELTER

FOCAL  
FEATURE

FLAGS ALONG  
ENTRANCE DRIVE  
ENTRANCE, TYP.  
FULL CASNET BURIAL

VETS HALL  
ING SPACES  
(RES TOTAL)

RETENTION BASIN

DARY

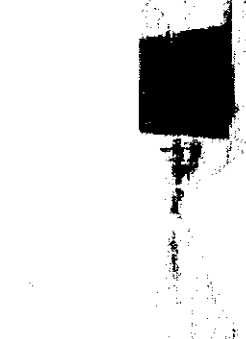
525 COLUMBARIUM  
NICHES IN WALL

ADMINISTRATION BUILDING &  
PUBLIC INFORMATION  
MAINTENANCE  
YARD/DRIVE  
AMPHITHEATER  
(1.0 ACRE TOTAL)

HABITAT CONSERVATION AREA

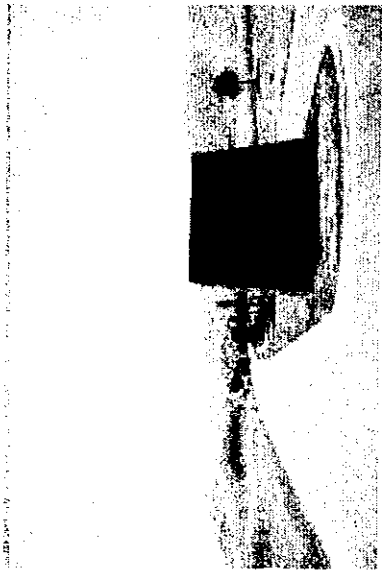
4,611  
CRYPTS

4,800  
ABOVE-GROUND  
CRYPTS



cemetery master plan





▪ formal gateway



▪ service seals

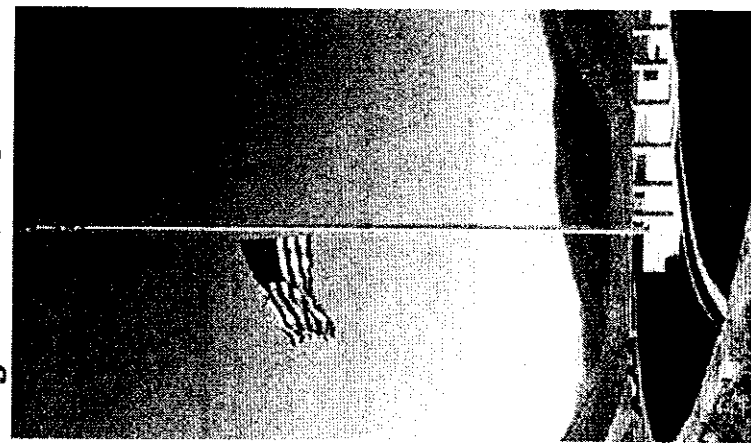


▪ commital service shelter

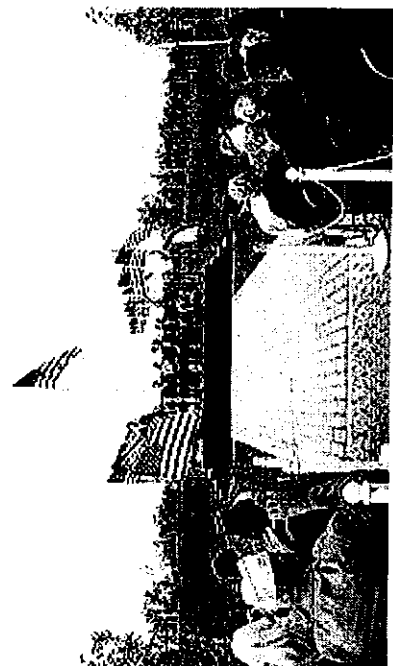
features  
▪ flagpole  
plaza



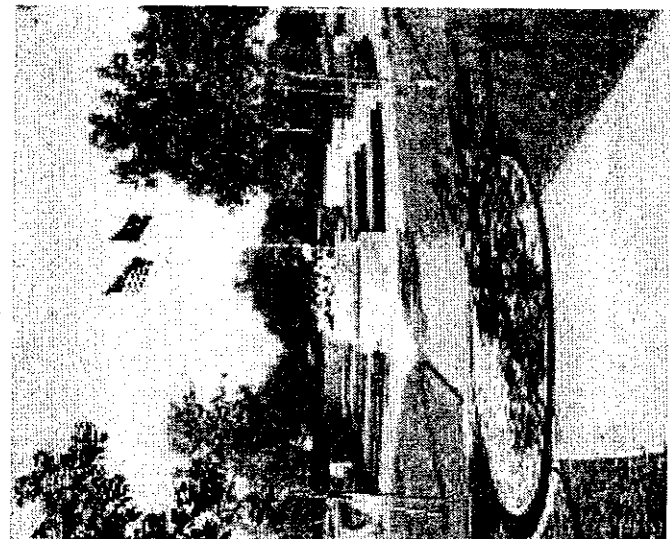
▪ flag-lined drive

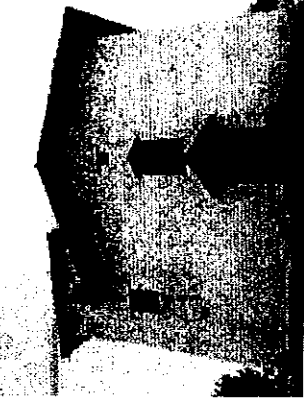


▪ memorial w/ donor wall

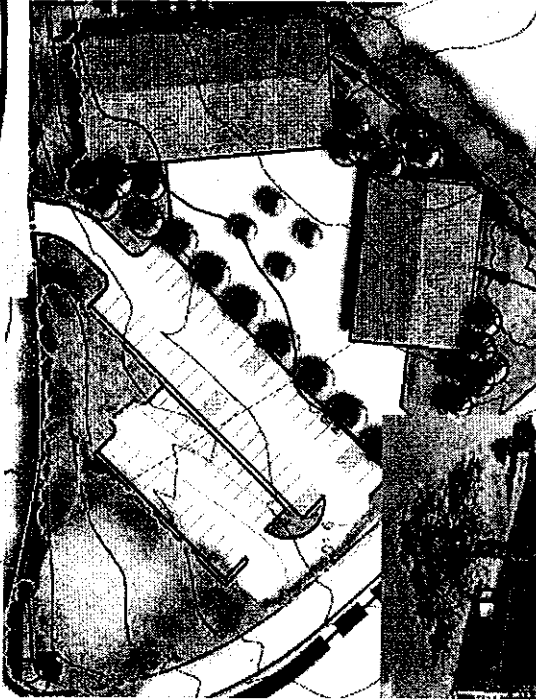


▪ memorial plaza for assemblies





▪ chapel  
 ▪ adobe  
 architecture



▪ veterans hall  
 ▪ meeting rooms  
 ▪ office of veterans affairs  
 ▪ museum of local military history  
 ▪ adobe architecture



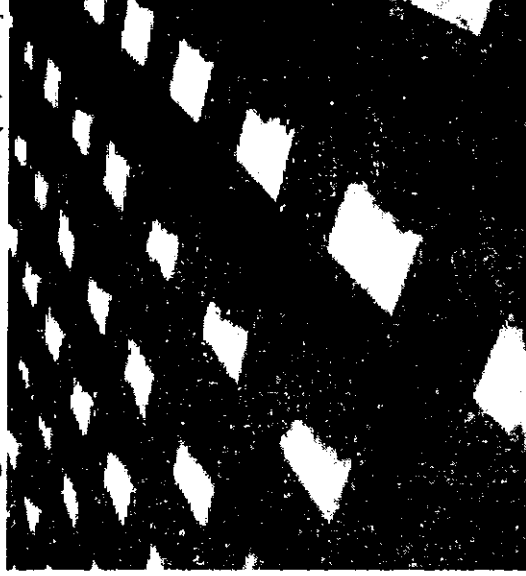
▪ amphitheater  
 ▪ 200-300 seats  
 ▪ overflow area  
 behind

auxiliary features

▪ columbaria (2,760)



▪ in-ground cremains (4,140)



walls



terraces

11,500 burials for Phase 1



▪ crypts (4,370)  
▪ full casket (230)

Phase 1 types of burial

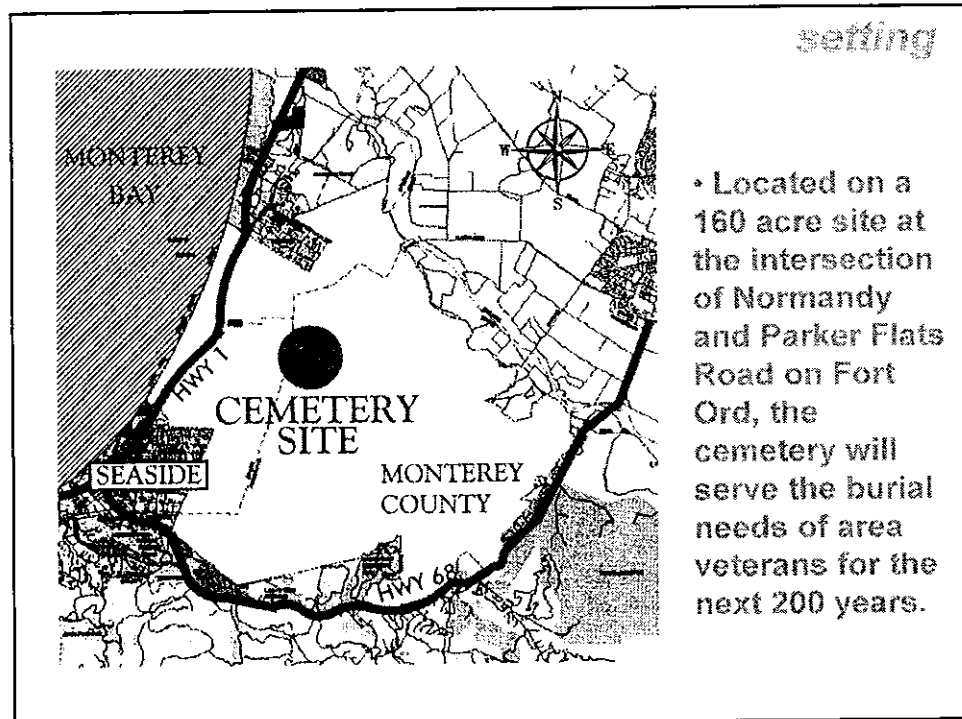
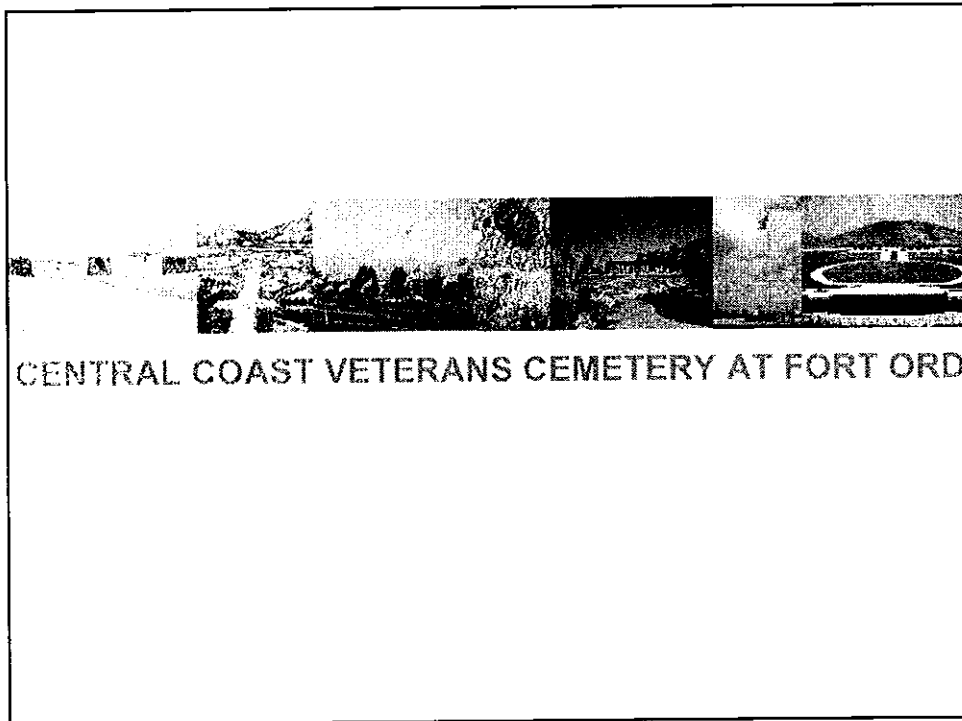
**how you can help:**

**•Donations:**

**Central Coast Veterans Foundation  
c/o Monterey County Military &  
Veterans Affairs  
1200 Aguajito Rd, #003  
Monterey California 93940  
(831) 647-7615  
Fax # (831) 647-7618**



CENTRAL COAST VETERANS CEMETERY AT FORT ORD



*process*

**1- preliminary design:**

Master plan the cemetery with input from Area Veterans through the Veterans Cemetery Citizens Action Committee (CAC)

**2- endowment fund:**

In response to CA Assembly Bill 3035, create a \$3.5 million endowment to cover maintenance costs- prior to applying for grant funding for construction. Current strategy is to sell or lease portion of site not required to meet projected burial needs for next 200 years.

*process*

**3- clean up and environmental review**

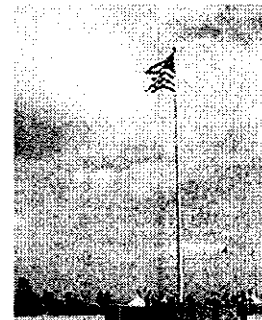
Fort Ord Reuse Authority cleans up site prior to dedicating to Cemetery. Simultaneously consultants complete the environmental review process and determine any required mitigation factors

**4- building the cemetery:**

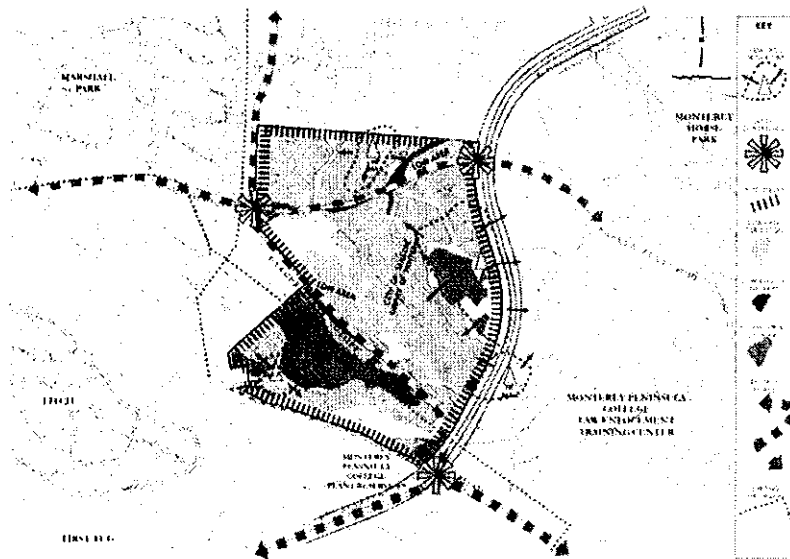
Federal grant program provides funds to build both initial phases and future phases

**5- maintaining the cemetery:**

The State of California is responsible for maintaining the cemetery- using the endowment fund raised by the CAC.



## physical conditions



### goal 1:

### *goals & objectives*

Provide dignified, environmentally site-sensitive burial accommodations and infrastructure to support cemetery activities that honor and respect veterans

### objective 1.a:

Serve the interment needs of approximately 100,000 veterans living within a 75-mile radius of the four target Central Coast counties, including Monterey, Santa Cruz, San Benito, and the southern half of Santa Clara, for the next 20 years with 11,500 interment sites.

### objective 1.b:

Provide a Master Plan for 200 years of future burials, required for consideration in grant awards.

### objective 1.c:

Offer efficient and cost-effective cemetery designs.



*goals & objectives*

**goal 2:**

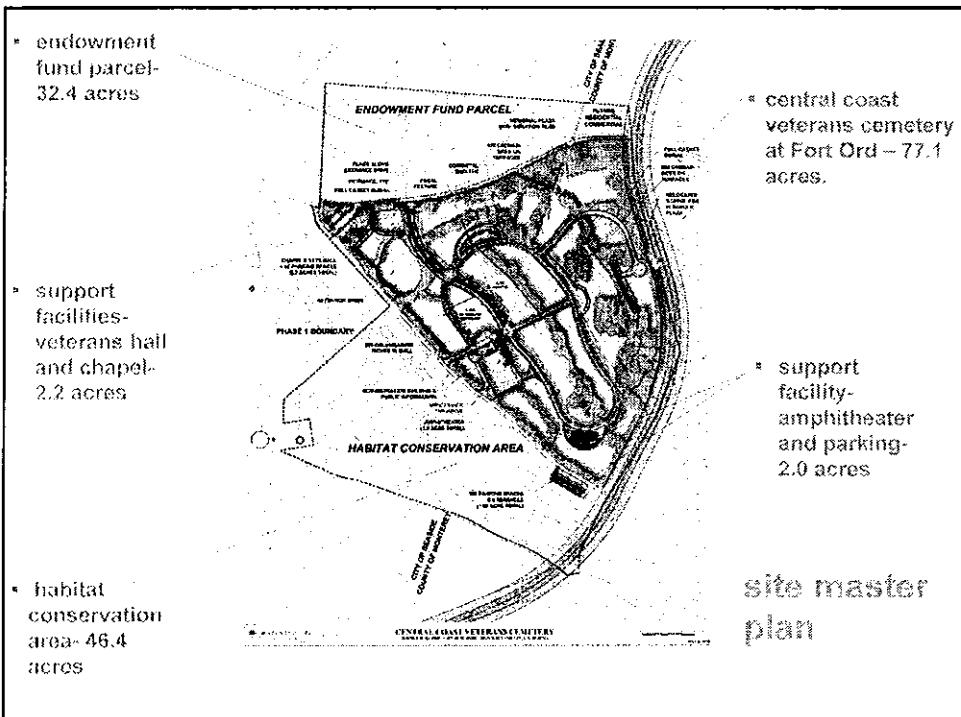
Develop additional functions for the property, ancillary to burial, that honor and respect veterans and veterans' activities

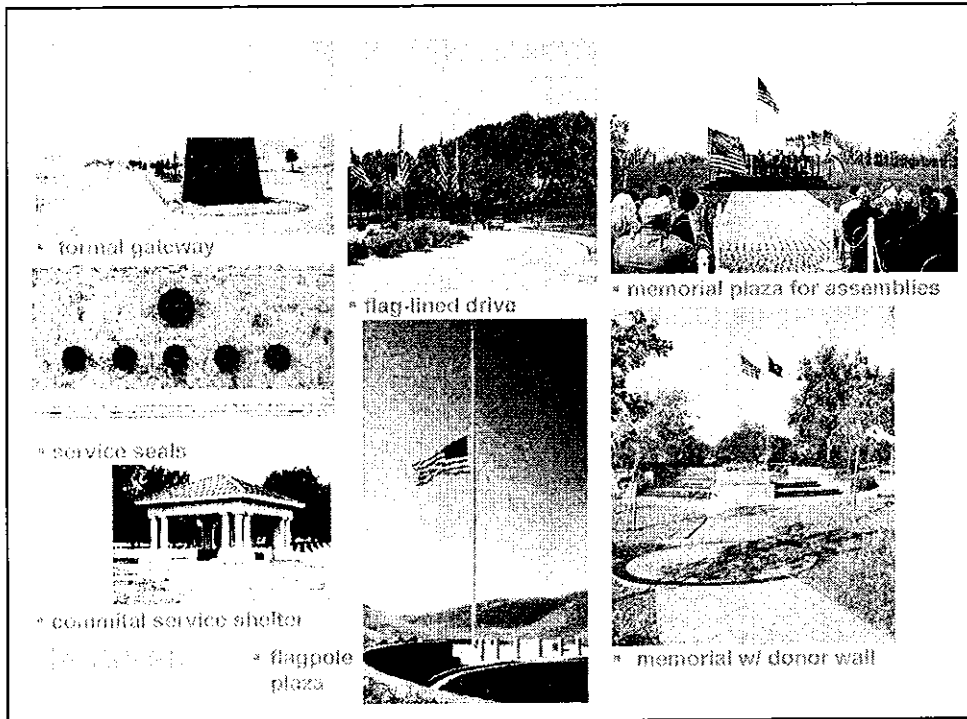
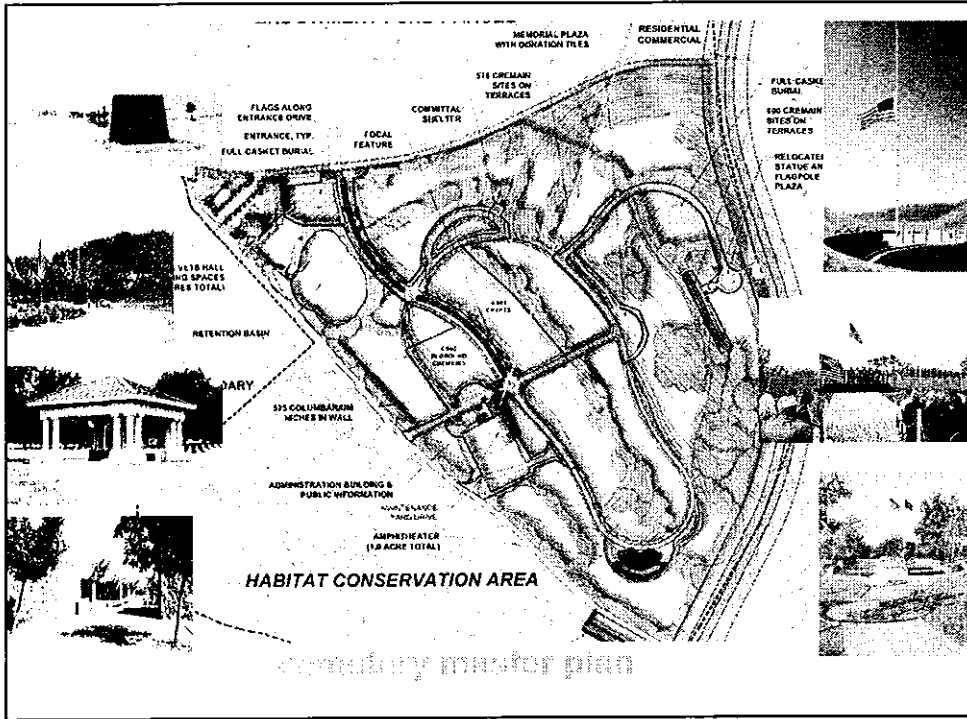
**goal 3:**

Find a manner that is appropriate to the purpose and spirit of the Cemetery, in which to create and maintain an Endowment Fund.

**objective 3.a:**

Propose development that is compatible with the policies and work of participating jurisdictional and governmental agencies and entities.





- \* chapel
- \* adobe architecture

- \* veterans hall
  - \* meeting rooms
  - \* office of veterans affairs
  - \* museum of local military history
  - \* adobe architecture
- \* amphitheater
  - \* 200-300 seats
  - \* overflow area behind

auxiliary features

- \* columbaria (2,760)
- \* in-ground remains (4,140)

walls

terraces

- \* crypts (4,370)
- \* full casket (230)

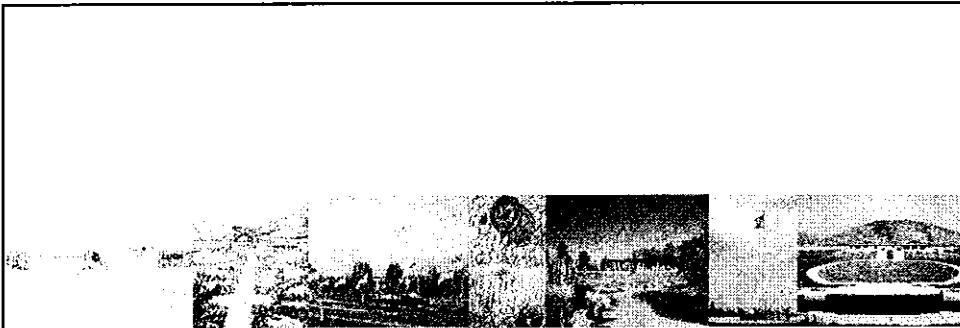
11,500 burials for Phase 1

Phase 1 types of burial

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Fax # (831) 647-7618



CENTRAL COAST VETERANS CEMETERY AT FORT ORD

---

## CENTRAL COAST VETERANS' CEMETERY DEVELOPMENT MASTER PLAN

### PURPOSE

The Development Master Plan addresses opportunities and constraints to development of the Central Coast California Veterans' Cemetery, including the need for an endowment fund to operate and maintain the Cemetery after construction.

The Development Master Plan will:

- recommend a site development option;
- estimate operational costs based on preliminary land use and development plan; and
- recommend an implementation scenario.

### GOALS & OBJECTIVES

The goals and objectives that will provide direction throughout the project are:

#### **GOAL 1:**

*Provide dignified, environmentally site-sensitive burial accommodations and infrastructure to support cemetery activities that honor and respect veterans.*

#### OBJECTIVES:

- 1.a) Serve the interment needs of veterans living within a 75-mile radius of the four target counties, including, Monterey, Santa Cruz, San Benito, and Santa Clara for the next 20 years with 13,838 interment sites.
- 1.b) Provide a Master Plan for 100 years of future burials, desired for consideration in grant awards.
- 1.c) Offer efficient and cost-effective designs.

#### **Goal 2:**

*Develop additional functions for the property, ancillary to burial, that honor and respect veterans and veterans' activities.*

#### **Goal 3:**

*Find a manner that is appropriate to the purpose and spirit of the Cemetery, in which to create and maintain an Endowment Fund.*

#### OBJECTIVE:

- 3.a) Propose development that is compatible with the policies and work of participating jurisdictional governmental agencies and entities.

MANDY ROAD

CITY OF SEASIDE  
COUNTY OF MONTEREY

### ENDOWMENT FUND PARCEL

[29.6 ACRES]

1,210 COLUMBARIUM  
NICHES IN WALL

[1.8 ACRES]

FUTURE  
RESIDENTIAL  
COMMERCIAL

MEMORIAL PLAZA  
WITH DONATION TILES

1,015 COLUMBARIUM  
NICHES IN WALLS

2,130 COLUMBARIUM  
NICHES IN WALL

FLAGS ALONG  
ENTRANCE DRIVE

COMMITAL  
SHELTER

ENTRANCE, TYP.

FULL CASNET BURIAL  
(0.14 ACRE - 1668)

[49.98 ACRES]

SCATTER  
GARDEN

RELOCATED  
STATUE AND  
FLAGPOLE  
PLAZA

CHAPEL & VETS HALL  
+ 62 PARKING SPACES  
(2.2 ACRES TOTAL)

RETENTION BASIN

PHASE 1 BOUNDARY

FOCAL  
FEATURE

ADMINISTRATION BUILDING W/  
SERVICE SEALS WALL  
& PUBLIC INFORMATION

MAINTENANCE  
YARD/DRIVE

MEMORIAL WALK

576 CREMAIN  
SITES ON  
TERRACES

### HABITAT CONSERVATION AREA

[30.8 ACRES]

[15.62 ACRES]

786 CREMAIN  
SITES ON  
TERRACES

AMPHITHEATER & 102  
PARKING SPACES  
ON TERRACES  
(2.5 ACRE TOTAL)

[0.98 ACRES]

CITY OF SEASIDE  
COUNTY OF MONTEREY

TRICALYPTUS ROAD



# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** Approval of interim water use policy

**Meeting Date:** June 13, 2008

**Agenda Number:** 9c

**ACTION**

### RECOMMENDATION(S):

Approve resolution 08-02 regarding interim water use policy (**Attachment A**).

### BACKGROUND/ DISCUSSION:

On April 11, 2008 the FORA Board directed staff and the Administrative Committee to review policy issues associated with requests for interim water use. The May 9, 2008 staff report for item 9b (**Attachment B**) responded to items in a related letter from the Marina City Manager (**Attachment C**).

On April 28, 2008, the water working group (consisting of FORA member agency staff) met to discuss the interim water use requests. The working group suggested that the Administrative Committee recommend that FORA establish an interim water use policy. The working group also suggested that such policy confirm that such interim use requests are between a jurisdiction and Marina Coast Water District ("MCWD") and that FORA need only review interim water requests that exceed a jurisdiction's available water allocation. FORA staff prepared a draft resolution to establish an interim water use policy. The FORA Administrative Committee reviewed the draft resolution and staff analysis responding to interim water use requests, recommending that the May 9, 2008 report include the staff analysis, but postponing a recommendation for a draft resolution until the June Board meeting to allow time for adjustments and review.

On June 4, 2008, the FORA Administrative Committee reviewed draft resolution 08-02 and recommended FORA Board approval.

### FISCAL IMPACT:

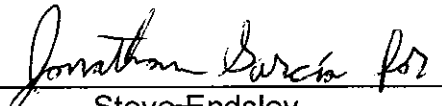
Reviewed by FORA Controller 

None.

### COORDINATION:

MCWD, water working group, Executive Committee, and Administrative Committee

Prepared by   
Jonathan Garcia

Reviewed by   
Steve Endsley

Approved by   
Michael A. Houlemard, Jr.

DRAFT

DRAFT

Resolution 08-02

ATTACHMENT A  
Item 9c  
FORA Board Meeting, June 13, 2008

Resolution of the Authority Board )  
Regarding interim water use policy. )

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

WHEREAS, the practice of the Fort Ord Reuse Authority ("FORA") Board reviewing interim water use requests started in 1996; and

WHEREAS, that practice was deployed when entities receiving a water allocation requested an interim use that exceeded the limit of the FORA determined allocation to the requesting entity; and

WHEREAS, that practice was not adopted as an interim water use policy; and

WHEREAS, entities that have received a water allocation are now requesting interim use, which may or may not exceed the limit of their individual allocations made by FORA; and

WHEREAS, the FORA Administrative Committee recommends that further policy determination by the Board will be helpful to guide any such requests or future requests; and

WHEREAS, jurisdictions using water resources within their FORA allocations was considered under the certified 1997 Fort Ord Base Reuse Plan Environmental Impact Report and would not impact the allocations of other jurisdictions nor exceed the limits of the environmental reviews; and

WHEREAS, since there is no impact to other jurisdictions' water allocations or the total allowed water use, the FORA Board does not review such water use.

NOW, THEREFORE, BE IT RESOLVED by the FORA Board of Directors that:

1. Any interim use of water resources that exceeds or proposes to exceed the limit of the FORA allocation to the requesting entity must be reviewed by the FORA Board of Directors to confirm that such request will not have an impact on other water users on the former Fort Ord footprint.

2. The term interim is a proposed use of potable water resources that are under the FORA Board's allocation control for a period of less than 5 years.

Upon motion by \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing resolution was passed on this \_\_\_ day of \_\_\_\_\_ 2008, by the following vote:

AYES:  
NOES:  
ABSTENTIONS:  
ABSENT:

I, Mayor 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 under Item \_\_\_, Page \_\_\_, of the board meeting minutes of \_\_\_\_\_, 2008 thereof, which are kept in the Minute Book resident in the offices of the Fort Ord Reuse Authority.

\_\_\_\_\_ 2008 BY \_\_\_\_\_

Joseph Russell  
Chair, Board of Directors  
Fort Ord Reuse Authority



# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

## ATTACHMENT B

Item 9c

FORA Board Meeting, June 13, 2008

**Subject:** Interim water use policy

**Meeting Date:** May 9, 2008

**Agenda Number:** 9b

## INFORMATION

### RECOMMENDATION(S):

Receive a report from Fort Ord Reuse Authority ("FORA") staff responding to concerns regarding interim water use requests.

### BACKGROUND/ DISCUSSION:

On April 11, 2008 the FORA Board directed staff and the Administrative Committee to review policy issues associated with requests for interim water use. This report addresses that directive and responds to items in a related letter from the Marina City Manager.

On April 28, 2008, the water working group (consisting of FORA member agency staff) met to discuss the interim water use requests. The working group proposed that FORA establish an interim water use policy that confirms that such requests are between a jurisdiction and Marina Coast Water District ("MCWD") and that FORA need only review interim water requests that exceed a jurisdiction's available water allocation. FORA staff prepared a draft resolution to establish an interim water use policy. The FORA Administrative Committee reviewed the draft resolution and staff analysis responding to interim water use requests, recommending that the report include the staff analysis, but postponed a recommendation for a draft resolution until next month to allow time for adjustments and review.

The following staff analysis responds to items from the above referenced letter or Board member concerns:

#### **1. Is this an allocation? Would the interim water use confer a water right to the City of Seaside?**

This is an interim water use, not an allocation. The interim water use would not create a water right. The City of Seaside's interim water use request does not affect the long-term allocations nor does it convey a right.

#### **2. Rights to the Seaside Groundwater Basin are being adjudicated. Will this interim water use affect that adjudication?**

If the City of Seaside were able to use interim water from MCWD while the Fort Ord Water Augmentation Program is developed, it may help the City address its legal obligation to reduce pumping in the Seaside Groundwater Basin. MCWD is the water purveyor for the City of Seaside's former Fort Ord property, which includes the Seaside Resort Project. MCWD services former Fort Ord development with a 6,600 acre-feet per year ("AFY") of Salinas Valley Groundwater Basin water resource. Jurisdictions are allowed to dedicate additional water resources at their disposal to supplement their individual water allocations from the 6,600 AFY. The Bayonet and Blackhorse golf

courses on the Seaside resort property have historically used water from a well on the property. Annual water use from this well is approximately 400 AFY. This well is within the Seaside Groundwater Basin and is separate from the 6,600 AFY Salinas Valley Groundwater Basin.

Since MCWD and FORA formalized the Fort Ord Water Augmentation Program in 2005, the City of Seaside has planned to use recycled water to replace its 400 AFY groundwater use for the Bayonet and Blackhorse golf courses. Since MCWD and Monterey Regional Water Pollution Control Agency ("MRWPCA") have been unable to execute an agreement regarding the provision of recycled water, the City of Seaside would be unable to meet its obligations under the Disposition and Development Agreement ("DDA") for the Seaside Resort development project to secure non-potable water for the project's updated recycled water infrastructure. Use of MCWD water would help Seaside meet its DDA obligations.

**3. Would the request by the City of Del Rey Oaks satisfy its need for verification of supply availability under SB 221 for its mixed-use hotel resort and golf course project?**

The City of Del Rey Oaks has tabled its interim water use request at this time.

**4. If the interim water use requests were granted, how would MCWD evaluate this sliding availability of water to any new project(s) that require evaluation? How would the corresponding Environmental Impact Reports ("EIR") for these projects be presented and analyzed?**

MCWD would use existing annual review methodology to evaluate water availability. If interim water use would prevent a new project from having sufficient water resources, the interim water user would be notified and would either cease pumping or secure other water resources. The corresponding environmental project reviews would consider the jurisdiction's available water resources.

**5. Would MCWD continue interim water uses if groundwater is inadequate to meet other allocated needs? Who would be responsible to pay the cost of an alternate source if additional costs are incurred to meet the obligation of the interim water uses e.g., need for more desalinated water to compensate for the loss of groundwater?**

MCWD would terminate these interim water uses or identify other services if groundwater supply becomes inadequate to meet their needs. This should be detailed in any agreement between MCWD and an interim user.

**6. What level of environmental review is required to permit interim water uses?**

No further environmental review would be needed. The impacts caused by using this water have been assessed. These are not the first requests for interim water use. On March 8, 1996, the FORA Board approved a letter of support of University of California Santa Cruz request for interim purchase of water on Fort Ord in the amount of 400 AFY. In August 1998, the FORA Board approved the general concept of water borrowing between the FORA jurisdictions under specified circumstances and requirements. This history and recent requests for interim water use do not modify FORA's water allocation program or development schedule and do not require additional environmental review.

7. It is unclear why the City of Seaside does not use water for the golf course projects from its current allocation rather than rely on augmented water through the regional water supply program project or other source when it becomes available for other future development in Seaside.

All FORA jurisdictions had been assured that the recycled water project would service the former Fort Ord (including the Seaside Resort Development project) in 2008. No one anticipated the significant delay impact that the protracted MRWPCA and MCWD negotiations would have on the delivery of this resource. The City of Seaside's project development activities should not be diminished due to this unforeseen circumstance.

8. It is unclear why there is a focus on these interim water uses now, when the primary focus should be on securing additional water supply for the region, as has been proposed through the Regional Plenary Oversight Group ("REPOG") solution and supported by City Councils, the FORA Board, MCWD, MCWRA, MRWPCA, etc. Granting these interim water uses may have the effect of reducing the emphasis on this regional solution and may damage the ability to enact this important policy. How does this interim water use affect the adoption of the four-party agreement currently before the Board of Supervisors?

Jurisdictions' requests for interim water use do not reduce the region's focus on securing additional resources from the REPOG solution or other options now under study. All jurisdictions recognize the need to develop an augmented water supply for former Fort Ord.

**FISCAL IMPACT:**

Reviewed by FORA Controller

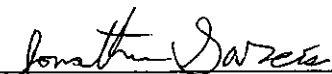


None.

**COORDINATION:**

MCWD, water working group, Executive Committee, and Administrative Committee

Prepared by



Jonathan Garcia

Reviewed by



Steve Endsley

Approved by



Michael A. Houlemard, Jr.

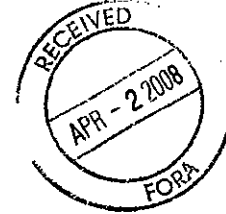
City of Marina



City of Marina  
211 HILLCREST AVENUE  
MARINA, CA 93933  
831- 884-1278; FAX 831- 384-9148  
[www.cj.marina.ca.us](http://www.cj.marina.ca.us)

April 2, 2008

Mr. Joe Russell, Chair  
Board of Directors  
Fort Ord Reuse Authority  
100 12<sup>th</sup> Street, Building 2880  
Marina, CA 93933



Dear Chair Russell,

I am writing to you today in connection with a matter that is scheduled to come before the Fort Ord Reuse Authority (FORA) Board of Directors, possibly as early as the next regularly scheduled FORA Board meeting of April 11, 2008 related to requests by the Cities of Seaside and Del Rey Oaks for interim uses of water resources.

The Cities of Seaside and Del Rey Oaks have each made separate requests and have submitted "Term Sheets" to FORA staff for an "interim loan" of potable water resources from the 6,600 acre feet of groundwater currently allocated to FORA land use jurisdictions for redevelopment projects on the former Fort Ord.

Specifically, the City of Seaside has now requested the "loan" of up to 500 acre feet of groundwater for a three (3) year term and up to 400 acre feet of groundwater for a two (2) year term, a total of 500 acre feet of groundwater for up to five (5) year. This request has been made to provide for an "interim use" for golf course irrigation at the Seaside Bayonet and Blackhorse Golf Courses as well as possible use as "construction water".

The City of Del Rey Oaks has now requested the "loan" of up to 280 acre feet of groundwater for a five (5) year term that, as I now understand it, may actually be extended to a twenty (20) year term for the purpose of perfecting its written verification of supply availability (WVS) to comply with SB 221 for its mixed-use hotel resort and golf course project.

These requests have only recently been discussed, once by the FORA Water Working Group on March 21, 2008 and again today, April 2, 2008, at a joint meeting of the FORA Water Wastewater Oversight Committee (WWOC) and FORA Administrative Committee.

The purpose of this letter is to identify and discuss the several significant concerns that the City of Marina has with these separate requests and to request that the Executive Committee of the Fort Ord Reuse Authority recommend to the FORA Board that no action be taken to further consider approving these requests until such time as the procedural and legal impacts of any such approvals be fully and completely understood by all parties and that appropriate documentation and record of any such approvals, should they be made, be memorialized in order to absolutely ensure that water allocations already made to the respective land use jurisdictions will in no way be hindered, delayed or otherwise adversely impacted.

*Serving a World Class Community*

*S*

### City of Marina Concerns

While the requests by the Cities of Seaside and Del Rey Oaks may appear "simple" enough at face value, the actual short and long-term impacts are unclear at this time and deserve further study and due diligence. The "record" is already "muddied" by inconsistent language and actions taken by both the Marina Coast Water District and the FORA staff.

For example, FORA staff has written in its draft Board report for the FORA Board meeting of April 11, 2008 that "The interim loan is not considered an allocation... and does not affect the long-term allocations made periodically by the FORA Board." However, in separate actions taken by the Marina Coast Water District (MCWD) Board of Directors at their regular meeting of March 26, 2008, the MCWD Board adopted two (2) resolutions, one for the City of Seaside and one for the City of Del Rey Oaks, approving support of their respective requests for interim uses of potable water and citing in their Board reports that "...the interim *allocation* (emphasis added) of water must be approved by the Fort Ord Reuse Authority (FORA)," and "...the District and Seaside will develop an agreement between the organizations for the temporary *allocation* (emphasis added)..." Is it or is it not an allocation?

The City of Marina is concerned that the potential exists that the use of the "loaned" water could be perceived as a "right" by the City of Seaside and Del Rey Oaks or as an obligation by the City of Marina or by the MCWD to Seaside and Del Rey Oaks once the water goes into use by them.

Further, in the case of the City of Seaside request, as I currently understand it, besides the use of the "loaned" water for golf course irrigation and construction purposes, Seaside also anticipates addressing its legal obligations related to the current adjudication of the Seaside Groundwater Water Basin through the use of the "loaned" water, and its obligations under the Disposition and Development Agreement for the Seaside Resort development project.

In the case of the Del Rey Oaks request, as I currently understand it, the "loaned" water will be used to secure its written verification of supply availability (WVS) to comply with SB 221 for its mixed-use hotel resort and golf course project. Such written verification requires a twenty (20) year supply verification.

In either case, the practicality of assuming or otherwise believing that a "call" on this water by any other land use jurisdiction at any time during the "loan" period can be made by simply "turning off" the supply of the "loaned" water is both short-sighted, highly improbable and possibly illegal.

The issue of future interpretation of the definition of a "loan" of potable water by future policymakers is also highly suspect, notwithstanding written documents and written legal opinions that may exist to the contrary.

The matter of the payment of prevailing wages for Fort Ord redevelopment projects is a prime example. Despite written FORA policy, FORA staff interpretations and opinions by FORA legal counsel that, under certain circumstances, the payment of prevailing wages did not apply to Fort Ord redevelopment projects, the FORA Board acted to revisit and reinterpret past FORA Board policy and provide a "new and updated" interpretation of what prior FORA Boards meant regarding prevailing wages. Clearly, the possibility exists to "reinterpret" this action as well.

It is also important to remain mindful that nothing be done that could be construed as providing a commitment to supply additional water to Seaside and Del Rey Oaks. Any new Water Supply Assessment (SB 610), Written Verification for Supply Availability (SB 221) or Update to the MCWD Urban Water Management Plan (UWMD, due in 2010) would need to include an analysis of the proposed "loans".

While the sufficiency analysis would state that the "loans" have a specific term e.g., five (5) years, sufficient language would need to be provided so as not to diminish supply availability to the City of Marina. This seems like a complex undertaking, especially in consideration of the City of Marina's past experience obtaining WSA's, WVS' and an updated UWMP with MCWD. How would MCWD evaluate this sliding availability of water to any new project(s) that require evaluation? How would the corresponding EIR's for these projects be presented and analyzed?

An issue not addressed by the "term sheets" is what effect the loans would have on infill development in Marina. The position in favor of the loans seems to hinge on the fact that MCWD is currently pumping less than 6,600 acre feet of water per year. Suppose that MCWD might find an advantage to increase its groundwater production or the source of supply could become at risk. What would be the obligation of MCWD and or Marina to continue these loans under a scenario of reduced groundwater availability? Who would be responsible for payment if additional costs are incurred to meet the obligation of the loans e.g., need for more desalinated water to compensate for the loss of groundwater?

The question of whether a decision to make any such "loans" may require some level of environmental review deserves attention as well. Since none has been done specific to this request, some thought may need to be given to an initial study. Otherwise, special interest groups such as Save Our Peninsula and the Sierra Club may leave us all open and vulnerable to legal challenge and/or suit.

Additionally, it is unclear why the City of Seaside does not use water for the golf course projects from its current allocation rather than rely on augmented water through the regional water supply program project or other source when it becomes available for other future development in Seaside. This is what all cities have been doing in water planning on the former Fort Ord and has been the basis of assumptions for future development and water supply assessments granted by MCWD.

Finally, it is also unclear why there is focus on these loans now, when the primary focus should be on securing additional water supply for the region, as has been proposed through the REPOG solution and supported by City Councils, the FORA Board, MCWD, MCWRA, MRWPCA, etc. Granting these loans may have the effect of reducing the emphasis on this regional solution and may damage the ability to enact this important policy. How does this loan affect the adoption of the four-party agreement currently before the Board of Supervisors.?

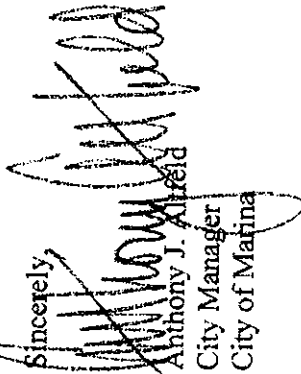
The bottom line is that these requests have not received sufficient level of staff and legal review to ensure that all of the parties in interests are not harmed in any way whatsoever by approving these requests.

The urgency to act without completing a thorough and sufficient level of review to ascertain and ensure that these requests do not adversely affect the interests of both the City of Marina and all affected land use jurisdictions does not exist at this time, therefore, no action to approve these requests needs to be taken at this time.

Instead, the City of Marina requests that the Executive Committee refer this matter back to FORA staff and the members of the FORA Administrative Committee to complete the important and necessary due diligence on this matter.

Thank you for your consideration in honoring this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony J. Alford". The signature is written in a cursive style with a large, sweeping initial "A".

Anthony J. Alford  
City Manager  
City of Marina

**EXHIBIT W-6**

**1999 Fort Ord Water Consumption vs. Allocation**

Entity	1999 Consumption (AF)	1999 Totals (AF)	Fort Ord Reuse Plan Allocation (AFY)	Percent Used
<b>POMA</b>				
POMA	1			
Nonresidential (e)	35			
Residential (e)	640			
Irrigation (e)	20			
	696 (e)	696	1729 *	40%
<b>CSUMB</b>				
Main Campus	61			
Main Campus (e)	31			
CSUMB Housing (e)	501			
CSUMB Irrigation (e)	165			
Others	1			
	759 (e)	759	1035	73%
<b>UC MBEST</b>	2	2	230	1%
<b>County</b>	1	1	560	
<b>County/State Parks</b>	0		45	
<b>Del Rey Oaks</b>	0		75	
<b>Monterey</b>	0		65	
<b>Marina (Sphere)</b>	0		10	
<b>Seaside</b>				
Golf Course	25			
MPUSD	86			
Others	3			
	114	114	710	16%
<b>Marina</b>				
Preston/Abrams	144			
Airport	11			
Others	5			
	160	160	1175	14%
<b>Thorson **</b>	101	101		
<b>Brostrom **</b>	242	242		
<b>Total</b>		<b>2075</b>	<b>5634</b>	<b>37%</b>
Assumed Line Loss		320	532	
Total Extracted (1999)		2395		
Reserve		4205	431 ***	
Total		6600	6600	

Note: (e) is estimated

\*The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that takes future conservation on the POM Annex into account.

\*\* Thorson and Brostrom properties have been assigned 326 afy by the U.S. Army. The FOR A Board has not included these properties separately in the allocation plan.

\*\*\* The 431 afy reserve shown here is what remains in reserve until the Army's future conservation savings are realized. These numbers do not include the 1998 FORA action granting temporary allocations for borrowed water (150 afy to Marina, Seaside, Del Rey Oaks and Monterey County) or the 400 afy temporary agriculture allocation to UCMBEST.



## 2000 Fort Ord Water Consumption vs. Allocation

Date: April 9, 2001

Entity	2000 Consumption (AF)	1999 Consumption (AF)	Fort Ord Reuse Plan Allocation (AFY)	Percent of Allocation Against 2000
<b>POMA</b>				
Nonresidential	23	36		
Residential (e)	640	640		
Irrigation	5	20		
Subtotal	668	696	1,729 *	39%
<b>CSUMB</b>				
Main Campus	84	61		
Main Campus (e)	3	31		
CSUMB Housing (metered)	23	5		
CSUMB Housing (e)	375	496		
CSUMB Irrigation	29	0		
CSUMB Irrigation (e)	143	165		
Others	15	1		
Subtotal	672	759	1,035	65%
<b>UC MBEST</b>	2	2	230	1%
<b>County</b>	1	1	560	<1%
<b>County/State Parks</b>	0	0	45	
<b>Cty/Del Rey Oaks</b>	0	0	75	
<b>Cty/Monterey</b>	0	0	65	
<b>Cty/Marina (Sphere)</b>	0	0	10	
<b>Seaside</b>				
Golf Course	10	25		
MPUSD	106	86		
Thorson (120)**	78	101		
Others	4	5		
Subtotal	198	217	710	28%
<b>Marina</b>				
Preston/Abrams	171	144		
Airport	13	11		
Others	4	5		
Subtotal	188	160	1,175	16%
<b>Brostrom ***</b>	220	242		
<b>Total</b>	<b>1,949</b>	<b>2,075</b>	<b>5,634</b>	<b>35%</b>
Assumed Line Loss	422	320	532	
Total Extracted	2,371	2,395		
Reserve	4,229	4,205	431 ****	
Total	6,600	6,600	6,600	

Note: (e) is estimated

Note: UCMBEST's agricultural well allocation (400 afy for 8 years) should not be included in this overall allocation. A total of 362 acre-feet was extracted in calendar year 2000.

\*The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that takes future conservation on the POM Annex into account.

\*\* Thorson (Sunbay) has been given its own allocation (120 afy) as part of the assignment of the utilities, which is included in Seaside's 710 afy allocation.

\*\*\* Brostrom is in the process of being transferred. The amounts shown are actual amounts consumed in 1999 and 2000. No water allocation will be provided in the transfer. In the future, Brostrom consumption will be shown as a percentage of use against the Seaside allocation.

\*\*\*\* The 431 afy reserve shown here is what remains in reserve until the Army's future conservation savings are realized. These numbers do not include the 1998 FORA action granting temporary allocations for borrowed water (150 afy to Marina, Seaside, Del Rey Oaks and Monterey County).

EXHIBIT W6

2001 Fort Ord Water Consumption vs. Allocation

Entity	2000 Consumption (AF)	2001 Consumption	Fort Ord Reuse Plan Allocation (AFY)	Percent of Allocation Against 2001
<b>POMA</b>				
Nonresidential	23	45		
Residential		9		
Residential (e)	640	623		
Irrigation	5	6		
Subtotal	668	683	1,691 *	40%
<b>CSUMB</b>				
Main Campus	99	121		
Main Campus (e)	3	0		
CSUMB Housing (metered)	23	29		
CSUMB Housing (e)	375	375		
CSUMB Irrigation	29	15		
CSUMB Irrigation (e)	143	143		
Subtotal	672	683	1,035	66%
<b>UC MBEST</b>	2	1	230	
<b>County</b>	1	1	560	
<b>County/State Parks</b>	0		45	
<b>Cty/Del Rey Oaks</b>	0		75	
<b>Cty/Monterey</b>	0		65	
<b>Cty/Marina (Sphere)</b>	0		10	
Subtotal	3	2	985	<1%
<b>Seaside</b>				
Golf Course	10	2		
MPUSD	106	125		
Brostrom **	220	178		
Thorson (120)**	78	77	120	64%
Others	4	0	543	
Subtotal	424	382	748	51%
<b>Marina</b>				
Preston/Abrams	171	190		
Airport	13	19		
Others	4	1		
Subtotal	188	210	1,175	18%
<b>Total</b>	<b>1,952</b>	<b>1958</b>	<b>5,634</b>	<b>35%</b>
Assumed Line Loss	422	471	532	
Total Extracted	2374	2429		
Reserve	4226	4171	431 ***	
Total	6600	6600	6,600	

Notes: (e) is estimated

UCMBEST's agricultural well allocation (400 afy for 8 years) is not included in this overall allocation. A total of 416 acre-feet was extracted in 2001.

\* The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that takes future conservation on the POM Annex into account.

\*\* Thorson Park property has been given its own allocation as part of the assignment of the utilities to MCWD and is included with the Brostrom property in Seaside allocation.

\*\*\* The 431 afy reserve shown here is what remains in reserve until the Army's future conservation savings are realized. These numbers do not include the 1998 FORA action granting temporary allocations for borrowed water (150 afy to Marina, Seaside, Del Rey Oaks and Monterey County).

2002 Ord Community Water Consumption vs. Allocation

EXHIBIT W-6

Entity	2001 Consumption	2002 Consumption	Fort Ord Reuse Plan	Percent of
<b>OMC</b>				
Nonresidential	45	44		
Residential	9	3		
Residential (e)	623	620		
Irrigation	6	7		
Subtotal	683	674	1,691 *	40%
<b>CSUMB</b>				
Main Campus	121	74		
CSUMB Housing (metered)	29	23		
CSUMB Housing (e)	375	375		
CSUMB Irrigation	15	15		
CSUMB Irrigation (e)	143	143		
Subtotal	683	630	1,035	61%
<b>UC MBEST</b>	1	1	230	
County	1	0	560	
County/State Parks			45	
City/Del Rey Oaks			75	
City/Monterey			65	
City/Marina (Sphere)			10	
Subtotal	2	1	985	<1%
<b>Seaside</b>				
Golf Course	2	1		
MPUSD	125	136		
Brostrom ***	178	89		
Thorson **	77	82	120	68%
Others	0	30	543	
Subtotal	382	338	748 ***	45%
<b>Marina</b>				
Preston/Abrams	190	269		
Airport	19	22		
Others	1	30		
Subtotal	210	321	1,175	27%
<b>Total</b>	<b>1958</b>	<b>1963</b>	<b>5,634</b>	<b>35%</b>
Assumed Line Loss	471	175	532	
Total Extracted	2429	2138		
Reserve	4171	4462	431 ****	
Total	6600	6600	6,600	

Notes: (e) is estimated

UCMBEST's agricultural well allocation (400 afy for 8 years) is not included in this overall allocation. A total of 422 acre-feet was extracted in 21  
 \* The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that takes future conservation on the POM Annex into account.

\*\* The sunbay property was given its own allocation (120 afy) as part of the transfer of real estate from the US Army to the Southwest Sunbay Land Company.

\*\*\* Seaside's original allocation of 710 afy was augmented by 38 afy by agreement with the OMC and Brostrom. The OMC's current allocation of 1691 afy reflects the decrease of 38 afy from the original 1729 afy. The FOR A Board has not yet revised the allocation numbers to reflect

\*\*\*\* The 431 afy reserve shown here is what remains in reserve until the Army's future conservation savings are realized. These numbers do not include the 1998 FORA action granting temporary (until October 23, 2003) allocations for borrowed water (150 afy to Marina, Seaside, Del Rey Oaks and Monterey County).

**2003 Ord Community Water Consumption vs. Allocation (in Acre Feet per year)**

EXHIBIT W-6

Entity	2002 Consumption	2003 Consumption	Fort Ord Reuse Plan	Percent of
<b>OMC</b>				
Nonresidential	44	55		
Residential	3	5		
Residential (e)	620	620		
Irrigation	7	7		
Subtotal	674	687	1,691 *	41%
<b>CSUMB</b>				
Main Campus	74	61		
CSUMB Housing (metered)	23	20		
CSUMB Housing (e)	375	375		
CSUMB Irrigation	15	30		
CSUMB Irrigation (e)	143	143		
Subtotal	630	629	1,035	61%
<b>UC MBEST</b>	1	3	230	
County	0	2	560	
County/State Parks	0	0	45	
Cty/Del Rey Oaks	0	0	75	
Cty/Monterey	0	0	65	
Cty/Marina (Sphere)	0	0	10	
Subtotal	1	5	985	0%
<b>Seaside</b>				
Golf Course	1	0		
MPUSD	136	110		
Brostrom ***	89	66		
Thorson **	82	65	120	54%
Seaside Highlands	0	10		
Other	0	0	543	
Subtotal	308	252	748 ***	34%
Construction Water - Seaside	30	55		
<b>Marina</b>				
Preston/Abrams	269	270		
Airport	22	11		
Other	0	0		
Subtotal	291	281	1,175	24%
Construction Water - Marina	30	34		
<b>Total</b>	<b>1,964</b>	<b>1,943</b>	<b>5,634</b>	<b>34%</b>
Assumed Line Loss	174	201	532	
Total Extracted	2138	2144		
Reserve	4462	4456	431 ****	
Total	6600	6600	6,600	

Notes: (e) is estimated

UCMBEST's agricultural well allocation (400 afy for 8 years) is not included in this overall allocation. A total of 422 acre-feet was extracted in 2002.

\* The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that takes future conservation on the POM Annex into account.

\*\* The Sunbay/Thorson property was given its own allocation (120 afy) as part of the transfer of real estate from the US Army to the Southwest Sunbay Land Company.

\*\*\* Seaside's original allocation of 710 afy was augmented by 38 afy by agreement with the OMC and Brostrom. The OMC's current allocation of 1691 afy reflects the decrease of 38 afy from the original 1729 afy. The FOR A Board has not yet revised the allocation numbers to reflect this change.

\*\*\*\* The 431 afy reserve shown here is what remains in reserve until the Army's future conservation savings are realized. These numbers do not include the 1998 FORA action granting temporary allocations for borrowed water (150 afy to Marina, Seaside, Del Rey Oaks and Monterey County).

2004 Ord Community Water Consumption vs. Allocation (in Acre Feet per year)

EXHIBIT W-6

Entity	2003 Consumption	2004 Consumption	Fort Ord Reuse Plan Allocation (AFY)	% of
<b>OMC</b>				
Nonresidential	55	54		
Residential	5	2		
Residential (e)	620	467		
Irrigation	7	8		
<b>Subtotal</b>	<b>687</b>	<b>531</b>	<b>1,577 (1) (4)</b>	<b>34%</b>
<b>CSUMB</b>				
Main Campus	61	72		
CSUMB Housing (metered)	20	19		
CSUMB Housing (e)	375	380		
CSUMB Irrigation	30	36		
CSUMB Irrigation (e)	143	95		
<b>Subtotal</b>	<b>629</b>	<b>602</b>	<b>1,035</b>	<b>58%</b>
<b>UC MBEST</b>	<b>3</b>	<b>4</b>	<b>230 (2)</b>	
<b>County</b>	<b>2</b>	<b>5</b>	<b>560</b>	
<b>County/State Parks</b>	<b>0</b>	<b>0</b>	<b>45</b>	
<b>Cty/Del Rey Oaks</b>	<b>0</b>	<b>0</b>	<b>93 (7)</b>	
<b>Cty/Monterey</b>	<b>0</b>	<b>0</b>	<b>65</b>	
<b>Cty/Marina (Sphere)</b>	<b>0</b>	<b>0</b>	<b>10</b>	
<b>Subtotal</b>	<b>5</b>	<b>9</b>	<b>1,003</b>	<b>1%</b>
UCMBEST Agricultural Consumption	370	418		
<b>Seaside</b>				
Golf Course	0	0		
MPUSD	110	114		
Brostrom	66	82	85 (4)	
Thorson	65	65	120 (3)	
Seaside Highlands	10	192		
Monterey Bay Land, LLC	0	0	114 (5)	
Other	0	5	543	
<b>Subtotal</b>	<b>251</b>	<b>459</b>	<b>862 (4)</b>	<b>53%</b>
Construction Water - Seaside	55	64		
<b>Marina</b>				
Preston/Abrams	270	250		
Airport	11	14		
Other	0	0		
<b>Subtotal</b>	<b>281</b>	<b>264</b>	<b>1,175</b>	<b>22%</b>
Construction Water - Marina	34	38		
<b>Total</b>	<b>1,942</b>	<b>1,966</b>	<b>5,652</b>	<b>35%</b>
Assumed Line Loss	202	457	535	
Total Extracted	2144	2423		
Reserve	4456	4177	414 (6)	
<b>Total</b>	<b>6600</b>	<b>6600</b>	<b>6,600</b>	

**Notes:**

(e) indicates water use is estimated; meters are not installed.

**Footnotes:**

(1) The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that considers future conservation on the POM Annex. The OMC's current allocation of 1577 afy reflects the decrease of 38 afy and 114 afy (see footnote (4)) from the original 1729 afy. The FORA Board has not yet revised the allocation numbers to reflect this change.

(2) UCMBEST's interim agricultural well allocation (400 afy) is not included in this overall allocation.

(3) The Sunbay/Thorson property was given its own allocation (120 afy) as part of the transfer of real estate from the US Army to the Southwest Sunbay Land Company.

(4) Seaside's original allocation of 710 afy was augmented by 38 afy by agreement with the OMC and Brostrom, and by 114 afy under final terms of the land exchange agreement among the City of Seaside, Monterey Bay Land, LLC and the US Army.

(5) 114 afy of Monterey Bay Land, LLC controlled potable water includes the proviso that the City of Seaside shall use no less than 39 afy of such water for affordable or workforce housing.

(6) The 431 afy (e) reserve shown here is what remains in reserve until the Army's future conservation savings are realized. These numbers do not include the 1998 FORA action granting temporary allocations for borrowed water (150 afy to Marina, Seaside, Del Rey Oaks and Monterey County).

(7) The FORA Board approved an additional 17.5 afy for Del Rey Oaks on 05/13/2005.

2005 Ord Community Water Consumption vs. Allocation (in Acre Feet per year)

EXHIBIT W-6

Entity	2004 Consumption	2005 Consumption	Fort Ord Reuse Plan Allocation (AFY)	% of
<b>OMC</b>				
Nonresidential	54	37		
Residential	2	77		
Residential (e)	467	410		
Irrigation	8	22		
<b>Subtotal</b>	<b>531</b>	<b>547</b>	<b>1,577 (1) (4)</b>	<b>35%</b>
Construction Water - Army		21		
<b>CSUMB</b>				
Main Campus	72	84		
CSUMB Housing (metered)	19	18		
CSUMB Housing (e)	380	380		
CSUMB Irrigation	36	56		
CSUMB Irrigation (e)	95	95		
<b>Subtotal</b>	<b>602</b>	<b>633</b>	<b>1,035</b>	<b>61%</b>
<b>UC MBEST</b>	<b>4</b>	<b>5</b>	<b>230 (2)</b>	
County	5	4	560	
County/State Parks	0	0	45	
Cty/Del Rey Oaks	0	0	93 (7)	
Cty/Monterey	0	0	65	
Cty/Marina (Sphere)	0	0	10	
<b>Subtotal</b>	<b>9</b>	<b>9</b>	<b>1,003</b>	<b>1%</b>
UCMBEST Agricultural Consumption	418	404		
<b>Seaside</b>				
Golf Course	0	1		
MPUSD	114	114		
Brostrom	82	61	85 (4)	
Thorson	65	63	120 (3)	
Seaside Highlands	192	213		
Monterey Bay Land, LLC	0	0	114 (5)	
Other	5	4	543	
<b>Subtotal</b>	<b>459</b>	<b>455</b>	<b>862 (4)</b>	<b>53%</b>
Construction Water - Seaside	64	5		
<b>Marina</b>				
Preston/Abrams	250	182		
Airport	14	5		
Other	0	32		
<b>Subtotal</b>	<b>264</b>	<b>219</b>	<b>1,175</b>	<b>19%</b>
Construction Water - Marina	38	9		
<b>Total</b>	<b>1,966</b>	<b>1,898</b>	<b>5,652</b>	<b>34%</b>
Assumed Line Loss	457	96	535	
Total Extracted	2423	1994		
Reserve	4177	4606	414 (6)	
<b>Total</b>	<b>6600</b>	<b>6600</b>	<b>6,600</b>	

**Notes:**

(e) indicates water use is estimated; meters are not installed.

**Footnotes:**

(1) The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that considers future conservation on the POM Annex. The OMC's current allocation of 1577 afy reflects the decrease of 38 afy and 114 afy (see footnote [4]) from the original 1729 afy. The FORA Board has not yet revised the allocation numbers to reflect this change.

(2) UCMBEST's interim agricultural well allocation (400 afy) is not included in this overall allocation.

(3) The Sunbay/Thorson property was given its own allocation (120 afy) as part of the transfer of real estate from the US Army to the Southwest Sunbay Land Company.

(4) Seaside's original allocation of 710 afy was augmented by 38 afy by agreement with the OMC and Brostrom, and by 114 afy under final terms of the land exchange agreement among the City of Seaside, Monterey Bay Land, LLC and the US Army.

(5) 114 afy of Monterey Bay Land, LLC controlled potable water includes the proviso that the City of Seaside shall use no less than 39 afy of such water for affordable or workforce housing.

(6) The 431 afy (e) reserve shown here is what remains in reserve until the Army's future conservation savings are realized. These numbers do not include the 1998 FORA action granting temporary allocations for borrowed water (150 afy to Marina, Seaside, Del Rey Oaks and Monterey County).

(7) The FORA Board approved an additional 17.5 afy for Del Rey Oaks on 05/13/2005.

2006 Ord Community Water Consumption vs. Allocation (in Acre Feet per year)

EXHIBIT W-6

Entity	2005 Consumption	2006 Consumption	Fort Ord Reuse Plan Allocation (AFY)	
			Allocation (afy)	% of
<b>OMC</b>				
Nonresidential	37	36		
Residential	77	139		
Residential (e)	410	410		
Irrigation	22	30		
<b>Subtotal</b>	<b>547</b>	<b>615</b>	<b>1,577 (1) (4)</b>	<b>39%</b>
Construction Water - Army	21	1		
<b>CSUMB</b>				
Main Campus	84	66		
CSUMB Housing (metered)	18	15		
CSUMB Housing (e)	380	380		
CSUMB Irrigation	56	36		
CSUMB Irrigation (e)	95	95		
<b>Subtotal</b>	<b>633</b>	<b>592</b>	<b>1,035</b>	<b>57%</b>
<b>UC MBEST</b>	<b>5</b>	<b>5</b>	<b>230 (2)</b>	
<b>County</b>	<b>8</b>	<b>5</b>	<b>710 (6)</b>	
County/State Parks	0	0	45	
Cty/Del Rey Oaks	0	0	243 (7)(6)	
Cty/Monterey	0	0	65	
Cty/Marina (Sphere)	0	0	10	
<b>Subtotal</b>	<b>13</b>	<b>10</b>	<b>1,303</b>	<b>1%</b>
UCMBEST Agricultural Consumption	404	202		
<b>Seaside</b>				
Golf Course	1	11		
MPUSD	114	81		
Brostrom	61	60	85 (4)	
Thorson	63	62	120 (3)	
Seaside Highlands	213	188		
Monterey Bay Land, LLC	0	0	114 (5)	
Other	4	3	693	
<b>Subtotal</b>	<b>456</b>	<b>405</b>	<b>1,012 (4)(6)</b>	<b>40%</b>
Construction Water - Seaside	5	16		
<b>Marina</b>				
Preston/Abrams	182	173		
Airport	5	5		
Other	32	63		
<b>Subtotal</b>	<b>219</b>	<b>241</b>	<b>1,325 (6)</b>	<b>18%</b>
Construction Water - Marina	9	47		
<b>Total</b>	<b>1,903</b>	<b>1,927</b>	<b>6,252</b>	<b>31%</b>
Assumed Line Loss	91	582 (8)	535 (8)	
Total Extracted	1994	2509		
Reserve	4606	4091	-187 (6)	
<b>Total</b>	<b>6600</b>	<b>6600</b>	<b>6,600</b>	

**Notes:**

(e) indicates water use is estimated; meters are not installed.

**Footnotes:**

(1) The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that considers future conservation on the POM Annex. The OMC's current allocation of 1577 afy reflects the decrease of 38 afy and 114 afy (see footnote (4)) from the original 1729 afy. The FORA Board has not yet revised the allocation numbers to reflect this change.

(2) UCMBEST's interim agricultural well allocation (400 afy) is not included in this overall allocation.

(3) The Sunbay/Thorson property was given its own allocation (120 afy) as part of the transfer of real estate from the US Army to the Southwest Sunbay Land Company.

(4) Seaside's original allocation of 710 afy was augmented by 38 afy by agreement with the OMC and Brostrom, and by 114 afy under final terms of the land exchange agreement among the City of Seaside, Monterey Bay Land, LLC and the US Army.

(5) 114 afy of Monterey Bay Land, LLC controlled potable water includes the proviso that the City of Seaside shall use no less than 39 afy of such water for affordable or workforce housing.

(6) The -187 afy (e) reserve shown here is what remains in reserve until the Army's future conservation savings are realized. These numbers do not include the 1998 FORA action granting temporary allocations for borrowed water (150 afy to Marina, Seaside, Del Rey Oaks and Monterey County).

(7) The FORA Board approved an additional 17.5 afy for Del Rey Oaks on 05/13/2005.

(8) Line loss figures include water transferred from Ord to Marina system through the inter-lie. The transferred numbers are tracked in the SCADA system and will be repaid back to Ord from Marina over time.

2007 Ord Community Water Consumption vs. Allocation (in Acre Feet per year)

EXHIBIT W-5

Entity	2006 Consumption	2007 Consumption	Fort Ord Reuse Plan Allocation (AFY)	% of
<b>OMC</b>				
Nonresidential	36	46		
Residential	139	153		
Residential (e)	410	410		
Irrigation	30	32		
<b>Subtotal</b>	<b>615</b>	<b>641</b>	<b>1,577.0 (1) (4)</b>	<b>41%</b>
Construction Water - Army	1	0		
<b>CSUMB</b>				
Main Campus	66	78		
CSUMB Housing (metered)	15	17		
CSUMB Housing (e)	380	380		
CSUMB Irrigation	34	35		
CSUMB Irrigation (e)	95	95		
<b>Subtotal</b>	<b>590</b>	<b>605</b>	<b>1,035.0</b>	<b>58%</b>
UC MBEST	5	3	230.0 (2)	
County	3	197	710.0 (7)	
County/State Parks	0	0	45.0	
Cty/Del Rey Oaks	0	0	242.5 (6)(7)	
Cty/Monterey	0	0	65.0	
Cty/Marina (Sphere)	0	0	10.0	
<b>Subtotal</b>	<b>8</b>	<b>200</b>	<b>1,302.5</b>	<b>15%</b>
UCMBEST Agricultural Consumption	202	37		
<b>Seaside</b>				
Golf Course	11	21		
MPUSD	81	89		
Brostrom	60	64	85.0 (4)	
Thorson	62	63	120.0 (3)	
Seaside Highlands	188	199		
Monterey Bay Land, LLC	0	0	114.0 (5)	
Other	3	8	693.0 (7)	
<b>Subtotal</b>	<b>405</b>	<b>444</b>	<b>1,012.0 (4)</b>	<b>44%</b>
Construction Water - Seaside	16	7		
<b>Marina</b>				
Preston/Abrams	173	171		
Airport	5	5		
Other	56	172		
<b>Subtotal</b>	<b>234</b>	<b>348</b>	<b>1,325.0 (7)</b>	<b>26%</b>
Construction Water - Marina	38	86		
<b>Total</b>	<b>1,907</b>	<b>2,331</b>	<b>6,251.5</b>	<b>37%</b>
Assumed Line Loss	602	610 (8)	348.5 (7)	
Total Extracted	2509	2941		
Reserve	4091	3659	0 (7)	
<b>Total</b>	<b>6600</b>	<b>6600</b>	<b>6,600</b>	

**Notes:**

(e) indicates water use is estimated; meters are not installed.

**Footnotes:**

(1) The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that considers future conservation on the POM Annex. The OMC's current allocation of 1577 afy reflects the decrease of 38 afy and 114 afy (see footnote (4)) from the original 1729 afy. The FORA Board has not yet revised the allocation numbers to reflect this change.

(2) UCMBEST's interim agricultural well allocation (400 afy) is not included in this overall allocation.

(3) The Sunbay/Thorson property was given its own allocation (120 afy) as part of the transfer of real estate from the US Army to the Southwest Sunbay Land Company.

(4) Seaside's original allocation of 710 afy was augmented by 38 afy by agreement with the OMC and Brostrom, and by 114 afy under final terms of the land exchange agreement among the City of Seaside, Monterey Bay Land, LLC and the US Army.

(5) 114 afy of Monterey Bay Land, LLC controlled potable water includes the proviso that the City of Seaside shall use no less than 39 afy of such water for affordable or workforce housing.

(6) The FORA Board approved an additional 17.5 afy for Del Rey Oaks on 05/13/2005.

(7) In January 2007, the FORA Board changed the 150 afy loans to Marina, Seaside, Del Rey Oaks and Monterey County in October 1998 to add to their permanent allocations.

(8) Line loss figures include water transferred from Ord to Marina system through the inter-tie. The transferred numbers are tracked in the SCADA system and will be repaid back to Ord from Marina over time.



# FORT ORD REUSE AUTHORITY BOARD REPORT

<b>Subject:</b>	FORA FY 08-09 Preliminary Budget	
<b>Meeting Date:</b>	June 13, 2008	<b>ACTION</b>
<b>Agenda Number:</b>	9d (1)	

## **RECOMMENDATION:**

Approve the Fort Ord Reuse Authority (FORA) fiscal year 2009 (FY 08-09) preliminary budget.

## **BACKGROUND:**

Staff, in coordination with the Finance Committee (FC), is presenting a slightly modified budget format as attached hereto. This format combines revenue sources and expenditures of all FORA funds on a single chart, thus providing an overall illustration of FORA financial position. Per FC recommendation, the preliminary budget includes a prorated portion of the ET/ESCA funding (phased to cover the upcoming year's expenditures) rather than the entire funding to be received by FORA by June 1, 2009. The 6/1/09 payment pre-pays all expenditures through the completion of ESCA project and would depict a substantial ending balance in the preliminary budget. This would misrepresent the picture of FORA finances at year end, as ESCA funding is a strictly project specific and can not be used for any other purpose. The budget chart also includes the current FY budget for comparison purposes.

## **DISCUSSION:**

Attachments 1-4 illustrate the FC recommended preliminary budget for FY 08-09; attachment 1 depicts the overall FY 08-09 preliminary budget; attachment 2 provides detail on ET/ESCA budget; attachment 3 itemizes proposed adjustment in salaries and benefits, and attachment 4 itemizes expenditures.

Redevelopment slowdown: The national and state economic downturn/recession of the last two years has significantly slowed the Fort Ord redevelopment and delayed FORA collection of redevelopment fees, land sales and taxes. Within the current fiscal year (FY 07-08), these revenues have slowed to a point where FORA is not funded to continue capital improvements without incurring debt.

- ⇒ Even though jurisdictional projections estimate more than \$10 million in the coming year, the preliminary budget reduces this projected figure to offer a more conservative approach. As recommended by FORA Auditor and FC, the budget includes about 50% of the jurisdictional revenue projections. The Capital Improvement Budget (item 9d (2)) includes the jurisdictional revenues as submitted. Should these revenues be deferred, the dollar amounts going to each project will adjust to the actual collections during the fiscal year. Any shortage in revenues designated to fund the construction of GJM will be augmented by the line of credit.

In an effort to balance the budget, FORA reduces expenses and continues efforts to improve efficiencies in all its operations while at the same time maintaining all services and programs.

The following summarizes the preliminary budget figures for FY 08-09 (Attachment 1):

## REVENUES

### LOCAL REVENUES

- **\$259,000 Membership dues**

In addition to State Law stipulated membership dues of \$224,000, FORA collects membership dues from Marina Coast Water District (MCWD) under contract terms.

- **\$195,000 Franchise Fees**

This amount represents MCWD's projected FY 08-09 payments to FORA from water and sewer operations on Fort Ord and associated administrative fees. The transfer of ownership of the system from the US Army to MCWD occurred in 2001.

- **\$983,657 Pollution Legal Liability (PLL) Insurance Premium Reimbursements**

In December 2004, FORA secured a \$100 million PLL insurance policy. FORA obtained a \$6 million, 7-year loan to pay the insurance premium. Each participating FORA member repays FORA for their respective portion of the insurance premium, financing costs and FORA administrative cost over the seven-year term. \$932,421 represents the fourth year of payments due July 15, 2008.

- **\$5,000,000 Development Fees**

Project forecasts by FORA jurisdictions reduced by 50% to reflect the economic downturn and housing market conditions. Please refer to CIP budget (Table 4, Appendix B – Community Facilities District Revenue) for detail and long-term projections.

- **\$1,288,000 Land Sale Proceeds**

Project forecasts by FORA jurisdictions reduced by 50% to reflect the economic downturn and housing market conditions. Please refer to CIP budget (Table 4, Appendix B – Land Sale Revenue) for detail and long-term projections.

- **\$1,294,578 Lease/Rental Revenues**

This amount consists of \$1,200,000 in lease revenue from Preston Park housing project and \$94,578 from rentals of FORA compound and other facilities. This revenue is likely to increase after reassessment of reserve accounts is concluded. Please refer to Preston Park budget (item 8b).

- **\$1,387,034 Tax Increment Payments**

A reduction in tax increment (TI) payments is expected due to anticipated valuation adjustments. TI revenue is used to offset capital costs.

- **\$287,000 Loan Reimbursements**

Interest reimbursements from East Garrison Partners (EGP) on a \$4.1 million loan pursuant to the 2006 Memorandum of Agreement among FORA, the Redevelopment Agency of the Monterey County, and EGP.

- **\$181,990 from Investment Income**

Budgeted income from FORA investments pursuant to investment policy revised in December 2006. Despite cash flow fluctuations, the projected revenues reflect interest earnings in the FY 08-09 on invested fund balances.

## FEDERAL FUNDING

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- **\$22,250,000 Early Transfer Environmental Services Cooperative Agreement (ET ESCA) (Attachment 2)**

In March 2007, FORA was awarded a federal grant in the amount of \$99.3 million to complete munitions removal on Economic Development Conveyance parcels. The initial payment of \$40 million was received in April 2007. The second payment in the amount of \$30 million was received in two installments during the current FY and the last payment of \$29.3 million is due on or before June 1, 2009. This last payment pre-pays all ESCA related services and expenditures through the completion of the project in 2014; the preliminary budget includes a portion of this funding phased for the FY 08-09. The actual payments are reduced if the Army forwards payment before the noted due date.

## EXPENDITURES

- **\$1,792,062 Salaries and Benefits (Attachment 3)**

As a result of project slow downs and/or deferrals FORA laid off one CIP staff person and withheld hiring of two approved positions and interns in the current FY. The preliminary budget maintains the staffing at its current lower level and reassigns workload to existing personnel. The budget proposes the following adjustments in this category:

- A 3% cost of living adjustment (COLA);
- An increase in employer-paid health insurance premium to catch up with provider cost;
- Two additional vacation days for Executive Officer; and
- Restructuring Authority Counsel from consultant to part-time employee.

The salary and benefit adjustments are fully funded in this budget proposal.

- **\$190,440 Supplies and Services (Attachment 4)**

A reduction in this expense category, compared to the current budget, to accommodate an overall decreased budget. While product increases continue, FORA staff has implemented cost saving procedures and/or secured decreased rates for some items such communications, supplies, printing and copy charges. The travel budget anticipates fewer trips; the purchase of FORA vehicle was removed. The budget provides for a possible copy machine replacement and routine computer upgrades. The budgeted amounts for utility and insurance are slightly increased to reflect rising cost for these items.

- **\$24,284,624 in Contractual Services (Attachment 4)**

- \$678,000 in non-ESCA contracts is budgeted for FORA recurring consulting expenses such as Authority Counsel, EDC Legal Counsel, FORA Auditor, and Public Information consultant. Included is also cost associated with the completion of the site work of IOP building. Budgets for Habitat Mitigation, NEPA/CEQA, and Water Resource Policy consultant were approved previously and are carried over to 2009 FY.
- \$23.6 million of the budget in this category represents ESCA contracts (Attachment 2).

- **\$10,070,729 in Capital Projects (Attachment 4)**

This represents expenses for priority transportation projects, water augmentation, and habitat management. As explained in revenue section above, the projects are scaled down by about 50% from the projections in the CIP budget. No building removal activities are planned for FY 08-09. Please refer to CIP budget (Table 3) for details.

- **\$3,638,288 Debt Service (Principal and Interest) (Attachment 4)**

The debt service in FY 08-09 consists of the following long-term liabilities:

- Line of credit (LOC) debt service of \$3,638,288; financed by land sale proceeds, Preston Park lease proceeds, development fees, tax increment, and EGP reimbursements.
- Revenue Bond debt service payments of \$548,275; financed by the FORA's share of the net lease proceeds from the operation of Preston Park.
- PLL Insurance premium debt service of \$1,049,143; financed by reimbursements from participating jurisdictions/agencies.
- Fire fighting equipment capital lease payment of \$116,000; financed by CFD revenues.

**FISCAL IMPACT/ENDING BALANCE:**

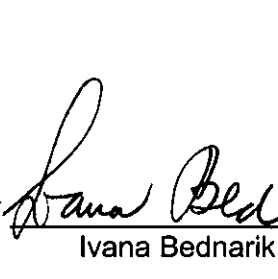
Due to the economic recession affecting FORA's ability to collect redevelopment fees, this FY 2009 operating budget proposal includes debt to provide bridge financing for CIP projects and to balance the budget. The FC discussed how FORA's share of the revenue stream, fair share payment of development fees, and underlying value of Preston Park may be needed in the near term to address upcoming resource needs. Depending on final valuation, FORA is due significant resources from Preston Park.

The anticipated combined ending fund balance is \$1,325,403. The budget sustains the existing policy of efficient and minimum staffing, continues all required programs and services, reduces consultant demand on the General Fund, and provides some funding for the CIP program. It also sets appropriate reserves. The contingency reserve account was established in FY 2000 at 2.5% of operating revenues, increased to 3.6% in FY 2005. FORA was able to exceed this requirement in the past, but depleted the entire reserve in the current FY to fund the ET/ESCA CCO #2. The proposed budget restores the reserve account at \$400,000.

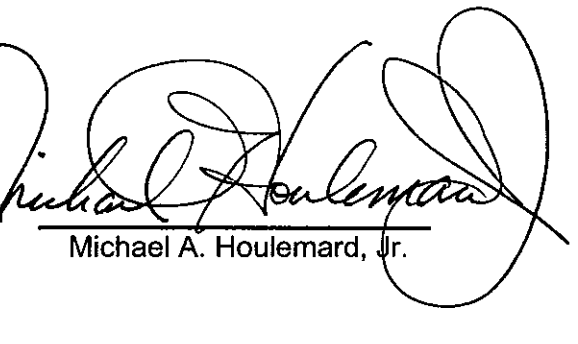
**COORDINATION:**

Finance Committee, Executive Committee. The Finance Committee met on April 28 and May 12, 2008 to review and discuss the preliminary budget. At the May meeting, the Finance Committee made recommendations regarding the FORA Board's approval of the preliminary budget. The Executive Committee reviewed the budget on June 4.

PREPARED BY

  
Ivana Bednarik

APPROVED BY

  
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY - FY 08-09 PRELIMINARY BUDGET - ALL FUNDS COMBINED

CATEGORIES	FY 07-08 REVISED	FY 08-09 PRELIMINARY	NOTES
<b>REVENUES</b>			
Carryover Revenue			
Beginning Fund Balance	6,348,745	2,675,287	Fund beginning balance higher than anticipated due to larger ending balance in ET/ESCA Fund.
<u>New Revenue</u>			
Memberships Dues	257,740	259,000	
Franchise Fees - MCWD	193,700	195,000	
Federal Grants	30,000,000	22,250,000	\$99M ET/ESCA award 3/0; phased payments, last payment due by 6/09. (See <u>ET/ESCA Itemized</u> )
PLL Loan Payments	983,657	983,657	
Development Fees	170,000	5,000,000	*Major projects updated per CIP budget, Tbl 4 - Budget includes approx. 50% of projected revenues.
Land Sale Proceeds	497,054	1,288,000	*Major sales updated per CIP budget, Tbl 4 - Budget includes 50% of projected revenues.
Rental/Lease Revenues	1,327,032	1,294,578	Preston Park housing (\$100,000/mo) and various minor leases/FORA compound rentals.
Tax Increment Payments	1,440,000	1,387,034	Tax increment downward fluctuation due to anticipated valuation adjustments.
Loan Reimbursements	287,000	287,000	From East Garrison Partners per MOA of 4/2006.
Investment Income	215,000	181,990	Development fees/sale proceeds-collection dependent.
<u>Other Financing Sources</u>			
Loan Proceeds	7,160,699	5,500,000	Advances from revolving line of credit (LOC) to finance GJM construction.
Total Revenues	48,880,627	41,301,546	
<b>EXPENDITURES</b>			
Salaries & Benefits	1,754,556	1,792,062	Staffing constant (reductions in FY 07-08); benefits increase. (See <u>Salary/Benefit Adjustments</u> )
Supplies & Services	263,500	190,440	Reduced office expenses, vehicle purchase removed.
Contractual Services	3,287,938	678,000	Essential consulting contracts, IOP site work completion.
Contractual Services/ESCA	32,272,479	23,606,624	ET/ESCA final payment. LFR scheduled work and progress payments to regulators.
Capital Projects (CP)	4,428,742	10,070,729	Transportation \$8M; habitat management \$1.3M.
CP-Building Removal	1,425,409	-	No building removal activities planned for FY 08-09.
Debt Service (P+i)	4,051,653	3,638,288	LOC borrowing reduction - land sale revenue dependent.
Total Expenditures	47,484,277	39,976,143	See <u>Itemized Expenditures</u>
<b>NET REVENUES (Ending Fund Balance)</b>	1,396,350	1,325,403	**Ending Fund balance includes FORA Reserve Account of \$400,000.

\* As recommended by FORA Auditor and Finance Committee, the preliminary budget includes 50% of jurisdictional redevelopment revenue projections.

\*\* The contingency reserve account was established in FY 2000 at 2.5% of operating revenues, increased to 3.6% in FY 2005. FORA was able to exceed this requirement in the past, but depleted the entire reserve account in FY 07-08 to fund the ET/ESCA CCO #2. The proposed budget restores the reserve account according to the policy.

**FORT ORD REUSE AUTHORITY  
FY 08-09 PRELIMINARY BUDGET**

**ET/ESCA**

CATEGORY	ARMY ESCA FY 08-09	ARMY ESCA FY 09-14	ARMY ESCA TOTALS
<b>REVENUES</b>			
* Federal Grants	22,250,000	7,047,680	29,297,680
<b>EXPENDITURES</b>			
FORA Staff Salaries and Expenses	395,105	2,741,625	3,136,730
Contractual Services - Legal Counsel, Auditors, PR	76,500	382,500	459,000
Contractual Services-Regulators/Quality Assurance	800,000	3,925,000	4,725,000
Contractual Services-LFR/AIG	<u>22,806,624</u>	<u>-</u>	<u>22,806,624</u>
Total Expenditures	24,078,229	7,049,125	31,127,354
<b>NET REVENUES</b>	<u>(1,828,229)</u>	<u>(1,445)</u>	<u>(1,829,674)</u>
FUND BALANCE-BEGINNING	1,829,674	1,445	1,831,120
FUND BALANCE-ENDING	<u>1,445</u>	<u>0</u>	<u>1,446</u>

\* The \$99.3M Federal Grant is paid in three phases; \$40M in FY 06-07, \$30M in FY 07-08, and \$29.3M in FY 08-09 (due 6/1/09).

With the last payment (scheduled for June 2009), the grant will pay for all contracted expenditures thru the end of the ESCA project (June 2014). FORA will make the last payment to LFR/AIG commutation account upon receipt of the final grant payment; progress payments to Regulators (EPA and DTSC) and Quality Assurance contractor will be made through the completion of the ET/ESCA contract at about \$800K a year; reimbursements for staff time, public information and expenses are budgeted at \$480K per year. The June 1, 2009 ESCA payment includes an insurance reserve of \$916K .

The preliminary FY 08-09 includes \$22.2M of the final ESCA payment prorated to cover FY 08-09 expenditures.

FORT ORD REUSE AUTHORITY  
FY 08-09 PRELIMINARY BUDGET

**SALARY/BENEFIT ADJUSTMENTS**

<b><u>SALARY &amp; BENEFITS</u></b>	<b>BEFORE</b>	<b>AFTER</b>
	<b>Proposed Adjustments</b>	
TOTAL 14.5 POSITIONS	<b>1,739,936</b>	<b>1,792,062</b>
		3.00% Increase

**PROPOSED SALARY & BENEFIT ADJUSTMENTS**

**Budget Impact**  
**52,126**

Executive Officer is recommending several adjustments in salaries and benefits to the Executive Committee on June 4, 2008. These adjustments may include:

**#1 Health insurance premium increase by provider**

6,195

Executive Officer will recommend increasing FORA contribution to health premium to catch up with an annual increase by carrier on 1-1-09 (anticipated at 10%); the FORA budget impact is minimal. This adjustment is consistent with FORA member jurisdictions/agencies actions.

**#2 3% COLA increase**

44,201

Executive Officer will recommend a 3% COLA based on the consumer price index (CPI) for San Jose Area and the COLA adjustments of FORA member jurisdictions. The CPI of 2.8% has been reported by end of March 2008; COLA adjustments of member jurisdictions for FY 08-09 are between 3% and 3.5%.

**#3 Adjustment in Executive Officer's compensation**

1,730

Two additional vacation days are included in the recommended contract extension for the Executive Officer; if these are cashed out, it will cost FORA \$1,730 in FY 08-09. Executive Officer will receive the same COLA increase awarded to staff; budget impact is included in #1 above.

FORT ORD REUSE AUTHORITY  
FY 08-09 PRELIMINARY BUDGET

## EXPENDITURES - ITEMIZED

EXPENDITURE CATEGORIES	BUDGET	NOTES
<b><u>SALARIES &amp; BENEFITS</u></b>		
FORA STAFF - 10.5 POSITIONS	1,360,239	
CIP STAFF - 3 POSITIONS	359,018	Project Manager laid-off 9/07
ESCA STAFF - 1 POSITION	67,804	
INTERNS	5,001	
<b>TOTAL STAFF (S+B)</b>	<b>1,792,062</b>	
<b><u>SUPPLIES &amp; SERVICES</u></b>		
COMMUNICATIONS	15,000	
SUPPLIES	16,000	
COPY/PRINTING	4,000	
EQUIPMENT	21,500	Computer/phone upgrade, copy machine replacement.
TRAVEL	17,000	
MEETING EXPENSE	3,500	
BUILDING MAINTENANCE/SECURITY	10,000	
REPAIRS/MAINTENANCE/VEHICLE	5,500	
UTILITIES	13,000	
INSURANCE	54,890	
PAYROLL/ACCOUNTING SUPPORT	3,000	
COMPUTER/EQUIPMENT MAINTENANCE & SUPPORT	12,550	
OTHER (DUES, TRAINING, POSTAGE, NOTICES)	14,500	
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>190,440</b>	All supplies/services reduced to save budget.
<b><u>CONTRACTUAL SERVICES</u></b>		
LEGAL FEES	60,000	Counsel for existing/pending litigation.
AUTHORITY COUNSEL	120,000	To be restructured as P/T contract.
AUDITOR	25,000	
EDC COUNSEL (EDC-ESCA)	85,000	Pending FOSET/FOST transfers.
FINANCIAL CONSULTANT	25,000	
LEGISLATIVE SERVICES CONSULTANT	30,000	State Agency coordination, legislative monitoring.
PUBLIC INFORMATION	30,000	
IOP BUILDING	300,000	Site work completion.
OTHER (BOND TRUSTEE)	3,000	
ARCHITECT & ENGINEERS (CIP)		
WATER RESOURCE POLICY/HYBRID PROGRAM		Contracts/funding approved in FY 07-08, services and unspent balances carried over to FY 08-09.
NEPA/CEQA CONSULTING FIRM		
HABITAT MITIGATION	-	
<b>TOTAL NON-ESCA CONTRACTS</b>	<b>678,000</b>	
REGULATORY RESPONSE (ESCA)	800,000	EPA/DTSC reimbursements per contract (12/06).
MEC REMEDIATION (ESCA)	22,806,624	LFR/AIG contract/specified commutation account deposits.
<b>TOTAL ESCA CONTRACTS</b>	<b>23,606,624</b>	
<b><u>CAPITAL PROJECTS</u></b>		
CIP - ROADWAY IMPROVEMENTS	8,014,884	Gen Jim Moore and other road projects. (See CIP budget)
CIP - WATER AUGMENTATION	730,845	
CIP - HABITAT MANAGEMENT	1,325,000	
CIP - BUILDING REMOVAL	-	
<b>TOTAL CAPITAL PROJECTS</b>	<b>10,070,729</b>	
<b><u>DEBT SERVICE (Principal and Interest)</u></b>		
LINE OF CREDIT	1,924,870	1,288,000 principal reduction in FY 08-09.
PLL INSURANCE FINANCING	1,049,143	
FIRE TRUCK LEASE	116,000	
REVENUE BOND	548,275	
<b>TOTAL DEBT SERVICE</b>	<b>3,638,288</b>	
<b>TOTAL FY 08-09 EXPENDITURES</b>	<b>39,976,143</b>	



**Presentation to the  
Fort Ord Reuse Authority  
Board of Directors**

June 13, 2008

**PRELIMINARY  
OPERATING BUDGET  
FY 2008-2009**

1

**FY 2008-2009 Operating Budget  
Summary**

◆ <b>REVENUES</b>	<b>\$ 33,126,259</b>
Beginning Fund Balance (7/1/08)	\$ 2,675,287
Other Financing Sources*	<u>\$ 5,500,000</u>
<b>Total Revenues</b>	<b>\$ 41,301,546</b>
◆ <b>EXPENDITURES</b>	<b>\$ 39,976,143</b>
◆ <b>ENDING BALANCE</b> (6/30/09)	<b>\$ 1,325,403</b>

\*Line of Credit

2

## Major Revenue Sources FY 2008-2009

♦ Federal Grants (ET/ESCA)	\$ 22,250,000
♦ CFD Fees*	5,000,000
♦ Land Sale Proceeds*	1,288,000
♦ Lease Revenue	1,294,578
♦ Tax Increment	1,387,034
♦ Other Revenues**	<u>1,906,647</u>
<b>TOTAL</b>	<b>\$ 33,126,259</b>

\* Jurisdictional projections higher in Capital Improvement Program

\*\* Membership Dues, Franchise Fees, Investment Income, Reimbursements

3

## Major Expenditures/Programs FY 2008-2009

♦ ET/ESCA (Munitions Removal)	\$ 24,078,229*
♦ CIP Program	10,505,755
♦ Debt Service (Principal & Interest)	3,638,288
♦ Planning/HCP/IOP/Other Projects	<u>1,753,871</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 39,976,143</b>

\*Includes carryover from FY 07-08.

4

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## **Recommended Adjustments Salaries and Benefits**

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- ◆ **Staffing**
    - No changes
  - ◆ **Salaries & Benefits**
    - Increase in employer-paid medical premium
    - 3% Cost of Living Adjustment
    - Add 2 vacation days for Executive Officer
- Total Cost \$52,126**

5

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## **Recommended Adjustments Consultants/Services**

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- ◆ **Maintain minimum necessary services**
- ◆ **Convert Authority Counsel from consultant to employment contract**
- ◆ **Reduce /defer equipment/vehicle purchases**

6

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## **Requested Board Action**

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**♦ Approve the preliminary  
FY 08-09 operating budget**

(as recommended by FORA staff  
and the Finance Committee)

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**Q & A**

7

# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** Capital Improvement Program for FY 2008/2009 through 2021/2022

**Meeting Date:** June 13, 2008

**Agenda Number:** 9d(2)

**ACTION**

### RECOMMENDATION:

1. Receive a presentation by Fort Ord Reuse Authority ("FORA") staff highlighting modifications and updates to the FY 2007/2008 through 2021/2022 Capital Improvement Program ("CIP") document; and
2. Approve the draft FY 2008/2009 through 2021/2022 CIP document (*enclosed*).

### BACKGROUND/DISCUSSION:

At the June 2007 FORA Board meeting, the Board approved a re-programmed CIP document that established the placement of Base Reuse Plan obligatory mitigation projects. Project placement in time was determined by land use jurisdiction provided development project forecasts. FORA staff estimated revenue expected to be generated by those jurisdiction projects. Based on these project placements and revenue projections, the CIP positions capital improvements to meet Base Reuse Plan and environmental mitigation obligations.

Again this year, the Board is being asked to approve a re-programmed CIP document that reflects the most recent land use jurisdiction development forecasts. FORA staff will provide an overview of modifications to the CIP in a presentation to the Board.

### FISCAL IMPACT:

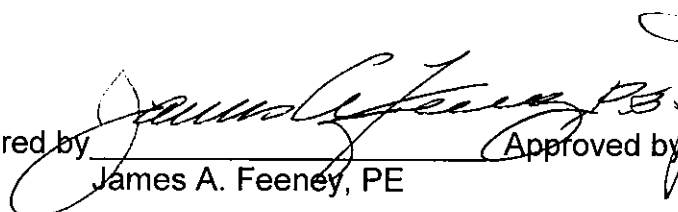
Reviewed by FORA Controller 

As noted throughout the CIP document, the primary sources of revenue anticipated to cover the cost of obligatory CIP projects are Developer Fees, collected via the approved Community Facilities District, and Land Sale/Lease proceeds. Tax increment resources are currently committed to debt retirement, but may be available in future years for CIP obligations. For detail on how the CIP interfaces with the other components of the FORA budget, please see the Board report for item 9d(1).

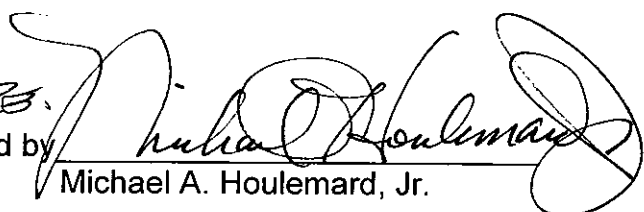
### COORDINATION:

FORA Member Agency staff, CIP Committee, Administrative Committee, Finance Committee and Executive Committee.

Prepared by

  
James A. Feeney, PE

Approved by

  
Michael A. Houlemard, Jr.

Presentation to the  
**Fort Ord Reuse Authority  
Board of Directors**

June 13, 2008



Capital Improvement Program (CIP)  
FY 2008/2009 through 2021/2022

**Remaining CIP Obligations  
under the Base Reuse Plan**

◆ Transportation/Transit	\$121,446,358
◆ Potable Water Augmentation	\$ 40,483,570
◆ Storm Drainage System	completed
◆ Habitat Management	\$ 8,993,750
◆ Fire Fighting Enhancement	\$ 696,000
◆ Building Removal Program	<u>\$ 27,200,000</u>
<i>Remaining CIP Obligations</i>	<i>\$198,819,678</i>

## Program Offsets

(Grants, Local Matches, Bonds, CFD Fees and Land Sales)

	<u>Offsets through 07/08</u>	<u>Anticipated 08/09 Offsets</u>
◆ Transportation/Transit	\$45,091,547	\$ 9,078,873
◆ Potable Water Augmentation	\$ 540,000	\$ 1,563,726
◆ Storm Drainage System	\$ 1,631,951	completed
◆ Habitat Management	\$ 4,006,250	\$ 2,731,750
◆ Fire Fighting Enhancement	\$ 348,000	\$ 116,000
◆ Building Removal Program	<u>\$27,177,000</u>	<u>\$ 0</u>
<i>Total Offsets to Date</i>	<i>\$78,794,748 <sup>1</sup></i>	<i>\$13,490,349 <sup>2</sup></i>

<sup>1</sup> Reference Draft CIP Table 1

<sup>2</sup> Reference Draft CIP Table 3

3

## Updates to 2008/2009 Draft CIP

- ◆ Engineering News Record Construction Cost Index – Inflated obligations by 2.7%
- ◆ Transportation/Transit
  - Munitions and Explosives of Concern cleanup work expected to be complete to allow roadwork on General Jim Moore Boulevard and Eucalyptus Road to commence in October
- ◆ Potable Water Augmentation
  - The Regional Plan (RePog), inclusive of 2400 AF/yr for the FORA augmentation program, may replace the currently approved “hybrid alternative” pending Public Utilities Commission approval

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# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

<b>Subject:</b> Administrative Committee report	
<b>Meeting Date:</b> June 13, 2008	<b>INFORMATION</b>
<b>Agenda Number:</b> 11a	

### RECOMMENDATION:

Receive a report from the Administrative Committee.

### BACKGROUND/DISCUSSION:

The Administrative Committee met on April 30, May 14, and June 4 2008. The committee also had joint meetings with the Water/ Wastewater Oversight Committee on these three dates. The approved minutes of the two meetings held on the first two dates are attached. The draft June 4<sup>th</sup> Administrative Committee meeting minutes are also attached for your review. The June 4<sup>th</sup> joint meeting minutes have not yet been prepared.

### FISCAL IMPACT:

None

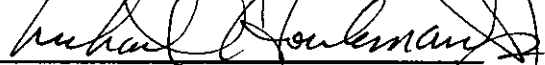
### COORDINATION:

Administrative Committee and Water/ Wastewater Oversight Committee

Prepared by

  
Linda L. Stiehl

Approved by

  
Michael A. Houlemard, Jr.

**FORT ORD REUSE AUTHORITY**

100 12<sup>th</sup> Street, Building 2880

Marina, CA 93933

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**APPROVED**

**MINUTES OF THE  
ADMINISTRATIVE COMMITTEE MEETING  
Wednesday, April 30, 2008**

**1. Call to Order**

Co-Chair Doug Yount called the meeting to order at 8:15 a.m. The following representatives from the land recipient jurisdictions, representing a quorum, were present:

- \*Nick Nichols – County of Monterey
- \*Les Turnbeaugh – City of Monterey
- \*Dick Goblirsch - City of Del Rey Oaks
- \*Tony Altfeld – City of Marina
- \*Ray Corpuz – City of Seaside

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

- Doug Yount – City of Marina
- Lisa Brinton– City of Seaside
- Jim Feeney – FORA
- Bob Holden – MRWPCA
- \*Rob Robinson – BRAC
- Jeff Cattaneo – MCWD
- (\*)Steve Matarazzo – City of Sand City
- Bob Schaffer
- Jim Arnold – FORA
- \*Mehul Mody - CSUMB
- Steven Endsley – FORA
- \*Vicki Nakamura – Monterey Peninsula College
- \*Mike Zeller – TAMC
- \*Graham Bice – UC MBEST
- Tim O'Halloran – City of Seaside
- Jonathan Garcia – FORA
- \*Jim Heitzman - MCWD
- 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 Salinas, Pacific Grove, and Carmel.

**2. Pledge of Allegiance**

Co-Chair Yount asked Les Turnbeaugh, who agreed, to lead the Pledge of Allegiance.

**3. Acknowledgements, announcements and correspondence**

Executive Officer Michael Houlemard announced that the Army/Seaside land swap celebration event has been scheduled at 2:00 p.m. on May 9<sup>th</sup>. Invitations will be emailed in a few days.

**4. Public comment period - none**

5. **Approval of April 16, 2008 meeting minutes**

**Motion to approve the minutes of the April 16, 2008, Administrative Committee meeting was made by Dick Goblirsch, seconded by Les Turnbeaugh, and approved without objections. Motion to approve the minutes of the April 16, 2008, joint Administrative Committee/Capital Improvement Program Committee was made by Les Turnbeaugh, seconded by Dick Goblirsch, and carried without objections.**

6. **Review draft of the May 9, 2008 FORA board meeting agenda**

Executive Officer Houlemard mentioned the possibility of having a joint FORA/Marina Coast Water District ("MCWD") board meeting at the May board meeting to provide a venue for joint approval of the 2007-2008 Ord Community Water/Wastewater Systems Proposed Budgets and Rates for FY 2008/2009, but some new information indicated that the timing was not right. Re Item 9b – Interim water use policy: Mr. Houlemard reported that the Water Managers' Working group had met on April 28<sup>th</sup> and would be making a recommendation to the Administrative Committee later on the agenda. He added that the Executive Committee would also be discussing this item at its meeting this afternoon. Re Item 10a – Fort Ord Reuse Authority sunset provision – outline of the proposed process: Mr. Houlemard said an outline of the process is being prepared and he will suggest to the Executive Committee that they consider a Finance Committee suggestion to schedule a board retreat to devote adequate time to this subject. This will also be discussed at the Executive Committee today. Re Item 10e – Ord Community Water/Wastewater Systems Proposed Budgets and Rates for FY 2008/2009: (see previous comments about the proposed water/wastewater budgets and rates): Assistant Executive Officer Jim Feeney reported that the MCWD Board would be meeting this evening to discuss the budgets and rates. When they are approved, the Proposition 218 45-day public process will begin. He said the item on the draft FORA board agenda has been changed to an action item requesting continuance of the current fiscal year rates and budgets in the interim.

7. **Old Business**

Item 7a – Habitat Conservation Plan ("HCP")

- (1) Update: Director of Planning and Finance Steve Endsley called attention to the information in the draft board report and noted that Denise Duffy and Associates were revamping the environmental part of the state and federal processes. He said there is still strong support at the secretarial level, which has resulted in some personnel changes favorable to the Fort Ord HCP process. Executive Officer Houlemard discussed the request by U.S. Fish & Wildlife Service to the local jurisdictions for funds to cover its HCP obligations. He said he had talked to Congressman Farr about this problem and Mr. Farr had committed to securing the needed funding. He remarked that he had given the same message to the CA Department of Fish & Game, namely "If you take the property, you have an obligation to comply with the legal and financial responsibilities in the deed." Doug Yount asked about the current timeline, and Mr. Endsley responded that the environmental document could be published this fall, if all goes well with its processing. Mr. Houlemard cautioned that clear and accurate language must be in the document before it is published.
- (2) Multi-Modal Corridor project: Associate Planner Jonathan Garcia reported that the County had produced the map showing the project modifications and a time line was being worked on. He said the draft Memorandum of Understanding ("MOU") is expected from the County no later than Friday morning, and it will be emailed to the committee as soon as

it is received. Assistant Executive Officer Jim Feeney said it would be important for the members to encourage their boards or councils to approve the MOU and emphasize that time is of essence. He recommended that all approvals be achieved by early June and suggested that progress reports be communicated to FORA.

Item 7b – Requests by jurisdictions for interim water use – recommendations from the Water Working Group: Executive Officer Houlemard reported that the water managers had met and were in general agreement about the jurisdictions' roles when making changes within their water allocations, which necessitates reaching an agreement with Marina Coast Water District, not FORA. He said the current draft of the FORA interim water policy resolution did not outline the circumstances when the change did not have to go before the Board. He read aloud and explained the sections of the draft resolution, and recognized that edits still need to be made, including a definition of "interim." He reminded the committee that the Board had requested concurrence of this policy by the members before bringing it to the Board for approval. Discussion of the resolution followed. General agreement was that the primary policy objective was to define those situations when changes in the use of water allocations from FORA must be brought to the FORA Board. Dick Goblirsch announced that Del Rey Oaks had tabled its request for interim water use at this time. Mr. Houlemard said that staff would revise the draft resolution and email it to the members by week's end for further comments. He further recommended that the resolution be ready for board approval at the June board meeting. **Motion to continue discussion on the resolution to the June 4, 2008 meeting was made by Tony Altfeld and seconded by Les Turnbeaugh.** It was agreed to focus the May board report on providing answers to the questions that have been posed. **The motion carried.**

## 8. New Business

Item 8a – Draft FORA 2008 Priority Legislation – recommendations to the FORA Board: Executive Officer Houlemard said there is still time to make changes or additions to FORA's priority legislation. Tony Altfeld asked for an update on AB 2239 (Assembly Member Caballero's bill with language extending the definition of a redevelopment project area within former Fort Ord). Mr. Houlemard replied that AB 2239 is a spot, which has been pulled by one of the authors. Ms. Caballero is looking for another bill into which the language can be inserted. The cities of Marina, Seaside, and Del Rey Oaks and the County of Monterey will all benefit from the passage of this clarifying language. Ray Corpuz said Seaside has a lobbyist (Graham Hawkins) in Sacramento, who has been working on getting the language passed in the legislature this year.

Item 8b – CONSISTENCY DETERMINATION: Fort Ord – Seaside Redevelopment Project Area: Executive Officer Houlemard reported that staff had reviewed the documents and concurs with the consistency determination. Since it is a legislative land use action, it must be approved by the FORA Board. He pointed out the clear definitions, the illustrative pie charts and the informative comparison chart. Lisa Brinton, Seaside Redevelopment Project Manager, said it is really a financial plan covering the next five years. Director of Planning and Finance Steve Endsley said that the documents had been distributed to the Planners Working Group and no concerns had been received. **Motion to concur with the finding that the Fort Ord – Seaside Redevelopment Project Area is consistent with the Base Reuse Plan was made by Les Turnbeaugh, seconded by Ray Corpuz, and carried. Tony Altfeld (City of Marina) abstained from the voting.**

9. **Adjournment:** Co-Chair Yount adjourned the meeting at 9:17 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

Noting that a quorum was present, Administrative Committee co-chair Doug Yount called the meeting to order. As indicated by the sign-in sheet, the following persons were in attendance:

Dick Goblirsch, City of Del Rey Oaks	Bob Schaffer, Marina Comm. Partners
Tom Reeves, City of Monterey	Bob Holden, MRWPCA
Nick Nichols, Monterey County	Mike Zeller, TAMC
Graham Bice, UCMBEST	Jim Feeney, FORA
Rick Reidl, City of Seaside	Jeff Cattaneo, MCWD
Doug Yount, City of Marina	Jim Arnold, FORA
Rob Robinson, BRAC	Steve Endsley, FORA
Steve Matarazzo, Sand City	Jonathan Garcia, FORA
Tim O'Halloran, City of Seaside	Crissy Maras, FORA
Anthony Altfeld, City of Marina	Suresh Prasad, MCWD
Les Turnbeaugh, City of Monterey	Jim Heitzman, MCWD
Ray Corpuz, City of Seaside	David Gazek, Federal Development
Vicki Nakamura, MPC	Mehul Mody, MPC

**ITEM 1. Call to Order/Acknowledgements**

Mr. Yount called the meeting to order at 9:21 AM. There were no acknowledgements noted.

**ITEM 2. Public Comment Period - None noted**

**ITEM 3. Approval of the April 16, 2008 Water/Wastewater Oversight Committee Minutes**

The meeting minutes were approved as presented, including the change (previously emailed to Members) to paragraph 3 under new business item 5b.

**ITEM 4. Old Business – None**

**ITEM 5. New Business**

**a. Water and sewer service to the southern portion of the Ord Community**

FORA Assistant Executive Officer Jim Feeney introduced the item. He noted that the discussion of sewer service, and now water service, to the southern portion of the former Fort Ord – including the Cities of Del Rey Oaks and Monterey and portions of the City of Seaside – have been ongoing for several years. It was anticipated that an agreement between Marina Coast Water District (“MCWD”) and Seaside County Sanitation District (“SCSD”) would have been formalized to allow SCSD to handle the wastewater flow for these areas. Since there is no agreement in effect, FORA’s ongoing anticipation is that MCWD, as owner and operator of the Fort Ord system, will handle the flow from these areas. If an agreement is finalized, it’s important that the end user not be penalized in the form of higher rates. Regarding the water service, recent conversations have indicated that the Seaside Municipal water company may be able to serve water to customers on the southern portion of the former Fort Ord. As with the wastewater service, any change in purveyor would need to be formalized with an

agreement. Mr. Feeney encouraged representatives from the Cities of Seaside, Monterey and Del Rey Oaks to work with MCWD toward conclusion. Tim O'Halloran, City of Seaside, agreed to take the lead in this effort and initiate a meeting.

**b. Ord Community Water/Wastewater Systems Proposed Budgets and Rates for FY 2008/2009 – overview and presentation**

Mr. Feeney introduced the item. He noted that the typical process of approval includes the FORA Board acting to approve the budgets and rates in the April/May timeframe, and the MCWD Board subsequently approves the budgets and rates so that they become effective by July 1. However, since a rate study commissioned by MCWD has just been completed, the same timetable is not expected this year. The current rates are in effect through June 30<sup>th</sup>.

Tom Gaffney, Bartle Wells Associates, began his presentation by noting that approximately 100 rate scenarios were analyzed during the rate study and that the rates are mainly driven by capital requirements (which may need to be postponed due to significant lags in development). Members followed along with handouts.

After the presentation, Mr. Gaffney asked Members if there were any questions. Mr. Feeney asked MCWD to outline the process of approval. Suresh Prasad, MCWD Director of Finance, noted that the MCWD Board would be meeting tonight (4/30/08) to convene a workshop to recommend one of the four presented rate scenarios. At the next scheduled MCWD board meeting, they would initiate the Proposition 218 procedure and notices would go out to customers in the mail. Forty-five days later (possibly at the end of June), a joint MCWD/FORA public hearing will be held. It is MCWD's hope that both Boards can adopt the budgets and rates at that joint meeting. Mr. Feeney responded that it is unlikely the FORA Board will convene a special meeting out of their normal meeting calendar and that there may be a need to extend the current rates past June 30.

Bob Schaffer, MCP, asked how many voters would be included in the Prop 218 process. Jeff Cattaneo, MCWD, noted that there would be one vote per property and it would be based on billing. Mr. Feeney asked if a land owner would be able to vote even if there are no facilities on that land. Mr. Cattaneo was unsure and will check. Mr. Yount asked if there was a difference between service area and jurisdictional boundaries and the need for the Prop 218 process. Mr. Prasad noted that MCWD legal counsel recommends a Prop 218 process.

It was additionally noted that written protests must be received by the date of the public hearing. There were no further comments on this item.

**ITEM 6. Adjournment**

The meeting was adjourned at 10:10 AM.

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**APPROVED**

**MINUTES OF THE  
ADMINISTRATIVE COMMITTEE MEETING  
Wednesday, May 14, 2008**

**1. Call to Order**

In the absence of the two co-chairs, Acting Chair/Assistant Executive Officer 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:

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

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

- |  |  |
|--|--|
| Jim Feeney – FORA                        | Diana Ingersoll – City of Seaside            |
| Kristina Richardi – Monterey County      | Nick Nichols – Monterey County               |
| (*)Steve Matarazzo – City of Sand City   | Tim O’Halloran – City of Seaside             |
| Tom Tuttle – Army RCI                    | *Rob Robinson – BRAC                         |
| *Debbie Hale – TAMC                      | *Mehul Mody – CSUMB                          |
| Steve Endsley – FORA                     | Jim Arnold – FORA                            |
| Debbie Platt – City of Marina            | Bob Schaffer                                 |
| Jonathan Garcia – FORA                   | Christopher Spill – ESCA RP team (LFR)       |
| Tom Kouretas - MRWPCA                    | *Vicki Nakamura – Monterey Peninsula College |
| *Graham Bice – UC MBEST                  | *Jim Heitzman – Marina Coast Water District  |
| *Mike Gallant – Monterey-Salinas Transit |  |

\* 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 Salinas, Pacific Grove, and Carmel. (Executive Officer Michael Houlemard assumed the role of co-chair when he arrived.)

**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 April 30, 2008 meeting minutes

**Motion to approve the minutes of the April 30, 2008, Administrative Committee meeting and the joint Administrative Committee/ Water Wastewater Oversight Committee meeting was made by Ray Corpuz and seconded by Nick Nichols.** Debbie Hale requested that the spelling of Mike Zeller's name be corrected in the joint meeting minutes. **The motion carried unanimously.**

## 6. Follow-up to the May 9, 2008 FORA board meeting

Acting Chair Feeney summarized the board's action of several of the agenda items. Director of Planning and Finance Steve Endsley remarked that a small change had been recommended in the resolution for the Seaside-Fort Ord Redevelopment Project Area consistency determination, which staff will make. He said the amended resolution would be circulated to the jurisdictions, and the members concurred that it need not be returned to the Administrative Committee.

## 7. Old Business

### Item 7a – Habitat Conservation Plan (“HCP”)

- (1) Update: Director of Planning and Finance Steve Endsley reported that enough feedback had been received from the U.S. Fish and Wildlife Service (“FWS”) to draft the project description that will go forward with the environmental impacts process. He said a conference call with Denise Duffy and Associates (“DDA”) will initiate this component. (DDA is working for FWS but being paid by FORA.) Mr. Endsley said that FORA was the lead agency for the California CEQA process and reported that a number of meetings have been scheduled with the working group and the regulators. Jones and Stokes, FORA's environmental consultant, has been working on the draft language related to the fiscal assurances required by FWS. He clarified that the Environmental Impact Report (the state document) and the Environmental Impact Statement (the Federal document) will be processed at the same time, although there are some differences between them. Executive Officer Michael Houlemard, who was now present, said he had spoken with Assembly Member John Laird about the importance of resecuring state funding for the state park parcel west of Highway One, which hopefully will be included the May Budget Revise due to be released tomorrow.
- (2) Multi-Modal Corridor project approvals by the stakeholders – status update: Assistant Executive Officer Jim Feeney reported that FORA had received the draft Memorandum of Agreement (“MOA”) and distributed it to the members with a request for comments. He urged the stakeholders to get endorsements by their councils/boards. A polling of the stakeholders was taken. He suggested that they meet to work out any differences in the MOA. Debbie Hale suggested that all comments on the first draft be received in the next two weeks and the same time span be used if a second draft is needed.

Item 7b – Requests by jurisdictions for interim water use – update on revised policy resolution approval process: Director of Planning and Finance Steve Endsley reported that the current draft was the draft attached to the May board report. He said the Board seemed satisfied with the responses to the questions provided by staff in this report. He and Executive Officer Houlemard (now also co-chair) explained the changes and clarified each point. Discussion followed during which members recommended additional text in three places. **Motion to approve the revised resolution was made by Ray Corpuz and seconded by Dick Goblirsch.** Debbie Hale commented that the resolution



doesn't say what happens after five years (defined as the "interim" use period) and suggested that this be clarified in the resolution. Executive Officer Houlemard said that staff would add appropriate language and return the resolution to the next meeting. **Members Corpuz and Goblirsch retracted the motion.**

Item 7c – Central Coast Veterans Cemetery – status report and presentation: Executive Officer Houlemard clearance of the parcel should begin soon, since it is in the ESCA project parcel. He reported that 13 or 14 veterans attended the ESCA Remediation Program informal community workshop on May 12<sup>th</sup> and they continue to be strong supporters of moving the cemetery project forward. Monterey County Director of Housing and Redevelopment Jim Cook said that RHAA had been hired by the County as a consultant to prepare the Master Plan for the cemetery. Moving through a PowerPoint presentation, he stressed the importance of partnerships and bringing people together to keep the project moving forward, particularly for the Endowment Fund parcel, which will hopefully jump-start funding for the cemetery. He discussed the goals and objectives of this cemetery and noted that an abbreviated timeline had been drafted, which shows finalization of the first component of the project, i.e. cleanup of the site, in 2011; this might be fast-tracked to 2009, which would move the cemetery groundbreaking to 2010. He introduced Kristina Richardi from RHAA, who pointed out the features of the site plan and details of the Master Plan. She said the presentation was a preview of the one to be presented to the FORA Board. Mr. Houlemard commented that the regulators have been very comfortable and supportive of the ESCA project work that is being done in this area.

## 8. **New Business**

Item 8a – Update on Marina Coast Water District ("MCWD") water and wastewater systems rates, fees and charges for fiscal year 2008-2009: Assistant Executive Officer Jim Feeney said this item would be discussed in more detail at the joint meeting, which follows this meeting. He reported that the MCWD Board had authorized moving ahead with the Proposition 218 process, which will terminate in a joint meeting of the FORA and MCWD boards on July 11<sup>th</sup>. He said there had been adjustments to some of the figures in MCWD's previous draft report and suggested that the item be tabled until the next meeting on June 4th.

## 9. **Adjournment:** Co-Chair Houlemard adjourned the meeting at 9:15 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

Fort Ord Reuse Authority Executive Officer Michael Houlemard called the meeting to order. As indicated by the sign-in sheet, the following persons were in attendance:

Dick Goblirsch, City of Del Rey Oaks	Bob Schaffer, Marina Comm. Partners
Tom Reeves, City of Monterey	Mike Grant, MST
Nick Nichols, Monterey County	Debbie Hale, TAMC
Graham Bice, UCMBEST	Michael Houlemard, FORA
Diana Ingersoll, City of Seaside	Jim Feeney, FORA
Debby Platt, City of Marina	Jim Arnold, FORA
Christopher Spill, ESCA (LFR)	Steve Endsley, FORA
Steve Matarazzo, Sand City	Jonathan Garcia, FORA
Tim O'Halloran, City of Seaside	Crissy Maras, FORA
Mehul Mody, CSUMB	Suresh Prasad, MCWD
Ray Corpuz, City of Seaside	Jim Heitzman, MCWD
Vicki Nakamura, MPC	Jeff Cattaneo, MCWD

**ITEM 1. Call to Order/Acknowledgements**

Mr. Houlemard called the meeting to order at 9:25 AM. There were no acknowledgements noted.

**ITEM 2. Public Comment Period - None noted**

**ITEM 3. Approval of the April 30, 2008 Joint Administrative Committee and Water/Wastewater Oversight Committee Minutes**

The meeting minutes were approved at the previously conducted Administrative Committee meeting, inclusive of the correction to TAMC staff member Mike Zeller's name.

**ITEM 4. Old Business**

**a. Approve Marina Coast Water District water and wastewater systems rates, fees and charges for fiscal year 2008-2009**

FORA Assistant Executive Officer Jim Feeney noted that MCWD submitted a modified budget packet to FORA after the agenda for this meeting had been published. The modified budget was distributed to the Committees and will additionally be emailed to Members. Mr. Feeney noted that since the budget was different from the last meeting, the requested action to approve may not get accomplished.

Suresh Prasad, MCWD, reviewed the changes to the budget since the last presentation. Instead of a 3.8% increase in rates, MCWD is now proposing 10%. There has been a 20-25% increase in flat rate accounts and a slight increase in the capacity charge (water from \$13,200 to \$13,740 and wastewater from \$3,370 to \$3,920). The MCWD Board will meet tonight and will possibly direct staff to move forward with the Proposition 218 notices. If approved, the notices will be sent out by Friday May 16<sup>th</sup> to the District's 6000 customers. There will be one vote per customer bill. A joint MCWD/FORA Board meeting is scheduled for July 11<sup>th</sup> to conduct a protest hearing.

Jeff Cattaneo, MCWD, noted that the capacity charge is based on the currently approved RUWAP plan, with an \$80M price tag. If the REPOG project moves forward, the project total will decrease by approximately \$40M, which will lower the water capacity charge by \$3K. Additionally, there have been no rate increases in three years. The proposed 10% increase is actually lower than the consumer price index (CPI), which over the last three years increased by 12%; the energy index increased by 16% over the last three years.

The Committee would like additional time to review the modified budget before recommending it to the Board. A joint meeting is scheduled for June 4<sup>th</sup>.

**ITEM 5. New Business – none**

**ITEM 6. Adjournment**

The meeting was adjourned at 9:40 AM.

# FORT ORD REUSE AUTHORITY

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## MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING Wednesday, June 4, 2008

# DRAFT

### 1. Call to Order

Co-Chair Doug Yount called the meeting to order at 8:15 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
- \*Doug Yount – City of Marina

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

- Jim Feeney – FORA
- Nick Nichols – Monterey County
- (\*)Steve Matarazzo – City of Sand City
- \*Rob Robinson – BRAC
- \*Debbie Hale – TAMC
- Steve Endsley – FORA
- Bob Schaffer
- Jonathan Garcia – FORA
- \*Mike Gallant – Monterey-Salinas Transit
- \*Graham Bice – UC MBEST
- Michael Houlemard - FORA
- Diana Ingersoll – City of Seaside
- Les Turnbeaugh – City of Monterey
- Tim O'Halloran – City of Seaside
- (\*)Heidi Burch – City of Carmel
- \*Mehul Mody – CSUMB
- Jim Arnold – FORA
- Thom Gamble
- Garrett Haertel - MRWPCA
- \*Vicki Nakamura – Monterey Peninsula College
- Doug Yount – City of Marina

\* 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 Salinas and Pacific Grove.

### 2. Pledge of Allegiance

Chair Yount asked Dick Goblirsch, who agreed, to lead the Pledge of Allegiance.

### 3. Acknowledgements, announcements and correspondence

Executive Officer Michael Houlemard provided a welcome to Authority Counsel Jerry Bowden, who was attending the meeting. Mr. Houlemard followed with remarks about Monday's Army/Seaside demolition ceremony commemorating the Army's groundbreaking for their newest housing project in the "old" Stilwell Kidney, which marks the beginning of their latest community covenant pact. Mr.

FORA Administrative Committee Meeting

June 4, 2008

Page 1

Houlemard announced the ESCA Community Workshop on June 19<sup>th</sup>, where the first steps of the remedial removal work will be reported. Jim Cook asked if members of the veterans group had been invited, and Mr. Houlemard replied that all are invited to the workshop and said he would ask Stan Cook, FORA's ESCA Project Director, to attend the next veterans cemetery meeting scheduled for June 12<sup>th</sup> and issue a special invitation, since it is known that they are interested in knowing how and when the cemetery parcel will be cleaned.

**4. Public comment period - none**

**5. Approval of May 14, 2008 meeting minutes (Administrative Committee and Joint Administrative Committee/Water Wastewater Oversight Committee meetings)**

The members had no objections to the draft May 14, 2008 Administrative Committee meeting minutes and Chair Yount noted they were therefore accepted as presented. (The Joint Administrative Committee/Water Wastewater Oversight Committee meeting minutes were also approved without objection during the joint meeting.)

**6. Review draft June 13, 2008 FORA board agenda**

Executive Officer Houlemard provided comments about the following items on the draft board agenda: Item 5b (Preston Park budget): This budget is not usually brought to the FORA Board for approval, but some changes have been made by the new management company. Staff recommended that the Board be informed and have an opportunity to review them. Item 5c (FORA, East Garrison and County MOA re roadway obligations): A clarification. . .this MOA implements another component of another agreement, which may require further review by the Executive Committee. Item 6b (Veterans Cemetery): The next meeting of the veterans' group will be on June 12<sup>th</sup>, and the County will provide a PowerPoint presentation at the June 13<sup>th</sup> board meeting. Les Turnbeaugh suggested that the contributions by the jurisdictions and agencies be included in the board report. Item 6d (FORA FY 08-09 Preliminary Budget): The Finance Committee recommended some adjustments, including reducing by one-half the \$10 million projection for CFD fees for infrastructure in the CIP. Items 8c (Executive Officer's goals for fiscal year 2008-09) and 8d (Executive Officer's contract extension): These items have previously been discussed and placed on the Consent Agenda but it was decided to review them in open session this year. Item 9a (Resolution to George Blumenthal on his inauguration as chancellor): Since the inauguration was been scheduled for June 6<sup>th</sup>, the Executive Committee was asked to approve this resolution. The Board will receive a copy of the executed document.

**7. Old Business**

Item 7a – Multi-Modal Transit Corridor realignment – approve memorandum of agreement: Executive Officer Houlemard reported that Golden Gate University ("GGU"), one of the signatories, had sent FORA staff a marked-for-changes draft yesterday, so he recommended postponing any lengthy discussion today. Their attorney has requested tightening up some language, clarifying some text, and delineating the impacts of any further delays on the Habitat Conservation Plan. Mr. Houlemard said staff would schedule a meeting with the GGU representative and the other signatories to work out these issues before returning the document to the Administrative Committee for a recommendation to the Board. Mehul Mody reminded all that the CSU Board of Trustees must still approve the document, which probably means further delay. The members agreed not to take any action today and to continue the item to the next meeting.

Item 7b – Interim water use policy – recommendation to the Board regarding Resolution #08-02: Executive Officer Houlemard summarized the changes incorporated in the new draft. A motion by Les Turnbeaugh to approve the draft resolution was not seconded. **A motion was subsequently made by Ray Corpuz and seconded by Bill Reichmuth to send this draft to the Board for their approval. This motion passed by a seven to one vote with Dick Goblirsch dissenting.**

Item 7c – Environmental Services Cooperative Agreement (ESCA) Remediation Project – update: FORA ESCA Project Director Stan Cook summarized the report, which he distributed, noting that it covered two months of activities. Executive Officer Houlemard reported that the Governor’s Office has received the complete Covenant Deferral Request (“CDR”) and this document is expected to be out of the Governor’s office in the next couple of weeks. He added that the Governor has been invited to attend the Association of Defense Communities Annual Conference being held in Monterey in early August, where the completion of the CDR could be commemorated.

8. **New Business** - none

9. **Adjournment:** Co-Chair Yount adjourned the meeting at 8:54 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

# FORT ORD REUSE AUTHORITY BOARD REPORT

**Subject:** Finance Committee Report

**Meeting Date:** June 13, 2008

**Agenda Number:** 11b

**INFORMATION**

## **RECOMMENDATION:**

Receive a report from the Finance Committee meetings of April 28, 2008 and May 12, 2008.

## **BACKGROUND/DISCUSSION:**

The Finance Committee met on April 28, 2008 to discuss several items including the preliminary FY 08-09 budget and continued the meeting to May 12, 2008 for further budget deliberations. The Finance Committee unanimously decided to recommend FORA Board adoption of the preliminary FY 08-09 budget. Please refer to the attached minutes from each meeting for details.


## **FISCAL IMPACT:**

None

## **COORDINATION:**

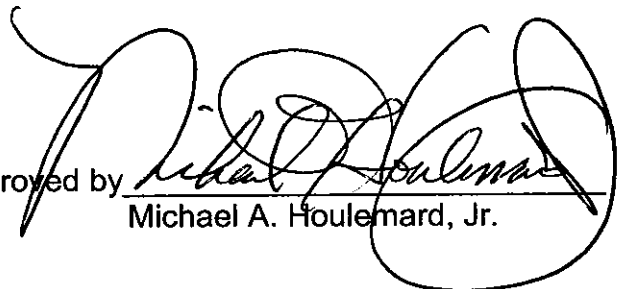
Finance Committee

Prepared by



Marcela Fridrich

Approved by



Michael A. Houlemard, Jr.



## Fort Ord Reuse Authority

100 12<sup>th</sup> Street, Building 2880, Marina, CA 93933  
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

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

# APPROVED

Present: Chair Sue McCloud, Members: Tom Mancini, Janet Barnes, Gary Wilmot, Graham Bice  
Staff: Michael Houlemard, Ivana Bednarik, Marcela Fridrich, Jim Arnold  
Guests: John Pira, First National Bank (FNB)

#### AGENDA

The Finance Committee (FC) discussed the following agenda items:

1. Roll Call: Quorum was achieved at 3:35 PM. Councilmember Barnes joined meeting in progress at 3:40 PM and Councilmember Mancini at 4:10 PM.
2. January 28, 2008 Minutes:  
Chair McCloud commented on a minor spelling mistake on page 1. Approved as corrected. (Motion Bice, Second Wilmot). Passed 3 – 0.
3. FORA Investments:  
FC Members received the cumulative interest table prepared by Ivana Bednarik prior to the meeting. Executive Officer Michael Houlemard introduced item summarizing earning changes since October 2003. Due to the stock market downturn in the last quarter of 2007 and the first quarter of 2008 earnings are negative. The Fort Ord Reuse Authority (FORA) investment policy calls for a special FC meeting if the investment does not exceed the benchmark provided by LAIF for two consecutive quarters. John Pira from FNB Investment Department handed out the historical performance chart of the FORA investment portfolio explaining gains/loses for each year invested. He noted there was/is no reduction to principal invested, and his earning prognosis for the next six months is optimistic. Chair McCloud asked about portfolio diversification and suggested keeping 20% to 25% of the portfolio allocated in mutual bond funds. Executive Officer Michael Houlemard concurred that this was appropriate if the FC were to so act. Motion Barnes, Second Bice. Approved 4 – 0.
4. FY 08-09 FORA Preliminary Budget:  
FC Members received the FY 08-09 all funds combined and itemized expenditures preliminary budget prepared by Ivana Bednarik prior to the meeting. Michael Houlemard introduced the item. He noted that FORA was not immune to national economic woes and the budget is reflecting the overall economic downturn, although FORA is maintaining a balanced budget. Ivana Bednarik described the major revenue and expenditure items phased for the FY 08-09. Member Bice reflected on the implication of the developer fee collection and completion of General Jim Moore (GJM) project. Chair McCloud asked for an alternative version which includes only certain revenue collected and options if collections are not realized. She made a recommendation for a special voting Board members retreat to discuss pertinent long term budget and future of FORA issues. Members Bice and Wilmot asked for an analysis to show the cost of delaying GJM construction. Michael Houlemard explained FC members the benefits of keeping project on schedule. The current construction bids are 20% to 30% lower than construction estimates; FORA already invested 3.2M in the ET/ESCA CCO #2; FORA retains continuity of construction personnel. FC members continued the meeting to May 12, 2008 for further deliberations.
5. FY 08/09 – 21/22 FORA Capital Improvement (CIP) Budget:  
FC Members received the CIP Budget as reviewed by the Administrative Committee prior to the meeting. Michael Houlemard briefly summarized major expenditure items in Table 3 including the contingency reserve. Jim Arnold commented on the list of FORA transportation obligations defined in Table 2. FC Members reviewed the development fee allocation over CIP horizon in Table 5. They concluded to continue the discussion on May 12 after receiving requested analysis already described under item 4.
6. Next Meeting Date: May 12, 2008.
7. Adjournment: The meeting adjourned at 5:10 PM.





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# DRAFT

### Finance Committee Meeting

Monday, May 12, 2008, at 4:00 pm

### Action Minutes

Present: Chair Sue McCloud, Members: Tom Mancini, Janet Barnes, Gary Wilmot  
Staff: Michael Houlemard, Ivana Bednarik, Marcela Fridrich, Steve Endsley  
Absent: Graham Bice (Excused)

## AGENDA

The Finance Committee (FC) discussed the following agenda items:

1. Roll Call:

Quorum was achieved at 4:00 PM. Councilmember Barnes joined meeting in progress at 4:15 PM.

2. April 28, 2008 Minutes:

Approved. (Motion Wilmot, Second Mancini). Passed 3 – 0.

3. FY 08-09 FORA Preliminary Budget:

This item is continued from the April 28, 2008 FC Meeting. FC Members received the FY 08-09 preliminary combined and itemized expenditures budget, salary/benefit adjustments sheet, Preston Park work sheet as prepared by Ivana Bednarik and the General Jim Moore (GJM) analysis prepared by FORA staff/Executive Officer Houlemard prior to the meeting. The FC asked for an alternative version of the budget with options if collections are not realized. Ivana Bednarik introduced the item explaining that absent collection of CFD funds or securing other revenue sources (Preston Park sale proceeds) the major CIP projects could not be funded. FC members noted that the projected timing of CFD collection is predicated on information received from land use jurisdictions. Based on the current economic situation and past experience with realizing jurisdictional projections FC members decided to include \$5 million (approx. 50%) of the projected CFD and 50% of projected Land Sale revenue as an input for these budget line items. They evaluated the GJM & Eucalyptus Road analysis and decided to recommend keeping project on schedule. Chair McCloud reflected on the ending balance in the ET/ESCA fund and suggested that only a prorated part of ESCA funds phased to cover the next FY expenditures be included in the preliminary budget; she also recommended providing detail on ESCA revenues and expenditures on a separate schedule. Member Wilmot suggested eliminating the beginning and ending fund balances lines on the operating budget page. FC members considered the Preston Park analysis as working info prepared for FC internal use only. They recognized the potential sale of FORA interest is an inevitable solution to address revenue issues which will require the Board action in the future. FC members reviewed the proposed salary & benefit adjustments. The following adjustments will be recommended by Executive Officer Michael Houlemard to the Executive Committee on June 4, 2008: 1) Increase of FORA contributions to the health premium, 2) 3% COLA increase, 3) Adjustment to Executive Officers' compensation. The fiscal impact for these adjustments is \$52,126. FC unanimously decided to recommend Executive Committee and FORA Board adoption of the preliminary FY 08-09 budget with the proposed CFD and Land sale revenue 50% fee reduction. Approved (Motion Barnes, Second Wilmot). Passed 4 – 0.

4. Next Meeting Date: The FC will meet next on October 27, 2008.

5. Adjournment: The meeting adjourned at 5.10 PM.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Executive Officer's goals for fiscal year 2008-09

**Meeting Date:** June 13, 2008

**Agenda Number:** 11c

**ACTION/ INFORMATION**

### RECOMMENDATION:

Approve the Executive Officer's goals for fiscal year 2008-09.

### BACKGROUND/ DISCUSSION:

The Executive Officer's performance is assessed by the Board each year based on his self-evaluation of accomplishing his general goals as set forth in the prior year. The Executive Committee reviews the self-evaluation of his meeting those goals and provides guidance as well as a recommendation to the FORA Board.

Executive Officer Houlemard presented the goals for fiscal year 2009-09 (**Attachment A**) to the Executive Committee at the June 4<sup>th</sup> meeting. The committee discussed the goals, approved them and recommended that they be presented to the Board for final approval.

**FISCAL IMPACT:** Reviewed by FORA Controller 

None

### COORDINATION:

Executive Committee

Prepared by   
Linda L. Stiehl

Approved by   
Michael A. Houlemard, Jr.



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## MEMORANDUM

DATE: May 30, 2008

TO: Mayor Joe Russell, Chair  
Mayor Ralph Rubio, First Vice Chair  
Supervisor Dave Potter, Second Vice Chair  
Mayor Ila Mettee-McCutchon, Immediate Past Chair  
Mayor David Pendergrass, Member at Large

FROM: Michael A. Houlemard, Jr., Executive Officer

RE: Executive Officer's Goals for Fiscal Year 2009

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The Fort Ord Reuse Authority Executive Committee and the Board of Directors have reviewed my self-evaluation of performance for Fiscal Year 2008, and concurred. This memorandum transmits the Executive Officer's Goals for FY 2009 to the Executive Committee, which is intended as the mechanism to measure my FY 2009 performance.

The goals are attached hereto, and reflect an assertive expectation of work in Base Reuse Planning, Habitat Conservation, Property Transfer, Water Augmentation, Munitions Remediation, and Jurisdictional Coordination for this coming year. It is consistent with the FY 2008 approved budget and Board direction and includes appropriate methods of measuring performance.

Please let me know if you have any questions.

# EXECUTIVE OFFICER'S GOALS FOR FY 08 – 09

The following list is provided as goals for the coming year that are both key to the success of the organization and a mechanism to measure my performance.

1. Sustain the Fort Ord Reuse Authority (FORA) munitions removal activities and related community outreach and engagement programs.

**Measured by:** a) coordination of removal programs with staff, consultants, US Army, US Environmental Protection Agency, CA Department of Toxic Substances Control, consultant team, special counsel, affected jurisdictions, and community members; b) consistent participation in users group, public safety, community input, and regulatory meetings; c) sustained munitions remediation outreach programs; d) regular newsletters and brochures describing the munitions removal programs; d) Regular reports to regulators and community related activities; and e) accessing local press/media.

2. Maintain FORA public and community information effectiveness through coordination with Board, consultants, jurisdictions and staff.

**Measured by:** a) Regular reports to the FORA Executive Committee of public information/relations related activities; b) consistent participation in community events; c) sustained outreach programs to service clubs and neighborhood associations; d) regular presentations to FORA members and other Monterey Bay agencies and organizations; and e) maintaining the working relationship with local press/media.

3. Maintain compliance with adopted Base Reuse Plan policies and Capital Improvement Program measures.

**Measured by:** a) overseeing/monitoring compliance and consistency recommendations presented to FORA for review (e.g. Highway 1 Design Guidelines, consistency submittals, environmental measures); b) supervision of key staff and consultants to perform technical background studies and plan preparation; and c) coordination with FORA members on scope, financial obligations, and timing of the planning work.

4. Secure recycled, reclaimed, or other water resources to augment existing supplies in order to meet Base Reuse Plan implementation needs and individual project demands.

**Measured by:** *a) continued progress toward securing a recycled, reclaimed, or other water source that meets the augmentation plan approved by the FORA Board (current FORA policy is conceptual support for proposed the Regional Plenary Oversight Group alternative to the Moss Landing Desalination Plant), b) advancing agreements between agencies that secure/deliver the water resources, and c) coordination with Marina Coast Water District, Monterey Regional Water Pollution Control Agency, Monterey Peninsula Water Management District, and Monterey County Water Resources Agency, and FORA member jurisdictions (among others).*

5. Represent FORA in Monterey Regional economic development and community development activities.

**Measured by:** *Continued progress implementing the individual projects under the Fort Ord Base Reuse Plan and evidence of connecting FORA reuse activities with regional marketing and development.*

6. Assure quality in all FORA administrative, personnel, and financial obligations.

**Measured by:** *Continued staff retention, effective communications and management, solid financial planning, resource conservation, cross-training programs, staff meetings and focused retreats, and record-keeping while maintaining the highest levels of employee satisfaction.*

7. Advance the Habitat Conservation Plan.

**Measured by:** *Formal issuance of the Habitat Conservation Plan during the coming fiscal year.*

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

<b>Subject:</b>	Association of Defense Communities 2009 Annual Conference – update
<b>Meeting Date:</b>	June 13, 2008
<b>Agenda Number:</b>	11d
<b>INFORMATION</b>	

### RECOMMENDATION:

Receive an update from the Executive Officer about the activities, speakers and events featured at the Association of Defense Communities 2009 Annual Conference.

### BACKGROUND/DISCUSSION:

For the past 30 years the Association of Defense Communities (“ADC”), formerly NAID, has been the nations’ leading membership organization supporting communities with active, closed and closing defense installations. With over 1,200 members and some 150 member companies comprising the core of this organization, ADC is the largest, most established marketplace for companies and organizations interesting in playing an active role in base redevelopment, military real estate, privatization initiatives, and community-military collaboration.

This year, from August 10-13, an estimated 600+ members will meet in Monterey, California, to participate in numerous educational sessions and hear leaders in government, base closure impacted communities, and the military, in addition to enjoying the beautiful Monterey Peninsula. Executive Officer Houlemard will provide an oral update on the conference details.

### FISCAL IMPACT:

Reviewed by FORA Controller 

Funds in the operating budget have been set aside to cover the discounted registration fee for the Executive Officer and any member of the Executive Committee to attend this conference. The 10% reduced rate is also available for any FORA Board member or staff member of a FORA member jurisdiction, when paid for either by the jurisdiction or the individual. FORA will not reimburse these fees.

### COORDINATION:

Executive Committee and ADC staff

Prepared by   
Linda L. Stiehl

Approved by   
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY

## Resolution of Commendation and Congratulations

### Dr. George R. Blumenthal

Announcements and Correspondence  
To Item 12a  
FORA Board Meeting, June 13, 2008

**IT IS HEREBY RESOLVED** by the members of the Fort Ord Reuse Authority Executive Committee that:

**WHEREAS**, Dr. George R. Blumenthal was appointed Acting Chancellor of the University of California Santa Cruz in July 2006, assuming leadership of the campus after more than 35 years of renowned academic achievement as a professor of astronomy and service as an extraordinary educational administrator; and

**WHEREAS**, the Regents of the University of California appointed Dr. Blumenthal as the tenth Chancellor of the Santa Cruz campus in September 2007; and

**WHEREAS**, to commemorate this appointment, Chancellor George Blumenthal will be formally inaugurated on June 6, 2008; and

**WHEREAS**, Chancellor Blumenthal has supported the Monterey Bay region as an advocate for educational collaboration, community partnerships, diversity, economic recovery and effective programs; and

**WHEREAS**, the Fort Ord Reuse Authority expects to enhance the mutually beneficial relationship with Chancellor Blumenthal and the Santa Cruz campus; and

**WHEREAS**, the Fort Ord Reuse Authority Executive Committee acknowledges and commends Chancellor George R. Blumenthal on his appointment.;

**NOW, THEREFORE, BE IT RESOLVED** that the Fort Ord Reuse Authority Executive Committee hereby expresses its sincere congratulations to Chancellor George R. Blumenthal; and

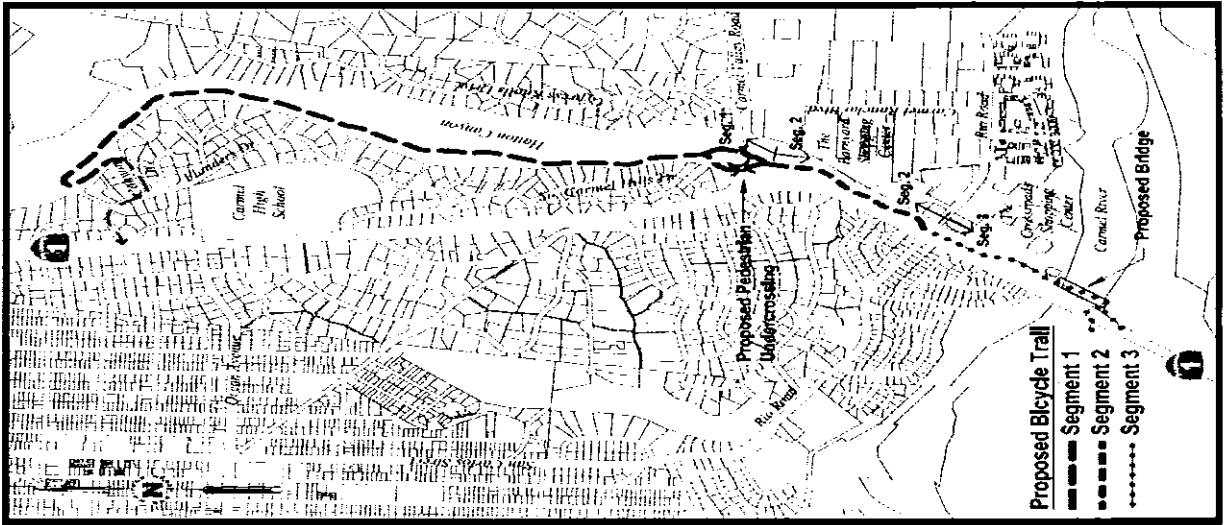
**BE IT FURTHER RESOLVED** that the Fort Ord Reuse Authority Executive Committee, on behalf of the Fort Ord Reuse Authority Board of Directors, extends its best wishes to Chancellor George R. Blumenthal on the occasion of his inauguration, as he continues his leadership at the University of California Santa Cruz campus and its service to the Monterey Bay region.

**PASSED AND ADOPTED** by the Fort Ord Reuse Authority Executive Committee on this 4<sup>th</sup> day of June 2008.

  
Mayor Joseph P. Russell, Chair

Resolution No. 08-05

# Carmel Hill & River Trail Project Map



# CARMEL HILL & RIVER TRAIL

- Bike and Walking Trail from Hatton Canyon to across the Carmel River
- New Carmel Valley Road underpass
- Construction expected to begin in late 2009

Sponsored by:

- Transportation Agency for Monterey County (TAMC)
- ◆ Big Sur Land Trust ◆ County of Monterey
- ◆ Monterey Peninsula Regional Parks District ◆ California State Parks ◆ Caltrans ◆ Coastal Conservancy

SEE INSIDE FOR MORE INFORMATION



55-B Plaza Circle  
Salinas, CA 93901-2902  
(831) 775-0003  
[www.tamcmonterey.org/program/bikeped/](http://www.tamcmonterey.org/program/bikeped/)



## Why is this project being done?

A partnership between California State Parks, the Monterey Regional Park District, the Big Sur Land Trust, Caltrans, and the Transportation Agency for Monterey County was created when a proposed plan for a freeway in the Hatton Canyon area was rejected.

The area is now planned for a bicycle and pedestrian trail that will extend from Canyon Drive in the north to near the existing Hwy 1 bridge in the south. This "Carmel Hill & River Corridor Trail" will connect with other existing and planned future trail and conservation areas, including trails on the Monterey Peninsula to the north, planned new trails toward Carmel Valley to the east, new trails to the Carmel River and Lagoon areas to the west, and the Palo Corona conservation area to the south.

## How long will it take?

Construction of the trail is expected to begin in late 2009, and anticipates work will begin after construction of the Hwy 1 climbing lane between Rio Road and Carmel Valley Road.

Construction of the first two segments for the trail should take about 5 months to complete.

## What is being done?

A new bike and walking path, 1.7 miles in length, will be constructed between Canyon Drive to the north and across the Carmel River to the south, and a Class III bike route will be designated from Canyon Drive to Highway 1.

The new trail will be 12 feet wide and paved. An additional 4-foot wide decomposed granite shoulder will be provided for those who prefer walking or running off-pavement. A lighted underpass will be installed under Carmel Valley Road. There are 3 segments in the length of the new bike and walking trail. Only Segments 1 and 2 are fully funded and will proceed at this time.

Segment 1 will run within Hatton Canyon to just south of Carmel Valley Road and will include the new underpass. Segment 2 will run parallel to Hwy 1 from Carmel Valley Road to the Rio Road street crossing. Segment 3 will run from Rio Road to the south side of the Carmel River via a bicycle-pedestrian bridge.

## How will this affect traffic?

Initially, there will be little or no traffic disruption. As construction proceeds, expect traffic delays from equipment and trucks in the area and as travelers look to see what is being done.

**When the underpass is being placed under Carmel Valley Road, there will be only 1 lane open in each direction for approximately one month.**

Once the underpass is installed, lanes will be reopened. This temporary constriction will also affect traffic flow on surrounding road areas, especially during peak commute hours.

## How much will it cost and how will it be funded?

The total cost for Segments 1 and 2 is estimated to be \$ 2.7 Million

**Funding includes contributions from:**

- California Department of Transportation (Caltrans)
- California State Parks
- Transportation Agency for Monterey County
- The Coastal Conservancy
- Big Sur Land Trust
- Monterey Peninsula Regional Park District



# NOTICE OF PRESCRIBED BURNS

The Army intends to conduct one or more prescribed burns at the former Fort Ord before January 31, 2009.

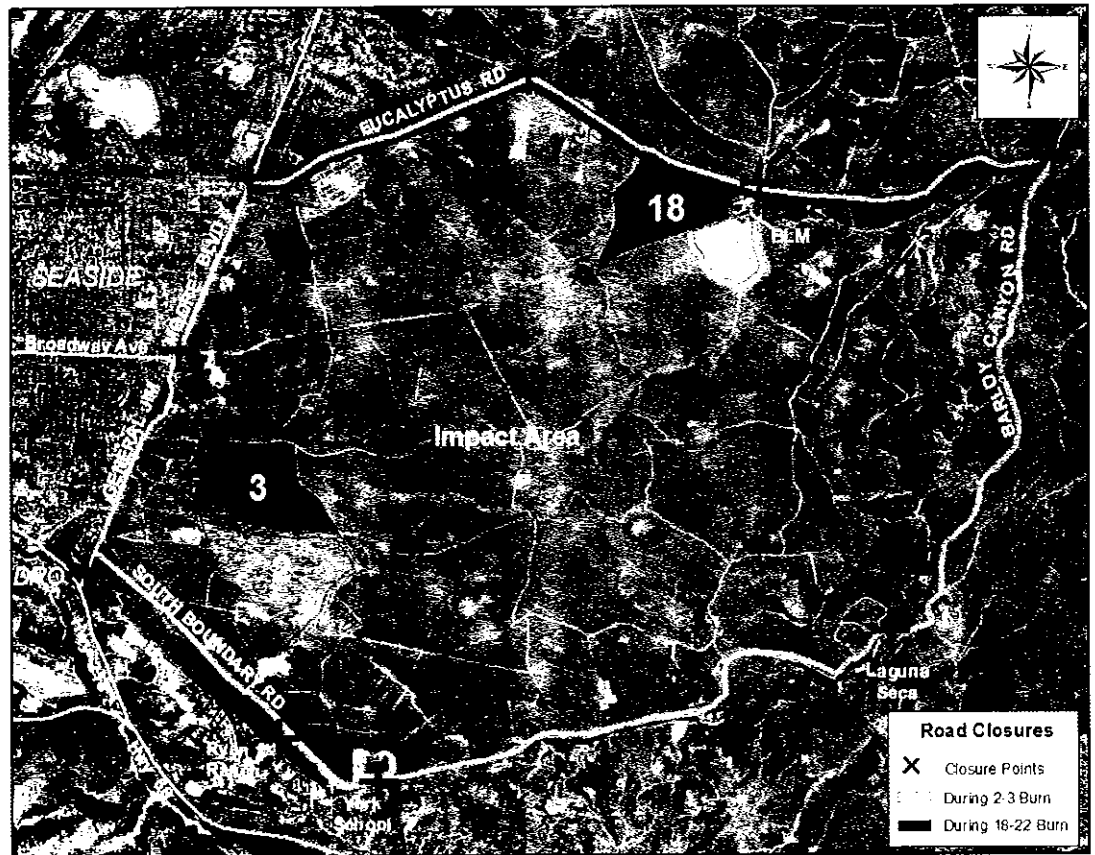
This year the Army is considering conducting one or more prescribed burns of 80-140 acres each in the Impact Area of the former Fort Ord in order to clear vegetation. This will allow safe removal of unexploded munitions and explosives left over from when the Army used Fort Ord to train soldiers. Prescribed burns will be conducted in these areas as soon as possible (field and weather permitting). The Army intends to conduct prescribed burns in these areas when conditions provide for best smoke management to minimize the impact to local communities. Ideal weather conditions include clear skies, warm temperatures (about 45° to 80°), and a few days without much wind (surface wind less than 9 miles an hour).

Last year, two areas (Units 2 and 3) located near Del Rey Oaks were prepared for a prescribed burn. Unfortunately, the proper weather conditions did not occur and those burns could not be conducted. Units 2 and 3 remain the

priority for this burn season; however, the weather conditions for these units are likely to occur only once or twice during the burn season. Therefore, two other areas (Units 18 and 22) located near the Bureau of Land Management (BLM) Headquarters have been selected as burn locations should the weather conditions required for these areas be

met during the 2008 burn season. The map shows the location of the burn units and roads that will be closed during burn operations.

**MRS-BLM Burn Units: 2, 3, 18 and 22**



The date for the burn will depend on optimum conditions. The Army will make an announcement when suitable prescribed burning conditions are considered imminent and an additional announcement when the prescribed burn is ignited. Direct notification will be provided by email or autodialer telephone for anyone who registers to receive such notification. Community members who want to be put on a list for direct notification should phone the Army at (800) 852-9699, or download an enrollment form at [www.FortOrdCleanup.com](http://www.FortOrdCleanup.com). All notification forms should be returned to the Army within 10 days of this notice. Please note the relocation program is no longer offered.

The ignition of each prescribed burn is planned to last just one day. The Army may also conduct a follow-on burn in an additional area if the weather conditions allow, although there may be one or more days between the prescribed burns.

**Fort Ord Prescribed Burn Notification Request (clip and send this coupon):**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Alternative Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Alternative email: \_\_\_\_\_

**Where to send notification request**

**Email:** [Melissa.Broadston@us.army.mil](mailto:Melissa.Broadston@us.army.mil)

**Fax:** 831-393-9188

**Mail:** Fort Ord Prescribed Burn Direct Notification Program

Fort Ord BRAC Field Office

P.O. Box 5008

Monterey, CA 93944-5008

**Need more information?**

Contact the Army at 242-7383 or toll free at 1-800-852-9699 or check the web site at [www.FortOrdCleanup.com](http://www.FortOrdCleanup.com).

Para obtener información en Espanol contacte 831-393-1284.