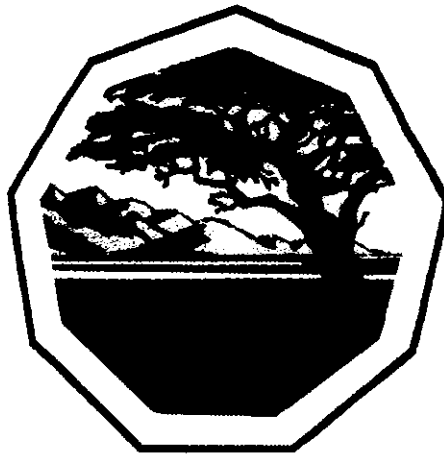


Fort Ord
Reuse Authority



Board Packet
For
Board Meeting
June 12, 2009



Fort Ord Reuse Authority

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

BOARD OF DIRECTORS MEETING

Friday, June 12, 2009

3:00 p.m. Open Session ~ 4:15 p.m. Closed Session

FORA Conference Facility/Bridge Center

201 13th Street, Building 2925, Marina (on the former Fort Ord)

AGENDA

1. **CALL TO ORDER AND ROLL CALL - 3:00 P.M.**
2. **PLEDGE OF ALLEGIANCE**
3. **ACKNOWLEDGEMENTS**
4. **LEGISLATIVE SESSION PRESENTATIONS** PRESENTATIONS
 - Congressman Sam Farr (17th Congressional District)
 - Senator Abel Maldonado (15th State Senate District)
 - Senator Jeff Denham (12th State Senate District)
 - Assemblymember Anna Caballero (28th State Assembly District)
 - Assemblymember Bill Morning (27th State Assembly District)
5. **ACKNOWLEDGEMENTS**
6. **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.
7. **CONSENT AGENDA** ACTION
 - a. May 8, 2009 board meeting minutes
 - b. Preston Park Budget for FY 2009-10
 - c. Authorization to apply for and accept grant funds from the Office of Economic Adjustment to support Veterans Cemetery Infrastructure Planning

8. OLD BUSINESS

- a. Refinance/consolidation loan with Rabobank ACTION
- b. FY 09-10 budget
 - i. FORA FY 09-10 Preliminary Budget ACTION
 - ii. Capital Improvement Program for FY 2009/10 through 2021/22 ACTION
- c. Fort Ord Reuse Authority's 2009 state priority legislation INFORMATION/ ACTION

9. NEW BUSINESS - none

10. EXECUTIVE OFFICER'S REPORT

- a. Administrative Committee report INFORMATION
- b. Legislative Committee report INFORMATION
- c. Finance Committee report INFORMATION
- d. Executive Officer's travel report INFORMATION
- e. Fort Ord Reuse Authority investments – status report INFORMATION
- f. Status update of outstanding receivables INFORMATION
- g. Habitat Conservation Plan approval process INFORMATION

11. ANNOUNCEMENTS AND CORRESPONDENCE

12. CLOSED SESSION AT TIME CERTAIN OF 4:15 P.M.

- a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov. Code §54957)
Position: Executive Officer

13. ADJOURNMENT

(Information about items on this agenda is available at the FORA office at 100 12th 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.)

FORT ORD REUSE AUTHORITY BOARD REPORT

LEGISLATIVE SESSION PRESENTATIONS

Subject: Legislative Session Presentations

Meeting Date: June 12, 2009

Agenda Number: 4

PRESENTATIONS

RECOMMENDATION:


Receive the 2009 legislative reports from Congressman Sam Farr, Senator Abel Maldonado, Senator Jeff Denham, Assemblymember Ann Caballero, and Assemblymember Bill Monning, or their representatives.

BACKGROUND/DISCUSSION:

For the past nine years, the Fort Ord Reuse Authority ("FORA") Board of Directors has calendared an annual Legislative Session to hear reports from its elected representatives in Washington, D.C., and Sacramento, California. This year these presentations have been scheduled for the June 12th board meeting.

Letters of invitation were sent to the five, above-mentioned legislators, requesting each to present his/her respective legislative agenda and share observations about the actions and political climate in their respective legislative bodies. In view of the current economic recession and the resulting challenges that have impacted not only Monterey County, but also the nation and the world, the comments of FORA's state and federal representatives will be much anticipated.

FISCAL IMPACT:

Reviewed by the FORA Controller 

Staff time to prepare this report is covered by the FY 2009 budget.

COORDINATION:

Executive and Legislative Committees; staff members from the offices of Congressman Sam Farr, Senators Abel Maldonado and Jeff Denham, and Assemblymembers Anna Caballero and Bill Monning.

Prepared by Linda L. Stiehl
Linda L. Stiehl

Approved by _____


Michael A. Houlemard, Jr.

California State Senate

SENATOR
ABEL MALDONADO
FIFTEENTH SENATE DISTRICT



2009 Legislation

SCA 4: Open Primary Elections

Allows for open primary elections in California. Currently, only people who are registered in a party may vote in that respective party's primary. Under an open primary system, the top two vote getters, regardless of party, would run against each other in the general election. Because this is a constitutional amendment, it must be approved by the people in an election. This bill will be presented for a vote in the June 2010 election and, if passed, would impact the June 2012 elections.

Status: Chaptered, will be presented to the public in the June 2010 election

SCA 7: Legislature Compensation

Recognizes the Legislature's requirement to pass a budget by the constitutional June 15 deadline. If Legislators fail to pass a budget by June 15, their salary and per diem money will be put into abeyance until August 1. If the budget is not passed by August 1, these moneys will disappear; and the Legislature will not be paid until the budget is passed.

Status: Pending a hearing in the Rules Committee

SCA 8: State Officer Salaries

Gives the Citizen's Compensation Commission the authority to freeze state officers' salaries during times of economic crisis or when the state is operating under a budget deficit. Prior to SCA 8, the Commission only had the authority to raise salaries.

Status: Chaptered

SB X3 20: Budget Act of 2009

Removed Controller John Chiang's \$1 million office furniture allocation from being in the 2009 budget.

Status: Chaptered

SB 5: Certified Bomb Technicians

Requests The Commission on Peace Officer Standards and Training to conduct a feasibility study regarding the classification of fire department based certified bomb technicians as peace officers under penal code section 830.37.

Status: Assembly Public Safety – Hearing set for June 16.

SB 6: Open Primary Elections

Provides for "voter-nominated" primary elections for each state elective office and congressional office in California. Voters may vote for any candidate, regardless of party preference or registration. The 2 candidates receiving the 2 highest vote totals

for each office at a primary election, regardless of party preference, would then compete for the office at the ensuing general election. Candidates would also be given the option of choosing whether or not to indicate his or her party preference on the ballot.

Status: Chaptered, will become effective upon the passage of SCA 4

SB 141: In Home Supportive Services

Requires IHSS time sheets to include a statement indicating that knowingly and willingly providing false information on the time sheet is punishable as an infraction.

Status: Assembly Human Services – Hearing set for June 30

SB 142: In Home Supportive Services

Requires the Department of Social Services to work with appropriate stakeholders in creating a method ensuring that IHSS providers are given a list of duties by a social worker.

Status: Assembly Human Services – Hearing set for June 30

SB 369: POW/MIA Flag

Requires the POW/MIA flag to be flown at all state buildings everyday, where physically feasible. Under current law, the POW/MIA flag is only flown on specified military holidays. This law will require it to be flown everyday, to serve as a reminder of the losses incurred by service men and women and their families.

Status: Assembly Veterans Affairs – Hearing set for June 16.

SB 490: Peace Officer Status – San Luis Obispo County

Allows custodial officers in San Luis Obispo and Colusa Counties to be deemed peace officers.

Status: Assembly Public Safety – Hearing set for June 16.

SB 492: Loitering – Registered Street Gangs

Makes it a misdemeanor for a registered gang member to be loitering around school grounds. Anyone in violation of this law could face up to a year in county jail and a \$1000 fine. This bill would also prohibit any gang member who is on probation from entering school grounds as a condition of probation.

Status: Assembly Public Safety – Hearing set for June 16.

Assembly Member Caballero 2009-10 Legislation

Agriculture: 3 bills

AB 494 (Farm Worker Housing)

Status: **Senate Local Government, to be heard on July 1**

Sponsor: CRLA

Staff Contact: JH/AC

This bill would allow for an exception under the Williamson Act that allows for change in zoning of a property in order to allow for farm worker housing to be built, while keeping the Agricultural integrity of the property.

AB 856 (Organic Fertilizers)

Status: **Senate Environmental Quality, and Senate Food & Agriculture**

Sponsor: CDFA

Staff Contact: AC

This bill would increase the enforcement and regulatory authority of CDFA toward manufacturers of organic fertilizers, including increased penalties and civil actions.

AB 557 (State Organic Program)

Status: **Senate Food & Agriculture, to be heard on July 7**

Sponsor: CCOF

Staff Contact: AC

This bill would add an organic certifier to the CA Organic Products Advisory Committee which advises the secretary of CDFA.

District: 3 bills

AB 344 (City of Soledad) Consent

Status: **Senate Transportation & Housing**

Sponsor: JEA

Staff Contact: CQ

This bill would give authority to the California Transportation Commission. In December 2007, the city passed a resolution authorizing negotiations between the City and Cal-Trans for the relinquishment of a portion of State Hwy 146. Those negotiations are near completion and will require legislation to give authority to approve/disapprove the transfer.

AB 644 (Monterey-Salinas Transit (MST))

Status: **Senate Transportation & Housing, to be heard on June 16**

Sponsor: JEA

Staff Contact: JH/WA

This bill would allow MST to convert from a Joint Powers Authority to a Transportation District. There are several precedents for this in Public Utilities Code, most notably in Yolo County.

AB 419 (Private Water Companies and JPA's)

Status: **Vehicle (Not moving forward)**

Sponsor: Cal Water Companies-Meg Catzen-Brown

Staff: WA

This bill would allow two specific instances where a private water company can be part of a JPA. Narrow the scope for the case of Monterey and San Jose Water Company.

Investing in California 4 bills

AB 878 (Public-Private Partnerships)

Status: **2 year bill**

Sponsor: Author

Staff Contact: WA

This bill would revise existing authority for local governments to use P 3's.
(Re-introduction of AB 1261).

AB 610 (Public-Private Partnerships)

Status: **2 year bill**

Sponsor: Author

Staff Contact: WA

This bill would require OPR to offer assistance/expertise to locals on use of P3 model.
(Re-introduction of AB 2278).

AB 765 (Income Tax Credit)

Status: **Senate Revenue & Taxation**

Sponsor: CBIA

Staff Contact: WA

This bill would extend the deadline for taxpayers to qualify for existing tax credit from the purchase of a new home from March 1, 2010 until December 1, 21010. It would also increase the credit available from \$100 million to \$300.

AB 829 (Sales tax on machinery and equipment)

Status: **Assembly Appropriations Committee -**

Sponsor: CMTA

Staff Contact: WA

This bill would exempt the state portion of the sales tax (5 cents) for purchases of machinery and equipment used in manufacturing and R&D, beginning with purchases made in 2010. (No exemption for local sales tax except as agreed by local authorities.)

Government Efficiency 5 bills

AB 715 (City ordinances) Katie working with the League on substantive language.

Status: **Senate Local Gov Committee, to be heard on June 17**

Sponsor: Author

Staff: KK

This bill would allow local governments to post ordinances on the web.

AB 405 (Design Build)

Status: 2 year bill/vehicle

Sponsor: Health Care District Association

Staff Contact: CQ

This bill would allow healthcare districts to utilize design build practices. Would expand on Wiggins SB 1699 to all healthcare districts in California.

AB 444 (Endowment funds)

Status: Senate Local Government

Sponsor: California Council of Land Trusts

Staff: CQ

This bill would permit local and state agencies to allow nonprofit land trusts and special districts to hold the funds (endowment) dedicated to the management of the mitigation lands/easements held by nonprofit land trusts and special districts.

AB 810 (Planning) Vehicle Bill

Status: Senate Local Government

Sponsor: Author

Staff: KK

This bill would change the circular element in general plan to trans. and circulation plan.

AB 720 (Redevelopment Low Mod)

Status: Senate Transportation and Housing

Sponsor: Author

Staff: KK

This bill would allow RDA's to use money from low/mod fund to rehab houses and let those units count toward RHNA.

Water: 2 bills

AB 1052 Topic: Bay-Delta Fish Stamp

Status: Senate Natural Resources

Staff: AC

This bill would direct the Dept. of Fish and Game to follow the recommendations provided by the State Auditor in his report in October 2008. It would also extend the sunset date for the stamp in order to continue the appropriation of the funds.

AB 300 (Water Conservation)

Status: Senate Local Government, to be heard on June 17

Sponsor: CBIA

Staff Contact: AC

This bill requires that, whenever a city or county considers a water supply assessment for a development project, as defined, it reduce the anticipated water demand for the project based on the water service provider's voluntary water demand management measures.

Resolutions

ACR 39 (El Dia del Nino/Children's Day Celebration) Consent

Status: Chapter 26, Statutes of 2009 [May 20]

Sponsor: Author

Staff: CQ

This resolution proclaims April 30, 2009 as "El Dia del Nino" or "Children's Day" celebration to honor our children. Requests that the State of California observe the day with appropriate ceremonies, which includes activities that focus on persuading children to express their aspirations and dreams in life and include all members of the family to promote greater communication and help develop confidence to become great leaders and members of society.

AJR 2 (Bracero Resolution)

Status: to Enrollment [passed the Senate on June 9]

Sponsor: Author

Staff: CQ

This measure would urge the US government to urge the Mexican government to extend the deadline for Mexican laborers, who worked in the US beginning in 1942 as part of a labor importation program initiated by the US to alleviate a labor shortage during WWII, to submit a claim to recover unpaid wages from a specified settlement fund. It would also urge the US government to urge the Mexican government to accept a variety of documents as proof of a valid claim.

AJR 20 (The federal Housing Opportunity and Mortgage Equity Act)

Status: Assembly Banking and Finance

Sponsor: Author

Staff: WA

This measure would urge the Congress to enact H.R. 230 to provide all homeowners, including those in California, the opportunity to refinance their current home loans with a lower interest rate and to assist qualified home buyers with mortgage financing.

STANDING COMMITTEES
AGRICULTURE
CHAIR
GOVERNMENTAL ORGANIZATION
VICE CHAIR
BANKING, FINANCE & INSURANCE
EDUCATION
VETERANS AFFAIRS
SUB COMMITTEE ON HIGHER EDUCATION

RULES COMMITTEE APPOINTMENTS
CALIFORNIA EMERGENCY COUNCIL
NATIONAL CONFERENCE OF
STATE LEGISLATURES
COUNCIL OF STATE GOVERNMENTS - WEST

SENATOR.DENHAM@SEN.CA.GOV
WWW.SEN.CA.GOV/DENHAM

California State Senate

SENATOR
JEFF DENHAM
TWELFTH SENATE DISTRICT



SELECT COMMITTEES
AIR QUALITY IN THE CENTRAL VALLEY
THE CALIFORNIA CORRECTIONAL SYSTEM
CALIFORNIA'S HORSE RACING INDUSTRY
CALIFORNIA'S WINE INDUSTRY
CENTRAL VALLEY ECONOMIC DEVELOPMENT
COASTAL PROTECTION AND
WATERSHED CONSERVATION
COLLEGE AND UNIVERSITY ADMISSIONS
AND OUTREACH
GLOBAL ENVIRONMENT
METHAMPHETAMINE ABUSE

JOINT COMMITTEE
FAIRS, ALLOCATION & CLASSIFICATION
CHAIR

SB 121

DIGEST: This bill extends the existing sunset on the Central Coast Rural Crime Prevention Program statutory provisions until either July 1, 2011, or July 1, 2013, as specified.

SB 132

DIGEST: This bill (1) requires the Medical Board of California to adopt regulations to establish qualifications for certified polysomnographic technologists, polysomnographic technicians, and polysomnographic trainees, and (2) authorizes persons who meet specified education, examination and certification requirements to use the title "certified polysomnographic technologist" and engage in the practice of polysomnography under the supervision and direction of a licensed physician and surgeon.

SB 644

DIGEST: This bill increases veteran's points on state service examinations for veterans without prior state service.

SB 645

DIGEST: This bill declares that nothing in California law prohibits the University of California, the California State University, or the California Community Colleges, from coordinating with the United States Armed Forces to establish training programs at military facilities.

SB 130

DIGEST: This bill, appropriates \$5 million from the State General Fund to the Superintendent of Public Instruction for apportionment as an emergency loan to the King City Joint Union High School District and transfers authority over the district from its board of trustees to the Superintendent of Public Instruction who is required to appoint an administrator for the district.

REPRESENTING MADERA, MERCED, MONTEREY, SAN BENITO AND STANISLAUS COUNTIES

STATE CAPITOL, ROOM 3076
SACRAMENTO, CA 95814
(916) 651-4012
(916) 445-0773 FAX

1231 8TH STREET, #175
MODESTO, CA 95354
(209) 577-6592
(209) 577-4963 FAX

369 MAIN STREET, #208
SALINAS, CA 93901
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(831) 769-8086 FAX

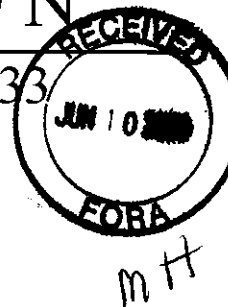
1640 N STREET, #210
MERCED, CA 95340
(209) 726-5495
(209) 726-5498 FAX

Central Coast Veterans

*with special services
for the community*

C E M E T E R Y F O U N D A T I O N

220 Twelfth Street (P.O. Box 849) Marina, CA 93933



June 10, 2009

BOARD OF DIRECTORS

Jan Parks, Chair
James Bogan
Charlie Eskridge
Bob Harrell
Howard Gustafson

The Honorable Ralph Rubio, Chair
and Members of the Fort Ord Reuse Authority Board of Directors
100 12th Street, Building 2880
Marina, CA 93933

Dear Honorable Chair Rubio and Board Members:

On behalf of the Central Coast Veterans Cemetery Foundation, many area veterans and their families, and the entire community that continues to benefit from those who have dedicated their lives and service to defend our country, this letter is to thank you for your continued efforts to establish a Veterans Cemetery at the former Fort Ord.

We specifically commend and appreciate your most recent action in developing a Memorandum of Understanding between the County, The Fort Ord Reuse Authority and the City of Seaside to move forward on disposition of land and to obtain the endowment funds that will allow the State to submit a grant to the Federal government for construction of the cemetery, and also allow preparation of final architectural design work for this project.

The Foundation is actively engaged in planning for and fund raising to establish the cemetery and ancillary services and is proud to partner with you in this effort.

Thank you again for your commitment and action.

Sincerely,

Jan Parks

Janet M. Parks, President



5

MINUTES
of the
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Fort Ord Reuse Authority Conference Facility/Bridge Center
June 12, 2009

APPROVED

1. CALL TO ORDER AND ROLL CALL AT 3:00 P.M.

Chair Ralph Rubio called the regular meeting of the Fort Ord Reuse Authority to order at 3:03 p.m. on Friday, June 12, 2009 and requested a roll call.

Voting members present:

Chair/Mayor Rubio (City of Seaside)	Supervisor Potter (County of Monterey)
Mayor McCloud (City of Carmel)	Mayor Russell (City of Del Rey Oaks)
Councilmember Gray (City of Marina)	Councilmember Oglesby (City of Seaside)
Councilmember Kampe (City of Pacific Grove)	Mayor Pendergrass (City of Sand City)
Jim Cook (alternate for Supervisor Calcagno)	

Arriving after the roll was called were 2nd Vice Chair/Councilmember Dave McCall (City of Marina), Supervisor Jane Parker (Monterey County), and Councilmember Janet Barnes (City of Salinas). Absent was Councilmember Nancy Selfridge (City of Monterey).

Ex-Officio members present:

An McDowell (27 th State Assembly District)	Jim Main (CSUMB)
Dr. Douglas Garrison (Monterey Peninsula College)	Debbie Hale (TAMC)
Pamela von Ness (U.S. Army)	Bill Collins (BRAC)
Kenneth Nishi (Marina Coast Water District)	

Arriving after the roll call were Alec Arago (17th Congressional District) and Graham Bice (UC Santa Cruz). Mike Gallant represented Monterey-Salinas Transit at the board table. Absent were representatives from the 15th State Senate District and Monterey Peninsula Unified School District.

With a quorum present Chair Rubio called the meeting to order.

2. PLEDGE OF ALLEGIANCE

Chair Rubio asked Councilmember Bill Kampe, who agreed, to lead the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS

Chair Rubio welcomed Seaside alternate Ian Oglesby and BRAC alternate Bill Collins. He also announced that the CSU Board of Trustees had approved and executed the Memorandum of Understanding ("MOU") with FORA regarding academic buildings and payment of deficit period costs and reported that CSUMB's first deficit mitigation payment in the amount of \$500,000 had been presented to FORA staff. Jim Main, the CSUMB representative, thanked those who had supported CSUMB's Master Plan and the MOU, including those who had traveled to the CSU Board of Trustees' meeting in Long Beach to voice their support of these documents and the

campus. He reported that a Notice of Determination had been filed with the California Secretary of State and no comments had been received to date. Executive Officer Houlemard reported that ESCA Change Order #2, which caused FORA to borrow \$3 million, had resulted in a \$300,000 return of unused funds, which FORA will use to reduce its indebtedness.

4. LEGISLATIVE SESSION PRESENTATIONS

(1) Chair Rubio introduced Bill Ritz, who was representing Senator Jeff Denham (12th State Senate District). Mr. Ritz stated that the senator's number one priority was the budget, which hopefully will be balanced and approved on/before June 30, 2009. He provided summaries of the senator's five bills that were still moving through the legislative process: SB 121 (rural crime prevention program extension), SB 132 (qualifications and certifications for sleep technicians and trainees), SB 644 (an increase of veterans' preference points on state service examinations), SB 645 (authorizing CA public higher institutions to establish training programs at military facilities), and SB 130 (\$5M emergency loan to King City Joint Union High School District and the temporary takeover by the Superintendent of Public Instruction). As chair of the Senate Veterans' Committee, Senator Denham has also co-authored SB 851 with Senator Cogdill, which creates the National Guard education assistance program.

(2) J. R. Della Rosa represented Assemblymember Anna Caballero (28th State Assembly District). Mr. Della Rosa distributed a handout of the assembly member's 2009-10 legislation, which he said were grouped in six categories: agriculture, district, investing in California, government efficiency, water bills and resolutions. He focused his presentation on the following bills: AB 494 (a zoning change to allow farm worker housing to be built on agricultural properties), AB 644 (converting Monterey-Salinas Transit from a Joint Powers Authority to a Transportation District, which would allow it to sell bonds), and AB 300 (a water conservation bill).

(3) An McDowell represented Assemblymember Bill Monning (27th State Assembly District). Ms. McDowell reported that none of Mr. Monning's legislation was truly germane to FORA, but she mentioned several bills, one establishing a beneficial partnership with Monterey Bay Aquarium, another related to mechanics liens, and a third providing teacher training in problem solving and conflict resolution. She said that the assembly member is serving on seven committees, including one of the budget committees. Noting the estimated \$25B budget deficit, she stated that Mr. Monning is committed to providing a safety net for the most vulnerable citizens. Supervisor Potter expressed concern about the proposed closure of the California State Parks, eighteen of which are located in Monterey County, which depends on the revenues generated by park visitors. He raised the possibility of the County, and possibly other jurisdictions, assuming operation of these parks. He urged creative, out-of-the-box thinking in order to keep the state parks open. Ms. McDowell responded by saying Mr. Monning was very aware of the negative impact such closures would have, particularly to the Monterey and Big Sur economies. Mayor McCloud concurred and commented that 60-70% of Carmel's budget is derived from tourism. Mr. Ritz said that Senator Denham had also received numerous calls and emails on the park closure issue and said "We are listening" and "your opinions are important at this time." Councilmember Barnes said she was adamantly opposed to any cuts to local governments. Chair/ Mayor Rubio urged the legislators not to compound the jurisdictions' fiscal problems by taking "our" funds and "creating a problem we can't get out of."

(4) Alec Arago represented Congressman Sam Farr (17th Congressional District). He said that Executive Officer Houlemard's recent testimony before a House subcommittee on the BRAC process had been instrumental in Mr. Farr's introducing language in HR 2295, a FY 2010 bill. Reforms related to designating no-cost Economic Development Conveyances as the primary land transfer process, extending military partnerships with the local communities for necessary

services, and requiring the Department of Defense to maintain adequate funding for bases already closed (legacy bases) are part of that bill. Mr. Arago said Congressman Farr is working on, or supporting, other FY 2010 legislation, including a \$3M water bill, which could provide funding for Marina Coast Water District to install a purple water pipe through former Fort Ord to the Monterey Peninsula, an Office of Economic Adjustment grant to provide funding for off-site infrastructure work to keep the Central Coast Veterans Cemetery moving forward, and the joint Veterans Administration/Department of Defense medical clinic. Mr. Farr is also working with Senator Feinstein on several bills, including a fix for Medicare reimbursement levels in Monterey County and other high cost counties, which have not been adjusted since the 1960's. Debbie Hale thanked Mr. Farr for his support of the \$1B transportation stimulus funding bill, which, if not passed, would take many jobs from the economy. Supervisor Potter said taking another look at some of the state initiatives where the impacts were not anticipated, e.g., the 2/3's requirement to pass budgets, bond measures, etc., should be a priority.

(5) Senator Abel Maldonado was not represented, however, his staff had sent a handout of his 2009 legislation, which was distributed.

5. ACKNOWLEDGEMENTS

John Arriaga, FORA's legislative representative in Sacramento, remarked that his contacts in the state legislative offices in Sacramento have been open and helpful in providing information on proposed bills and the status of the state budget. He emphasized that the legislators are listening to their constituents who send opinions about proposed budget cuts and their impacts on local and county governments. He said that "things are not happening in a vacuum." He noted that the Monterey County Legislative Committee encouraged a dialogue concerning the proposal to close, or place in caretaker status, all state parks that are not self-sufficient or do not receive local government financial support. He reported that the strong support to consider other options to keep the parks open resulted in the Conference Committee's decision to postpone voting on this issue. He said "things are very fluid in Sacramento now" but the State must have a balanced and approved budget by June 30th or face severe financial consequences.

6. PUBLIC COMMENT PERIOD

John Fischer from Pacific Grove made comments about the impact of the possible closure of Monterey County's state parks and focused on the huge loss of tourist dollars to the local economy. James Bogan, a member of the Central Coast Veterans Cemetery Foundation Board, read a letter from the Foundation President, Janet Parks, that expressed appreciation for the recent MOU between the County, FORA, and the City of Seaside to move forward with the disposition of land and securing endowment funds, which will allow the State to submit a grant to the federal government for construction of, and also preparation of final architectural design work, of the cemetery.

7. CONSENT AGENDA

There were three items on the Consent Agenda: Item 7a (May 8, 2009 board meeting minutes), Item 7b (Preston Park Budget for FY 2009-10), and Item 7c (Authorization to apply for and accept grant funds from the Office of Economic Adjustment to support Veterans Cemetery Infrastructure Planning). There were no board or public comments. **Motion to approve Items 7a, 7b and 7c was made by Mayor Russell, seconded by Supervisor Potter, and carried.**

It was 4:15 p.m., the time certain to adjourn to Closed Session. After discussion, a **motion to continue with the agenda items in their order on the agenda was made by Mayor McCloud, seconded by Supervisor Potter, and carried.**

8. OLD BUSINESS

Item 8a – Refinance/consolidation loan with Rabobank: Executive Officer Houlemard gave a brief PowerPoint presentation covering the purpose and uses of the Preston Park loan, the summary points of the loan, the next steps in the process, and the requested board action, which was a two-part recommendation to: (1) authorize the Executive Officer to execute financing documents with Rabobank, and (2) limit the borrowing amount to FORA's 50% share of the income from Preston Park. The final slide was Marina's recommendation that the FORA Board authorize the Executive Officer to submit the loan application, but not finalize the loan, and also continue to negotiate a buy-out of Preston Park by the City of Marina. Mr. Houlemard stated that the loan proceeds would provide the grant match for the \$6.426M grant to which FORA has been invited to submit an application to the Office of Economic Adjustment ("OEA"). If awarded, the funding will finance the extension of General Jim Moore Boulevard, one of FORA's basewide obligations. Mr. Houlemard also emphasized that FORA must have a letter of commitment from Rabobank and OEA must receive FORA's match commitment by June 24th. The loan, however, can fund after that date. He said the property appraisal is not expected for another three weeks and that will determine how a buy-out can be approached. Board members asked a number of clarifying questions and discussed Marina's issues at length.

Chair/Mayor Rubio suggested moving ahead with the loan initiation authorization now and recommended that an ad hoc subcommittee consisting of three FORA board members and two Marina representatives be formed to resolve Marina's remaining issues. He named Supervisor Potter, Councilmember Kampe, two Marina appointees and himself to serve on this committee. **A motion was made by Supervisor Potter and seconded by Mayor McCloud to approve setting up the ad hoc subcommittee consisting of the afore-mentioned members to address Marina's issues and to authorize formal application for the loan, moving ahead as quickly as possible. This motion was amended several times and the amendments to the final motion were as follows: (1) authorize the Executive Officer to extend FORA borrowing with Rabobank to secure matching funds to complete construction of the General Jim Moore Road Improvement Project; (2) limit borrowing to FORA's 50% of the net revenue from Preston Park; (3) form an ad hoc committee consisting of three FORA board members and two Marina council members, who will (4) complete their review of the proposed restructuring with unanimous consent within three days of receiving the letter offer from Rabobank, but no later than June 24, 2009; and (5) determine if FORA's actions would have a negative impact on the City of Marina's 50% interest in the Preston Park Housing Complex. There were no public comments and the motion carried.**

Item 8b – FY 09-10 budget

Item 8bi – FORA FY 09-10 Preliminary Budget: Executive Officer Houlemard gave a PowerPoint presentation, which showed a summary of the operating budget, major revenue sources, major expenditures/programs, salaries and benefits, and supplies/consultants for FY 2009-2010, along with the requested board action to approve this budget, which was recommended by FORA staff and the Finance Committee. There were no board or public comments. **A motion to approve the FORA fiscal year 2010 (FY 09-10) preliminary budget was made by Supervisor Potter, seconded by Mayor McCloud, and carried.**

Item 8bii – Capital Improvement Program for FY 2009/10: Executive Officer Houlemard reported that the Capital Improvement Program ("CIP") Committee and the Administrative Committee had recommended a ninety day extension of the approved 2008/09 CIP before approving the 2009/10 CIP, because further updates to the latter are still anticipated. There

were no board or public comments. **Motion to extend the currently adopted FY 2008/09 through 2021/22 Capital Improvement Program through September 2009 was made by Mayor Russell, seconded by Supervisor Parker, and carried.**

Item 8c – Fort Ord Reuse Authority's 2009 state priority legislation: Executive Officer Houlemard summarized the board report and the positions proposed by the Legislative Committee on the ten bills in the bill track report attached to the board report. Supervisor Parker asked a question about AB 726 before making a motion to (1) receive the informational report about the bills proposed during the 2009 state legislative session that could have impacts on the redevelopment of former Fort Ord and (2) approve FORA's positions on the proposed legislation, as recommended by the Legislative Committee and presented in the "Bill Track: Update as of 5/29/09" from JEA & Associates. The motion was seconded by Councilmember Kampe. There were no public comments, and the motion carried.

9. NEW BUSINESS - none

10. EXECUTIVE OFFICER'S REPORT

There were seven items in this report: Item 10a (Administrative Committee report), Item 10b (Legislative Committee report), Item 10c (Finance Committee report), Item 10d (Executive Officer's travel report), Item 10e (Fort Ord Reuse Authority investments), Item 10f (Status update of outstanding receivables), and Item 10g (Habitat Conservation Plan approval process). Executive Officer Houlemard highlighted several points in these items.

11. ANNOUNCEMENTS AND CORRESPONDENCE

Chair/Mayor Rubio called attention to Assemblymember Bill Monning's invitation to attend an Artist Reception and Open House from 6:30 – 7:30 p.m. this evening. Monterey County artist Erin Lee Gafill and her work are being featured.

Chair Rubio adjourned the meeting to Closed Session at 5:12 p.m.

12. CLOSED SESSION

Item 12a – PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov. Code §54957), Position: Executive Officer

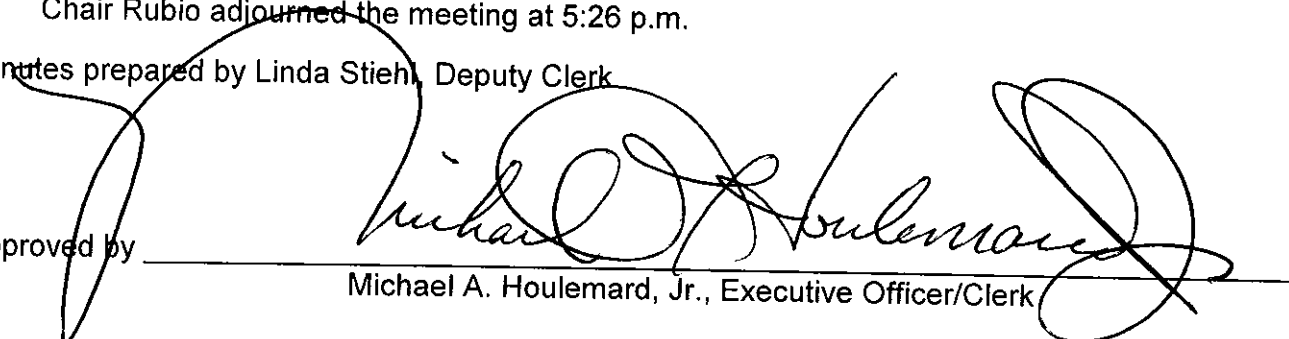
Authority Counsel Bowden reported out of Closed Session that the voting board members had accepted the Executive Officer's self-evaluation, approved his 2009-10 goals and recommended that both be presented to the full board.

13. ADJOURNMENT

Chair Rubio adjourned the meeting at 5:26 p.m.

Minutes prepared by Linda Stieh, Deputy Clerk

Approved by


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

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject: Preston Park Budget for FY 2009-10

Meeting Date: June 12, 2009

Agenda Number: 7b

ACTION

RECOMMENDATION(S):

Approve Fiscal Year (FY) 2009-10 Preston Park Housing Area Budget (**Attachment A**).

BACKGROUND/DISCUSSION:

The Fort Ord Reuse Authority (FORA) staff has reviewed and coordinated the budget with the City of Marina, and recommends FORA Board approval. The Marina City Council approved the budget on May 5, 2009. According to the existing Preston Park management contract, if FORA does not act on the budget by July 1, the budget is deemed approved.

The overall budget includes a modest rent increase tied to an adjusted cost index that was aimed at protecting existing tenants from the impact of increasing market rents. A significant percentage of the units continue to be provided at rents affordable to low and moderate-income families or through the federal Section 8 program. Also market rate units continue to be provided at rents somewhat below the existing market rate. Future move-in tenants will have the rents of their units adjusted upward by 4.7% based on an appropriate cost index.

FISCAL IMPACT:

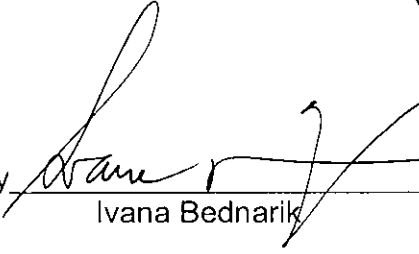
Reviewed by FORA Controller 

The Preston Park budget includes an increase in market rental rates and reduced payments to reserve accounts dedicated to capital improvements. Sufficient funds remain in the reserve accounts to cover anticipated projects. As a result, FORA distributions for FY 2009-10 will slightly increase and are noted in the preliminary budget (see item 8b (i)).

COORDINATION:

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

Prepared by


Ivana Bednarik

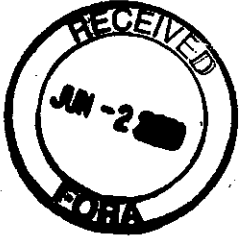
Approved by


Michael A. Houlemard, Jr.



Attachment A
To Item 7b
FORA Board Meeting, June 12, 2009

CITY OF MARINA
211 Hillcrest Avenue
Marina, CA 93933
831-884-1278; FAX 831-384-9148
www.ci.marina.ca.us

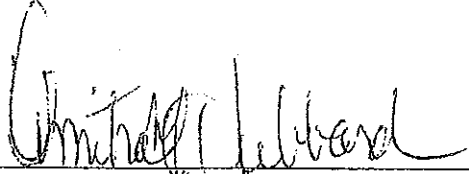


CERTIFICATE OF THE CITY CLERK

I, DIMITRA M. HUBBARD, DEPUTY CITY CLERK OF THE CITY OF MARINA, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of City Council Resolution **2009-63**, approving annual Preston Park Housing Area Budget for FY 2009-10, authorizing Finance Director to make appropriate accounting and budgetary entries and directing staff to prepare a policy relative to a formula for future annual rent adjustments, adopted by the City Council of the City of Marina at a regular meeting duly held on the 5TH day of May 2009 and that the original appears on record in the office of the City Clerk.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MARINA

Date: May 7, 2009


Dimitra M. Hubbard, Deputy City Clerk

RESOLUTION NO. 2009-63

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA
APPROVING ANNUAL PRESTON PARK HOUSING AREA BUDGET FOR FY 2009-10,
AUTHORIZING FINANCE DIRECTOR TO MAKE APPROPRIATE ACCOUNTING AND
BUDGETARY ENTRIES AND DIRECTING STAFF TO PREPARE A POLICY RELATIVE
TO FORMULA FOR A FUTURE ANNUAL RENT ADJUSTMENTS.

WHEREAS, the Alliance Residential Company is under contract as the management agent of Preston Park and they submitted a draft budget in February 2009, and;

WHEREAS, all Preston Park Housing Area tenants were invited to a meeting on Saturday, March 7, 2009 to review the draft budget and receive updates on additional topics, and also to a meeting on May 2, 2009, and;

WHEREAS, on April 1, 2009, Alliance Residential Company submitted a letter containing highlights of the proposed Preston Park FY 2009-10 Budget and recommendations for rent increase, accompanied by an updated proposed budget, 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 April 21, 2009 and May 5, 2009, the Marina City Council reviewed and considered the proposed budget, and;

WHEREAS, anticipated gross revenues for FY 2009-10 revenues will be approximately \$1,480,598 paid in monthly installments, which 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 does hereby:

1. Approve annual Preston Park Housing Area Budget for FY 2009-10 (Exhibit A);
2. Authorize Finance Director to make appropriate accounting and budgetary entries, and;
3. Direct staff to prepare a policy relative to a formula for future annual rent adjustments.


PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 5th day of May 2009, by the following vote:

AYES: COUNCIL MEMBERS: Ford, Gray, O'Connell, Delgado

NOES: COUNCIL MEMBERS: None


ABSENT: COUNCIL MEMBERS: McCall (Excused)

ABSTAIN: COUNCIL MEMBERS: None



Bruce C. Delgado, Mayor

ATTEST:



Dimitra M. Hubbard, Deputy City Clerk

**PRESTON PARK
2010 STANDARD BUDGET
CONSOLIDATION & SIGN-OFF**

2010 Budget	2,069	2,069	2,069	2,069
2009 Actual	2,069	2,069	2,069	2,069
2010 Variance	\$0	\$0	\$0	\$0
2009 Variance	\$0	\$0	\$0	\$0

Physical Occupancy 96.85 % 97.39 %
Economic Occupancy 95.75 % 95.87 %

Gross Market Potential	\$4,627,367	\$4,450,953	\$176,414	4.0%
Market Gain/Loss to Lease	(\$25,998)	(\$10,497)	(\$15,441)	-147.1%
Non-Revenue Apartments	(\$45,531)	(\$41,875)	(\$3,656)	-8.7%
Rental Concessions	\$0	\$0	\$0	0.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$145,651)	(\$156,304)	\$10,653	6.8%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Deficiency Recovery	\$0	\$15,511	(\$15,511)	-100.0%
Bad Debt Expense	(\$4,601)	(\$1,201)	(\$3,400)	-283.1%
Other Resident Income	\$28,510	\$30,742	(\$2,232)	-7.3%
Miscellaneous Income	\$513,588	\$488,101	\$25,487	5.2%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
TOTAL INCOME	\$4,947,723	\$4,775,430	\$172,293	3.6%
PAYROLL	\$457,511	\$551,806	-\$94,295	17.1%
LANDSCAPING	\$112,140	\$125,321	-\$13,181	10.6%
UTILITIES	\$115,920	\$80,844	(\$34,976)	48.3%
REDECORATING	\$62,071	\$85,004	-\$22,933	27.0%
MAINTENANCE	\$68,656	\$83,760	(\$14,895)	5.8%
MARKETING	\$10,940	\$7,405	(\$3,534)	47.7%
ADMINISTRATIVE	\$45,026	\$87,014	-\$41,988	48.3%
PROFESSIONAL SERVICES	\$214,562	\$119,129	(\$95,434)	80.1%
INSURANCE	\$168,888	\$280,823	-\$111,935	39.9%
AD-VALOREM TAXES	\$149,520	\$199,404	(\$10,116)	-7.3%
NON ROUTINE MAINTENANCE	\$4,989	\$69,116	-\$64,527	93.4%
TOTAL OPERATING EXP	\$1,429,723	\$1,629,525	-\$199,902	12.3%
NET OPERATING INCOME	\$3,518,000	\$3,145,805	\$372,194	11.8%
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$0	\$173,088	\$173,088	100.0%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$0	\$0	\$0	0.0%
NET INCOME	\$3,518,000	\$2,972,717	\$545,282	18.3%
CAPITAL EXPENDITURES	\$1,504,106	\$37,765	(\$1,466,321)	-3880.7%
MORTGAGE PRINCIPAL	\$0	\$0	\$0	0.0%
TAX ESCROW	\$0	\$0	\$0	0.0%
INSURANCE ESCROW	\$0	\$0	\$0	0.0%
REPLACEMENT RESERVE	\$333,284	\$663,254	\$299,990	47.4%
REPLACEMENT RESERVE REIMBURSE	(\$1,280,565)	\$0	\$1,280,566	100.0%
OWNER DISTRIBUTIONS	\$2,961,196	\$2,312,005	(\$649,191)	-28.1%
DEPRECIATION AND AMORTIZATION	\$0	\$0	\$0	0.0%
NET CASH FLOW	\$0	(\$10,327)	\$10,327	100.0%

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
2010 STANDARD BUDGET
DETAIL BUDGET**

Acct#	Description	2010												2009 Projected
		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	

INCOME															
RENTAL INCOME															
5102	Gross Market Potential	\$30,123	\$365,115	\$365,113	\$365,113	\$365,113	\$365,113	\$365,113	\$365,113	\$365,113	\$365,113	\$365,113	\$365,113	\$4,527,367	\$4,450,953
5103	Market Gain/Loss to Lease	(\$10,497)	(\$1,763)	(\$1,747)	(\$1,687)	(\$1,637)	(\$1,332)	(\$1,302)	(\$1,185)	(\$1,051)	(\$957)	(\$957)	(\$957)	(\$25,938)	(\$10,497)
	ACTUAL POTENTIAL RENT	\$365,626	\$363,350	\$363,366	\$363,426	\$363,479	\$363,781	\$364,811	\$364,928	\$365,062	\$365,162	\$365,162	\$365,162	\$4,501,429	\$4,440,456

5115	Non-Revenue Apartments	(\$3,753)	(\$3,756)	(\$3,756)	(\$3,756)	(\$3,756)	(\$3,756)	(\$3,756)	(\$3,756)	(\$3,756)	(\$3,756)	(\$3,756)	(\$3,756)	(\$45,531)	(\$41,875)
5120	Rental Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5125	Delinquent Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5130	Vacancy Loss	(\$15,119)	(\$15,357)	(\$12,066)	(\$12,066)	(\$9,872)	(\$10,969)	(\$9,872)	(\$10,969)	(\$12,066)	(\$15,357)	(\$15,357)	(\$15,357)	(\$145,651)	(\$156,304)
5135	Prepaid/Previous Paid Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5140	Other Months Rent/Delinquency Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,511	\$0
5145	Bad Debt Expense	(\$370)	(\$334)	(\$364)	(\$384)	(\$365)	(\$385)	(\$385)	(\$385)	(\$385)	(\$385)	(\$385)	(\$385)	(\$4,601)	(\$1,201)
	TOTAL RENTAL INCOME	\$350,385	\$354,791	\$358,118	\$368,178	\$369,374	\$370,521	\$369,584	\$370,725	\$369,559	\$368,813	\$365,622	\$365,622	\$4,405,645	\$4,256,587

	Physical Occupancy	95.02 %	95.02 %	95.45 %	95.88 %	97.02 %	97.30 %	97.30 %	97.30 %	97.30 %	97.30 %	97.02 %	96.45 %	96.85 %	97.39 %
	Economic Occupancy	94.79 %	94.92 %	95.77 %	95.77 %	95.05 %	96.55 %	96.06 %	96.36 %	96.06 %	96.06 %	95.78 %	94.93 %	95.75 %	95.87 %

OTHER RESIDENT INCOME															
5205	Laundry	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5210	Washer/Dryer Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5211	Washer/Dryer Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5215	Resident Fees	\$0	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$915
5220	Carport Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5221	Garage Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5225	Damages/Cleaning Fees	\$1,500	\$1,800	\$1,500	\$600	\$600	\$600	\$600	\$600	\$1,200	\$1,200	\$1,200	\$1,500	\$13,200	\$16,659
5230	Phone System Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5233	Phone System Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5235	Storage Income	\$0	\$0	\$250	\$0	\$0	\$0	\$0	\$0	\$250	\$0	\$0	\$0	\$250	\$225
5240	Termination Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5245	MTM Premium	\$400	\$440	\$520	\$280	\$320	\$280	\$320	\$280	\$320	\$320	\$320	\$250	\$4,160	\$4,190
5250	Application Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5255	Pet Fees	\$825	\$925	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$5,900	\$8,158
5260	NSF/Late Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5265	Resident Utility Bill Back Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5270	Alarm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5275	SMART Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5280	Transfer Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5285	Maid Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5290	Renovation Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL OTHER RESIDENT INCOME	\$2,725	\$3,065	\$3,095	\$1,705	\$1,465	\$2,245	\$2,685	\$1,745	\$2,005	\$2,345	\$2,655	\$2,345	\$28,510	\$30,742

MISCELLANEOUS INCOME															
5305	Miscellaneous Income	\$0	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$33,840
5310	Clubhouse Income	\$39,464	\$39,464	\$39,464	\$39,464	\$39,464	\$39,464	\$39,464	\$39,464	\$39,464	\$39,464	\$39,464	\$39,464	\$473,568	\$418,448
5315	Vending Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5325	Interest Income	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$38,000	\$36,313
5330	Cable Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5331	Cable Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$500)
5335	Collection Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5340	Bad Debt Income	\$0	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$0
	TOTAL MISCELLANEOUS INCOME	\$42,464	\$42,464	\$43,464	\$42,464	\$42,464	\$42,464	\$42,464	\$42,464	\$42,464	\$42,464	\$42,464	\$42,464	\$513,568	\$488,101

PRESTON PARK
2010 STANDARD BUDGET
DETAIL BUDGET



Acct #	Description	2010												Totals
		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	

CORPORATE APT INCOME																	
5405	Corp Apartment Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5406	Corp Apartment Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL CORPORATE APT INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

RETAIL INCOME																	
5505	Retail Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5506	Retail Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5507	Rental Revenue (Retail Only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL RETAIL INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL INCOME	\$395,574	\$410,320	\$414,677	\$412,347	\$416,330	\$414,733	\$414,935	\$415,128	\$414,874	\$413,622	\$411,941	\$4,947,723	\$4,775,430			

CONTROLLABLE OPERATIONS EXPENSES																	
PAYROLL																	
	Administrative Salaries	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579	\$11,579
	Maintenance Salaries	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981	\$12,981
	Bonus	\$4,850	\$190	\$290	\$4,755	\$50	\$75	\$4,815	\$75	\$50	\$4,815	\$75	\$50	\$4,815	\$75	\$50	\$4,815
	Payroll Taxes	\$3,797	\$3,441	\$2,853	\$2,206	\$2,073	\$2,427	\$2,064	\$2,062	\$3,430	\$2,005	\$1,969	\$35,311	\$20,089	\$32,167	\$36,111	\$35,311
	Payroll Benefits and Burden	\$6,394	\$6,087	\$5,093	\$7,741	\$6,174	\$6,186	\$6,508	\$6,195	\$6,193	\$7,773	\$6,195	\$6,193	\$77,731	\$85,267	\$85,267	\$77,731
	Non-Staff Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	New Hire Expense	\$140	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL PAYROLL	\$35,742	\$34,278	\$33,797	\$54,411	\$33,797	\$33,701	\$33,702	\$33,573	\$54,076	\$33,643	\$33,580	\$457,511	\$457,511	\$140	\$140	\$885
LANDSCAPING																	
	Landscaping Monthly Service	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595	\$8,595
	Landscaping Other	\$3,000	\$0	\$750	\$0	\$750	\$0	\$750	\$0	\$750	\$0	\$750	\$0	\$750	\$0	\$750	\$0
	Irrigation/Sprinkler Repairs	\$750	\$0	\$0	\$750	\$0	\$0	\$750	\$0	\$0	\$750	\$0	\$0	\$750	\$0	\$0	\$750
	TOTAL LANDSCAPING	\$12,345	\$8,595	\$9,345	\$9,345	\$9,345	\$9,345	\$9,345	\$9,345	\$9,345	\$9,345	\$9,345	\$9,345	\$9,345	\$9,345	\$9,345	\$9,345
UTILITIES																	
	Electric - Common Area	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050
	Electric - Vacant	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
	Gas - Common Area	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75
	Gas - Vacant	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
	Water	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600
	Sewer	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100	\$8,100
	Trash Removal	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
	Cable Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Utility Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL UTILITIES	\$15,385	\$7,485	\$15,385	\$7,385	\$10,185	\$2,085	\$10,085	\$2,185	\$15,385	\$2,185	\$15,385	\$7,385	\$15,385	\$2,185	\$7,385	\$15,385
REDECORATING																	
	Redecorating - General Cleaning	\$495	\$634	\$378	\$399	\$378	\$495	\$378	\$417	\$458	\$455	\$495	\$5,313	\$3,260	\$6,669	\$26,190	\$6,669
	Redecorating - Carpet/Tile	\$885	\$513	\$886	\$52	\$604	\$636	\$104	\$558	\$934	\$209	\$986	\$6,569	\$26,190	\$6,569	\$26,190	\$6,569
	Redecorating - Painting Supplies	\$403	\$483	\$403	\$61	\$161	\$403	\$242	\$442	\$322	\$403	\$322	\$403	\$3,544	\$13,856	\$3,544	\$13,856
	Redecorating - Painting Contract	\$950	\$0	\$950	\$0	\$950	\$0	\$950	\$0	\$950	\$0	\$950	\$7,600	\$8,486	\$7,600	\$8,486	
	Redecorating - Rehab	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213	\$3,213
	Redecorating - Drapes/Blinds	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325
	TOTAL REDECORATING	\$6,271	\$4,867	\$6,271	\$5,631	\$3,052	\$4,573	\$5,063	\$5,862	\$6,099	\$4,524	\$6,596	\$62,071	\$65,004	\$62,071	\$65,004	\$62,071
MAINTENANCE																	

**PRESTON PARK
2010 STANDARD BUDGET
DETAIL BUDGET**



Acct # _____ Description on _____ Jul-09 Aug-09 Sep-09 Oct-09 Nov-09 Dec-09 Jan-10 Feb-10 Mar-10 Apr-10 May-10 Jun-10 Total 2009 Projection

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Total	2009 Projection
ADMINISTRATIVE														
7620 Telephone	\$820	\$820	\$820	\$820	\$820	\$820	\$820	\$820	\$820	\$820	\$820	\$820	\$9,840	\$13,000
7621 Pagers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7622 Answering Service	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$900	\$2,061
7625 Office Supplies	\$400	\$150	\$254	\$150	\$150	\$254	\$150	\$150	\$254	\$150	\$150	\$254	\$2,465	\$5,775
7630 Office Equip/Furniture Rental	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$1,973	\$4,904
7635 Postage/Express Mail	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$260	\$3,126	\$5,845
7636 Printing	\$0	\$0	\$42	\$0	\$0	\$42	\$0	\$0	\$42	\$0	\$0	\$0	\$168	\$5,925
7640 Licenses & Subscriptions	\$400	\$200	\$0	\$200	\$600	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$1,600	\$1,182
7645 Courtesy Patrol	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7650 Training & Education	\$179	\$179	\$179	\$179	\$550	\$179	\$179	\$179	\$179	\$179	\$179	\$179	\$3,311	\$1,393
7655 Eviction/Legal Fees	\$0	\$0	\$750	\$0	\$0	\$750	\$0	\$0	\$750	\$0	\$0	\$0	\$2,250	\$1,328
7660 Credit Bureau Fees	\$167	\$155	\$251	\$84	\$84	\$84	\$112	\$112	\$84	\$140	\$112	\$84	\$1,562	\$5,257
7665 Bank Charges/Credit Card Fees	\$170	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,270	\$612
7670 Travel & Entertainment	\$100	\$100	\$50	\$2,700	\$50	\$100	\$100	\$100	\$100	\$50	\$100	\$100	\$5,546	\$5,845
7675 Administrative Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$691
7680 Charitable Contribution Exp.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7685 Administrative Uniforms	\$655	\$30	\$2,155	\$30	\$30	\$30	\$30	\$30	\$30	\$1,850	\$30	\$30	\$4,911	\$5,619
7690 Computer Expense	\$100	\$100	\$100	\$124	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$4,104	\$5,397
7695 Renters Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7696 Bad Debt Expense	\$0	\$0	\$500	\$0	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$20,360
TOTAL ADMINISTRATIVE	\$3,491	\$2,373	\$5,701	\$4,852	\$2,887	\$3,888	\$5,814	\$3,490	\$3,468	\$3,868	\$2,090	\$2,708	\$45,026	\$87,014
TOTAL CONTROLLABLE EXPENSES	\$93,133	\$63,289	\$82,152	\$86,333	\$65,517	\$63,359	\$76,324	\$58,745	\$77,217	\$87,068	\$69,486	\$69,132	\$892,164	\$1,021,155

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Total	2009 Projection
NON CONTROLLABLE EXPENSES														
PROFESSIONAL SERVICES														
8105 Management Fees	\$9,899	\$10,258	\$10,367	\$10,309	\$10,331	\$10,408	\$10,368	\$10,373	\$10,378	\$10,372	\$10,341	\$10,299	\$123,693	\$118,665
8107 Incentive Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8108 Asset Mgt Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8110 Accounting/Audit Fees	\$15,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,200	\$9,000
8115 Partnership Legal Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8120 Tax Consulting Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8125 Professional Services - Other	\$75,669	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,669	(\$6,757)
8130 Apt. Assoc. Dues & Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROFESSIONAL SERVICES	\$100,768	\$10,258	\$10,367	\$10,309	\$10,331	\$10,408	\$10,368	\$10,373	\$10,378	\$10,372	\$10,341	\$10,299	\$214,562	\$118,123

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Total	2009 Projection
INSURANCE														
8205 Property & Liability Insurance	\$13,735	\$13,735	\$13,735	\$13,735	\$13,735	\$13,735	\$13,735	\$13,735	\$13,735	\$13,735	\$13,735	\$13,735	\$164,814	\$274,589
8210 Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8215 Other Insurance	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$4,074	\$6,234
TOTAL INSURANCE	\$14,074	\$14,074	\$14,074	\$14,074	\$14,074	\$14,074	\$14,074	\$14,074	\$14,074	\$14,074	\$14,074	\$14,074	\$168,888	\$280,823

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Total	2009 Projection
AD-VALOREM TAXES														
8305 Real Estate Taxes	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$108,000	\$102,231
8310 Personal Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8315 Taxes Other	\$3,460	\$3,460	\$3,460	\$3,460	\$3,460	\$3,460	\$3,460	\$3,460	\$3,460	\$3,460	\$3,460	\$3,460	\$41,520	\$37,173
8320 Local/City Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AD-VALOREM TAXES	\$12,460	\$12,460	\$12,460	\$12,460	\$12,460	\$12,460	\$12,460	\$12,460	\$12,460	\$12,460	\$12,460	\$12,460	\$149,520	\$139,404

PRESTON PARK
2010 STANDARD BUDGET
DETAIL BUDGET



Acct #	Description	2010														
		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Total	2009 Projected	
NON ROUTINE MAINTENANCE																
8410	Buildings and Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,250
8415	Furniture & Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,615
8420	Paving & Landscaping	\$4,559	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,320
8425	Apartment Interiors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,332
8426	Flooring - Carpet	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,715
8427	Flooring - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,231
8430	Other Non-Routine	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,760
	TOTAL NON ROUTINE MAINTENANCE	\$4,559	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,559
	TOTAL NON CONTROL EXPENSES	\$131,881	\$36,792	\$36,901	\$36,843	\$36,865	\$36,942	\$36,902	\$36,907	\$36,912	\$36,806	\$36,875	\$36,833	\$36,833	\$57,559	\$608,470
	TOTAL OPERATING EXP	\$225,014	\$100,091	\$119,053	\$125,176	\$100,782	\$100,301	\$113,226	\$95,555	\$114,123	\$123,373	\$106,361	\$105,965	\$105,965	\$1,429,723	\$1,629,625
	NET OPERATING INCOME	\$170,560	\$310,229	\$285,624	\$287,171	\$312,461	\$315,029	\$301,507	\$319,282	\$300,999	\$290,900	\$307,261	\$305,976	\$305,976	\$3,518,000	\$3,145,805
DEBT SERVICE																
9005	Debt Service	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0
9011	Debt Service - Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9015	Other Lease Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9020	Other Lease Payments-Ins.Escrow	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0
	TOTAL DEBT SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEPRECIATION																
9109	Deprec - Land Leases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9110	Deprec - Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9115	Deprec - Furniture & Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9120	Deprec - Paving & Landscape	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,572
9125	Deprec - Apartment Interiors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9130	Deprec - Other Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL DEPRECIATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$169,416
	TOTAL DEPRECIATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$173,088
AMORTIZATION																
9210	Amortization Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9220	Amortization - Loan Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL AMORTIZATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PARTNERSHIP																
9405	Legal	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0
9415	Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9416	Supervisory Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9418	Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9420	Travel Partnership	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL PARTNERSHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	NET INCOME	\$170,560	\$310,229	\$285,624	\$287,171	\$312,461	\$315,029	\$301,507	\$319,282	\$300,999	\$290,900	\$307,261	\$305,976	\$305,976	\$3,518,000	\$2,972,717

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject:	Authorization to apply for and accept grant funds from the Office of Economic Adjustment to support Veterans Cemetery Infrastructure Planning	
Meeting Date:	June 12, 2009	ACTION
Agenda Number:	7c	

RECOMMENDATION(S):

1. Authorize the Fort Ord Reuse Authority ("FORA") Executive Officer to submit a grant application to the Office of Economic Adjustment ("OEA") for grant funds to support infrastructure analysis and design in the Central Coast Veterans Cemetery planning area, and
2. Authorize FORA staff to accept a grant award upon an offer from the OEA to fund the infrastructure planning effort.

BACKGROUND/DISCUSSION:

FORA has obtained several grants from the OEA in the past to support base reuse planning efforts. Recently, OEA staff informed FORA that grant funds may be available to support certain reuse planning efforts linked to Veteran's/Military programs. Since FORA, Monterey County, and the City of Seaside recently forged a Memorandum of Understanding ("MOU") to commit land resources to fund the Veterans Cemetery endowment and ensure infrastructure provision to the Veterans Cemetery in the future, obtaining OEA grant funds to support infrastructure planning would be an appropriate use of funds. The existing MOU sets a standard for amplifying the coordinating effort with the County of Monterey, City of Seaside, the U.S. Army, and others.

Staff is requesting authorization to submit a formal application for the grant funds. Also, staff is requesting Board authorization to accept the grant award, should it be offered by OEA.

FISCAL IMPACT:

Reviewed by FORA Controller 

The actual amount of the award will be predicated on the approved Scope of Work and will be included in the FORA Fiscal Year 09-10 mid-year budget if awarded.

COORDINATION:

Office of Economic Adjustment, County of Monterey, City of Seaside, Administrative Committee, Executive Committee.

Prepared by 
Steve Endsley

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Refinance/consolidation loan with Rabobank	
Meeting Date:	June 12, 2009	ACTION
Agenda Number:	8a	

RECOMMENDATION:

Authorize the Executive Officer to execute a loan with Rabobank using Fort Ord Reuse Authority's (FORA) share of Preston Park revenue to finance payments.

BACKGROUND:

At the April 3, 2009 meeting, FORA staff informed the Board of its intent to liquidate FORA's 50% ownership interest in Preston Park to secure funding to provide stimulus grant local matching funds and consolidate and retire existing debt. Preston Park project also owes development fees that are needed now for completing HCP and other base-wide obligations. A drastic reduction in redevelopment revenue and the importance to complete the construction of the General Jim Moore requires FORA to explore this refinancing/land sale option.

DISCUSSION:

As reported previously, FORA staff is pursuing grant funds through the Federal stimulus program via the Department of Commerce Economic Development Administration. The anticipated \$13.6MM grant award requires a 50% local match, approximately \$6.8MM. FORA staff expects to receive the invitation to submit a formal application during the week of June 8th, which will require a response by the end of June, including assurances that the local match requirement is secured and obligated. A loan secured against the Preston Park asset would satisfy the local match requirement.

The Finance Committee discussed the loan during the preliminary FY 09-10 budget deliberations and recommended obtaining interest rate bids from other banks and/or providing a justification for sole source of financing reflecting the fact that Rabobank will consolidate existing debt. The staff contacted several locally operating banks including the First National Bank and Wells Fargo Bank, Rabobank in this regard. Rabobank demonstrated to be the only lender capable of processing the loan in the amount and within the required time frame. For the reasons noted, staff is working with Rabobank to finalize the loan.

At its May 8, 2009 meeting, the Board directed the Executive Officer to pursue the loan and coordinate with the City of Marina for the City to either assume the loan at the future date or buy out FORA's interest in Preston Park. The Mayor of the City of Marina provided a letter outlining Marina's concerns and buy-out proposal (**Attachment A**). FORA staff have prepared a draft term sheet (**Attachment B**) detailing the preliminary deal points of the transaction. It will be brought back to the Board when finalized.

FISCAL IMPACT:

Positive. Loan proceeds will be used to retire existing debt and provide financing for certain required priority capital improvements to accommodate anticipated development projects as the economy recovers.

COORDINATION:

Finance Committee, Administrative Committee, Executive Committee, City of Marina, Rabobank

Prepared by

Ivana Bednarik

Approved by

Michael A. Houlemard, Jr.



Attachment A
To Item 8a
FORA Board Meeting, June 12, 2009

CITY OF MARINA
211 Hillcrest Avenue
Marina, CA 93933
831-884-1278; FAX 831-384-9148
www.ci.marina.ca.us



May 7, 2009

Mayor Ralph Rubio, Chair
Board of Directors
Fort Ord Reuse Authority

HAND-DELIVERED

Re: Marina Concern About and Objection to Proposed Loan Transaction
Regarding Preston Park

Dear Chair Rubio and FORA Board Members:

It has come to the attention of the City of Marina and the Marina Redevelopment Agency that the Fort Ord Reuse Authority is contemplating obtaining a loan to be secured by FORA's interest in the Preston Park property. While we wish to be supportive of FORA's efforts to obtain funding for anticipated capital needs, the City of Marina and the Marina Redevelopment Agency have concerns about this proposed transaction, potentially object to FORA obtaining such a loan and question whether FORA has the authority to obtain such a loan. This is what our research on this proposed funding has shown, and, therefore it requires further review and discussion between the City and FORA to better understand how FORA and the City's interests may be aligned relative to this financing.

FORA has those powers and duties specifically granted and imposed by the Fort Ord Reuse Authority Act (Government Code Section 67657). The Act gives FORA a variety of powers, but nowhere does the Act give FORA the authority to encumber property held by FORA.

Additionally, the Act specifically contemplates that FORA will sell or lease all property obtained by it within a reasonable time period of obtaining the property, thus making it clear that the intent of the Act is not for FORA to be a long term property owner but rather a conduit for the former base property. Specifically, Government Code Section 67678 provides that the FORA Board may retain property as long as the Board makes two findings; (1) that the retention of the property is necessary or convenient to carrying out the Authority's responsibilities and (2) that the retention of the property will not cause significant hardship to the city or county with jurisdiction over the property. FORA's proposal to encumber the Preston Park property with a deed of trust securing a loan, in the amount currently proposed to be in the range of \$22 million, will cause a significant hardship to the City of Marina. The Preston Park property is currently managed by Alliance Housing in accordance with an agreement with the City of Marina, acting

Mayor Ralph Rubio, FORA Chair
May 7, 2009
Page Two

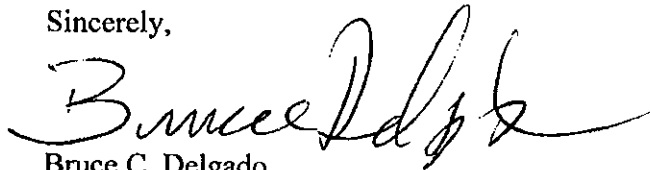
on behalf of the City and FORA. Under the terms of the Implementation Agreement, FORA and the City split the revenues from Preston Park equally. This revenue stream represents a significant source of annual revenue to the City of Marina. A deed of trust on the Preston Park property jeopardizes that revenue stream as well as the City's long-term goal of acquiring the property. Preston Park is currently a single parcel so any deed of trust will be recorded against the whole property. Should FORA default under the loan secured by the deed of trust, the entire property as well as the rents are at risk of foreclosure.

For the reasons stated above the City of Marina and the Marina Redevelopment Agency object to the proposed financing and the use of Preston Park as security for the financing as proposed by FORA.

Please be advised, however, that the City of Marina is currently exploring other financial arrangements with regards to the Preston Park property that we believe should assist FORA in achieving its financial goals in this matter.

Thank you for your courtesy and attention to this matter. We look forward to working with you and your staff and will keep you fully informed as we continue to explore these other options.

Sincerely,



Bruce C. Delgado
Mayor
City of Marina

cc: City Council, City of Marina
City Manager, City of Marina

**City of Marina and the Fort Ord Reuse Authority
Preston Park Loan/Buy-Out Term Sheet**

Attachment B
To Item 8a
FORA Board Meeting, June 12, 2009

Preliminary Statement of Proposed Deal Points

City of Marina ("Marina") and the Fort Ord Reuse Authority ("FORA") agree:

1. Marina consents to FORA's 5 year encumbrance of the Preston Park Housing Project to secure a loan from Rabobank. FORA may pledge as security for that loan up to 50% of Preston Park's net lease proceeds or other real property interest in Preston Park required by the lender to make loan payments or collateralize the loan.
2. FORA agrees to give Marina a two year option, ending June 30, 2011 to purchase FORA's 50% interest in Preston Park for 50% of its appraised value. That option must be exercised within two years. If Marina elects to exercise that option, it will:
 - a) Either assume FORA's Rabobank loan or obtain a purchase money loan to take out that Rabobank loan;
 - b) Pay FORA's principal and interest payments made on the Rabobank loan to the date of Marina's purchase;
 - c) Pay the FORA developer fee prescribed in the May 1, 2001 Implementation Agreement, Exhibit C- "Preston Sale".
3. Preston Park value to be established by a Rabobank appraisal, instructions are to be made by Rabobank loan manager/underwriter with supporting information provided by Marina and FORA. The resulting value will prevail as a fixed value throughout the loan transaction and over Marina's future acquisition of Preston Park.
4. The transaction contemplated by this term sheet will be done in two phases. These will be referred to as the "Phase I and Phase II Agreements."

Phase I. The first agreement will address the initial short term objectives described in this term sheet. Those objectives include:

 - The 5 year loan from Rabobank to FORA described in section 1 above.
 - Marina's ability to assume the loan;
 - Marina's assurance that pre-payment penalties will not be imposed upon assumption;
 - Protection of Marina's share of net cash flow from Preston Park, i.e. Marina's need to rely on its projected FY 2009 cash flow through June 2011. [FY 2009-10, 2010-11]; and
 - Securing Marina's interest in the property by a note and second deed of trust from FORA to Marina.

Phase II. The long term agreement will address the following topics:

 - Marina's option to buy out FORA's 50% interest in Preston Park as stated in section 2 above;
 - Developer fee established by prior agreement (deducting the payment associated with the Cypress Knolls developer reimbursement);
 - An amendment to the May 1, 2001 FORA-Marina Implementation Agreement, Exhibit D (Unique Situations-Preston Park); and
 - Dates for performance.
5. The parties must have executed the Phase II Agreement by June 30, 2011.



CITY OF MARINA
211 Hillcrest Avenue
Marina, CA 93933
831-884-1278; FAX 831-384-9148
www.ci.marina.ca.us

June 9, 2009

Kenneth Steen, Jr.
Vice President
Rabobank
301 Main Street
Salinas, CA 93901

Dear Mr. Steen, Jr.

I am writing on behalf of the City of Marina regarding a possible loan that Rabobank is considering to the Fort Ord Reuse Authority (FORA), to be secured by, among other things, a security interest in the property commonly known as Preston Park ("Property"). The City of Marina has been working with FORA to reach agreement on the terms of any financing that would be secured by the Property and fully expects that FORA and the City will reach a mutually satisfactory agreement. However, the City feels that it is important for Rabobank to fully understand the City's interest in the Property as well as the current revenue stream available to FORA for repayment of any debt in underwriting any potential loan.

I am enclosing a copy of the Implementation Agreement between FORA and the City. This Implementation Agreement is recorded against all of the former Fort Ord property located in Marina and sets forth the respective property rights of FORA and the City. Under the terms of the Implementation Agreement, although FORA owns the Property, FORA is obligated to transfer the Property to the City (See Section 4(b)). Additionally, if FORA leases any portion of the former Fort Ord property prior to transferring that property to the City, FORA is obligated to equally split the lease revenues with the City (See Section 4(d)). In accordance with the terms of the Implementation Agreement and pursuant to the terms of a management agreement, the City is currently managing the Property, including collecting all rents. In accordance with its agreement with FORA, the City distributes 50% of the net operating income from the Property after payment of expenses to FORA and retains the remaining 50%. The terms of the Implementation Agreement as well as FORA's and the City's current agreements regarding management of the Property, give the City an equitable interest in the Property that must be recognized in any financing that is secured by the Property. Additionally, no part of the City's revenue stream received from the Property can be at risk for any financing or pledged for purposes of repaying any financing. Any financing documents must also recognize the City's rights to acquire the Property.

Pursuant to a request by the City of Marina, Keyser Marston Associates, Inc. (KMA) has undertaken a preliminary evaluation of the leveraging capacity of Preston Park's net operating income. The purpose of the evaluation was to:

- 1) Estimate the magnitude of net refinance proceeds that could be raised from 50% of the property's net operating income (which accrues to FORA); and
- 2) Compare the magnitude of supported net proceeds to the \$20.65 million of net proceeds that FORA desires to raise in order to retire existing debt obligations and provide matching funds for an EDA grant.

It is my understanding KMA spoke with you to understand the bank's underwriting requirements. The bank's underwriting requirements appear to be reasonable and have been reflected in KMA's analysis. Below is KMA's analysis:

Summary of Findings

Net Operating Income

Based on the budget prepared by the property's manager (Alliance), it is estimated that Preston will generate approximately \$3.15 million of net operating income in FY 2009/10 (Table 1). This translates into approximately \$131,000 of monthly net operating income that would accrue to FORA and could be leveraged under the proposed refinancing. During our phone call with FORA and Ken Stein on June 1st, Ken Stein indicated that the bank is assuming (for preliminary underwriting purposes) that a monthly income of \$130,000 would be available to service FORA's debt on the property.

The \$130,000 to \$131,000 monthly income projection does not reflect a full realization of the rent restriction regulatory agreement that has been recorded on the property's title or a full levy of possessory interest taxes on the market rate units. The City, with FORA's consent, recently recorded a revised Regulatory Agreement on the Property that requires 20% of the units be deed restricted affordable units, so that it is consistent with the draft Housing Element and the adopted General Plan policies of the City. KMA has estimated the property's net operating income under the standards of the regulatory agreement and with full possessory interest taxes being levied against the market rate units. Under these assumptions, the property's annual net operating income in FY 2009/10 is estimated at \$2.89 million, which would yield approximately \$120,000 of monthly net income to FORA. It is KMA's opinion that the \$120,000 of net operating income represents a more reasonable assumption for the amount of income that will be available to support FORA debt.

Net Leveraging Capacity

KMA has estimated the magnitude of net loan proceeds that could be leveraged from FORA's one-half share of Preston's cash flow. For purposes of this analysis, leveraging capacity has been evaluated assuming a range of monthly income and underwriting criteria (which were provided by Ken Stein). The alternative assumptions that have been evaluated are as follows:

Available monthly net operating income	\$120,000 to \$130,000 per month
Debt service coverage factor	1.15 to 1.20
Interest Rate	6.5% to 7%

As shown on Table 2, using the bank's net operating assumption of \$130,000 per month, it is estimated that a total of \$16 million to \$17.5 million of net proceeds could be leveraged. Using KMA's estimate

of available net operating income, it is estimated that a total of \$14.7 million to \$16.2 million could be leveraged.

Comparison of Leveraging Capacity to FORA's Funding Needs

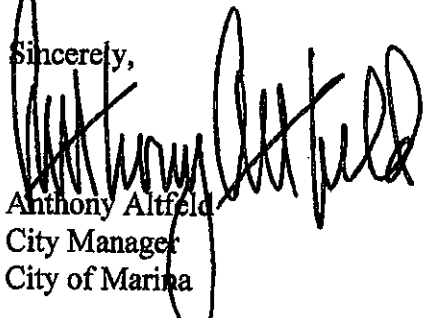
Based on information provided by FORA, it is our understanding that the property's existing debt obligations consist of: 1) \$11 million balance owed on a line of credit with Rabobank; and 2) \$2,853,250 owed on revenue bonds issued in 2002. These obligations will be retired with a portion of net loan proceeds. In addition, FORA would like to raise sufficient proceeds to fund \$6.8 million of matching funds for an EDA Grant. In total, FORA desires to raise approximately \$20.65 million of net loan proceeds from the subject refinance.

As shown on Table 2, KMA's analysis (using Rabobank's underwriting criteria) estimates that FORA's share of the cash flow will support between \$14.7 million and \$17.5 million of net proceeds. This amount of net proceeds falls short of the amount needed by FORA by approximately \$3.1 to \$5.9 million. FORA would need to secure these funds from sources other than loan proceeds supported by Preston Park. In order for Preston to generate the desired \$20.7 million of net loan proceeds, approximately \$153,000 of the property's monthly cash flow would have to be used to secure the loan. This amount clearly exceeds the 50% of the property's net operating income accruing to FORA.

As demonstrated by the information above, the City's consent to the financing, as well as approval of the security arrangements to the extent they involve the Property must be obtained prior to the closing of any loan. Additionally, any financing for greater than the amounts set forth above will place the City's interests at risk. The City will take all necessary steps to ensure that this does not occur. The City is willing to meet with Rabobank to discuss options for financing documents that protect the City's interest in the Property.

Thank you for your courtesy and attention to this matter.

Sincerely,



Anthony Altfeld
City Manager
City of Marina

Cc: Marina City Council
Mr. Michael Houlemard, Executive Officer, Fort Ord Reuse Authority
Board of Directors, Fort Ord Reuse Authority

Table 1
Income and Expenses
Preston Park
City of Marina

WORKING DRAFT
May 5, 2009

Affordable Unit Mix Reconfigured to 6% Very Low, 7% Low, 7% Moderate						2009-10 Inc.	2009-10	
I. Income		Units	2009	U.A.¹	Tenant Rent	W/ Proposed	Alliance	Difference
			Had. Exp.			Deed Resins.	Budget w/	
							3.3% Increase	
2BR	50%	11	\$757	(\$101)	\$856	\$88,892		
2BR	60%	12	\$908	(\$101)	\$807	\$118,208		
2BR	110%	13	\$1,685	(\$101)	\$1,106 (\$50 less than mkt)	\$172,598		
3BR	80%	10	\$841	(\$110)	\$731	\$87,720		
3BR	60%	13	\$1,010	(\$110)	\$900	\$140,400		
3BR	110%	12	\$1,851	(\$110)	\$1,420 (\$50 less than mkt)	\$204,480		
Subtotal		71			\$948	\$807,998		
2 BR	Market ²	191			\$1,166	\$2,850,461		
3 BR	Market ²	90			\$1,470	\$1,587,600		
Subtotal		281			\$1,257	\$4,238,061		
Total		352			\$1,195	\$5,046,059		\$4,578,997
Section 8 Income³								
Other Resident Income					\$81	\$28,510	\$28,510	
Miscellaneous Income					\$114	\$40,000	\$40,000	
(Less) Non-Revenue Units						(\$45,156)	(\$45,156)	
(Less) Loss to Leases/Bad Debt Expenses						(\$14,467)	(\$14,467)	
(Less) Vacancy					3.15% of scheduled gross rental income, ex. Section 8 income	(\$158,884)	(\$144,178)	
Effective Gross Income						\$4,888,061	\$4,917,274	
Adjustments								
July Adjustment: Increase Occurs in August 09 Instead of July 09 ⁶								(\$8,445)
II. Operating Expenses								
					PUPY			
Payroll					\$1,300	\$457,511	\$457,511	
Landscaping					\$319	\$112,140	\$112,140	
Utilities					\$329	\$118,820	\$118,820	
Redecorating					\$176	\$62,071	\$62,071	
Maintenance					\$252	\$88,856	\$88,856	
Marketing					\$31	\$10,940	\$10,940	
Administrative					\$128	\$45,026	\$45,026	
Professional Services, including management fees ⁴					\$607	\$213,667	\$213,667	
Insurance					\$480	\$168,888	\$168,888	
Property Taxes					\$307	\$108,000	\$108,000	
Other Taxes					\$118	\$41,520	\$41,520	
Non-Routine Maintenance					\$13	\$4,589	\$4,589	
Subtotal before Reserves					\$4,069	\$1,428,848	\$1,428,848	
Replacement Reserves					\$947	\$333,264	\$333,264	
Total with Reserves					\$5,006	\$1,762,112	\$1,762,112	
Adjustments								
Eliminate Non-Routine Maintenance						(\$4,589)		
Additional Property Taxes ⁵						\$252,758		
III. Net Operating Income						\$2,886,000	\$3,147,000	(\$261,000)
FORA's Share of Monthly NOI (50%)						\$120,000	\$131,000	

- Utility Allowance assumes gas heat, gas cooking, other electric, gas water heating, water, sewer and trash.
- Market rents at Preston from Alliance Residential.
- Portion of market rate units may receive Section 8 vouchers.
- Includes management fee for capital improvements. May need to be reduced to reflect stabilized condition.
- Estimated based on value of market rate units. KMA estimates the net operating income generated by the market rate units, capitalized the NOI at 6.50%, and estimated property taxes at 1% of value.
- Alliance budget reflects rent increase occurring in July 2009. KMA adjusted to reflect increases in August 2009. Based on Alliance budget.

Source: Final Alliance Budget sent May 4, 2009, Revised Alliance Draft 2009-10 Budget sent April 25, 2009, City of Marina, Physical Needs Assessment, KMA.

Prepared by Keyser Marston Associates, Inc.

Filename: \\sf-fs1\Employee\dkem\marina\preston and abrams\sales\preston 08\2009 Estimated Valuation 5-5-09.xls; 2009 NOI w revised aff; 6/5/2009; hgr

Table 2
Leveraging Capacity of FORA's share of Preston NOI
Preston Park
Marina, CA

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
	NOI Assumed by Bank - June 1 phone call	KMA Estimate of Available NOI	#1 + favorable underwriting	#2 + favorable underwriting	Required to Support \$20.7 million of net proceeds
Monthly NOI Assumption:					
FORA Share ¹	\$130,000	\$120,000	\$130,000	\$120,000	\$153,200
Debt Service Coverage ²	1.2	1.2	1.15	1.15	1.15
Interest Rate ³	7.0%	7.0%	6.5%	6.5%	6.5%
Loan Term	30	30	30	30	30
Estimated Gross Proceeds	\$16,283,000	\$15,031,000	\$17,885,000	\$16,509,000	\$21,076,000
Financing Costs ⁴	2%	2%	2%	2%	2%
Net Loan Proceeds	\$15,957,000	\$14,730,000	\$17,527,000	\$16,179,000	\$20,654,000
FORA Needs ⁵					
Retire line of credit	\$11,000,000	\$11,000,000	\$11,000,000	\$11,000,000	\$11,000,000
Retire 2002 revenue bonds	\$2,853,250	\$2,853,250	\$2,853,250	\$2,853,250	\$2,853,250
EDA Grant matching funds	\$6,800,000	\$6,800,000	\$6,800,000	\$6,800,000	\$6,800,000
Total Needs	\$20,653,250	\$20,653,250	\$20,653,250	\$20,653,250	\$20,653,250
Shortfall	-\$4,696,000	-\$5,923,000	-\$3,126,000	-\$4,474,000	\$1,000

¹ Rabobank's preliminary estimate of available net operating income to support the refinancing is \$130,000 per month. KMA estimates available net operating income at \$120,000 per month.

² Provided by Rabobank.

³ Provided by Rabobank.

⁴ KMA estimate.

⁵ Provided by FORA.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: FORA FY 09-10 Preliminary Budget

Meeting Date: June 12, 2009

Agenda Number: 8b (i)

ACTION

RECOMMENDATION:

Approve the Fort Ord Reuse Authority (FORA) fiscal year 2010 (FY 09-10) preliminary budget.

BACKGROUND:

Last year, FORA staff, in coordination with the Finance Committee (FC), modified the budget format to combine 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 federal ESCA funding (phased to cover the upcoming year's expenditures) rather than the entire funding already received by FORA that pre-pays all expenditures through the completion of ESCA project and would depict a substantial beginning balance in the preliminary budget. This would misrepresent the picture of FORA finances, as ESCA funding is a strictly project specific and can not be used for any other purpose; interest earned on these funds must be returned to the Army. The budget chart also includes the current FY budget for comparison purposes.

DISCUSSION:

Attachments 1 - 4 illustrate the FC recommended preliminary budget for FY 09-10; **Attachment 1** depicts the overall FY 09-10 preliminary budget; **Attachment 2** provides detail on ESCA budget; **Attachment 3** itemizes the proposed Preston Park financing, and **Attachment 4** itemizes expenditures.

Redevelopment slowdown: The national and state economic downturn/recession of the last three fiscal years has significantly slowed Fort Ord redevelopment resulting in delayed FORA collection of redevelopment fees, land sales, and property taxes. These revenues have slowed to a point where capital projects are at a standstill.

FORA proposes liquidating its 50% share in Preston Park asset to provide dollars to continue the construction of the priority transportation projects and to facilitate a local matching funds to federal grant funding thru the Economic Development Administration (EDA). As authorized by the Board in May 2009, FORA submitted a grant pre-application in the amount of \$13.6 million to the EDA to complete General Jim Moore improvements; the award requires a 50% local match which amounts to \$6.8 million.

In a further effort to balance the budget, FORA continues to reduce expenses and improve operation efficiencies while at the same time maintaining its capital program and other services.

The following summarizes the preliminary budget figures for FY 09-10 (Attachment 1):

REVENUES

LOCAL REVENUES

- **\$261,000 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 09-10 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.

- **\$727,634 Pollution Legal Liability (PLL) Insurance payments**

In December 2004, FORA secured a \$100 million PLL insurance policy financed by a \$6 million, 7-year loan to pay the premium. Each participating FORA member repays FORA for their respective portion of the insurance premium, financing loan payments and FORA administrative cost over the seven-year term. In August 2008, FORA Board approved a payment plan for the City of Del Rey Oaks developer who has had difficulty making payments in the FY 08-09. The preliminary budget anticipates this trend to continue, therefore, FORA's own resources are earmarked for this obligation. Receiving the developer payments or selling the PLL coverage to another developer/agency would release those earmarked FORA funds.

- **\$17,000 Development Fees**

Collections are anticipated from several small active and projected projects. Current forecasts by FORA jurisdictions reflect the economic downturn and housing market conditions. More optimistic projections are reported for upcoming years beginning in FY 2011.

- **\$1,216,000 Land Sale Proceeds**

Collections anticipated from several small projects and projected land sale to Salinas Valley Memorial Hospital. Jurisdictional long-term projections do not anticipate significant land sale revenue until FY 2012.

- **\$1,558,000 Lease/Rental Payments**

This amount consists of \$1,476,000 in FORA's share of lease revenue from Preston Park housing project and \$82,000 from rentals of FORA compound and other facilities. 100% of FORA's share of Preston Park lease revenue will be dedicated to the Preston loan debt service.

- **\$1,200,000 Tax Increment**

A reduction in tax increment (TI) payments is expected due to anticipated valuation adjustments and/or potential state's borrowing of local property tax revenue. TI revenue is used to offset capital costs.

- **\$500,000 Deficit Period payment from California State University Monterey Bay**
Payment from CSU to repay \$2,326,795 deficit period mitigation costs. FORA received the first \$500,000 payment in May 2009 and will receive another payment in August 2009 (and each August thereafter until the debt is paid off).

- **\$0 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 stopped in fall of 2008. FORA staff is working with County staff to bring a formal recommendation to the FORA Board concerning this obligation. It is unclear what joint County/FORA actions will be necessary to bring these outstanding payments current.

- **\$75,000 from Investment Income**

Budgeted income from FORA investments pursuant to investment policy revised in February 2009. Despite cash flow fluctuations, the projected revenues reflect interest earnings in the FY 09-10 on invested fund balances due fund reinvestments.

FEDERAL FUNDING

- **\$974,397* Environmental Services Cooperative Agreement (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. FORA received \$97.7 million in four installments, the final payment was collected in December 2008; the US Army received \$1.6 million credit for paying ahead of schedule. The December 2008 payment pre-paid all ESCA management related services and expenditures through the 2014 project completion; *the preliminary budget includes a portion of the grant balance (unspent balance) phased for the FY 09-10.

ANTICIPATED

- **\$6,800,000 in federal funding from EDA**

In May 2009, the FORA Board authorized staff to submit a pre-application of \$13.6 million to the EDA for General Jim Moore improvements. FORA staff anticipates the invitation to submit a formal application during the week of June 8th. The available grant funds are limited, by federal stimulus package guidelines, to projects already designed, environmentally assessed and ready for construction. The grant award requires a local match of 50% which amounts to \$6.8 million. Staff is working with the City of Marina and Rabobank to secure a loan against FORA's share of the Preston Park value. (See item 8a and Attachment 3)

- **Federal funding from the Office of Economic Adjustment (OEA)**

FORA staff is preparing a grant application to OEA for a grant to support Veterans Cemetery planning. The amount is unknown at this time. Should FORA receive the award, it will be included in the mid-year budget revision.

EXPENDITURES

- **\$1,792,062 Salaries and Benefits** (Attachment 4)

As a result of project slow downs and/or deferrals the preliminary budget maintains FORA staffing at last year's reduced level; anticipated increase in medical premium is offset by savings in retirement program cost. The budget proposes salary freeze for all staff and does not include cost of living adjustment. This expense category may be revisited during the mid-year budget review to see if any adjustments are required due to changed economic circumstances.

- **\$306,250 Supplies and Services** (Attachment 4)

This expense category is budgeted at the previous fiscal year reduced level. 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 liability insurance, on the other hand, is budgeted at a higher amount to reflect the expected increased construction activity along the General Jim Moore Boulevard. The budget provides for a possible copy machine replacement and routine computer upgrades. In addition to these recurring expenditures, the budget includes \$100,000 for moving FORA offices to the IOP building in the late spring of 2010.

- **\$1,711,500 in Contractual Services** (Attachment 4)

The contractual services have also been reduced and include only essential contracts and projects. The preliminary budget includes FORA recurring consulting expenses such as Authority Counsel, Special Legal Counsel, Auditor, and Public Information consultant; included are also ESCA regulatory response contracts and budgets for road designs and Habitat Mitigation; the NEPA/CEQA budget has previously been approved and is carried over to FY 09-10.

- **\$14,478,000 in Capital Projects** (Attachment 4)

This represents expenses for capital projects, including roadway improvements and habitat management. The FORA Capital Improvement program, which provides itemization and timing of capital projects, is currently being revised and it is anticipated that it will be presented to the Board for adoption by the September Board meeting.

- **\$16,402,036 Debt Service (Principal and Interest)** (Attachments 3 and 4)

The debt service in FY 09-10 consists of the following long-term liabilities:


- \$1,476,000 Preston Park loan debt service; financed by FORA's share of Preston Park lease payments.
- \$11,000,000 Line of credit debt retirement; paid off by the Preston Park loan.
- \$2,853,250 Revenue Bonds redemption; paid off by the Preston Park loan.
- \$956,786 PLL Insurance premium annual payment (year 5 of 7); financed by reimbursements from participating jurisdictions/agencies and the FORA General Fund.
- \$116,000 Fire fighting equipment capital lease annual payment (year 6 of 10); financed by CFD revenues and/or the FORA General Fund.

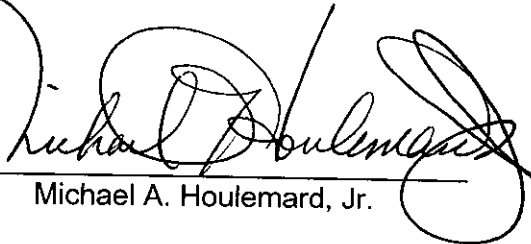
FISCAL IMPACT/ENDING BALANCE:

Due to the economic recession affecting FORA's ability to collect redevelopment fees, this FY 09-10 operating budget proposal includes a new debt consolidation loan liquidating FORA's share in Preston Park asset, providing financing for CIP projects, and matching funds to federal dollars. The anticipated combined ending fund balance of \$502,556 contains the \$500,000 FORA contingency reserve account. The reserve account was established in FY 2000 at 2.5%, depleted in FY 2008 to fund the ESCA CCO #2, and restored at \$400,000 in FY 2009. The finance committee recommends increasing the reserve account to address weak economic conditions and increased construction.

COORDINATION:

Finance Committee, Executive Committee. The Finance Committee met on April 27 and May 11, 2009 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 3.

Prepared by 
Ivana Bednarik

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY - FY 09-10 PRELIMINARY BUDGET - ALL FUNDS COMBINED

<u>CATEGORIES</u>	<u>FY 08-09 REVISED</u>	<u>FY 09-10 PRELIMINARY</u>	<u>NOTES</u>
REVENUES			
<u>Carryover Revenue</u>			
Beginning Fund Balance	1,385,972	668,372	\$400K General Fund Reserve, minimal other fund balances. Funds not available for current expenditures (restricted funds, long-term receivables) are not included.
<u>New Revenue</u>			
Membership Dues	259,000	261,000	
Franchise Fees - MCWD	195,000	195,000	
Federal Grants - ESCA	22,250,000	974,397	\$99M ET/ESCA award; final payment received in FY 08-09. (See Attachment - ET/ESCA)
Federal Grants - EDA	-	6,800,000	Pre-application submitted for EDA consideration.
Federal Grants - OEA	822,634	727,634	Grant funds supporting Veterans Cemetery planning - amount unknown at this time.
PLL Loan Payments	120,000	17,000	Partial payment from DRG/Developer in FY 08-09, no payment anticipated in FY 09-10.
Development Fees	16,248	1,216,000	Fee payments expected from several small projects.
Land Sale Proceeds	1,294,578	1,558,000	Projected proceeds from Salinas Valley Memorial Hospital and Young Nak Church.
Rental/Lease Payments	1,109,627	1,200,000	Preston Park lease revenue dedicated to Preston Park financing payments (Note ***).
Tax Increment	500,000	500,000	
CSU Deficit Payment	48,751	-	CSU deficit period installment payments against \$2.3MM debt.
Loan Reimbursements	(485,000)	75,000	East Garrison Partners stopped payments in September 08.
Investment Income	26,130,838	13,524,031	Invested funds moved to fixed income securities per revised investment policy of 2/2009.
Total New Revenue			**
<u>Other Financing Sources</u>			
Loan Proceeds	4,060,000	21,000,000	*** Preston Park debt consolidation and capital fund financing.
TOTAL REVENUES	31,576,810	35,192,403	{See Attachment - Preston Park Financing}
EXPENDITURES			
Salaries & Benefits	1,792,062	1,792,062	Staffing budgeted at FY 08-09 reduced level.
Supplies & Services	190,440	306,250	Up to \$100K expenses to move FORA office to IOP building.
Contractual Services	24,134,624	1,711,500	Payments to ESCA/AIG concluded in 08-09.
Capital Projects (CP)	2,220,015	14,478,000	Roadway construction and habitat management fund.
Debt Service (P+I)	2,571,297	16,402,036	Debt consolidation/retirement.
TOTAL EXPENDITURES	30,908,438	34,689,848	{See Attachment - Itemized Expenditures}
NET REVENUES (Ending Fund Balance)	668,372	502,556	**** Ending Fund balance/FORA Reserve.

* The actual award amount is predicated on the approved Scope of Work and will be included in the FY 09-10 mid-year budget if awarded. (See Item 7c)

** This budget does not include other potential revenue such as outstanding receivables.

*** Preston Park financing may liquidate FORA's interest in Preston Park providing funds to consolidate existing debt and fund capital projects.

**** Increase in reserve from \$400,000 to \$500,000 is recommended to address weak economic conditions and increased construction.

FORT ORD REUSE AUTHORITY
FY 09-10 PRELIMINARY BUDGET

ESCA

CATEGORY

	REVENUES 3/2007 - 6/2009	EXPENDITURES 3/2007 - 6/2009	AVAILABLE BALANCE FOR 09-14	EXPENDITURES FY 09-10	AVAILABLE BALANCE FOR 10-14
Federal Grant Award March 2007	99,316,187				
Credit to Army for early payments	(1,587,578)				
Payments to FORA	97,728,609	(90,384,131)	7,344,478	(974,397)	6,370,081
GRANT FUNDS ALLOCATION					
FORA/Program Management	3,392,656	(1,107,827)	2,284,829	(404,397)	1,880,432
FORA/Future PLL coverage	916,056	-	916,056	-	916,056
EPA/DTSC/ERRG Regulatory Response Cost	4,725,000	(581,406)	4,143,594	(570,000)	3,573,594
LFR/AIG commutation account	88,694,897	(88,694,897)	-	-	-
TOTALS	97,728,609	(90,384,131)	7,344,478	(974,397)	6,370,081

The \$99.3M Federal Grant was paid in three phases: \$40M in FY 06-07, \$30M in FY 07-08, and \$27.7M in FY 08-09. The Army made their payments ahead of schedule and secured a \$1.6M credit for early payments; FORA collected the last payment on 12/17/2008. FORA made the last payment to LFR/AIG commutation account upon receipt of the final grant payment.

The preliminary FY 09-10 includes \$974K of the \$7.3M available balance prorated to cover FY 09-10 expenditures.

**PRESTON PARK
 FINANCING**

Bank estimate of Preston Park's Fair Market Value (FMV)	64,500,000	*
Less Project Development Fee owed to FORA (\$13,061 X 354 units) - FY 2008-09 rates	(4,623,594)	**
Net FMV	59,876,406	
FORA's 50% share of FMV	29,938,203	
Plus Project's Development Fee	4,623,594	
FORA's Asset Value	34,561,797	
Financing secured by FORA's share of Preston income stream	(21,000,000)	
*FORA Preston Park remaining value	13,561,797	
Recommended use of Preston Park financing		21,000,000
Retire line of credit with Rabobank		(11,000,000)
Retire 2002 revenue bonds with Bank of New York		(2,853,250)
Provide CIP funding and/or matching funds to EDA grant	up to	(6,800,000)
Remaining funds for operating budget		346,750

* Actual value established by independent appraiser; the range is between \$55M-\$70M

** Expected to be reduced by \$320K for Marina's payment for California Avenue improvements.

**FORT ORD REUSE AUTHORITY
FY 09-10 PRELIMINARY BUDGET**

ITEMIZED EXPENDITURES

EXPENDITURE CATEGORIES	FY 08-09 Revised	FY 09-10 Preliminary	NOTES
<u>SALARIES & BENEFITS</u>			
FORA STAFF - 10.5 POSITIONS	1,046,459	1,095,883	
ESCA STAFF - 1 POSITION + STAFF ALLOCATION	376,667	305,330	
CIP STAFF - 3 POSITIONS	368,936	390,849	
TOTAL SALARIES AND BENEFITS	1,792,062	1,792,062	Staffing at FY 08-09 level. Medical benefit increase offset by savings.
<u>SUPPLIES & SERVICES</u>			
Communications	15,000	15,000	
Supplies	16,000	16,000	
Equipment & Furniture	21,500	23,000	Computer equipment/copy machine replacement.
Travel, Auto & Lodging	17,000	16,000	Travel budget decreased.
Building maintenance & security	10,000	10,000	
Utilities	13,000	13,000	
Insurance	54,890	65,400	General Liability coverage reflects increased construction activity.
Computer support	12,550	14,350	
Moving Expenses	-	100,000	\$100K estimated if move to new IOP building occurs in FY 09-10.
Other (postage, advertising, printing, etc.)	30,500	33,500	
TOTAL SUPPLIES AND SERVICES	190,440	306,250	
<u>CONTRACTUAL SERVICES</u>			
LEGAL FEES (INCLUDES AUTHORITY COUNSEL)	180,000	130,000	
AUDITOR	25,000	25,000	
EDC COUNSEL (EDC-ESCA)	235,000	100,000	Complete FOST transfers, includes ESCA.
REGULATORY RESPONSE/QUALITY ASSURANCE-ESCA	800,000	570,000	Reimbursements per ESCA contract.
MEC REMEDIATION - ESCA	22,806,624	-	AIG contract/commutation account deposits concluded in 08-09.
FINANCIAL CONSULTANT	25,000	25,000	
LEGISLATIVE SERVICES CONSULTANT	30,000	30,000	
PUBLIC INFORMATION	30,000	35,000	ESCA and HCP public information needs.
BOND TRUSTEE/COUNSEL	3,000	3,000	
ARCHITECT & ENGINEERS (CIP)	-	675,000	Designs of priority road projects.
NEPA/CEQA CONSULTING FIRM	-	150,000	\$150,000 carryover for NEPA/CEQA consultant to FY 09-10.
HABITAT MITIGATION	-	100,000	Complete final 2081 permit and HCP publication.
PARKER FLATS ENDANGERED SPECIES	-	18,500	5-year Parker Flats post burn agency requirement.
TOTAL CONTRACTUAL SERVICES	24,134,624	1,711,500	
<u>CAPITAL PROJECTS</u>			
ROADWAY IMPROVEMENTS, WATER AUGMENTATION	2,000,000	13,178,000	General Jim Moore construction and other priority projects per Capital Improvement Program.
HABITAT MANAGEMENT	75,000	1,300,000	Habitat Management fund; F.O. Natural Reserve annual cost.
TOTAL CAPITAL PROJECTS	2,075,000	14,478,000	
<u>DEBT SERVICE (Principal and Interest)</u>			
PRESTON PARK FINANCING	-	1,476,000	Debt financing paid by FORA portion of Preston revenue.
LINE OF CREDIT	569,894	11,000,000	Line of Credit paid off by Preston Park financing.
REVENUE BONDS	548,275	2,853,250	Revenue Bonds paid off by Preston Park financing.
PLL INSURANCE FINANCING	982,143	956,786	Year 5 of seven-year financing.
FIRE TRUCK LEASE	116,000	116,000	Year 6 of ten-year financing.
TOTAL DEBT SERVICE	2,216,312	16,402,036	
TOTAL EXPENDITURES	30,408,438	34,689,848	

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

June 12, 2009

**PRELIMINARY
OPERATING BUDGET
FY 2009-2010**

FY 2009-2010 Operating Budget Summary

◆ REVENUES	\$ 13,524,031
Beginning Fund Balance (7/1/09)	668,372
Other Financing Sources*	<u>21,000,000</u>
Total Revenues	35,192,403
◆ EXPENDITURES	<u>34,689,848</u>
◆ ENDING BALANCE (6/30/10)	\$ 502,556

*Preston Park loan

Major Revenue Sources

FY 2009-2010

◆ Federal Grants (EDA)	\$ 6,800,000
◆ Land Sale Proceeds	1,216,000
◆ Lease/Rental Payments	1,558,000
◆ Tax Increment	1,200,000
◆ Other Revenues*	3,418,403
◆ Other Financing Sources-Loan	<u>21,000,000</u>
TOTAL	\$ 35,192,403

* Other Revenues: Membership Dues, Franchise Fees, Federal Grants (ESCA), Development Fees, Insurance Reimbursements, CSU Deficit Period Payment, Investment Income.

Major Expenditures/Programs FY 2009-2010

◆ CIP Projects*	\$ 14,478,000
◆ Debt Service (Consolidation)	16,402,036
◆ ESCA Remediation	974,397
◆ Administration/Planning/HCP	<u>2,835,415</u>
TOTAL EXPENDITURES	\$ 34,689,848

*CIP Projects: General Jim Moore Blvd construction, other road improvements, Habitat Management.



FY 2009-2010 Salaries and Benefits

- ◆ **Salaries and benefits budgeted at reduced FY 08-09 level**
- ◆ **No staffing changes**
- ◆ **Freeze on salary increase/hiring**
- ◆ **0% Cost of Living Adjustment**

FY 2009-2010 Supplies/Consultants

Supplies

- ◆ Budgeted at FY 08-09 reduced level
- ◆ \$100K for moving FORA offices to IOP included in preliminary budget

Consultants

- ◆ Maintain minimum necessary services

Requested Board Action

- ◆ **Approve the preliminary
FY 09-10 operating budget**

(as recommended by FORA staff
and the Finance Committee)

Q & A

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Capital Improvement Program for FY 2009/10 through 2021/22

Meeting Date: June 12, 2009

Agenda Number: 8b (ii)

ACTION

RECOMMENDATION:

Extend the currently adopted FY 2008/09 through 2021/22 Capital Improvement Program ("CIP") through September 2009.

BACKGROUND/DISCUSSION:

The Fort Ord Reuse Authority ("FORA") Board of Directors established a protocol (in September 2000) for the review and reprogramming of the CIP on an annual basis. The FORA CIP Committee and Administrative Committee have been reviewing the draft CIP for FY 2009/10 through 2021/22 and have requested additional meetings prior to recommending the document to the Board for adoption.

Staff is requesting the Board to extend the currently adopted CIP document (FY 2008/09 through 2021/2022) through September 2009 to allow additional meetings to be convened. When the CIP and Administrative Committees make a recommendation to move the CIP forward to the Board, staff will make a presentation on changes made in the new document as it has in prior years. It is anticipated that the presentation will be on or before the scheduled September Board meeting.

FISCAL IMPACT:

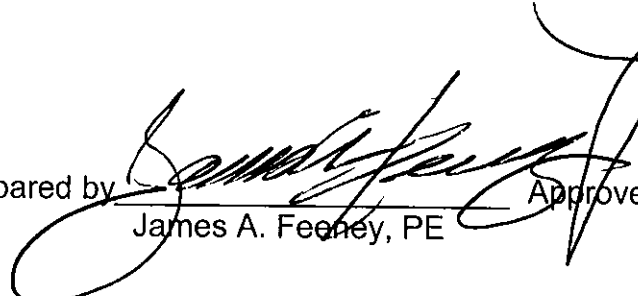
Reviewed by Controller 

None by this action.

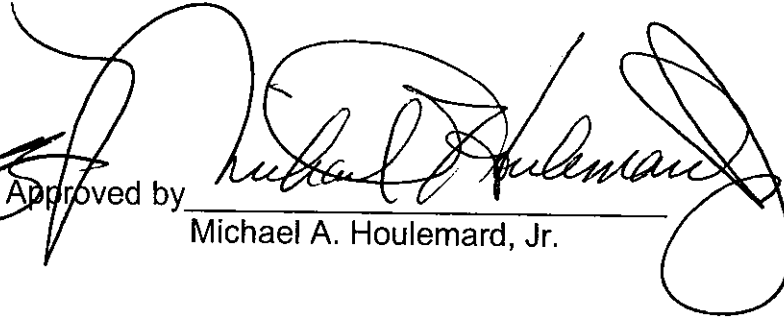
COORDINATION:

CIP Committee, Administrative Committee, Executive Committee

Prepared by


James A. Feeney, PE

Approved by


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Fort Ord Reuse Authority's 2009 state priority legislation

Meeting Date: June 12, 2009

Agenda Number: 8c

INFORMATION/ ACTION

RECOMMENDATION:

1. Receive an informational report about the bills proposed during the 2009 state legislature, which could have impacts on the reuse of former Fort Ord; and
2. Approve the Fort Ord Reuse Authority's ("FORA's") positions on the proposed legislation.


BACKGROUND/DISCUSSION:

During the past several years, JEA and Associates, FORA's legislative representative in Sacramento, has prepared a list of bills proposed for passage during the current legislative session, which could have impacts of the reuse of the former Fort Ord. The impact could be positive, negative or bear watching as the bill progresses through the approval process. The Executive Officer consults with JEA and Associates in determining whether a Support, Oppose or Watch position would best serve FORA's objectives, and then recommends accordingly to the Legislative Committee.

Early in each legislative session, the committee can also recommend that a new bill be drafted or additional language be inserted in a proposed bill. At some point in the process when the list of active bills has been sufficiently reduced, the Legislative Committee makes a final review and directs their recommendations to the Board for approval.

The Legislative Committee met on May 29th and made recommendations noted in the **attached** "FORA Bill Track: Weekly Update as of 5/29/09." Positions on the proposed legislation are being presented to the FORA Board for approval at the June 12th board meeting.

FISCAL IMPACT:

Reviewed by the FORA Controller 

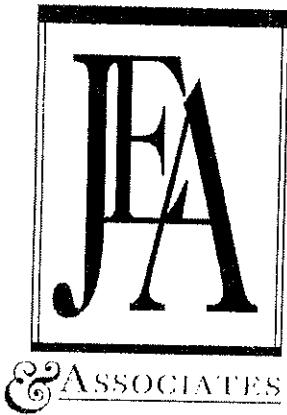
Staff time to prepare this report is covered in the FY 2009 budget.

COORDINATION:

Executive and Legislative Committees; staff members from the offices of Congressman Sam Farr, Senators Abel Maldonado and Jeff Denham, and Assembly Members Anna Caballero and Bill Monning.

Prepared by Linda L. Stiehl
Linda L. Stiehl

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



Fort Ord Reuse Authority (FORA)

Bill Track: Weekly Update as of 5/29/09

AB 300(Caballero) Subdivisions: water supply. (A-04/20/2009 [html](#) [pdf](#))

Introduced: 02/17/2009

Last Amend: 04/20/2009

Status: 05/28/2009-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 05/28/2009-S RLS.

Summary: Would require, until January 1, 2020, the public water system, or the local agency if there is no public water system, to review, verify for accuracy, and approve, as specified, the subdivider's water savings projections attributable to voluntary demand management measures, as defined. The public water agency would be authorized to collect fees necessary to provide the additional analysis of the voluntary demand management measures. Water savings projections would be authorized to be calculated using the water savings projections adopted by the California Urban Water Conservation Council. Water savings projections for measures for which the California Urban Water Conservation Council does not have adopted findings would be required to be based on substantial evidence in the record and included in the water supply assessment adopted by the water supplier. If a project applicant proposes to use a new voluntary water reduction demand management measure that is not based on water savings projections adopted by the California Urban Water Conservation Council, the legislative body of a city or county or the advisory agency would be required to have the project applicant enter into an agreement with the water utility to implement and monitor the actual water savings over time, as specified. The public water system would be required to prepare a written report of the projected water demand versus the actual water use 5 years after the project has been fully developed, and to provide copies of the report to the project applicant, the city or county that approved the subdivision map, the California Urban Water Conservation Council, and the Department of Water Resources. The bill would also require, at the time of final inspection, that a manual providing directions to the owner or occupant on the proper use of water conservation devices and systems be placed in the dwelling. By adding to the duties of the public water system, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Support

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**AB 720(Caballero) Land use: housing element.** (A-05/14/2009 [html](#) [pdf](#))

**Introduced:** 02/26/2009

**Last Amend:** 05/14/2009

**Status:** 05/27/2009-In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 05/27/2009-S RLS.

**Summary:** Would authorize a city, county, or city and county to include weatherization and energy efficiency improvements as part of its efforts to substantially rehabilitate a unit, and modify the definition of "committed assistance" for purposes of specified provisions. This bill contains other related provisions and other existing laws.

**Position:** Watch

~~~~~


AB 726(Nielsen) Transportation capital improvement projects. (I-02/26/2009 [html](#) [pdf](#))

Introduced: 02/26/2009

Last Amend:

Status: 05/14/2009-Referred to Com. on T. & H.

Location: 05/14/2009-S T. & H.

Summary: Provides that state and local road rehabilitation projects are eligible for transportation capital improvement funds, pursuant to the State Transportation improvement Program STIP) process.

Position: Support

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**AB 1084(Adams) Local planning: development projects: fees. (A-04/28/2009 [html](#) [pdf](#))**

**Introduced:** 02/27/2009

**Last Amend:** 04/28/2009

**Status:** 05/21/2009-In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 05/21/2009-S RLS.

**Summary:** Would additionally require a local agency that is a city, county, or city and county to mail notice of the time and place of the meeting, including a general explanation of the matter to be considered and a statement that specified data is available, at least 14 days prior to the first meetings to any interested party who has filed a written request with the city, county, or city and county for mailed notice of meeting on new or increased fees to be enacted by the city, county, or city and county. The bill would authorize the legislative body of the city, county, or city and county to establish a reasonable annual charge for sending notices based on the estimated cost of providing the service. This bill contains other related provisions and other existing laws.

**Position:** Oppose

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AB 1158(Hayashi) Transit village plan. (I-02/27/2009 [html](#) [pdf](#))

Introduced: 02/27/2009

Last Amend:

Status: 05/21/2009-Referred to Com. on L. GOV.

Location: 05/21/2009-S L. GOV.

Calendar: 06/17/09 9:30 a.m. - Room 112 SEN LOCAL GOVERNMENT

Summary: Would add the characteristic of other land uses, including educational facilities, that provide direct linkages for people traveling to and from primary and secondary education schools, community colleges, and universities, to the list of specified characteristics that a transit village plan may address. (Sponsored by the Chabot-Las Positas Community College District)

POSITION: Support

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**AB 1422(Bass) Redevelopment: affordable housing. (A-05/21/2009 [html](#) [pdf](#))**

**Introduced:** 02/27/2009

**Last Amend:** 05/21/2009

**Status:** 05/28/2009-In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 05/28/2009-S RLS.

**Summary:** Would authorize a redevelopment agency, until January 1, 2013, to expend any money that is not held in the fund to (1) purchase, assume, or refinance, or assist lenders or nonprofit or for-profit developers in purchasing, assuming, or refinancing, subprime or nontraditional mortgages on homes owned by persons meeting a specified income level within its jurisdiction, or make loans to those homeowners and (2) purchase, or assist lenders or nonprofit or for-profit

6/4/2009

developers in purchasing, homes within its jurisdiction that have been foreclosed and are vacant and sell those homes, without regard to income. This bill contains other related provisions.

**Position: Watch**

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ACA 9(Huffman) Local government bonds: special taxes: voter approval. (A-04/27/2009 [html](#) [pdf](#))

Introduced: 02/06/2009

Last Amend: 04/27/2009

Status: 05/07/2009-From committee: Be adopted, and re-refer to Com. on REV. & TAX. Re-referred. (Ayes 5. Noes 2.) (May 6).

Location: 05/07/2009-A REV. & TAX

Calendar: 06/15/09 1:30 p.m. - Room 126 ASM REVENUE AND TAXATION

Summary: Would create an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness, incurred to fund specified public improvements, facilities or buildings, and housing, and related costs, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable. This additional exception would apply only if the proposition approved by the voters results in bonded indebtedness that includes specified accountability requirements. This bill contains other related provisions and other existing laws.

Position: Support

~~~~~

**SB 93(Kehoe) Redevelopment: payment for land or buildings.** (A-05/18/2009 [html](#) [pdf](#))

**Introduced:** 01/22/2009

**Last Amend:** 05/18/2009

**Status:** 05/21/2009-In Assembly. Read first time. Held at Desk.

**Location:** 05/21/2009-A DESK

**Summary:** Would instead authorize a redevelopment agency, with the consent of the legislative body, to pay all or a part of the value of the land for, and the cost of the installation and construction of, any building, facility, structure, or other improvement that is publicly owned and is located inside or contiguous to, as defined, the project area if the legislative body makes specified determinations. The bill would delete the requirement that the agency, with respect to the financing, acquisition, or construction of a transportation, collection, and distribution system and related peripheral parking facilities, in a county with a population of 4 million persons or more, enter into an agreement with the rapid transit district that includes the county, or a portion thereof, under which the rapid transit district is required to be given specified responsibilities. The bill would authorize an agency to pay for all or part of the value of the land for, and the cost of the installation and construction of, any building, facility, structure, or other improvement that is publicly owned and is partially located in the project area, but extends beyond the project area's boundaries, if the legislative body makes specified determinations. This bill contains other related provisions and other existing laws.

**Position: Oppose**

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SB 371(Cogdill) Safe, Clean, Reliable Drinking Water Supply Act of 2009. (I-02/25/2009 [html](#) [pdf](#))

Introduced: 02/25/2009

Last Amend:

Status: 05/01/2009-Failed Deadline pursuant to Rule 61(a)(2). (Last location was N.R. & W. on 03/09/2009)

Location: 05/01/2009-S 2 YEAR

Summary: Would enact the Safe, Clean, Reliable Drinking Water Supply Act of 2009, which, if approved by the voters, would authorize, for the purposes of financing specified water supply reliability and water source protection programs, the issuance of bonds in the amount of \$9,980,000,000 pursuant to the State General Obligation Bond Law. The bill would

provide for the submission of the bond act to the voters at the next statewide election. This bill contains other related provisions.

Position: Watch

~~~~~

**SB 456(Wolk) Safe, Clean, Reliable Drinking Water Supply Act of 2010.** (I-02/26/2009 [html](#) [pdf](#))

**Introduced:** 02/26/2009

**Last Amend:**

**Status:** 05/01/2009-Failed Deadline pursuant to Rule 61(a)(2). (Last location was N.R. & W. on 03/12/2009)

**Location:** 05/01/2009-S 2 YEAR

**Summary:** Would enact the Safe, Clean, Reliable Drinking Water Supply Act of 2010, which, if approved by the voters, would authorize, for the purposes of financing specified water supply reliability and water source protection programs, the issuance of bonds in the amount of \$9,805,000,000 pursuant to the State General Obligation Bond Law. This bill contains other related provisions.

**Position: Watch**

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FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Administrative Committee report

Meeting Date: June 12, 2009

Agenda Number: 10a

INFORMATION

RECOMMENDATION:

Receive a report from the Administrative Committee.

BACKGROUND/DISCUSSION:

The Administrative Committee met on April 29, May 13, and June 3, 2009. The approved minutes of the first two meetings and the draft minutes of the June 3rd meeting are **attached** for your review.

The Administrative Committee also had joint meetings with the Capital Improvement Program Committee on April 29th, May 13th and June 3rd. The approved minutes of the first two meetings are **attached**. The minutes of the June 3rd meeting have not yet been prepared.

FISCAL IMPACT:

Reviewed by the FORA Controller 

Staff time for the Administrative Committee is covered in the FY 2009 budget.

COORDINATION:

Administrative Committee and Capital Improvement Program Committee

Prepared by 
Linda L. Stiehl

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY

100 12th Street, Building 2880

Marina, CA 93933

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**MINUTES OF THE
ADMINISTRATIVE COMMITTEE MEETING
Wednesday, April 29, 2009**

APPROVED

1. Call to Order

Chair Michael Houlemard 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

*Doug Yount – City of Marina

*Ray Corpuz – City of Seaside

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

Nick Nichols – County of Monterey

Jim Arnold – FORA

Bob Schaffer – Marina Community Partners

*Tony Boles – CSUMB

Jim Feeney – FORA

Anya Spears - CSUMB

Jonathan Garcia – FORA

(*)Heidi Burch – City of Carmel

Steve Endsley – FORA

*Vicki Nakamura – Monterey Peninsula College

Diana Ingersoll – City of Seaside

Scott Hilk – Marina Community Partners

*Kristen Hoschouer – TAMC

*Graham Bice – UC MBEST

*Jim Heitzman – Marina Coast Water District

Tim O'Halloran – City of Seaside

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, Sand City and Monterey.

2. Pledge of Allegiance

Chair Houlemard asked Jim Cook, who agreed, to lead the Pledge of Allegiance.

3. Acknowledgements, announcements and correspondence - none

4. Public comment period - none

5. Approval of meeting minutes of the March 25, 2009 meeting

Motion to approve the March 25, 2009 meeting minutes was made by Dick Goblirsch, seconded by Tony Boles, and carried unanimously.

6. Review of the draft May 8, 2009 FORA board meeting agenda and draft board reports

Chair Houlemard provided a summary review of the items on the draft agenda. The members had no changes to recommend to this draft.

7. Old Business

Item 7a – Habitat Conservation Plan (“HCP”): i. status report and schedule, ii. border lands issues, iii. cost projections, and iv. approval of three auxiliary HCP documents: Chair/Executive Officer Houlemard introduced this item by remarking that the preliminary cost figure was \$50 million. He said Steve Endsley had been working with FORA’s consultants and been able to reduce that figure to \$36.27 million and will continue to whittle away at that figure. Mr. Endsley reported that the documents in the meeting packet were prepared in direct response to the Administrative Committee’s request for information. He reminded all that the HCP Working Group will meet next with the regulators (U.S. Fish & Wildlife Service and CA Department of Fish & Game) on May 7th. He remarked that all the material in the meeting packet had been vetted with FORA’s environmental consultants: Jones & Stokes and Denise Duffy & Associates. Two issues remain: cost and affordability. Jonathan Garcia referred to Table 9-6 (Permit Term and Post-Permit Funding Sources), where the endowments totaled \$36.27 million, reducing to a \$16.7 million fund at the end of the permit term. A bar graph showing the HCP Endowment funding scenario, assuming Capital Improvement Program development projections, showed the amounts of the current projections, the 25% set aside to fund the HCP Endowment, and the currently projected cumulative HCP Endowment amount (\$36.27 million) until FORA sunsets in 2014. Mr. Endsley said that FORA had contacted CSUMB faculty to cost out handling the HCP basewide monitoring requirements, which had lowered the original costs of this component. He said that an assurances fund, which includes habitat management for backing up such items as the Bureau of Land Management’s assurance that federal budget funding will be forthcoming, had also resulted in a reduction in costs. He noted that there are existing agreements with three universities for HCP borderland management and HCP funding. He is also encouraging the jurisdictions to require their developers to take some form of borderland management, e.g., weed abatement and access controls, which can also be dealt with by restrictive covenants.

On the third page of the handout was a bar chart table for the same time period showed how the \$36.27 million figure was reached, comparing annual Community Facilities District (“CFD”) revenues with annual HCP costs. Mr. Endsley commented that FORA will pay into the HCP Endowment Fund, if the dollars are available, which assumes developer fees coming to FORA. He stated there should be no problem reaching the required funding figure, provided the jurisdictions keep FORA updated on development forecasts and revenues. Doug Yount asked how dependent the HCP Endowment was on developer fee funding, and Mr. Garcia replied that it relies totally on jurisdictions’ forecasted CFD and developer fees. Current available funding will cover the first two years without any additional revenues. Mr. Endsley and Chair Houlemard both remarked that habitat management is occurring now, noting activities at the Fort Ord Dunes State Beach, the Bureau of Land Management, the University of California, and FORA ESCA properties. Jim Cook asked that the numbers supporting the figures be made available, and Mr. Endsley responded that staff is still working on the figures with the consultants. A major concern has been staffing, but the current numbers are available but they are subject to change. Mr. Garcia said he would email the back-up numbers or a link where they could be found.

UC Natural Reserve Director Gage Dayton was present and acknowledged and commented on the coordination of basewide monitoring. Mr. Garcia stated that the HCP cost estimate assumed CSUMB would perform basewide monitoring. Mr. Endsley clarified that CSUMB would not manage the habitat reserves but gather monitoring information to give to the regulators, which would be a cost to the cooperative (HCP JPA Cooperative). He said that Professor Lars Pierce is currently under contract to provide a similar service on Fort Ord property and is using students and graduate students to do the work, which gives them valuable field experience. He shared this as an example of the kind of thinking out of the box, which results in reduced overall costs. Graham Bice asked how costs were reduced after the individual permits end, and Mr. Dayton amplified on the permit use and need to contain costs. Chair Houlemard stated that the costs need to be more in the \$20-25 million range if this obligation is going to be affordable.

Mr. Garcia called attention to the new language in the Implementing Agreement memo regarding Incidental Take Permits ("ITP's"). The new language in Chapter 8 was explained and discussed briefly, since the time was 9:00 a.m., the time certain for adjournment. There were no objections to continuing the meeting at this time. Mr. Garcia explained that the small packet on the Sand Gilia, one of the endangered species, was an example of the stay-ahead analysis on how each endangered species would be analyzed to determine the number of acres available for take.

Mr. Bice asked how the current slowdown of development would affect the existing ITP's, and the response was that it was a point to be worked out with the regulators. Jim Cook commented that there was a "ton of information here" and asked for time to digest it. He also asked if a matrix could be crafted to show habitat management versus property management costs, the latter being a jurisdictional obligation related to security and budget issues and other concerns expressed to him by the County Board of Supervisors. Mr. Endsley responded that the assumptions could be incorporated on a comprehensive spreadsheet, and, in the meantime, staff would be available to answer any questions. Mr. Garcia added that an additional level of detail would need to be added to a broader matrix.

Discussion of the HCP items and issues will be continued at the May 7th meeting of the working group.

8. **New Business** - none
9. **Adjournment** - Chair Houlemard adjourned the meeting at 9:17 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

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**MINUTES OF THE
ADMINISTRATIVE COMMITTEE MEETING
Wednesday, May 13, 2009**

APPROVED

1. Call to Order

Chair Michael Houlemard 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

*Bill Reichmuth – City of Monterey

*Ray Corpuz – City of Seaside

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

Diana Ingersoll – City of Seaside

Jim Arnold – FORA

Bob Schaffer – Marina Community Partners

*Graham Bice – UC MBEST

Jim Feeney – FORA

Jonathan Garcia – FORA

Steve Endsley – FORA

*Vicki Nakamura – Monterey Peninsula College

*Don Bachman - TAMC

Scott Hilk – Marina Community Partners

Stan Cook – FORA

Debby Platt – City of Marina

Michael Houlemard – FORA

Rob Robinson – BRAC/Army

* 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, Sand City, Carmel and Marina.

2. Pledge of Allegiance

Chair Houlemard asked Graham Bice, who agreed, to lead the Pledge of Allegiance.

3. Acknowledgements, announcements and correspondence

Rob Robinson announced that the deeds for the ESCA properties were recorded last Friday. He said the Army still holds title to about 9,000 acres of the 28,000 acres of the closed military installation. Chair/ Executive Officer Houlemard reported on his trip to the CSU Board of Trustees' meeting in Long Beach yesterday. He said that Supervisor Potter, Mayor Rubio, Mayor Delgado, Mary Ann Leffel (Monterey Peninsula Airport District) and Anthony Altfeld (Marina city manager) were in the contingent from the Monterey area, voicing their support of CSUMB's Master Plan and approval of the Memorandum of Understanding ("MOU") between FORA and the CSU trustees. He remarked that there are still issues to be resolved, including CSUMB's transportation impacts and mitigations and the Habitat

Conservation Plan implementation, but progress has been made in resolving them. Mr. Houlemard said that Caltrans has a problem with language in the MOU that states the university building projects will proceed, whether or not funding for the impacts to local/regional infrastructure projects is also provided by the California Legislature. He said the Caltrans attorney called attention to the Trustees of the considerable risks that this position poses. Mr. Houlemard said that if no funding is provided to cover these mitigations, the policy question of whether the university can proceed with their own building projects is something the jurisdictions need to decide. He remarked that the trustees will vote on these, and other, matters today (May 13th), when the Governor is expected to attend the meeting. The recommendation at the meeting was to approve the MOU and the CSUMB Master Plan, agreeing to making the deficit funding payment. Other issues discussed at the Board of Trustees' meeting were the university's impacts on the Imjin Parkway off ramp project and the Monterey Dunes project infrastructure. Mr. Houlemard said a streaming video of the meeting could be accessed on the CSUMB website by clicking on the Buildings and Grounds Committee link. Jim Cook commented that CSUMB had met with Supervisor Armenta and others regarding the Multi-Modal Transit Corridor issues, such as the transfer of easements, and appears to be making efforts to become more involved in the surrounding communities.

4. **Public comment period - none**

5. **Approval of meeting minutes of the April 29, 2009 meeting**

Motion to approve the April 29, 2009 meeting minutes was made by Ray Corpuz, seconded by Dick Goblirsch, and carried unanimously.

6. **Follow-up to May 8, 2009 FORA board meeting**

Chair Houlemard reported that the FORA Finance Committee had directed staff to move forward with the Preston Park financing by ordering an appraisal. He said that one lender of the several contacted had indicated interest in financing the loan. If it goes through, a lien will be recorded against the property. The Board must also approve the loan. Above all, the timing is critical if FORA is to have the match for the \$20 million grant award by the mid-June deadline. Ray Corpuz asked what if the action doesn't work for the City of Marina, who has half interest in Preston Park, and Mr. Houlemard responded that FORA's only option to obtain the match is to borrow against its interest in Preston Park. He said staff will continue working with Marina officials but added that a special board meeting, perhaps two, might have to be scheduled between now and mid-June to gain the necessary approvals.

7. **Old Business**

Item 7a – Habitat Conservation Plan (“HCP”): i. Report from May 7, 2009 meeting and ii cost projections/overview: Chair/Executive Officer Houlemard said that two follow-up items came out of the May 7th meeting: (1) “Do you want the Joint Powers Authority (“JPA”) to hold the endowment or some other certified entity?” and (2) the regulators' idea of doing a conservation easement over all of former Fort Ord. **Discussion re (i)**: Mr. Houlemard stated that if the parties to the JPA decide not to hold the endowment in the JPA, a certified agency would have to hold it in the form of a guaranteed investment contract. Disadvantages include the low rate of interest (currently estimated at 2%) and lack of local control. He said if this option is chosen by the JPA parties, FORA and the jurisdictions would need to find additional funds to set it up. He added that the regulators had approved the habitat

endowment in perpetuity. Jim Cook expressed his concern that the primary importance of discussing the framework of how all parties to the JPA will work together should be clarified before deciding which entity holds the endowment. He suggested that staff contact Ron Hawley at the County to get this process going. **Discussion re (ii):** Mr. Houlemard said that one problem of doing a conservation easement over all of former Fort Ord was how to deal with those who already have land, e.g., the Bureau of Land Management ("BLM"). He doubted whether BLM would approve such an easement over their land, since they already have deed restrictions, and BLM has not signed on to the HCP. He noted that a California Department of Fish and Game representative had stated that the agency needed more assurances than the deed restrictions allow; however, this was not a concern of the Department of Fish & Wildlife Service. Mr. Houlemard said he would be meeting with Resource Secretary Mike Chrisman at the end of May, hopefully to resolve the current issues. Jim Cook expressed a need for a clear understanding of the added responsibilities of the HCP, as compared to those in the Habitat Management Plan. Director of Planning and Finance Steve Endsley said the May 7th meeting resulted in some solid progress but he will continue to work on reducing costs, particularly borderland costs. He said he has asked the consultants to find ways to accomplish this. He noted that the group participants came close to agreement on several items, e.g., the phasing in of the endowment funding and creating our own endowment and investment plan. Other issues include adding back some of the dollars to the Capital Improvement Program for access controls. Jim Cook asked if some of the money could be removed, because it would not be needed immediately. Mr. Endsley reiterated the initial endowment estimate of \$52 million, which had been reduced to \$37 million and is now \$35 million. He said a critical strategy is to be able to build the funding so it is available when the land is developed. Mr. Houlemard said it is important to define "interim management" carefully, especially concerning the borderlands, because the costs could be reduced by one-third, possibly one-half, if the language supports this; a 200-foot corridor might not be necessary in all cases. Mr. Houlemard said that no action was necessary by the members today, except to set the next meeting date of the HCP Working Group. The members agreed on Friday, May 22nd, from 9:00 – 11:00 a.m. Mr. Houlemard said that all need to be comfortable with the cost projections and how they have been determined.

Item 7b – Environmental Services Cooperative Agreement (ESCA) – update report: Chair/Executive Officer Houlemard reported that the pre-board meeting tour of the ESCA properties in April had been informative and successful. Congressman Farr had requested a similar tour. Mr. Houlemard said that two national organizations had requested FORA staff member participation in panel presentations on FORA's ESCA Residential Quality Assurance Pilot Projects and the state-of-the-art technology being utilized in the cleanup project. He introduced ESCA Program Manager Stan Cook, who summarized the Technical Progress and Summary of Public Participation report in the meeting packet. Mr. Cook announced that FORA was now the owner of the 3,370 acres in the FOSET 5, which were transferred by the Army and recorded last Friday. He called attention to the ESCA Emergency Services Coordination meeting at 12:30 p.m. today, where FORA's new responsibilities would be explained. He noted such items as the covenant restrictions regarding use of the properties and the need now for access and right-of-entry permits from FORA. Mr. Houlemard said that any problems, questions or concerns should be referred to either Mr. Cook or himself.

8. **New Business** - none
9. **Adjournment** - Chair Houlemard adjourned the meeting at 9:13 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

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**MINUTES OF THE
ADMINISTRATIVE COMMITTEE MEETING
Wednesday, June 3, 2009**

DRAFT

1. Call to Order

Chair Doug Yount called the meeting to order at 8:16 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

*Elizabeth Caraker - City of Monterey

*Diana Ingersoll - City of Seaside

*Doug Yount - City of Marina

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

Steve Endsley - FORA

Jim Arnold - FORA

Bob Schaffer - Marina Community Partners

*Graham Bice - UC MBEST

Jim Feeney - FORA

*Suresh Prasad - Marina Coast Water District

*Rob Robinson - BRAC/Army

*Vicki Nakamura - Monterey Peninsula College

*Kristen Hoschouer - TAMC

Scott Hilk - Marina Community Partners

Gary Rogers - Marina Coast Water District

Debby Platt - City of Marina

Michael Houlemard - FORA

Pat Ward - Bestor Engineers, Inc.

* indicates a committee member

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

2. Pledge of Allegiance

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

3. Acknowledgements, announcements and correspondence

Executive Officer Houlemard reported that CSUMB President Dianne Harrison attended the May 29th Legislative Committee meeting, along with staff members Jim Main and John McCutcheon. She announced that the CSU Board of Trustees had approved and signed the Memorandum of Understanding between CSUMB and FORA at their May meeting, which authorizes the campus to begin paying down its deficit indebtedness to FORA. She also presented Chair Rubio with a check for \$500,000 as a first payment.

Chair Yount welcomed Elizabeth Caraker, who was representing the City of Monterey.

4. **Public comment period - none**
5. **Approval of minutes of the May 13, 2009 meeting**

There were no objections to the minutes and Chair Yount declared them approved as presented.

6. **Draft agenda for the June 12, 2009 FORA board meeting**

Executive Officer Houlemard provided summary reports on the items on the draft board agenda. **Re Item 7c (Authorization to apply for and accept grant funds from the Office of Economic Adjustment to support Veterans Cemetery Infrastructure Planning)**: Mr. Houlemard reported that the Office of Economic Adjustment had asked FORA to apply for grant funds to further the development of this cemetery and a preliminary scope of work was being drafted. He said meetings with Seaside and the County have been calendared. Jim Cook said he was unaware of FORA's efforts and expressed the hope that FORA and the County were not working at cross-purposes, because the County is also preparing an application for grant funding for the cemetery. **Re Item 8cii (Capital Improvement Program for FY 2009/10 through 2021/22)**: Mr. Houlemard said the action on this item will depend on the outcome of the joint meeting at 9:00 a.m., immediately following this meeting.

7. **Old Business**

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

Item 7ai - Jurisdictions’ report from their meeting on May 22nd: Doug Yount reported that the meeting had been very helpful, adding that discussions will continue at another meeting scheduled for June 5th. He remarked that it is important to build understanding to reach the goal of consensus and expressed appreciation to all who participated in this meeting.

Item 7aai – Cost projections/overview: Director of Planning and Finance Steve Endsley reported that the consultants are working on the numbers in an attempt to move them down, so the HCP costs are affordable. Dick Goblirsch asked why the Del Rey Oaks borderlands were pulled out, and Mr. Houlemard explained that borderlands are not habitat and that they are predominantly privately owned or publicly owned development parcels. In the late 1990's, the jurisdictions wanted to determine their own land use and designations, e.g., potentially allowing capital projects to be built in borderlands. He said the 200-foot corridor could be reduced if covenants or ordinances are placed on the borderland parcels. He underlined the fact that FORA has no authority to determine usage, so a uniform 200-foot buffer would be the standard is the HCP includes borderlands costs as an endowment-covered cost. Mr. Endsley commented on the cost issue, saying that the working group is trying to find a way to non-monetize costs by passing them on to the developer. In this scenario, the costs can be kept out of the endowment fund. This and other issues will be discussed again at the June 5th meeting.

Item 7aiii – Schedule for creating the Fort Ord Regional Habitat Cooperative (“FORHC”):

Executive Officer Houlemard remarked that the FORHC is part of the HCP process and there is a

growing need to come to agreement on its creation and operational structure. This entity must be in at least in draft form before the HCP can be distributed for public comment. Mr. Yount said it would be on the agenda for the next HCP meeting of the jurisdictions. Mr. Endsley recommended that all participants in that group bring their packet of materials, which was distributed at the first meeting. Mr. Houlemard remarked that the costs of the Stay-Ahead funding provisions must also be carefully defined and noted how dependent and interrelated they are on development. He added that the Governor's recent proposal to close, or place in a caretaker status, most of the state parks, in order to reduce state spending and the deficit, could have impacts on FORA's habitat mitigations. Of particular concern was the newly opened Fort Ord Dunes State Park, which was on the list of potential closures.

8. **New Business** - none

9. **Adjournment** - Chair Houlemard adjourned the meeting at 8:47 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

Capital Improvement Program Committee Meeting
April 29, 2009
Meeting Minutes

The following persons were in attendance, as indicated by the sign-in sheet:

Tim O'Halloran, City of Seaside	Pat Ward, Bestor Engineers
Graham Bice, UCMBEST	Heidi Burch, City of Carmel
Vicki Nakamura, MPC	Tony Boles, CSUMB
Doug Yount, City of Marina	Ray Corpuz, City of Seaside
Nick Nichols, Monterey County	Michael Houlemard, FORA
Steve Leiker, Monterey County	Jim Feeney, FORA
Dick Goblirsch, City of DRO	Jonathan Garcia, FORA
Diana Ingersoll, City of Seaside	Crissy Maras, FORA

APPROVED

1. Call to Order/Acknowledgements

FORA Executive Officer Michael A. Houlemard Jr. called the meeting to order at 9:17 AM.

2. Public Comment Period - None noted

3. Old Business – None

4. New Business

a. Review 2009/10 Capital Improvement Program spreadsheets

Modifications to revenue projections were received from the jurisdictions and have been programmed into the spreadsheets distributed at the meeting. Of the five CIP tables, three were distributed – Tables 1, 2 and 4. Table 1 illustrates FORA transportation and transit obligations, offsets occurring in the last fiscal year and remaining financial obligations. The remaining financial obligations have been inflated by the Construction Cost Index of 5.7%. There is a 5% inflation cap on community facilities district fees. Table 2 spreads the transportation and transit projects over time. The focus of FY 2009/10 is the completion of General Jim Moore Boulevard. FORA staff hopes to accommodate the construction costs via grant funds and loan proceeds.

Dick Goblirsch asked if improvements to General Jim Moore Blvd. would meet Highway 218. Due to sensitive habitat areas, General Jim Moore Blvd. will only be improved to just north of South Boundary Road, where the new road will re-join with the existing road. Mr. Goblirsch asked if FORA would be re-paving that section of General Jim between South Boundary and Highway 218. FORA will evaluate the need for re-paving and will perform the work if necessary, although it may be a part of a subsequent project on South Boundary Road and not as a part of General Jim construction.

Mr. Goblirsch announced that the DRO city council had accepted the FORA constructed improvements. Mr. Houlemard expressed his appreciation and additionally noted that the City of Seaside has improvements to accept. Mr. Feeney noted the EDA's reticence to provide additional grant funds if the improvements will not be maintained.

There were no additional comments or questions on the spreadsheets. Mr. Feeney noted that staff will send out the remaining two tables (Tables 3 and 5) by the end of the week. If modifications are made to any other tables, staff will send those out as well. An additional joint meeting was scheduled for May 13th to approve the tables and move the CIP document forward to the Board.

5. Adjournment at time certain of 10:00 a.m.

The meeting was adjourned at 9:35 AM.

Joint Administrative and Capital Improvement Program Committee Meeting
May 13, 2009
Meeting Minutes

APPROVED

The following persons were in attendance, as indicated by the sign-in sheet:

Tim O'Halloran, City of Seaside	Rob Robinson, BRAC	Michael Houlemard, FORA
Don Bachman, TAMC	Dick Goblirsch, City of DRO	Jim Feeney, FORA
Graham Bice, UCMBEST	Scott Hilk, MCP	Steve Endsley, FORA
Vicki Nakamura, MPC	Bob Schaffer, MCP	Jim Arnold, FORA
Debby Platt, City of Marina	Jim Cook, Monterey County	Jonathan Garcia, FORA
Diana Ingersoll, City of Seaside	Ray Corpuz, City of Seaside	Crissy Maras, FORA

1. Call to Order/Acknowledgements

FORA Executive Officer Michael A. Houlemard Jr. called the meeting to order at 9:14 AM.

2. Public Comment Period - None noted

3. Approval of April 29, 2009 joint Administrative Committee/Capital Improvement Program (CIP) Committee meeting minutes

The minutes were approved without exception.

4. Old Business – None

5. New Business

a. Review 2009/10 CIP document

FORA Assistant Executive Officer Jim Feeney gave a brief overview of Tables 2 and 3. He noted that projects shown in the earlier years on Table 2 include FORA's priority projects (General Jim Moore Blvd. and Eucalyptus Road) and contractual obligations (Monterey County – Davis Road and City of Marina – 8th, Abrams, Crescent and Salinas). Dollar amounts reflect percentages of Community Facilities District fee allocated as per Table 5.

Don Bachman (TAMC) reported that the Highway 156 project would not be funded in the near future and that it could be moved out further in time or possibly exchanged with Highway 68 safety improvements. Mr. Feeney noted that staff would review his suggestions.

Jim Cook (Monterey County) requested a meeting with FORA, TAMC and/or the City of Seaside to further discuss the option of replacing projects that are not ready to construct with projects that will be ready to construct sooner. He asked if Eastside Road financing could appear sooner in time. Mr. Feeney noted that earlier financing may not mean earlier construction due to the Munitions and Explosives of Concern clean-up schedule. Mr. Cook believes the MEC schedule may be accelerated. Mr. Feeney agreed to meet and discuss options. Mr. Cook will establish a meeting within one to two weeks.

Ray Corpuz asked which project a \$4M building removal line item on Table 3 referred to. Mr. Houlemard and Mr. Feeney both stated that it was Surplus II in the City of Seaside. Staff will confirm.

Scott Hilk, Marina Community Partners, asked staff to review the figures shown on Table 4 Land Sales and the credits shown on Table 3 building removal. He thinks there may be a discrepancy between when the land sales come in versus when the credit is made available. He additionally noted that construction on 8th Street is ongoing and he hopes to meet with staff to discuss credit for work accomplished. Staff will review the land sales and building removal figures, and will meet with Marina to discuss available credits for 8th Street construction.

5. Adjournment at time certain of 10:00 a.m.

The meeting was adjourned at 9:34 AM.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Legislative Committee report

Meeting Date: June 12, 2009

Agenda Number: 10b

INFORMATION

RECOMMENDATION:

Receive a report from the Legislative Committee.

BACKGROUND/DISCUSSION:

The Legislative Committee's first meeting in 2009 took place on April 1st, at which time they heard reports from the state and federal legislative representatives, set the date for the 2009 Legislative Session, and approved their 2009 meeting dates. The approved minutes from this meeting are attached for your review (**see Attachment A**).

The meeting scheduled for April 27th was canceled when problems achieving a quorum resulted. The members agreed to meet on May 29th. These minutes in draft form are attached as **Attachment B**.

FISCAL IMPACT:


Reviewed by FORA Controller 

Staff time for the Legislative Committee is covered in the FY 2009 budget.

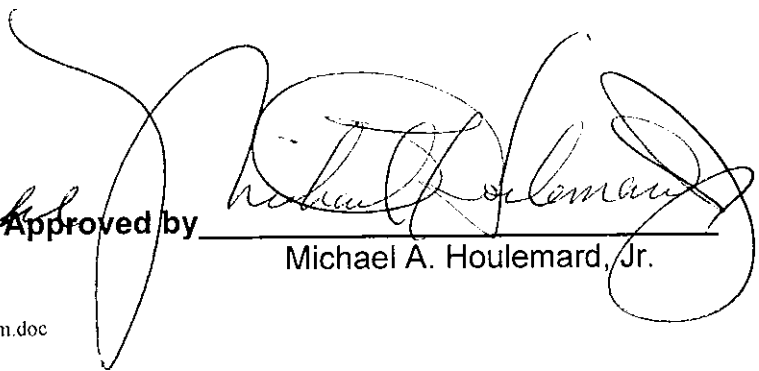
COORDINATION:

Legislative Committee, FORA's state and federal elected legislators and their district representatives

Prepared by


Linda L. Stiehl

Approved by


Michael A. Houlemard, Jr.

Fort Ord Reuse Authority

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APPROVED

MINUTES of the

LEGISLATIVE COMMITTEE MEETING Wednesday, April 1, 2009, at 4:00 PM

Attachment A
To Item 10b
FORA Board Meeting, June 12, 2009

APPROVED

1. Call to Order and Roll Call

Chair/Mayor Rubio called the meeting to order at 4:03 p.m. The following members, and others, were present:

Present: Chair/Mayor Ralph Rubio, Mayor Joe Russell, Supervisor Dave Potter, and Councilmember Dave McCall.

Rochelle Dornatt (17th Congressional District) and Bryan Lanza (15th State Senate District) via telephone, and Amy Treadwell (27th State Assembly District) present

Absent: Supervisor Simon Salinas

FORA Staff: Michael Houlemard, Executive Officer
Linda Stiehl, Executive Assistant
Steve Endsley, Director of Planning and Finance

Also present: John Arriaga (JEA & Associates) and Christina Watson (TAMC)

2. Public Comments - None

3. Approval of the November 5, 2008 meeting minutes

A motion to approve the November 5, 2008 meeting minutes was made by Supervisor Potter, seconded by Mayor Russell, and carried.

4. Reports from the legislative offices

Item 4a - U.S. Congress: Rochelle Dornatt reported that Congressman Farr had submitted language to be inserted into the 2010 Department of Defense ("DOD") Authorization bill that would make it easier for No-Cost Economic Development Conveyances ("EDCs") to be used to transfer BRAC land to jurisdictions. She said EDCs are nearly impossible to get at the present time, and the addition of this BRAC language, which is still in draft form, will greatly assist defense communities. Ms. Dornatt also reported that Mr. Farr was requesting an additional \$100 million be added to the BRAC 1990 cleanup funds account for the FY2010 budget. She announced that Mr. Farr had submitted a \$3 million earmark request for treated/recycled water pipelines for a FORA infrastructure project. If approved, this funding would be part of the Department of the Interior FY2010 appropriations bill. She also noted that much of the federal stimulus money had been released by the government.

Item 4b – State Senate: Bryan Lanza, Senator Maldonado’s chief of staff in Sacramento, reported that the senator had been spending a great deal of time working through the challenges presented by the state budget crisis. He did not have a report but offered to answer any questions. Executive Officer Houlemard suggested that he address all questions during the discussion of Item 5c, FORA’s 2009 legislative missions/agenda.

Item 4c - State Assembly: Amy Treadwell, Assemblymember Monning’s field representative, introduced herself and congratulated FORA for all the hard work it has been doing. She said she was new on the job and was looking forward to entering into the process of Fort Ord redevelopment issues. She remarked that Mr. Monning has been working with Congressman Farr to keep him abreast of California issues and funding needs. She noted the importance of California receiving federal stimulus funds to reduce the \$6-\$8 billion deficit in the California state budget, which relies, in part, on California voters to pass the ballot measures in May. Chair/Mayor Rubio asked about the possibility of approving budget, and other financial bills, with less than the current 2/3’s vote. Mr. Lanza remarked that the earliest a change could take effect would be June 2010. He added that the Governor might be willing to do a major voting passage and let the courts decide.

5. Old Business

Item 5a – Report from JEA & Associates – update on legislative news from Sacramento: John Arriaga provided an updated draft dated 3/30/09 of FORA’s Bill Track report, and guided the members through the potential bills of varying impact on former Fort Ord. The members recommended that FORA

SUPPORT AB 300 (Caballero: subdivisions - water supply), **AB 1105** (Blakeslee: energy – building energy retrofit revolving loan program), and **ACA 9** (Huffman: local government bonds – special taxes – voter approval);

WATCH bills were **AB 419** (Caballero: joint powers agreements – water utilities); **AB 498** (Havashi: affordable housing for veterans); **AB 522** (Blumenfield: transportation – bond funds) - watch with possible support; **AB 720** (Caballero: land use – housing element) - watch with possible support; **AB 1047** (V. Manuel Perez: CA infrastructure and economic development bank – local assistance program); **AB 1187** (Huffman: Safe, Clean, Reliable Drinking Water Supply Act of 2010); **AB 1204** (Huber: Environment – CEQA: sustainable community strategy); **AB 1332** (Salas: taxation – military housing); **AB 1422** (Bass: redevelopment – affordable housing); **SB 371** (Cogdill: Safe, Clean, Reliable Drinking Water Supply Act of 2009); and **SB 456** (Wolk: Safe, Clean, Reliable Drinking Water Supply Act of 2010); and

OPPOSE positions were recommended on **AB 1084** (Adams: local planning – development projects – fees) and **SB 93** (Kehoe: redevelopment – payment for land or buildings) - **oppose unless amended**.

Christina Watson, representing TAMC, asked the committee to consider supporting **AB 1158** (Transit Village Plan educational facility) and **AB 726** (Nielson: allow local roads to access STIP funding). The members requested more information about these bills.

A motion to accept the position recommendations of the above-mentioned proposed bills was made by Supervisor Potter, seconded by Councilmember McCall, and carried.

Item 5b – Transfer of FOSET 5 parcels – report from Executive Officer: Mr. Houlemard reported that the FOSET 5 parcels had been transferred, except for an exchange between CSUMB and the Army and the York Road parcels. He said restrictions on the ESCA parcels deeds are now in place. He announced the FORA tour on April 3rd of the Residential Quality Assurance (RQA) Pilot Project sites near CSUMB and on Eucalyptus Road, which FORA staff has been organizing primarily for the board members. He said the tour would start at 2:00 p.m. and last about an hour, in time for the 3:30 p.m. board meeting.

Item 5c – FORA's 2009 legislative missions/agenda: Executive Officer Houlemard explained the purpose of the 2009 Legislative Agenda/Work Program, which was included in the packet primarily for new committee members. He said that FORA has been coordinating with Monterey County and the Transportation Agency for Monterey County (TAMC) to avoid working against each others' programs. He commented that the legislative missions center around the Legislative Agenda priorities. This year a smaller contingent of members would travel to Washington, DC, probably only Chair Rubio and him later in April to coordinate with the Department of the Interior regarding funds for the Habitat Conservation Plan implementation and possible stimulus funding. He said a couple of committee members would probably be asked to travel to Sacramento to lobby for support for such FORA projects as funds for affordable housing and HCP implementation, possibly within the next month..

6. New Business

Item 6a – Date of 2009 Legislative Session: After discussion, a **motion to schedule this annual event for the June 12th board meeting was made by Mayor Russell, seconded by Supervisor Potter, and carried.**

Item 6b – Fort Ord Dunes State Park official opening: Executive Officer Houlemard said this event was scheduled for 11:00 a.m. on Wednesday, April 15, 2009, noting that a copy of the invitation was in the meeting packet. He urged all to attend and said he had been asked to participate in the program as a speaker.

Item 6c – Approval of 2009 committee meeting dates: After discussion, the members decided to meet on the following dates: April 27, June 8, June 29 (if necessary), September 28, November 5, and November 30 (if necessary to finalize the 2010 Legislative Agenda). **A motion to approve these meeting dates was made by Supervisor Potter, seconded by Councilmember McCall, and carried.**

7. Announcements/Correspondence

Executive Officer Houlemard had no report. Councilmember McCall asked about the land swap between Monterey Peninsula College ("MPC") and Salinas Valley Hospital. Ms. Dornatt replied that this was probably the swap between MPC and the City of Salinas. She added that Congressman Farr supports this exchange in principal, except that it impacts another swap that is being challenged by Chartwell School. She said the Department of Education would decide within the next two weeks which party would receive the land, which will then open up the former swap to be resolved.

8. Adjournment

Their being no further business, Chair Rubio adjourned the meeting at 4:05 p.m.

Minutes taken and prepared by Linda Stiehl, Executive Assistant

Fort Ord Reuse Authority

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Attachment B
To Item 10b
FORA Board Meeting, June 12, 2009

DRAFT

MINUTES of the LEGISLATIVE COMMITTEE MEETING Wednesday, May 29, 2009, at 4:00 PM

DRAFT

1. Call to Order and Roll Call

Chair/Mayor Rubio called the meeting to order at 4:05 p.m. The following members, and others, were present:

Present: Chair/Mayor Ralph Rubio, Mayor Joe Russell, and Supervisor Simon Salinas.
Councilmember Dave McCall arrived after the roll call.

An McDowell (27th State Assembly District)
(Kathleen Lee represented Supervisor Dave Potter.)

Absent: none

FORA Staff: Michael Houlemard, Executive Officer
Linda Stiehl, Executive Assistant

Others present: CSUMB President Dianne Harrison
Jim Main, CSUMB Vice President (Administration and Finance)
John McCutcheon, CSUMB Chief of Staff, Office of the President
John Arriaga and Robyn Boyer (JEA & Associates) by telephone
Christina Watson (TAMC)

2. Public Comments

Chair Rubio introduced President Harrison who said it was her pleasure to announce two items of importance: (1) The CSUMB Board of Trustees had approved and signed the Memorandum of Understanding between CSU and Fort Ord Reuse Authority and (2) had also approved CSUMB's Master Plan and Environmental Impact Report, which outlines the mitigation payment schedule, at their May board meeting. She presented Chair Rubio with the first payment to FORA in the amount of a check for \$500K. The occasion was celebrated with a short reception of sparkling fruit juice and cookies.

3. Approval of the April 1, 2000 meeting minutes

A motion to approve the April 1, 2009 meeting minutes, including Rochelle Dornatt's previously submitted modifications to her report in these minutes, was made by Mayor Russell, seconded by Supervisor Salinas, and carried.

4. Reports from the legislative offices

Item 4a - U.S. Congress: Executive Officer Houlemard called attention to the written report submitted by Congressman Farr's Chief of Staff Rochelle Dornatt (see attached) and stated that Mr. Farr's office had suggested applying for an Office of Economic Adjustment grant that would provide funding for the Fort Ord/Central Coast Veterans' Cemetery infrastructure planning.

Item 4b - State Senate: no report

Item 4c - State Assembly: Ms. An McDowell from Assemblymember Monning's Monterey Office was welcomed by Chair Rubio. She began her report by stating that the State's budget deficit was now in the range of \$21-24 billion and solving the worsening problem was Mr. Monning's biggest concern, followed by preventing a cash flow problem in the near future. He is looking for a long-term structural reform and all options are on the table now. Ms. McDowell said the Governor's May Revise proposal calls for 50-60% of the deficit to be resolved through deep cuts ranging from healthcare to state park closures. The remaining reductions call for a combination of borrowing, consolidating or eliminating state commissions and agencies, and selling off surplus state property. The Legislative Analyst Office ("LAO") is working on various scenarios. She said Mr. Monning is working hard to spare programs serving the disabled, the elderly and low-income residents.

John Arriaga (JEA & Associates) and the committee members expressed concern about the parks closure, or change to an undefined "caretaker" status, because the initial list includes many in Monterey County, including the recently opened Fort Ord Dunes State Park. Mr. Houlemard said this closure possibility could have impacts on FORA's habitat obligations, which he plans to discuss with Resources Secretary Chrisman at a meeting in Sacramento next month. Kathleen Lee remarked that the Pfeifer State Park bridge closure could have a significant financial impact on the Big Sur community. Supervisor Salinas reported hearing talk of privatizing the state parks. Robyn Boyer (JEA & Associates) said the Governor is pushing volunteer action units to keep the parks open. Mr. Houlemard said the local community or the County might be able to take on this obligation to keep Fort Ord Dunes State Park open. Mr. Arriaga reported there were no further proposals to take redevelopment funds until a state lawsuit is resolved.

5. Old Business

Item 5a - Report from JEA & Associates

Item 5ai - Update on legislative news from Sacramento: Mr. Arriaga commented that it had been a long week in the Capitol. Ms. Boyer reported that on Tuesday \$19-21 billion in proposed cuts from the state budget had been taken to the LAO for analysis, with feedback to come as early as next Monday. On Wednesday, hundreds of groups spoke in a public format on the health and human resources cuts. On Thursday, cuts to the transportation and local government funds were the focus on the open meetings; redirecting these funds would be used to pay down the debt service, which includes a repeal of Proposition 42. She said the State has proposed borrowing \$2 billion from the counties and cities, but a major concern about the latter was whether the State could repay these funds within three-years. Ms. Boyer remarked that if there is no plan addressing the deficit by June 30th, California will be unable to issue bonds or borrow funds. She said the Governor proposed \$2.8 billion just today in cuts to schools and in-home support services. He plans to address the Legislature on Tuesday and then commence negotiations with the "Big 5." Ms. Boyer said nearly \$218 billion in currently proposed spending bills has been relegated to a suspense file; only bills requesting less than

\$150,000 are viable at this time. Executive Officer Houlemard said this report was indeed sobering. Discussion among the members followed.

Item 5a – FORA's 2009 priority legislation

Item 5a(i) – Update from JEA & Associates: Mr. Arriaga provided update comments about the items on the Bill Tracking Report dated 5/29/09. The only change was on the proposed position on SB 93 (Kehoe - redevelopment: payment for land or buildings), which changed from Oppose Unless Amended to Oppose. After the proposed bills that didn't make it out of committee or were recommended for carryover were deleted, the following eight remained on the list:

SUPPORT: AB 300 (Caballero – subdivisions; water supply) and ACA 9 (Huffman – local government bonds: special taxes: voter approval)

WATCH: AB 720 (Caballero – land use: housing element), AB 1422 (Bass – redevelopment: affordable housing), SB 371 (Cogdill – Safe, Clean, Reliable Drinking Water Supply Act of 2009), and SB 456 (Wolk – Safe, Clean, Reliable Drinking Water Supply Act of 2010)

OPPOSE: AB 1084 (Adams – local planning: development projects: fees), SB 93 (Kehoe – redevelopment: payment for land or buildings)

Mr. Arriaga reported that AB 1187 (Huffman – Safe, Clean, Reliable Drinking Water Supply Act of 2010) had not made it out of committee and recommended that it be supported for inclusion on next year's Watch list, when it is expected to be reconsidered. Christina Watson encouraged the members and their jurisdictions to send support letters for two of TAMC's support positions: AB 1158 and AB 726.

Item 5a(ii) – Recommendation to the FORA Board: **Motion to recommend to the FORA Board adoption of the proposed state legislation positions as recommended by the Legislative Committee in Item 5a(i) above was made by Mayor Russell, seconded by Councilmember McCall, and carried.**

Item 5b – Oral reports from Chair Rubio and Executive Officer Houlemard to secure stimulus and other federal funding during their recent trips to Washington, DC, and upcoming trip to Sacramento: Chair Rubio and Executive Officer Houlemard made summary comments about the discussion topics and results of their meetings with various officials in Washington, DC. Mr. Houlemard noted four follow-up items: (1) possible grant funding for the veterans' cemetery from the Office of Economic Adjustment; (2) his testimony before a House Appropriations subcommittee in support of increasing cleanup funding by \$300 million, which would accelerate the cleanup of the Fort Ord inland range (Congressman Farr had been successful in getting an additional \$100 million for this project); (3) discussions with the Environmental Protection Agency regarding possible special funding to share with others in the country the successful use of cutting edge, cleanup technology coming out of the FORA ESCA Residential Quality Assurance (RQA) project; and (4) positive indications for matching grant funding for the General Jim Moore Blvd. road improvement project. Chair Rubio mentioned the meetings with Marina Coast Water District General Manager Jim Heitzman and Supervisor Dave Potter with officials at the Department of the Interior Bureau of Reclamation and the positive response for obtaining funding amounting to possibly \$5 million for the Regional Urban Water Augmentation Project (RUWAP).

Re the upcoming trip to Sacramento: Mr. Houlemard reported that Supervisor Potter and Mayor Russell, and possibly Supervisor Salinas, had agreed to travel to Sacramento with Chair Rubio and him to meet with officials there, in particular, Resource Secretary Mike Chrisman, for assistance in keeping the Habitat Conservation Plan approval process moving forward. The JEA staff is organizing the meetings for the FORA group, which will consist of meetings with the three FORA legislative electeds, a staff member in the Governor's office, and the interim director of the Department of Toxic Substances Control agency.

Item 5c – 2009 Legislative Session – update report: Mr. Arriaga reported 100% response from the five electeds invited to present at the FORA board meeting on June 12th. They will send representatives, if important budget matters, such as issues up for votes, require their attendance in Sacramento or Washington, DC.

Item 5d – Revisit 2009 committee meeting dates and times: The members agreed to make the following changes to the 2009 meeting calendar: (1) eliminate the June 8th meeting, (2) consider the June 29th meeting as tentative or if necessary; and (3) change the September 28th meeting to Wednesday, September 30th, at 3:00 p.m. Deputy Clerk Linda Stiehl will modify the current 2009 meeting calendar and distribute the revised one.

6. **New Business - none**

7. **Announcements/Correspondence**

Executive Officer Houlemard called attention to the Sacramento Bee article "Local parks on chopping block", which had been included in the meeting packet. It included a proposed list of Monterey District State Park System units to be placed in 'Caretaker' status. Included was the newly opened Fort Ord Dunes State Park.

8. **Adjournment**

There being no further business, Chair Rubio adjourned the meeting at 5:16 p.m.

Minutes taken and prepared by Linda Stiehl, Executive Assistant

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Finance Committee Report

Meeting Date: June 12, 2009
Agenda Number: 10c

INFORMATION

RECOMMENDATION:

Receive minutes from the May 11, 2009 Finance Committee (FC) meeting.

BACKGROUND/DISCUSSION:

The FC met on May 11, 2009 to discuss investments and continue the preliminary FY 09-10 budget deliberations. Please refer to the attached FC minutes for more details and FC recommendations.

FISCAL IMPACT:

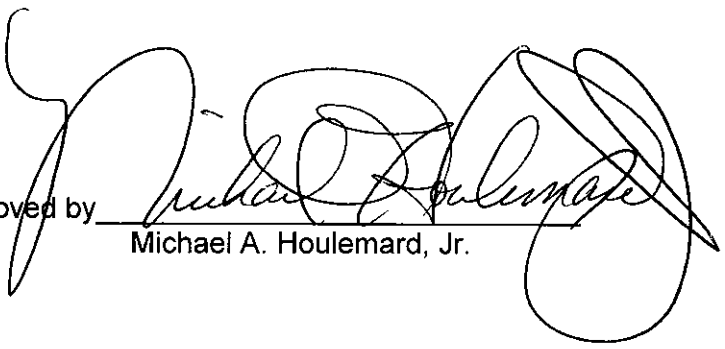
Reviewed by the FORA Controller 

Staff time for the Finance Committee is covered in the FY 08-09 budget.

COORDINATION:

Finance Committee

Prepared by 
Marcela Fridrich

Approved by 
Michael A. Houlemard, Jr.



Fort Ord Reuse Authority

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Finance Committee Meeting

Monday, May 11, 2009 at 3:30 pm

Action Minutes

DRAFT

Present: Chair Sue McCloud, Members: Tom Mancini, Janet Barnes, Graham Bice, Ken Gray, Hunter Harvath
Staff: Michael Houlemard, Ivana Bednarik, Marcela Fridrich, Steve Endsley
Guests: John Pira, First National Bank (FNB)

AGENDA

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

- Roll Call:
Chair Sue McCloud called the meeting to order, as a quorum was present, at 3:30 PM. Member Janet Barnes joined meeting at 3:35 PM and alternate Member Hunter Harvath at 3:40 PM.
- April 27, 2009 Minutes:
Approved. (Motion Barnes, Second Gray, Passed 5 - 0).
- FORA Investments:
FC members received an investment review prepared by John Pira from First National Bank prior to the meeting. Michael Houlemard introduced the item noting that, as recommended by FC, the FORA Board approved Fort Ord Reuse Authority's (FORA) investment policy modifications at its February 13, 2009 meeting. To preserve FORA investments during the economic downturn, the FC recommended moving funds to fixed income securities as market opportunities arise. John Pira informed FC members about recent positive portfolio performance. He explained that now is the time to gradually reduce mutual fund stock holdings to 40% - 60%, in order to comply with the 40% stocks to 60% bonds ratio policy. John Pira informed FC members that pursuant to this policy the Executive Officer had instructed him to sell the Oppenheimer funds held in the portfolio and replace them with bond funds. Michael Houlemard recommended to FC members approving a gradual move to a 60% - 40% (bonds vs. stocks) investment split and bringing this item back to FC attention in the next 90 days. Chair McCloud asked FORA staff to also report on this topic at the next FORA Board meeting. Approved. (Motion Mancini, Second Bice, Passed 6-0).
- FY 09-10 Preliminary Budget:
This item was continued from the April 27, 2009 FC meeting. FC members received the updated FY 09-10 preliminary budget including ET/ESCA and Preston Park financing statements as prepared by Ivana Bednarik. Michael Houlemard informed FC members that FORA is being invited by EDA to submit an application for road construction grant funds. The grant award requires a local matching share of 50%, up to \$6.8M. FORA staff is in discussions with local banks and the City of Marina to secure a loan against FORA's share of the Preston Park property. As recommended by FC chair FORA staff contacted several banks to explore financing proposals. On May 8, 2009 at its closed session, FORA Board authorized Michael Houlemard to gather further information and report back to the next meeting. He informed FC members that FORA has approximately 45 days to have a loan in place in order to secure the grant. FC members reviewed the itemized expenditures budget. Member Gray asked staff to specify the FY 08-09 habitat mitigation carryover budget line item. Member Mancini questioned legislative services line item. Michael Houlemard explained the need for services provided by Mr. Arriaga. Ivana Bednarik asked FC members if the ET/ESCA budget should be included for the FORA Board consideration. FC members were affirmative. FC unanimously decided to recommend Executive Committee and FORA Board adoption of the preliminary FY 09-10 budget as presented and assuming the pending loan. If the loan is not received, or the terms are substantially altered, staff would adjust the preliminary budget to be brought back to FC for further analysis. Approved. (Motion Barnes, Second Mancini, Passed 6 - 0).
- Next Meeting Date:
If circumstances required, FC members agreed meeting on May 27, 2009 @ 3:30 PM for further deliberations.
- Adjournment: The meeting adjourned at 4:23 PM.

Minutes prepared by Marcela Fridrich, Accounting Officer.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Executive Officer's travel report	
Meeting Date: June 12, 2009	INFORMATION
Agenda Number: 10d	

RECOMMENDATION:

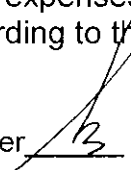
Receive an informational report from the Executive Officer regarding his, and other board members', travel.

BACKGROUND/DISCUSSION:

As reported in the May board report, the Executive Officer and up to three Legislative Committee members received approval from the Executive Committee to travel to Sacramento to garner support for FORA's funding issues, approval of the Habitat Conservation Plan, and other timely legislative matters. After several reschedulings, the trip is currently being planned for June 26th. At the time of writing this board report, Supervisor Potter and Mayor Rubio are planning to join Mr. Houlemard at the meetings being coordinated by the JEA & Associates' staff.

~ **UXO/Countermine/Range 2009 Forum in Orlando, Florida (August 24-30, 2009):** On May 8th Executive Officer Houlemard was notified that his abstract highlighting FORA's Environmental Services Cooperative Agreement ("ESCA") clearance activities entitled "Residential Quality Assurance (RQA) Approach for MEC Remediation" had been selected for presentation at this national forum. FORA's ESCA Program Manager Stan Cook was also notified that his abstract on "Community Impacts related to Privatizing a MEC Remediation Program" had also been selected. Both men will travel to Orlando, Florida, to make their presentations. All expenses not covered by the Forum organizers or the ESCA contract will be covered according to the FORA travel policy.

FISCAL IMPACT:

Reviewed by the FORA Controller 

Costs of this travel are anticipated in the ESCA grant contract. Any miscellaneous expenses will be covered according to the FORA travel policy.

COORDINATION:

JEA & Associates; governmental officials, FORA's legislative electeds and their staffs; UXO/Countermine/Range 2009 Forum organizers; and Executive Committee

Prepared by 

Linda L. Stiehl

Approved by 

Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Fort Ord Reuse Authority investments – status report	
Meeting Date:	June 12, 2009	INFORMATION
Agenda Number:	10e	

RECOMMENDATION:

Receive the Fort Ord Reuse Authority (FORA) investment report for the period ending May 31, 2009.

BACKGROUND/DISCUSSION:

As recommended by the Finance Committee (FC), the FORA Board approved modifications to the FORA investment policy at its February 13, 2009 meeting. To preserve investments during the economic downturn, the FC recommended moving funds to more safe fixed income securities as market opportunities arise.

The FC met on May 11, 2009 to discuss investments status. The investment account manager (John Pira, First National Bank) informed FC members about recent positive portfolio performance. He explained that now is the time to gradually reduce stock holdings to 40% - 60%, stocks vs. bonds ratio. He recommended selling the underperforming Oppenheimer funds held in the portfolio and replacing them with bond funds. Michael Houlemard recommended to FC members approving a gradual move to the 40% - 60% investment split and bringing this item back to FC attention in the next 90 days (see Item 10c for additional detail).

During this reporting period no funds were withdrawn. The Oppenheimer stock was redistributed within the portfolio as noted above. The ending balance in the investment account was \$3,518,847.

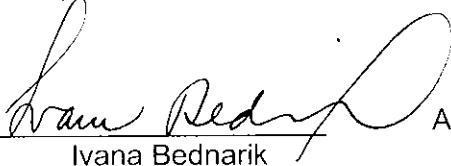
Financial Institution	Investment Type	5/31/09 Balance	Portfolio Percent	12/31/08 Balance	Portfolio Percent	Maturity
First National Bank	PRIMEVEST INVESTMENT ACCOUNT					
	Mutual Funds	3,511,656	99.80%	3,256,826	99.78%	Liquid
	Stock Funds	1,752,464	49.90%	1,912,408	58.72%	
	Bond Funds	1,759,181	50.10%	1,338,555	41.10%	
	Money Market Funds	7,191	0.20%	7,170	0.22%	Liquid
	TOTALS	3,518,847	100.00%	3,263,996	100.00%	

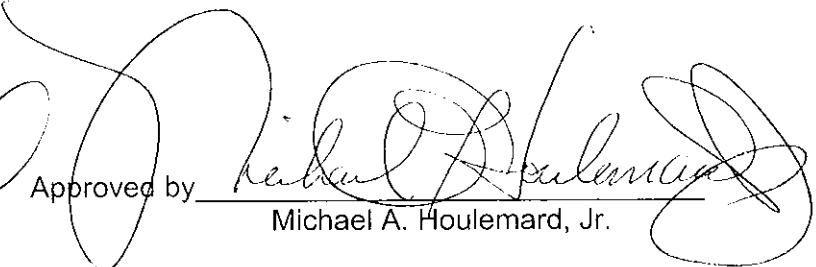
FISCAL IMPACT:

The market began a slow rebound in February 09. This is the first period since the market decline in 2007 when we can report earnings. The investment account still shows a loss in its cumulative earning balance; the invested principal remains preserved.

COORDINATION:

Finance Committee, First National Bank

Prepared by 
Ivana Bednarik

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Status update of outstanding receivables

Meeting Date: June 12, 2009

Agenda Number: 10f

INFORMATION

RECOMMENDATIONS:

Receive a report from the Controller regarding outstanding receivables.

BACKGROUND/DISCUSSION:

This is an update report regarding the outstanding receivables as of May 31, 2009.

1. East Garrison Partners (EGP) - Interest reimbursements

When Monterey County (County) approved the EGP project in 2005, certain land sale revenue was deferred; a portion was due to Fort Ord Reuse Authority (FORA) under terms of the FORA/County Implementation Agreement. As a consequence, EGP, County and FORA entered into a Memorandum of Understanding (MOU), which requires EGP to pay FORA monthly interest payments of about \$24,000 and to repay the \$4.1M principal due in 2011 or upon termination of the MOU. In September 2008, EGP defaulted on its interest payments breaching the MOU terms.

❖ FORA continues to work with County staff to bring a formal recommendation to the FORA Board. As of this writing, staff recommends continuing recovery actions with the County of Monterey.

2. Del Rey Oaks (DRO) – Annual loan payment

In August 2008, the FORA Board approved a payment plan DRO developer requested regarding the pollution legal liability insurance. Under the plan, the developer is required to make monthly installment payments against the \$256,023 annual premium and to pay off the outstanding balance upon receiving the project entitlement. The developer has made payments totaling \$45,000 and currently owes FORA \$40,000 for February-May 2009 installments; \$211,023 of the \$256,023 annual premium cost remains unpaid.

❖ The developer sent one payment in May which was applied against January installment; staff is in contact with the developer who continues to report financial partner problems but promises to bring all past due payments current in July. Staff will recommend that the Board withdraw PLL coverage from DRO should the developer default on the July commitment.

3. Association of Monterey Bay Area Governments (AMBAG) - Land sale proceeds.

In November 2007, FORA sold an Imjin Office parcel to AMBAG. AMBAG requested that the sale agreement allow AMBAG to pay the outstanding balance of \$171,288 in three annual installments. FORA and AMBAG memorialized that provision with a note that provides for 7% annual interest and a 1.5% late fee. AMBAG has not made the first installment and owes FORA the outstanding balance plus financing fees.

❖ AMBAG has recently announced that it will not participate in the joint IOP building construction and decided to sell the parcel. AMBAG is currently negotiating land sale terms with MCWD. FORA will be paid the amount owed when escrow closes.

FISCAL IMPACT:

A negative impact on FORA's net revenues and reserves for the fiscal year; FORA spends its own resources including debt to substitute for these uncollected payments.

COORDINATION:

Executive Committee.

Prepared by

Ivana Bednarik

Approved by

Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Habitat Conservation Plan approval process

Meeting Date: June 12, 2009

Agenda Number: 10g

INFORMATION

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

Recent Developments:

On November 14, 2008, Fort Ord Reuse Authority ("FORA") staff contacted U.S. Fish and Wildlife Service ("USFWS") and California Department of Fish and Game ("CDFG") regional executives to address outstanding issues and secure agreement. FORA, its HCP consultant ICF Jones & Stokes ("Jones & Stokes"), and FORA member agencies and jurisdictions have held working meetings starting on December 3, 2008 and on December 17, 2008 and continuing on through meetings amongst the FORA jurisdictions held on May 22, 2009 and June 5, 2009. The HCP working group has reviewed several outstanding issues, including:

- a) Defining the role of a future Joint Powers Authority,
- b) Determining HCP costs and identifying an entity to hold HCP endowments,
- c) Determining borderlands management costs and responsible parties,
- d) Developing a framework to integrate existing 2081 permits into the basewide HCP and 2081 permit, and
- e) Determining the HCP revisions to accommodate USFWS requirements for a "self-regulating" HCP.

A listing of the meetings held include a conference call on January 12, 2009 and an in-person meeting on February 4, 2009. Conference calls were also held with Bureau of Land Management ("BLM"), USFWS, and CDFG on January 15, 2009 and with Monterey County on January 21, 2009. Since that time, USFWS and CDFG did not meet deadlines for submittal of feedback causing Jones & Stokes to revise their timetable for submittal. A revised draft timeline was presented to the Board on April 3, 2009.

FORA staff and counsel completed drafts of a Joint Powers Agreement, Implementing Agreement, and jurisdictional implementing ordinances/policies that would serve as the governing agreements for the overall HCP. These documents have been circulated to all parties with numerous comments received to date that have strengthened the documents. FORA held a special Administrative Committee meeting on March 11, 2009 to provide an HCP update and facilitate review of these ancillary documents. The Administrative Committee also met on April 29, 2009 and discussed outstanding issues related to HCP funding, borderland management costs, Implementing Agreement language, and stay-ahead provision analysis. At the May 7, 2009 HCP working group meeting, FORA presented HCP cost information that would allow FORA to phase in

funding the HCP endowment over several years as development fees are collected. FORA also suggested that the HCP Joint Powers Authority become certified through CDFG to hold the HCP endowments, which could be a major cost saving. FORA's legislative representatives are scheduling a meeting with the California Resources Secretary to discuss this new issue, tentatively scheduled for late June 2009.

Previous developments:

On September 30, 2008, a conference call including representatives from FORA, USFWS, Denise Duffy ("DD&A") [National Environmental Policy Act ("NEPA")/California Environmental Quality Act ("CEQA") consultant], BLM, and others was held and schedule agreed upon.

HCP working group meetings were held on September 9 and 16, 2008 to discuss steps to complete the Public Draft HCP. At the September 9 meeting, representatives of the FORA Administrative Committee were given an opportunity to engage FORA's consultant about issues related to schedule and content. At the September 16 meeting, FORA's jurisdictions discussed remaining chapters with USFWS and confirmed the project schedule.

On June 18, 2008, the HCP working group reviewed the revised Monitoring Chapter and provided feedback to Jones & Stokes on the Implementation and Funding Chapters.

On May 5, 2008, DD&A held a conference call to schedule final Environmental Impact Statement ("EIS")/Environmental Impact Report ("EIR") document processing.

FISCAL IMPACT:

Reviewed by FORA Controller 

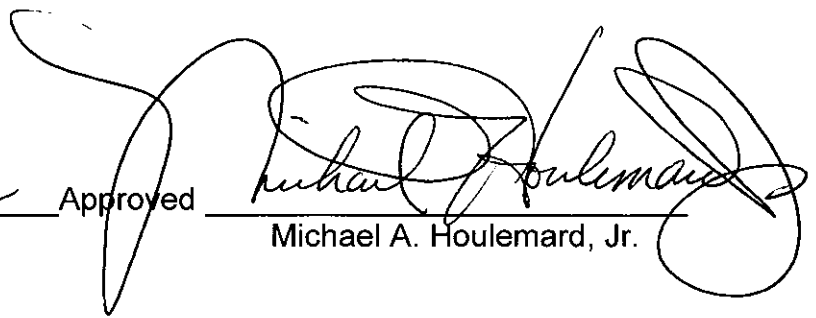
\$317,573 through June 30, 2009. The FY 09-10 preliminary budget includes up to \$100,000 for completion of this project.

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, DD&A, UC, BLM, and various development teams.

Prepared by 
Steve Endsley

Approved


Michael A. Houlemard, Jr.

Assemblymember **BILL MONNING** (27th AD) invites you to

An ARTIST RECEPTION & OPEN HOUSE

Friday, June 12th – 6:30 – 7:30 p.m.

99 Pacific Street Suite 555-D, Monterey (Heritage Harbor)

Come meet our Monterey County Featured Artist of the
27th Assembly District, **ERIN LEE GAFILL**



- Visit with Bill Monning
- See Our Offices
- Meet the Artist – Meet the Staff
- Refreshments Provided

For more information, please call (831) 649-2832
