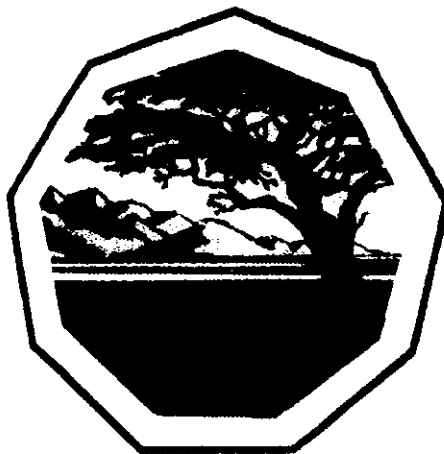


Fort Ord
Reuse Authority



Board Packet
For
Board Meeting
December 10, 2010



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, December 10, 2010

3:30 p.m. Carpenters Union Hall

910 2nd Ave, Marina (on the former Fort Ord)

AGENDA

1. CALL TO ORDER AND ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

4. PUBLIC COMMENT PERIOD: Members of the audience wishing to address the Fort Ord Reuse Authority ("FORA") Board on matters within the jurisdiction of FORA, but not on this agenda, may do so during the Public Comment Period. Public comments are limited to a maximum of three minutes. Public comments on specific agenda items will be heard at the time the matter is under Board consideration.

5. CONSENT AGENDA

ACTION

- a. November 12, 2010 FORA Board meeting minutes
- b. General Jim Moore Boulevard Phase V and Eucalyptus Road Phase II – Authorization to file a Notice of Completion
- c. Designation of Multi-Modal Transit Corridor Alignment
- d. Second Amendment to University of California Fort Ord Natural Reserve Funding Agreement

6. OLD BUSINESS - none

7. NEW BUSINESS

- a. Fiscal Year 09-10 Annual Financial Report (Audit Report)
- b. CONSISTENCY DETERMINATION: General Plan Amendments for City of Marina Pedestrian and Bicycle Master Plan

ACTION

ACTION

8. EXECUTIVE OFFICER'S REPORT

- a. Administrative Committee - report
- b. Finance Committee – report
- c. Capital Improvement Program – work plan status report
- d. Habitat Conservation Plan – status report
- e. Outstanding Receivables – update

INFORMATION
INFORMATION
INFORMATION
INFORMATION
INFORMATION/ACTION

9. ITEMS FROM MEMBERS

INFORMATION

10. CLOSED SESSION

- a. Real Property Negotiations - Preston Park sale

11. REPORT OUT OF CLOSED SESSION

12. ADJOURNMENT

*Information about items on this agenda or persons requesting disability related modifications and/or accommodations can contact the Deputy Clerk at: 831-883-3672 * 100 12th Street, Building 2880, Marina, CA 93933 by 5:00 p.m. one business day prior to the meeting. Agendas can also be found on the FORA website: www.fora.org.*

MINUTES
of the
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Carpenters Union Hall – 910 Second Ave., Marina
December 10, 2010

1. CALL TO ORDER

With a quorum present Chair/Supervisor Dave Potter called the December 10, 2010 Board of Directors meeting to order at 3:32 p.m.

Voting members present:

Supervisor Dave Potter (County of Monterey)
Supervisor Jane Parker (County of Monterey)
Mayor Pro-Tem Bloomer (City of Seaside)
Mayor David Pendergrass (City of Sand City)
Mayor Jerry Edelen (City of Del Rey Oaks)

Mayor Sue McCloud (City of Carmel-by-the-Sea)
Mayor Pro-Tem Bill Kampe (City of Pacific Grove)
Councilmember Frank O'Connell (City of Marina)
Councilmember Nancy Selfridge (City of Monterey)
Councilmember Jim Ford (City of Marina)

Absent: Supervisor Lou Calcagno (County of Monterey), Councilmember Tony Barrera (City of Salinas). Arriving after the roll call was Councilmember Ian Oglesby (City of Seaside).

Ex-Officio members present:

Graham Bice (University of California Santa Cruz), Kevin Saunders (California State University Monterey Bay), Vicki Nakamura (Monterey Peninsula College), Gail Youngblood (Base Realignment and Closure), Kenneth Nishi (Marina Coast Water District), COL Darcy Brewer (United States Army) Todd Muck (Transportation Agency of Monterey County), Alec Arago (17th Congressional District), David Meyerson (15th State Senate District), Nicole Charles (27th State Assembly District), and Dan Albert, Jr. (Monterey Peninsula Unified School District).

Absent was a representative from the Monterey Salinas Transit District.

2. PLEDGE OF ALLEGIANCE - Chair Potter asked Ralph Rubio, who agreed, to lead the Pledge of Allegiance.
3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE – Resolutions of Appreciation and Commendation were made to former FORA Board members; City of Salinas Councilmember Janet Barnes; City of Marina Councilmember Dave McCall; City of Seaside Councilmember Tom Mancini; City of Marina Councilmember Ken Gray; and Mayor/Chair Ralph Rubio. **A motion was made by Mayor Edelen, seconded by Councilmember Ford and carried unanimously.** UCSC representative Graham Bice announced the new visioning program slated for March 2010. UCSC will reduce the current acreage for the UCMBEST project from 500 to 70 acres and rethink the peripheral lands. Mr. Bice noted that Congressman Farr requested a methodology be developed for a focused process. He reported that the Committee has met twice and recently released the RFP (Request For Proposals). Chair Potter also announced the 2011 Nominating Committee as follows: Supervisor Potter, Mayor McCloud, Mayor Edelen, Mayor Pendergrass, and Mayor Chuck Della Sala.
4. PUBLIC COMMENT PERIOD – none

5. CONSENT AGENDA - Item 5a – November 12, 2010 FORA Board meeting minutes; Item 5b - General Jim Moore Boulevard Phase V and Eucalyptus Road Phase II – Authorization to file a Notice of Completion; Item 5c Designation of Multi-Modal Transit Corridor Alignment; and Item 5d – Second Amendment to University of California Fort Ord Natural Reserve Funding Agreement. **Motion to approve the Consent Agenda (minutes as corrected) was made by Mayor McCloud seconded by Supervisor Parker and carried.**
6. OLD BUSINESS – none
7. NEW BUSINESS – Item 7a - Fiscal Year 09-10 Annual Financial Report (Audit Report) – Executive Officer Houlemard stated that the draft Audit Report had been reviewed by the Finance Committee on November 22, 2010 and recommended the Board accept the auditor's findings pending modifications. Mayor McCloud, on behalf of the Finance Committee, thanked FORA Controller Ivana Bednarik and her staff for consistently producing unqualified, fairly presented financial statements 14 years in a row. **Motion to receive Fiscal Year 09-10 Annual Financial Report was made by Mayor Edelen, seconded by Supervisor Parker and carried unanimously.**

Item 7b – CONSISTENCY DETERMINATION: General Plan Amendments for City of Marina Pedestrian and Bicycle Master Plan – Executive Officer Houlemard introduced Senior Planner Jonathan Garcia. Mr. Garcia stated that Marina had submitted the consistency determination to FORA and presented it to the Administrative Committee on December 1, 2010. Mr. Garcia noted that FORA staff has reviewed the submittal by the City for consistency with the base reuse plan and concurs with the City that it provides benefits to the former Fort Ord including better connections for pedestrians and bicyclists, and would provide funding necessary for these facilities. Mayor McCloud noted that it would be appropriate to see in the Resolution language similar to Marina's submittal letter, highlighting the pedestrian and bicycle plan's "green" aspects and preventing greenhouse gas emissions. **There being no objection, a motion to approve was made by Supervisor Parker, seconded by Councilmember Ford, as amended and the motion carried.**

8. EXECUTIVE OFFICER'S REPORT - There were five items summarized in this report: Item 8a (Administrative Committee report); Item 8b (Finance Committee report); Item 8c (Capital Improvement Program – work plan status report) Item 8d (Habitat Conservation Plan "HCP" – status report); and Item 8e (Outstanding Receivables). Executive Officer Houlemard highlighted Item 8a stating that there were interesting conversations at the EDA conference regarding post federal cuts and the presentation information will be passed on to jurisdictions. Mr. Houlemard reported on Item 8c and noted there was continued work with the consultant's review of the CIP which is on schedule and the Administrative Committee and Capital Improvement Program Committee will meet on December 15th. Regarding Item 8d Mr. Houlemard stated that there is still no report back from the California Department of Fish and Game ("CDFG") regarding HCP review comments. Also, U.S. Fish Wildlife Service ("USFWS") submitted additional comments on December 1st, but comments for two sections are still outstanding. Representative Alec Arago from the 17th Congressional District stated that he would be happy to make contact with USFWS headquarters on behalf of FORA. Mr. Houlemard thanked Mr. Arago and stated that FORA also needs to work closely with State Senator Blakeslee and Assemblymember Monning to engage CDFG. Mr. Houlemard introduced FORA Controller Ivana Bednarik who presented a report on Item 8e particularly requesting that the Board authorize funding to cover payment agreements from the City of Del Rey Oaks ("DRO") portion of the Pollution Legal Liability annual premium. DRO has agreed to make interest payments on the balance and they are working with the former developer regarding picking up the payments. Mayor Edelen stated that the former developer will either make good on the balance due or a new developer will be selected and they will begin the forbearance process.

Motion to approve Item 8e extending the payment agreement to the February 2010 Board meeting was made by Mayor McCloud, seconded by Supervisor Parker and carried unanimously.

- 9. ITEMS FROM MEMBERS – None
- 10. CLOSED SESSION - There was one item on the Closed Session agenda – the Preston Park Sale, which included a conference with real property negotiators.
- 11. REPORT OUT OF CLOSED SESSION BY AUTHORITY COUNSEL – The FORA Board met to instruct negotiators in the Preston Park matter and instructions are to be carried out between this date and the 1st week in January.
- 12. ADJOURNMENT - Being no further business, Chair Potter adjourned the meeting at 4:52 p.m.

Minutes prepared by Daylene Alliman, Deputy Clerk

Approved by _____


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

APPROVED

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject:	General Jim Moore Boulevard Phase V and Eucalyptus Road Phase II – Authorization to file a Notice of Completion	
Meeting Date:	December 10, 2010	ACTION
Agenda Number:	5b	

RECOMMENDATION:

Authorize the filing of a Notice of Completion for the General Jim Moore Boulevard ("GJMB") Phase V and Eucalyptus Road Phase II improvement project.

BACKGROUND/DISCUSSION:

At the December 2009 Fort Ord Reuse Authority ("FORA") Board of Directors meeting, the Board authorized a construction contract with Top Grade Construction Inc. for the GJMB Phase V and Eucalyptus Road Phase II improvement project. The project is now complete. FORA staff is requesting the Board authorize filing a Notice of Completion. Filing the Notice of Completion causes the start of the thirty (30) day lien filing period and release of retention.

FISCAL IMPACT:


Reviewed by FORA Controller 

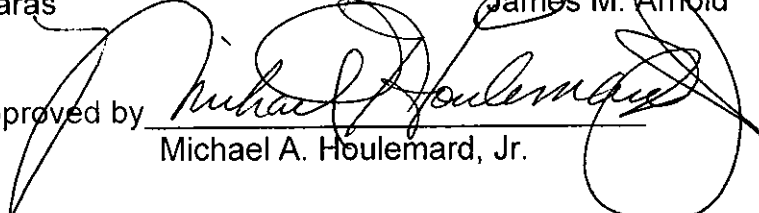
The approved contract amount of \$6,588,515.50 (plus 10% contingency) was financed by an American Recovery and Reinvestment Act grant received from the Economic Development Administration ("EDA"), Preston Park proceeds (local matching funds), and Marina Coast Water District ("MCWD") funds. The project was completed within the Board authorized amount.

COORDINATION:

Administrative Committee, CIP Committee, Executive Committee, City of Seaside, City of Del Rey Oaks, MCWD, EDA

Prepared by 
Crissy Maras

Reviewed by 
James M. Arnold

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject: Designation of Multi-Modal Transit Corridor Alignment

Meeting Date: December 10, 2010

Agenda Number: 5c

ACTION

RECOMMENDATION(S):

1. Designate the new Multi-Modal Transit Corridor ("MMTC") Alignment as described in Exhibit B of the fully executed MMTC Realignment Memorandum of Agreement ("MOA") (**Attachment A**).
2. Rescind the original MMTC Alignment as described in Exhibit A of **Attachment A**.

BACKGROUND/DISCUSSION:

The MOA was fully executed by the Parties last month. Through the MOA, the Parties, excepting FORA, agreed to recommend rescission of the original MMTC Alignment and designation of the new MMTC Alignment to the FORA Board. According to the MOA, the pre-condition for the FORA Board to consider these actions is that the Parties formally agree to grant right of way reservations for the New Transit Corridor Alignment. The Parties make this formal agreement in Section 1.3 of the MOA.

FISCAL IMPACT:

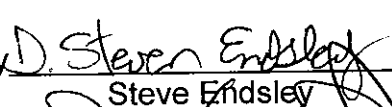
Reviewed by FORA Controller 

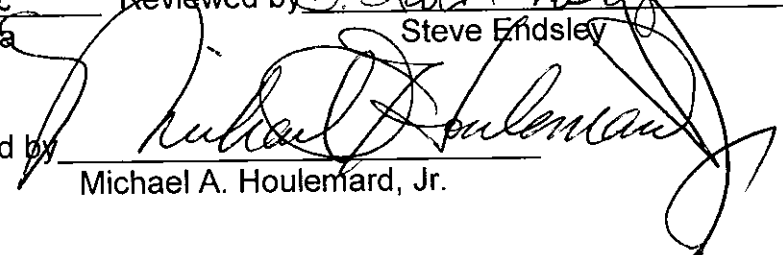
Staff time for this item is included in the approved FY 10-11 budget.

COORDINATION:

Authority Counsel, Administrative and Executive Committees

Prepared by 
Jonathan Garcia

Reviewed by 
Steve Endsley

Approved by 
Michael A. Houlemard, Jr.

**MEMORANDUM OF AGREEMENT
AMONG AND BETWEEN**

THE FORT ORD REUSE AUTHORITY, CITY OF MARINA, MARINA REDEVELOPMENT AGENCY, CALIFORNIA STATE UNIVERSITY MONTEREY BAY, UNIVERSITY OF CALIFORNIA SANTA CRUZ, GOLDEN GATE UNIVERSITY, MONTEREY SALINAS TRANSIT, TRANSPORTATION AGENCY FOR MONTEREY COUNTY, THE REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY AND THE COUNTY OF MONTEREY CONCERNING THE REALIGNMENT OF THE MULTI-MODAL TRANSIT CORRIDOR ON THE FORMER FORT ORD

THIS AGREEMENT is made and signed on this 2nd day of November, 2010, by and among the FORT ORD REUSE AUTHORITY (hereinafter referred to as "FORA"), the CITY OF MARINA (hereinafter referred to as "CITY"), the MARINA REDEVELOPMENT AGENCY (hereinafter referred to as "MRA") CALIFORNIA STATE UNIVERSITY MONTEREY BAY (hereinafter referred to as "CSUMB"), UNIVERSITY OF CALIFORNIA SANTA CRUZ ("UCSC"), GOLDEN GATE UNIVERSITY (hereinafter referred to as "GGU"), MONTEREY SALINAS TRANSIT (hereinafter referred to as "MST" and which will be succeeded by the Monterey-Salinas Transit District effective July 1, 2010), the TRANSPORTATION AGENCY FOR MONTEREY COUNTY (hereinafter referred to as "TAMC"), THE REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY (hereinafter referred to as "AGENCY") and the COUNTY OF MONTEREY (hereinafter referred to as "COUNTY") (with FORA, City, MRA, CSUMB, UCSC, GGU, MST, TAMC, Agency and County each being from time to time hereinafter referred to as "Party", and together being from time to time collectively hereinafter referred to as "Parties").

RECITALS

- A. In June 1997, the FORA Board of Directors adopted a Final Environmental Impact Report (hereinafter referred to as "FEIR") and a Fort Ord Base Reuse Plan (hereinafter referred to as "BRP"). The BRP included the designation of a multi-modal transit corridor along the "Imjin Parkway/Blanco Road" corridor, as shown on Figures 4.2-2, 4.2-3 and 4.2-5 of the BRP Reuse Plan Element (hereinafter referred to as "Transit Corridor"). The Transit Corridor is intended to serve as a major transportation route from Highway 1 to Salinas, through former Fort Ord lands.
- B. The original alignment (hereinafter referred to as "Original Alignment") of the Transit Corridor extended from Highway 1 along 12th Street and Imjin Road to Reservation Road, and then along Blanco Road to Salinas, as shown generally in Exhibit 1.
- C. Problems have arisen with the implementation of the Original Alignment, including potential impacts to wildlife habitat lands, and impacts to agricultural operations.
- D. The Parties have identified and reviewed a proposed new alignment ("New Alignment") to the Transit Corridor, as shown in Exhibit 2, and it appears that the New Alignment provides the same benefit to the regional transportation network as the Original Alignment and avoids potential impacts to habitat-related lands and to agricultural operations.

E. Property has been conveyed by FORA to various jurisdictions with right of way reservations based upon the Original Alignment. A list of the parcels conveyed with such reservations is attached as Exhibit 3.

**NOW, THEREFORE, IT IS MUTUALLY AGREED BETWEEN THE PARTIES
HERETO AS FOLLOWS:**

1. FORA Board Consider Re-Designation of Transit Corridor

The Parties, excepting FORA, hereby agree to recommend rescission of the Original Transit Corridor Alignment and designation of the New Transit Corridor Alignment. It is acknowledged that this re-designation will require at least the following steps:

1.1 Agreement to Cooperate. The jurisdictions agree to cooperate with each other to process the proposed re-designation of the Transit Corridor from the Original Alignment to the New Alignment on the following conditions: (i) the New Alignment will require certain improvements to be performed on the southerly side of 3rd Street, which would only impact Property owned by CSUMB and will not encroach on GGU property and (ii) the Parties shall not be required to incur any costs or expenses in so cooperating with each other.

1.2 Engineering and Design. The COUNTY and CITY, at their respective costs, have prepared preliminary designs for that portion of the New Alignment that will extend through their respective boundaries, for the New Alignment to be approved.

1.3 Agreement to Grant Right of Way Reservations. Those Parties who will receive or have received land over which the New Alignment will extend agree to grant right of way reservations for the New Transit Corridor Alignment described in Exhibit 2 through execution of this agreement. It is intended that any actual conveyance of right of way easements or fee ownership would occur by separate agreement(s) at a later date. The COUNTY will not grant any right of way reservation at this time that would diminish its development potential by allowing a triangle interchange at the intersection of Intergarrison Road, Eastside Parkway and Schoonover Road, but may elect to grant a right of way or other form of easement to MST at a later date. The Parties agree that none of GGU's property (i.e., parcel APN 031-101-019) and none of UC's property (i.e., parcel APN 031-101-018) will be taken in connection with the proposed New Alignment, and therefore no easements or right of way reservations will be requested of, nor imposed upon, GGU or UC.

1.4 Agreement to Release Right of Way Reservations/Easements. FORA agrees, upon adoption of the re-designation of the alignment of the Transit Corridor, to release any right of way reservations or easements with respect to the Original Alignment of the Transportation Corridor, as such Original Alignment is modified by the New Alignment.

1.5 Agreement to consider designation of the New Transit Corridor Alignment. Upon formal agreement by the Parties to grant right of way reservations for the New Transit Corridor Alignment described in Exhibit 2 through execution of this agreement by the Parties, FORA agrees to consider the recommended designation of the New Transit

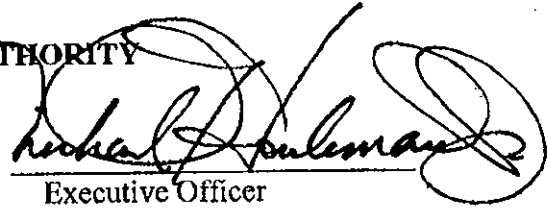
Corridor Alignment and rescission of the Original Transit Corridor Alignment at its next scheduled Board of Directors meeting. If the recommended designation of the New Transit Corridor Alignment is approved, FORA shall include the New Transit Corridor Alignment in any revision to the Base Reuse Plan.

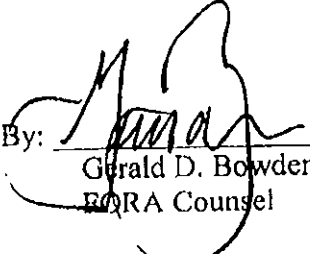
2. Costs. As stated in section 1.1 of this agreement, the parties shall not be required to incur any costs or expenses in cooperating with each other. Should any Party elect to incur costs or expenses with respect to the subject matter of this Agreement, then such Party shall be solely responsible for paying for those costs or expenses.
3. Amendment by Written Recorded Instrument. This Agreement may be amended or modified in whole or in part, only by a written and recorded instrument executed by the parties.
4. Indemnity and Hold Harmless. Each Party hereto agrees to indemnify, defend and hold each other Party harmless from and against any loss, cost claim or damage directly related to such Party's actions or inactions under this Agreement.
5. Governing Law. This Agreement shall be governed by and interpreted by and in accordance with the laws of the State of California.
6. Entire Agreement. This Agreement along with any exhibits and attachments hereto, constitutes the entire agreement between the parties hereto concerning the subject matter hereof.
7. Interpretation. It is agreed and understood by the parties hereto that this Agreement has been arrived at through negotiation and that no party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654.
8. Authority. Each signatory to this Agreement certifies that he or she has the lawful authority to execute this Agreement for and on behalf of the Party named herein.
9. Term. This Agreement will expire on December 31, 2025. This term may not be extended absent separate negotiations and a separate fully executed written agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set out opposite their respective signatures.

FORT ORD REUSE AUTHORITY

Date: 11 Oct 2010

By: 
Executive Officer
Michael A. Houlemard, Jr.

By: 
Gerald D. Bowden, Esq.
EORA Counsel

CITY OF MARINA

Date: _____

By: _____

APPROVED AS TO FORM:

By: _____

MARINA REDEVELOPMENT AGENCY

Date: _____


By: _____

APPROVED AS TO FORM:


By: _____

CALIFORNIA STATE UNIVERSITY MONTEREY BAY

Date: 8/31/10

By: 
Kevin R. Saunders,
Interim Vice President for
Administration and Finance

APPROVED AS TO FORM:

By: 
Carrie Rieth, CSU Attorney

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set out opposite their respective signatures.

FORT ORD REUSE AUTHORITY

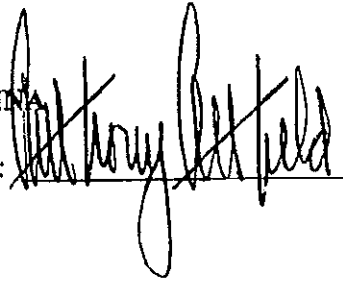
Date: _____

By: _____
Executive Officer
Michael A. Houlemard, Jr.

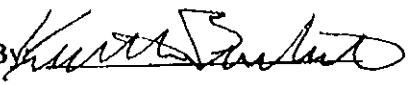
By: _____
Gerald D. Bowden, Esq.
FORA Counsel

CITY OF MARINA

Date: 11.2.10

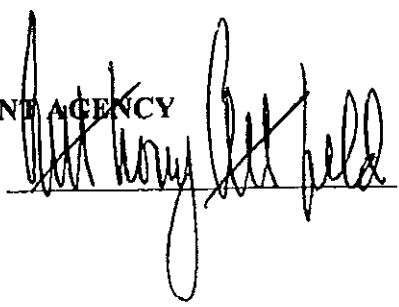
By: 

APPROVED AS TO FORM:

By: 

MARINA REDEVELOPMENT AGENCY

Date: 11.2.10

By: 

APPROVED AS TO FORM:

By: _____

CALIFORNIA STATE UNIVERSITY MONTEREY BAY

Date: _____

By: _____
James E. Main, Vice President for
Administration and Finance

APPROVED AS TO FORM:

By: _____
Carrie Rieth, CSU Attorney

UNIVERSITY OF CALIFORNIA SANTA CRUZ

Date: 3/17/00

By: [Signature]

APPROVED AS TO FORM:

By: [Signature]

GOLDEN GATE UNIVERSITY
a California nonprofit public benefit corporation

Date: _____

By: _____

Its: _____

APPROVED AS TO FORM:

By: _____

MONTEREY SALINAS TRANSIT

Date: _____

By: _____

APPROVED AS TO FORM:

By: _____

UNIVERSITY OF CALIFORNIA SANTA CRUZ

Date: _____

By: _____

APPROVED AS TO FORM:

By: _____

GOLDEN GATE UNIVERSITY
a California nonprofit public benefit corporation

Date: 9/23/10

By: Robert D. Hite

Its: V.P. and CFO

APPROVED AS TO FORM:

By: R D Hite

MONTEREY SALINAS TRANSIT

Date: _____

By: _____

APPROVED AS TO FORM:

By: _____

UNIVERSITY OF CALIFORNIA SANTA CRUZ

Date: _____

By: _____

APPROVED AS TO FORM:

By: _____

GOLDEN GATE UNIVERSITY
a California nonpro it public benefit corporation

Date: _____

By: _____

Its: _____

APPROVED AS TO FORM:

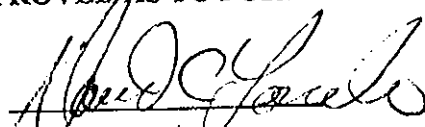
By: _____

MONTEREY SALINAS TRANSIT

Date: 11/10/11

By: 

APPROVED AS TO FORM:

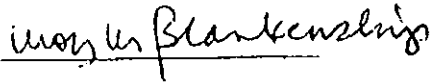
By: 
GENERAL COUNSEL

TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Date: 8/20/10

By: 

APPROVED AS TO FORM:

By: 

REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY

Date: _____

By: _____

APPROVED AS TO FORM:

By: _____

COUNTY OF MONTEREY

Date: _____

By: _____

APPROVED AS TO FORM:

By: _____

TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Date: _____

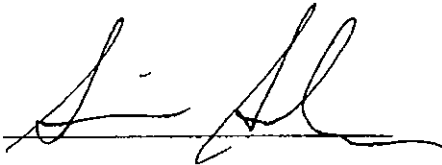
By: _____

APPROVED AS TO FORM:

By: _____

REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY

Date: 3/12/10

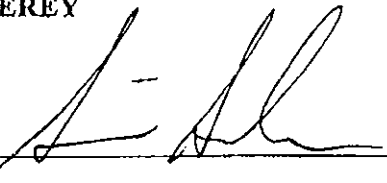
By: 

APPROVED AS TO FORM:

By: Kay Reeman
Deputy Agency Counsel

COUNTY OF MONTEREY

Date: 3/12/10

By: 

APPROVED AS TO FORM:

By: Kay Reeman
Deputy County Counsel

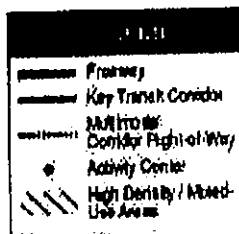
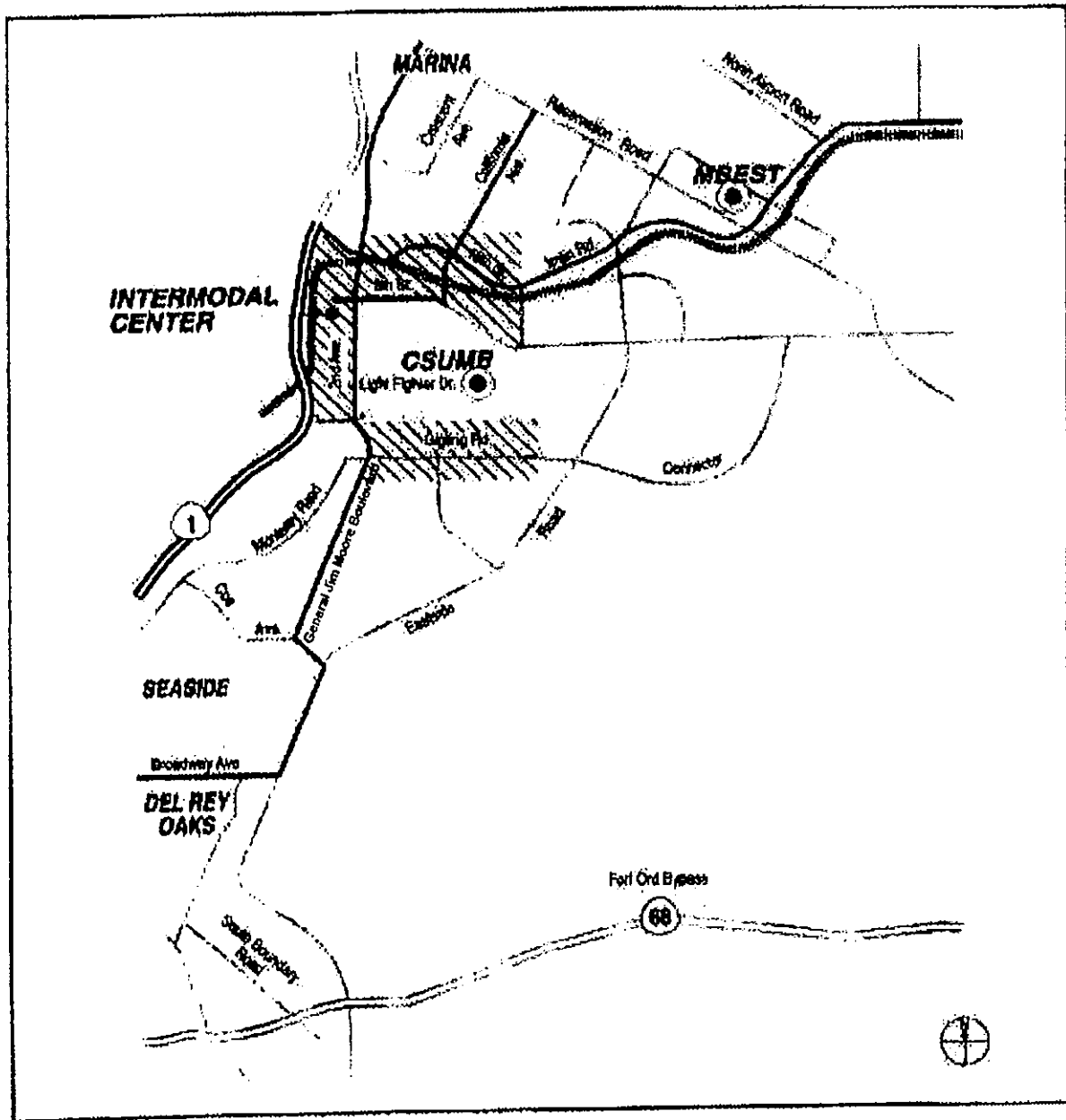
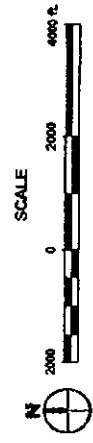
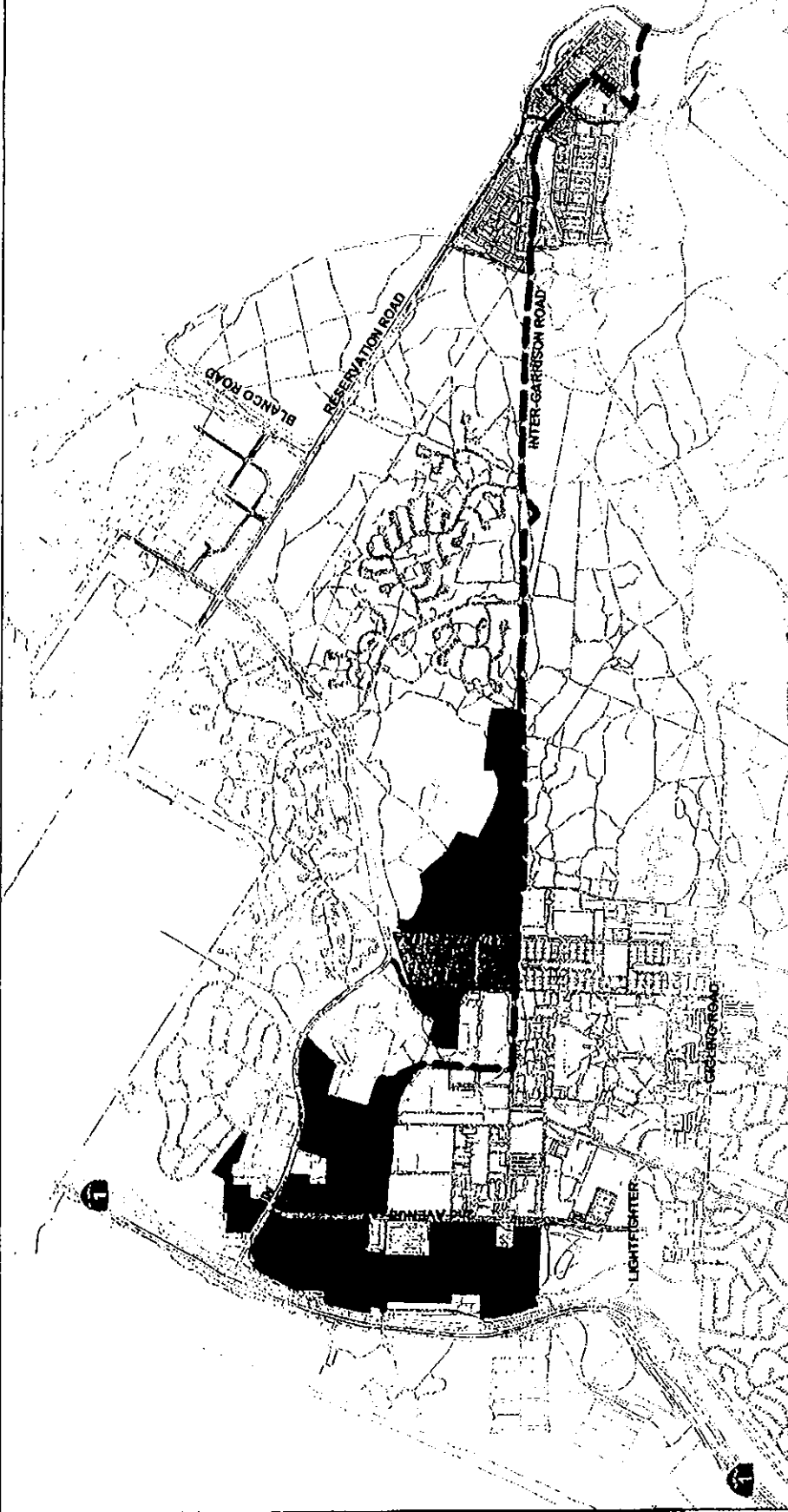


Figure 4.2-5
Transit Activity Centers and Corridors

EXHIBIT B



FORT ORD REUSE AUTHORITY MULTI-MODAL CORRIDOR ALIGNMENT

- Whiskering Oaks Development (County)
- Whiskering Oaks Habitat Conservation
- Whiskering Oaks MST Tract Parcel
- U.C. Development Parcel
- C.S.U.M.B. Property
- City of Marine Property
- The Dunes of Monterey Bay (Marina)
- Golden Gate University
- Proposed Multi-Modal Corridor Alignment

WE WHITSON ENGINEERS
 9550 Blue Lakesport Lane, Suite 105, Marina, CA 93950
 831.646.5225 • Fax 831.373.5485
 CIVIL ENGINEERING • LAND SURVEYING • PROJECT MANAGEMENT

September 24, 2009

See A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, A-11, A-12, A-13, A-14, A-15, A-16, A-17, A-18, A-19, A-20, A-21, A-22, A-23, A-24, A-25, A-26, A-27, A-28, A-29, A-30, A-31, A-32, A-33, A-34, A-35, A-36, A-37, A-38, A-39, A-40, A-41, A-42, A-43, A-44, A-45, A-46, A-47, A-48, A-49, A-50, A-51, A-52, A-53, A-54, A-55, A-56, A-57, A-58, A-59, A-60, A-61, A-62, A-63, A-64, A-65, A-66, A-67, A-68, A-69, A-70, A-71, A-72, A-73, A-74, A-75, A-76, A-77, A-78, A-79, A-80, A-81, A-82, A-83, A-84, A-85, A-86, A-87, A-88, A-89, A-90, A-91, A-92, A-93, A-94, A-95, A-96, A-97, A-98, A-99, A-100, A-101, A-102, A-103, A-104, A-105, A-106, A-107, A-108, A-109, A-110, A-111, A-112, A-113, A-114, A-115, A-116, A-117, A-118, A-119, A-120, A-121, A-122, A-123, A-124, A-125, A-126, A-127, A-128, A-129, A-130, A-131, A-132, A-133, A-134, A-135, A-136, A-137, A-138, A-139, A-140, A-141, A-142, A-143, A-144, A-145, A-146, A-147, A-148, A-149, A-150, A-151, A-152, A-153, A-154, A-155, A-156, A-157, 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EXHIBIT C

Exhibit 3	
Army Corps of Engineers Parcel	Jurisdiction
L2.1	City of Marina
L20.16.1	City of Marina
L20.16.2	City of Marina
L20.16.3	City of Marina
E2b.3.2	City of Marina
E2b.2.3	City of Marina
E2b.1.4	City of Marina
E2d.2	City of Marina
L5.9.1.2	City of Marina
L5.9.2	City of Marina
E2c.4.4	City of Marina
E2c.4.3	City of Marina
S2.5.1.1	City of Marina
S2.5.1.2	Monterey County
E4.6.1	City of Marina
E4.6.2	Monterey County
E4.7.1	City of Marina
E4.7.2	Monterey County
S2.3.2.2	Monterey County
S2.3.1.2	Monterey County
S2.3.2.3	Monterey County
L20.10.1.1	Monterey County
L20.11.1	Monterey County
L20.11.2	City of Marina

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject:	Second Amendment to University of California Fort Ord Natural Reserve Funding Agreement	
Meeting Date:	December 10, 2010	ACTION
Agenda Number:	5d	

RECOMMENDATION(S):

Authorize the Executive Officer to execute a second amendment to the Fort Ord Reuse Authority ("FORA") – University of California Fort Ord Natural Reserve ("UC FONR") Funding Agreement (**Attachment A**).

BACKGROUND/DISCUSSION:

The current UC FONR Funding Agreement provides UC with \$75,000 a year from FORA to perform habitat management on their property until the basewide Habitat Conservation Plan ("HCP") is approved. UC incurred \$80,000 in expenses last year because management costs have been rising while FORA's funding commitment has remained constant. The proposed amendments to the agreement would increase FORA's financial commitment to \$80,000 annually and institute an annual adjustment to reflect increases in the Consumer Price Index San Francisco Bay Area, All Urban Consumers, published by the United States Department of Labor, Bureau of Labor Statistics. Another proposed amendment would create a new paragraph 20 to the agreement to clarify that the UC FONR Funding Agreement shall be binding on successors and assigns.


FISCAL IMPACT:


Reviewed by FORA Controller 

The second amendment to the UC FONR Funding Agreement would increase FORA's financial commitment by \$5,000 annually and index this commitment to year to year Consumer Price Index increases.

COORDINATION:

Authority Counsel, Administrative and Executive Committees

Prepared by 
Jonathan Garcia

Reviewed by 
Steve Endsley

Approved by 
Michael A. Houlemard, Jr.

**SECOND AMENDMENT TO
AGREEMENT**

CONCERNING FUNDING OF HABITAT MANAGEMENT RELATED EXPENSES

ON THE FORT ORD NATURAL RESERVE

By and Between

**THE FORT ORD REUSE AUTHORITY
and**

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

THIS SECOND AMENDMENT, AGREEMENT CONCERNING FUNDING OF HABITAT MANAGEMENT RELATED EXPENSES ON THE FORT ORD NATURAL RESERVE, dated _____, 2010 ("Second Amendment"), amends that certain Agreement Concerning Funding Of Habitat Management Related Expenses On The Fort Ord Natural Reserve dated October 14, 2005 ("the Agreement", as amended on July 27, 2007), by and between the FORT ORD REUSE AUTHORITY ("FORA"), a California public agency, and THE REGENTS OF THE UNIVERSITY OF CALIFORNIA ("UC"), a California public corporation, (collectively, the "Parties").

RECITALS

- A. WHEREAS**, FORA and UC entered into the Agreement on October 14, 2005, attached hereto as Exhibit A and incorporated herein; and
- B. WHEREAS**, FORA and UC amended the Agreement on July 27, 2007 ("First Amendment"), attached hereto as Exhibit B and incorporated herein, to extend funding of the Fort Ord Natural Reserve ("FONR"), which funding would continue at a level of \$75,000 per year until the date the HCP is legally binding on UC; and
- C. WHEREAS**, costs of operating FONR have increased since the First Amendment was executed, to an estimated \$80,000 in fiscal year 2010-11; and
- D. WHEREAS**, the Parties wish to ensure adequate interim funding of FONR until an endowment for FONR is established and fully funded.

NOW THEREFORE, in consideration of the foregoing Recitals, and intending to be legally bound, the Agreement is hereby further amended as follows:

1. Section 2.2 in its entirety is hereby replaced by the following provisions:

FORA shall pay annually to UC, by July 1 of each year, commencing with the payment for the 2010-11 fiscal year and continuing thereafter, \$80,000, which funding shall be increased annually to reflect increases in the Consumer Price Index San Francisco Bay Area, All Urban Consumers, published by the United States Department of Labor, Bureau of Labor Statistics, and as more fully described in Addendum 1 of this Second Amendment. The annual funding, referred to hereof as the "Annual Amount Payable", is provided to UC to support UC's continued operation of the FONR in minimum compliance with the HMP. FORA's obligation to pay the Annual Amount Payable shall continue until (a) UC has executed the HCP and is legally bound thereby, and (b) the FONR Endowment has been fully funded.

2. The following new Paragraph 20 shall be added.

"20. Binding on Successors and Assigns

The terms, covenants, and condition of this Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns. "

Except as otherwise expressly provided herein to the contrary, all capitalized terms used in this Second Amendment shall have the same meanings given such terms in the Agreement. In all other respects the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the date and year first written above.

FORT ORD REUSE AUTHORITY

Michael A. Houlemard, Jr.
Executive Officer
Fort Ord Reuse Authority

Dated

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

George Blumenthal
Acting Chancellor
University of California, Santa Cruz

Dated

ADDENDUM 1

to

**SECOND AMENDMENT TO
AGREEMENT**

CONCERNING FUNDING OF HABITAT MANAGEMENT RELATED EXPENSES

ON THE FORT ORD NATURAL RESERVE

By and Between

THE FORT ORD REUSE AUTHORITY

and

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

ADJUSTMENTS TO ANNUAL AMOUNT PAYABLE

The Annual Amount Payable shall be adjusted on July 1 of each year to reflect changes in the cost of living, which adjustments shall be determined as follows:

1. The cost of living index to be used is the Consumer Price Index San Francisco Bay Area, All Urban Consumers CPI-U (1982-84=100), published by the United States Department of Labor, Bureau of Labor Statistics ("Index").
2. Commencing on July 1, 2010 and on July 1 of each subsequent year until the FONR endowment is established, the most recently published index will be compared to the index of the same month in 2009. The Annual Amount Payable shall be adjusted by percentage change in the Index between the two dates.
3. In the event that the Index shall cease to be published, then its successor or most nearly comparable index shall be used.

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject: Fiscal Year 09-10 Annual Financial Report (Audit Report)

Meeting Date: December 10, 2010

ACTION

Agenda Number: 7a

RECOMMENDATION:

Accept the Marcello & Company, Certified Public Accountants (Auditor) Fort Ord Reuse Authority (FORA) Fiscal Year 09-10 Annual Financial Report (Audit Report).

BACKGROUND:

Each fall, FORA staff and Auditor present the Audit Report to the Finance Committee (FC) for review and to the FORA Board for acceptance. Every three to five years the financial consultant that provides the requisite opinion has changed by direction of the Board. Since the first audit in 1995, the financial consultants have expressed unqualified opinions that the financial statements present fairly, in all material respects, the financial position of the Fort Ord Reuse Authority.

Pursuant to GASB-34 provisions, the Audit Report includes a management discussion and analysis (MD&A) in conjunction with the new financial statement reporting. The MD&A introduces the financial statements and provides an analytical overview of FORA's fiscal year financial activities; it begins on page 3 of the Audit Report.

DISCUSSION:

The audit work began October 20, 2010; the field work was completed mid-November. FC reviewed the draft Audit Report on November 22, 2010. The Auditor presented the draft Audit Report conclusions and answered questions, noting that FORA's internal controls produced financial statements that fairly represent FORA's financial position at June 30, 2010. He did not report any findings or improvements in the internal controls. The FC suggested several edits and minor adjustments to the draft. The FC unanimously voted to recommend that the FORA Board accept the FY 09-10 Audit Report pending the recommended modifications.

The Auditor's letter expresses the unqualified opinion that the financial statements present fairly, in all material respects, FORA's financial position as of June 30, 2010. Further, Mr. Marcello asserted that the results of FORA operations for the year concluded in conformity with GAAP. There were no findings or questioned expenditures.

Copies of the Audit Report are included in the FORA member board packets. Interested members of public can get copies at FORA office or on-line at www.fora.org.

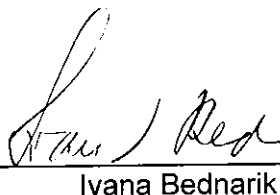
FISCAL IMPACT:

Cost for the audit services is included in the approved operating budget.

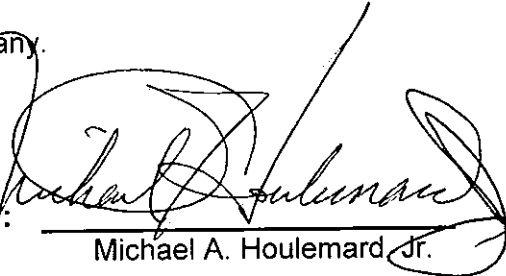
COORDINATION:

Finance Committee, Executive Committee, Marcello & Company.

Prepared by:


Ivana Bednarik

Approved by:


Michael A. Houlemard Jr.

M&C

MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

FORT ORD REUSE AUTHORITY
Marina, California

Annual Financial Report
June 30, 2010

Board of Directors

Voting Members

Representing

Title

Mayor Rubio	City of Seaside	Chair
Supervisor Potter	County of Monterey	1 st Vice Chair
Council Member McCall	City of Marina	2 nd Vice Chair
Mayor Edelen	City of Del Rey Oaks	Director
Mayor McCloud	City of Carmel-by-the-Sea	Director
Supervisor Parker	County of Monterey	Director
Mayor Pro Tem Gray	City of Marina	Director
Council Member Selfridge	City of Monterey	Director
Supervisor Calcagno	County of Monterey	Director
Mayor Pro Tem Kampe	City of Pacific Grove	Director
Council Member Barnes	City of Salinas	Director
Mayor Pendergrass	City of Sand City	Director/Member at Large
Council Member Mancini	City of Seaside	Director

Appointed Official

Michael A. Houlemard, Jr.
Executive Officer

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INDEPENDENT AUDITOR'S REPORT

MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

2701 Cottage Way, Suite 30 / Sacramento, California 95825 / 916.979.9079

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fort Ord Reuse Authority
Marina, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fort Ord Reuse Authority, as of and for the year ended June 30, 2010, which collectively comprise the Fort Ord Reuse Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Fort Ord Reuse Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

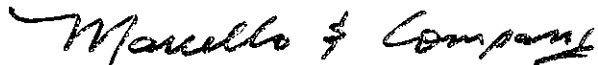
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fort Ord Reuse Authority, as of June 30, 2010, and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2010, on our consideration of the Fort Ord Reuse Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Directors
Fort Ord Reuse Authority
Marina, California

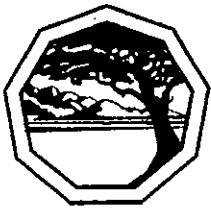
The management's discussion and analysis on pages 3 through 7, and schedule of funding progress, and budgetary comparison information on pages 29 through 30, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fort Ord Reuse Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Fort Ord Reuse Authority. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Certified Public Accountants
Sacramento, California
November 11, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS



FORT ORD REUSE AUTHORITY

100 12TH STREET, BUILDING 2880, MARINA, CALIFORNIA 93933

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FORT ORD REUSE AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2010

Beginning July 1, 2003, the Fort Ord Reuse Authority (FORA) implemented Government Accounting Standards Board (GASB) Statement Number 34 "Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments." GASB developed these standards to require annual financial reports to be more comprehensive and to assist outside users, such as financial institutions and bondholders to assess the entire finances of the government entity. Unless otherwise specified, GASB statements apply to financial reports of all state and local governments.

This is management's discussion and analysis (MD&A) of the financial performance of the Fort Ord Reuse Authority for the fiscal year ended June 30, 2010.

FINANCIAL HIGHLIGHTS

During FY 09-10 FORA was approved for two federal grants in the combined amount of \$6.8 million to finance 1) General Jim Moore Boulevard (GJMB) and 2) California Central Coast Veteran Cemetery (Veteran Cemetery) planning. Project delays (continuing recessionary economic conditions) resulted in nominal redevelopment revenues (i.e., developer fees and land sale proceeds) during FY 09-10. To continue essential projects and services, FORA borrowed \$19 million to match the GJMB stimulus grant award and retire certain existing debts. The fiscal year highlights include:

- ❖ FORA was approved for a \$6.4 million (\$6.4 million local matching requirement) Economic Development Administration (EDA) stimulus grant to fund GJMB and Eucalyptus Road construction.
- ❖ FORA was granted \$460,000 from the Office of Economic Adjustment (OEA) to fund Veteran Cemetery planning.
- ❖ FORA borrowed \$19 million to match the EDA grant and to pay off existing debts.
- ❖ FORA completed \$3.8 million in capital improvements.
- ❖ FORA collected \$1.2 million in property tax increment fees, \$314,000 in land sale proceeds, and \$48,000 in development fees.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the FORA's basic financial statements. FORA's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

1) The *government-wide financial statements* provide both long-term and short-term information about FORA's overall financial status and inform how FORA's general government services were financed in the short term as well as what remains for future spending. 2) The *fund financial statements* focus on individual parts of FORA's governmental funds and report FORA's operations in more detail than the government-wide statements. 3) The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-wide Financial Statements

The government-wide financial statements provide information about FORA activities as a whole and present a comprehensive overview of FORA's finances.

The *statement of net assets* presents information on all of the FORA's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in FORA's net assets are one indicator of whether its financial health is improving or deteriorating.

The *statement of activities* presents information showing how the FORA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all the current year's revenues and expenses are reported in the statement of activities regardless of when cash is received or paid. The focus of the government-wide statement of activities is on the net cost of governmental activities provided by a governmental entity.

FORA was engaged in the following types of activities:

Governmental Activities: During the FY 09-10 FORA employed federal grants, loan proceeds, tax increment receipts, land sale/lease proceeds, construction reimbursements and membership dues to finance:

- Munitions and explosives of concern remediation investigation, processing, and removals;
- General administration and planning;
- Property surveys and transfers;
- Infrastructure construction/development;
- Habitat conservation planning;
- Water augmentation planning;
- Insurance policy and liability protection issues; and
- Real property development, consistency determination, valuation, and planning review.

The government-wide financial statements can be found on pages 8-9 of this report.

Fund Financial Statements

Fund financial statements provide a *short-term* look at FORA's fiscal accountability and compliance with restrictions on the use of certain financial resources. The fund financial statements provide detailed information about the most significant funds - not the Authority as a whole.

Governmental Funds: All of the FORA's services and activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for appropriation. FORA maintains 7 individual governmental funds and for financial reporting purposes these funds have been combined into two groupings: the General Fund and Special Revenue Funds. The General Fund accounts for all of FORA's financial resources except for those resources that must be accounted for in Special Revenue Funds, which are restricted as to expenditures.

The fund financial statements can be found on pages 10-13 of this report.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements provide long-term and short-term information about FORA's overall financial condition. In accordance with GASB Statement No. 34, FORA is not required to restate financial information from prior periods for the purpose of providing comparative information for this analysis.

Net assets in the Statement of Activities on page 9 show FORA governmental activities improved from negative \$7 million to negative \$6 million. The negative balance in net assets means that all liabilities (including long-term debt not due at the end of the fiscal year) exceed all assets FORA had at the fiscal year end (including long-term receivables and non-liquid assets). In addition, the unspent balance in ESCA grant fund at June 30, 2010 of \$6.6 million is classified as revenue collected in advance of the earnings process and recorded as deferred revenue, a liability account, for financial statement purposes. It will be recognized as revenue when it is earned.

Revenues

FORA annual revenue total decreased from \$28.2 million to \$9.4 million, attributable to the multi-year Environmental Services Cooperative Agreement (ESCA) grant revenue being collected in early lump sums. Land sale, development fee, tax increment, and investment revenues increased as compared to the previous fiscal year. Other revenue sources did not vary significantly.

Revenue sources were provided from the following:

- Federal funding - 21%
- Land sale/lease proceeds - 19%
- Construction reimbursements - 14%
- Property tax increment - 13%
- Investment income - 8%
- Membership dues and franchise fees - 5%
- Other revenue sources - 20%

Expenditures

The FY 09-10 cost of FORA programs was \$8.7 million. GJMB construction was the FY 09-10 capital improvement program's (CIP) major project

The government-wide financial statement showing the net cost of FORA's major projects can be found on page 9 of this report.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

A fund is a group of related accounts used to maintain resource control and are segregated for specific activities or objectives. Reporting standards require that a major governmental fund be presented in a separate column in the fund financial statements. In accordance with GASB Stmt. No. 34, paragraph 76, FORA has elected to report all its special revenue funds as major funds as these funds are important to financial statement users. The General Fund is always considered a major fund and therefore presented in a separate column. The fund financial statements focus on FORA's individual parts.

The segregated governmental funds provide information on near-term inflows, outflows and balances of expendable resource balance. As FORA completed the fiscal year, its governmental funds reported a combined fund balance of \$14.7 million; this increase of \$6.3 million over FY 08-09 - which is attributable to proceeds from the Preston Park loan.

\$12.4 million of the \$14.7 million ending fund balance is either use restricted or specifically designated, such as federal grant funds designated for environmental cleanup and roadway construction, loan proceeds for grant matching, or developer impact fees/ land sale proceeds for the CIP projects. Approximately \$2.3 million is undesignated and available for Board expenditure and designation.

Ending Fund Balances

Fiscal Year	General Fund	Land Sale/Leases	Developer Fees	Pollution Liability	Federal Grants	TOTALS
2008-2009	1,162,680	200,075	3,519,312	3,537,928	-	8,419,995
2009-2010	7,661,589	208,747	3,898,829	2,982,174	-	14,751,339
Change + (-)	6,498,909	8,672	379,517	(555,754)	-	6,331,344

BUDGETARY HIGHLIGHTS

A budget is a plan of financial operations that provides a basis for the planning, controlling, and evaluating of governmental activities. Governmental funds generally use a fixed budget, which reflects a specific estimate for revenues and expenditures. Once expenditures and revenues are incorporated into the budget, the total estimated expenditure appropriation amount becomes a limit for current expenditures, and the estimated revenue amount becomes the basis for comparison to actual revenues. Even though FORA is not legally subject to any budgetary controls, the budget is included as a part of the general accounting record, and it is used as a guide to controlling expenses.

The FORA Board approved the FY 09-10 budget on June 11, 2009 and the mid-year budget update on February 11, 2010. Despite the recessionary economic conditions slowing the former Fort Ord redevelopment activities, FORA Board policies have sustained financial stability. The financial support was aided by the EDA grant enabling uninterrupted CIP activities.

Budget Variances (from mid-year budget projections to year-end actual)

Revenues: \$6.6 million decrease

FORA federal grant revenues decreased and other funding slightly increased, as follows:

- \$5.9 million decrease (deferral to FY 10-11) in EDA and OEA grant payments due to timing and actual progression of construction and planning activities;
- \$1 million decrease (deferral to FY 10-11) in land sale proceeds from Salinas Valley Memorial Healthcare System; and
- \$300,000 revenue increase from other funding sources (such as tax increment and franchise fees).

Expenditures: \$11 million decrease

FORA realized savings in all expenditure categories (including administrative categories such as salaries and office expenses). The most significant expenditure variances were:

- \$10.7 million capital project decrease (deferred to FY 10-11); the revised FY 09-10 budget included \$14.5 million in capital projects, including roadway improvements, habitat management, and other CIP priority projects. Due to timing and bid results only \$3.8 million was completed in FY 09-10.
- \$800,000 decrease (deferral to FY 10-11 and budget savings) in contractual services to reflect actual cost of completed projects, timing and project progress (habitat management, ESCA regulatory response, CIP road designs, and Veteran Cemetery planning).
- \$170,000 decrease (deferral to FY 10-11 and budget savings) in administrative categories due cost saving measures and deferred moving expenses (FORA relocation to Imjin Office Park building is now scheduled for Spring 2011).
- \$600,000 adjustment in amortization; FORA does not include amortization expenses (non-cash expenses) in the operating budget.

The comparative statements of budgeted and actual revenues can be found on page 30 of this report.

LONG-TERM DEBT

FORA employs real property assets and lease revenue (such as Preston Park Housing) to amortize or collateralize long-term indebtedness. Current asset valuation is in the range of \$100 - \$150 million, of which FORA is entitled to a 50% share. Please refer to pages 17-18, Note 1J for more information regarding capital assets. As of June 30, 2010, FORA had \$21 million in long-term debt consisting of:

- \$18.9 million - Preston Park loan; *
- \$1.7 million - PLL Insurance loan; ** and
- \$0.4 million - capital lease equipment purchase obligation. ***

* In March 2010, FORA borrowed \$19 million (Preston Park Loan) from Rabobank. The FORA Board authorized the loan to 1) provide stimulus grant local matching funds and 2) retire certain existing debts (Revenue Bonds and Line of Credit). The loan (interest and principal) is financed by FORA's share of Preston Park net lease revenue.

** The PLL insurance loan is financed by a 7-year Rabobank loan. Participating jurisdictions/agencies reimburse FORA for their portions of the premium and financing costs. FORA collected only a partial payment from the City of Del Rey Oaks and used its own resources to cover the missing payment.

*** The capital lease obligation was incurred in 2003 to purchase firefighting equipment and will be repaid by development fees by June 30, 2014.

More detailed information about FORA's total long-term liabilities is presented on pages 22-24, Notes 7-10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

FORA anticipates accumulating a small revenue surplus by 2014. The surplus will come predominantly from property transaction proceeds. Even though FORA does not foresee rapid change in economic conditions, current projections forecast all capital programs and projects to have sufficient funds for administrative and implementation activities. There are a few areas where resources/expenses remain imprecise but will be better defined during the 2010-2011 fiscal year. Those are:

- Uncertainty in the underlying market for all forms of real property development;
- Still unknown cost figures for habitat conservation;
- Capital needs for augmenting current water supply; and
- Completed review by independent consultant of the FORA CIP.

FORA is implementing ESCA grant terms, which include reimbursement of oversight and administrative costs to FORA. In concert with this agreement, the U.S. Army transferred the remaining 3,300 acres of Economic Development Conveyance (EDC) property to FORA, allowing FORA's capital needs and habitat costs to become more definitive. FORA is coordinating with MCWD modifications of the capital improvement program schedule for completing water resource augmentation infrastructure needs and working with member jurisdictions to better define future capital requirements and objectives.

CONTACTING FORA'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of FORA's finances, and to demonstrate FORA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Fort Ord Reuse Authority, Executive Officer, 100 12th Street, Building #2880, Marina, California, 93933.

Michael A. Houlemard, Jr.
Executive Officer

FINANCIAL STATEMENTS

Government-wide Financial Statements

FORT ORD REUSE AUTHORITY
Statement of Net Assets
Year Ended June 30, 2010

	Governmental Activities
ASSETS	
Cash and investments	\$ 18,720,972
Accounts receivable:	
Due within one year	1,313,873
Due in more than one year	50,457
Notes receivable	247,343
Interest receivable	71,553
Grants receivable	395,599
Prepaid expenses	16,603
Prepaid insurance, net	2,700,000
Capital assets (Note 1-J, page 17)	21,753
Total Assets	23,538,153
LIABILITIES	
Accounts payable	2,083,700
Interest payable	63,210
Deferred revenue	6,618,150
Long-term debt and obligations:	
Due within one year	1,203,746
Due in more than one year	19,904,508
Total Liabilities	29,873,314
NET ASSETS	
Investment in capital assets (Note 1-J, page 17)	21,753
Restricted	2,425,460
Unrestricted	(8,782,374)
Total Net Assets	\$ (6,335,161)

Government-wide Financial Statements

FORT ORD REUSE AUTHORITY
Statement of Activities
Year Ended June 30, 2010

	Program Expenses	Program Revenues Grants and Fees	Net (Expense) Revenue
Functions/Programs	Program Expenses	Program Revenues Grants and Fees	Governmental Activities
Governmental Activities			
General government	\$ 1,231,788	\$ 247,228	\$ (984,560)
Capital improvements	4,828,373	3,506,804	(1,321,569)
Environmental cleanup	588,366	588,366	-
Reuse planning/EDC transfers & environmental subtotal - capital improvement program	858,185 6,274,924	2,510,164 6,605,334	1,651,979 330,410
Interest on long-term debt and short-term debt	1,200,300	-	(1,200,300)
Total governmental activities	8,707,012	6,852,562	(1,854,450)
General revenue			
Property tax revenue			1,255,022
Membership dues			261,000
Franchise fees			224,885
Investment earnings			788,138
Total general revenues			2,529,044
Change in net assets			
Net assets, beginning			674,594
Net assets, end of year			(7,009,755) \$ (6,335,161)

Fund Financial Statements

FORT ORD REUSE AUTHORITY

Balance Sheet

Year Ended June 30, 2010

	General Fund	Lease and Safe Proceeds	Developer Fees	Pollution Legal Liability	EDA Grant ARRA	OEA Grant VC	Army Grant ET/ESCA	Total Governmental Funds
ASSETS								
Cash and investments	\$ 7,304,086	\$ 76,860	\$ 3,958,839	\$ 115,641	\$ 483,687	\$ (10,379)	\$ 6,792,238	\$ 18,720,972
Accounts receivable - due within one year	1,130,999	-	-	182,874	-	-	-	1,313,873
Account receivable - due after one year	50,457	-	-	-	-	-	-	50,457
Notes receivable	-	191,093	56,250	-	-	-	-	247,343
Interest receivable	71,553	-	-	-	-	-	-	71,553
Grants receivable	-	-	-	-	354,688	40,911	-	395,599
Prepaid expenses	16,603	-	-	-	-	-	-	16,603
Prepaid insurance, net	-	-	-	2,700,000	-	-	-	2,700,000
Total Assets	<u>\$ 8,573,698</u>	<u>\$ 267,953</u>	<u>\$ 4,015,089</u>	<u>\$ 2,998,515</u>	<u>\$ 838,375</u>	<u>\$ 30,532</u>	<u>\$ 6,792,238</u>	<u>\$ 23,516,400</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 912,111	\$ 2,336	\$ 116,260	\$ -	\$ 838,375	\$ 30,532	\$ 184,087	\$ 2,083,701
Interest payable	-	56,870	-	6,340	-	-	-	63,210
Deferred revenue (see note 12, page 24)	-	-	-	10,000	-	-	6,608,150	6,618,150
Total Liabilities	<u>912,111</u>	<u>59,206</u>	<u>116,260</u>	<u>16,340</u>	<u>838,375</u>	<u>30,532</u>	<u>6,792,237</u>	<u>8,765,061</u>
Fund Balances (see note 13, page 25)								
Reserved	67,060	191,093	56,250	2,700,000	-	-	-	3,014,403
Unreserved:								
Designated	5,243,928	17,654	3,842,579	282,174	-	-	-	9,386,335
Undesignated	2,350,601	-	-	-	-	-	-	2,350,601
Total Fund Balances	<u>7,661,589</u>	<u>208,747</u>	<u>3,898,829</u>	<u>2,982,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,751,339</u>
Total Liabilities and Fund Balances	<u>\$ 8,573,700</u>	<u>\$ 267,953</u>	<u>\$ 4,015,089</u>	<u>\$ 2,998,514</u>	<u>\$ 838,375</u>	<u>\$ 30,532</u>	<u>\$ 6,792,237</u>	<u>\$ 23,516,400</u>

FORT ORD REUSE AUTHORITY

**Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Assets
Year Ended June 30, 2010**

Total Fund Balances - Governmental Funds (page 10) \$ 14,751,339

Amounts reported in the Governmental Activities column
in the Statement of Net Assets are different because:

Capital Assets

Capital assets used in governmental activities were
not current financial resources. Therefore, they
were not reported in the Governmental Funds
Balance Sheet. Capital assets were adjusted as follows:

Depreciable capital assets, net of accumulated depreciation

21,753

Long-term Debt Obligations

Long-term liabilities were not due and payable in
the current period. Therefore, they were not
reported in the Governmental Funds Balance Sheet.

Capital lease obligations

\$ (412,863)

PLL Loan payable

(1,714,285)

Preston Park Loan Payable

(18,934,578)

Compensated absences

(21,108,253)

Net Assets - Governmental Activities (page 8)

\$ (6,335,161)

Fund Financial Statements

FORT ORD REUSE AUTHORITY
Statement of Revenue, Expenditures, and Change in Fund Balances
Year Ended June 30, 2010

	General Fund	Lease and Sale Proceeds	Developer Fees	Pollution Legal Liability	EDA Grant ARRA	OEA Grant VC	Army Grant ET/ESCA	Governmental Funds
REVENUE								
Membership dues	\$ 261,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,000
Franchise fees	224,885	-	-	-	-	-	-	224,885
Property tax increment	1,255,022	-	-	-	-	-	-	1,255,022
Federal grants	-	-	-	-	1,371,158	40,911	588,366	2,000,435
Developer fees	-	-	48,265	-	-	-	-	48,265
Planning reimbursements	149,482	-	-	-	-	-	-	149,482
Construction reimbursements	1,269,383	-	-	-	-	-	-	1,269,383
Insurance reimbursements	-	-	-	983,657	-	-	-	983,657
Lease/Rental income	97,722	1,480,596	-	-	-	-	-	1,578,318
Real estate sales	-	313,538	-	-	-	-	-	313,538
CSU mitigation fees	-	-	500,000	-	-	-	-	500,000
Investment/Interest earnings	333,918	-	438,047	16,175	-	-	-	788,140
Other revenue	24	-	4,460	5,000	-	-	-	9,484
Total Revenue	3,591,436	1,794,134	990,772	1,004,832	1,371,158	40,911	588,366	9,381,609
EXPENDITURES								
Salaries and benefits	1,111,071	-	160,003	-	114,508	-	255,051	1,640,633
Supplies and services	87,822	12,611	43,130	2,183	-	-	13,780	159,526
Contractual services	277,896	10,263	376,052	4,250	329,539	40,911	319,535	1,358,446
Capital improvements	1,063,012	-	398,861	-	2,298,269	-	-	3,760,142
Amortization	-	-	-	600,000	-	-	-	600,000
Total Expenditures	2,539,801	22,874	978,046	606,433	2,742,316	40,911	588,366	7,518,747
Revenue over (under) Expenditures	1,051,635	1,771,260	12,726	398,399	(1,371,158)	-	-	1,862,862
Other Financing Sources (Uses)								
Debt service - Interest and fiscal charges	(283,778)	(795,097)	(24,415)	(97,010)	-	-	-	(1,200,300)
Debt service - Principal	(11,415,000)	(967,490)	(91,585)	(857,143)	-	-	-	(13,331,218)
Loan proceeds	19,000,000	-	-	-	-	-	-	19,000,000
Operating transfers in	-	-	482,790	-	1,371,158	-	-	1,853,948
Operating transfers (out)	(1,853,948)	-	-	-	-	-	-	(1,853,948)
Total Other Sources (Uses)	5,447,274	(1,762,587)	366,790	(954,153)	1,371,158	-	-	4,468,482
CHANGE IN FUND BALANCES								
Fund Balances - beginning	6,498,909	8,673	379,516	(555,754)	-	-	-	6,331,344
Fund Balances - end of year	1,162,680	200,074	3,519,313	3,537,928	-	-	-	8,419,995
Total	\$ 7,661,589	\$ 208,747	\$ 3,898,829	\$ 2,982,174	\$ -	\$ -	\$ -	\$ 14,751,339

FORT ORD REUSE AUTHORITY

**Reconciliation of the Governmental Funds Statement of Revenue, Expenditures,
and Change in Fund Balances to the Government-wide Statement of Activities
Year Ended June 30, 2010**

Change in Fund Balances - Governmental Funds (page 12) \$ 6,331,344

Amounts reported in the governmental activities column
in the statement of activities are different because:

Long-term Debt Payments

Repayment of long-term debt principal is an expenditure in the
government funds financial statement, but the repayment
reduces long-term liabilities in the statement of net assets.

Repayment of capital lease obligations	\$ 91,585
Repayment of bonds	2,825,000
Repayment of loans	<u>10,414,632</u>
	13,331,217

Proceeds from Loan Borrowing

Proceeds from long-term borrowing are reported as revenue
in the governmental funds financial statement, but recorded
as a liability in the statement of net assets.

Loan proceeds to pay for CIP projects	(19,000,000)
---------------------------------------	--------------

Capital Assets and Compensated Absences

Capital assets and compensated liability affect net assets but are
not included in governmental funds assets and liabilities.

Change in capital assets	1,174
Change in compensated absences liability	<u>12,033</u>
	10,859

Change in Net Assets - Governmental Activities (page 9)

	\$ 674,594
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NOTES TO THE FINANCIAL STATEMENTS

FORT ORD REUSE AUTHORITY
Notes to Financial Statements
June 30, 2010

The notes to the statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the Fort Ord Reuse Authority, as follows:

- Note 1 - Summary of Significant Accounting Policies
- Note 2 - Cash and Investments
- Note 3 - Equipment and Furniture
- Note 4 - Defined Benefit Pension Plan
- Note 5 - Deferred Compensation Plan
- Note 6 - Long-Term Debt Obligations
- Note 7 - Capitalized Lease Obligation
- Note 8 - Bonds Payable
- Note 9 - Loans Payable
- Note 10 - Compensated Absences
- Note 11 - Health Care Plan
- Note 12 - Commitments and Contingencies
- Note 13 - Fund Balance Designations
- Note 14 - Property Sales and Lease Income
- Note 15 - Contingent Receivables
- Note 16 - US Army Environmental Services Cooperative Agreement Grant
- Note 17 - New Pronouncements
- Note 18 - Subsequent Events

FORT ORD REUSE AUTHORITY
Notes to Financial Statements
June 30, 2010

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The Fort Ord Reuse Authority (Authority) was created under Title 7.85 of the California Government Code, Chapters 1-7, signed into law on May 10, 1994. The Authority was incorporated in the State of California as an instrumentality and is considered a quasi-governmental regional agency. The Authority has specific powers in State Law to prepare, adopt, finance and implement a plan for the future use and development of the territory formerly operated by the U.S. Army as the Fort Ord Military Reservation in Monterey County, California.

The Authority is governed by a 13-voting member board, which consists of various Monterey County's Board of Supervisors, City Mayors and/or Council Members from surrounding jurisdictions. The Authority Board has 12 non-voting ex-officio members. There are no component units, as defined in the Governmental Accounting Standards Board Statement (GASB) No. 14, that are included in the Authority's reporting entity.

The Authority receives funding from local, state and federal governmental sources and must comply with the accompanying requirements of these funding source entities. However, the Board is not included in any other governmental reporting entity as defined by the Governmental Accounting Standards Board pronouncement. The Board has the authority to levy taxes, the power to designate management and the ability to significantly influence operations and primary accountability for fiscal matters.

Title 7.85 of California Government Code specifies that its terms and provisions would become inoperative when the board determines that 80% of the territory of Fort Ord (that is designated for development or reuse in the plan prepared pursuant to the bill) has been developed or reused in a manner consistent with the plan, or June 30, 2014, whichever occurs first, and would be repealed on January 1, 2015.

B. Accounting Policies

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Authority are described below.

C. Basis of Presentation

The financial statement presentation, required by GASB Statements No. 34, 37, and 38 provides a comprehensive, entity-wide perspective of the Authority's assets, liabilities, and expands the fund-group perspective previously required.

Government-wide Financial Statements

Government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on overall financial status and activities of the Authority.

Fund Financial Statements

The fund financial statements (i.e., the balance sheet and the statement of revenue, expenditures and changes in fund balances) focus on the short-term look at the Authority's fiscal accountability and provide detailed information about individual funds.

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Notes to Financial Statements
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D. Fund Accounting

The accounts of the Authority are organized on the basis of funds and account groups. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. They are as follows:

Governmental Funds

- a. *General fund* is the general operating fund of the Authority and accounts for all revenue and expenditures of the Authority not encompassed within other funds. All general revenue and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.
- b. *Special revenue funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

E. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The fund financial statements are reported using the modified accrual basis of accounting. Revenue is recognized when they become both measurable and available to finance the expenditures of the current period (susceptible to accrual). Major revenue sources susceptible to accrual include all governmental grants that are unrestricted as to use and interest. The Authority also receives grants that are considered earned to the extent of expenditures made under the provisions of the grant and are therefore recognized based upon expenditures incurred. Expenditures are recorded when the related fund liability is incurred.

All governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

F. Budgetary Data

The Authority is not required by state law to adopt annual budgets for the general and special revenue funds. An annual budget is however prepared, adopted by the Authority's Board, and included as a part of the general accounting record and used as a guide to controlling expenses. Each budget is prepared and controlled by the budget controller at the revenue and expenditure function/object level.

FORT ORD REUSE AUTHORITY
Notes to Financial Statements
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The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- A proposed draft budget is submitted to the Board for the fiscal year commencing July 1.
- Once the budget is approved, it can be amended only by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings.

G. Use of Estimates

Financial statement preparation in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

H. Cash and Investments

Cash and cash equivalents held by the Authority are reported as cash and investments. Funds can spend cash at any time without prior notice or penalty. Investments are stated at fair value.

I. Receivables and Payables

The major components of receivables (i.e., revenues earned but not collected) as of June 30, 2010, were as follows:

	Construction Reimbursements	Tax Increment	Insurance Reimbursements	Land Sale Proceeds	Other Receivables	Total Receivables
Accounts receivable	\$ 696,472	\$ 383,960	\$ 182,874	\$ -	\$ 50,567	\$ 1,313,873
Notes receivable	-	-	-	191,093	56,250	247,343
Grants receivable	\$ 354,688	\$ -	\$ -	\$ -	\$ 40,911	\$ 395,599

The major components of payables (i.e., liabilities incurred but not paid) as of June 30, 2010, were as follows:

	Construction Activities	Environmental Cleanup	Reuse Planning/HCP	Debt Service	Other Payables	Total Receivables
Accounts payable	\$ 1,743,195	\$ 173,186	\$ 61,934	\$ -	105,385	\$ 2,083,700
Interest payable	\$ -	\$ -	\$ -	\$ 63,210	-	\$ 63,210

J. Capital Assets

Equipment and furniture are stated on the actual cost basis. Capitalization level for capital assets is \$500 per unit (including installation cost). Contributed capital assets are recorded at their estimated fair market value at the time received. There were no contributed capital assets during the year. Capital assets are depreciated over their estimated useful lives. The year end net balance in equipment and furniture was \$21,753. In accordance with the option provided by Government Accounting Principles Generally Accepted in the United States of America, infrastructure assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting are not recorded on the Statement of Net Assets. Management has determined that the purpose of stewardship for capital expenses is satisfied without recording these assets. In addition, depreciation is not recorded on these capital expenses.

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In all cases, the infrastructure assets are owned by the Authority, as trustee, for a relatively short period of time.

During the reporting period the Authority did not receive or transfer any real property. Real property assets have been transferred from the United States Government under an agreement dated June 23, 2000. These transfers included land, buildings, and infrastructure within the Cities of Marina, Del Rey Oaks, Monterey, Seaside and the County of Monterey. As of June 30, 2010, the Authority owned approximately 3,450 acres of former Fort Ord Army Base land which included the following parcels:

- Preston Park Housing area
- The Authority complex
- EDC properties transferred in connection with ESCA Grant

Real property assets are not recorded on the Authority's books since the Authority, as trustee, is a short-term real property holding entity. The Authority transfers property to underlying jurisdictions for disposal/development, retaining 50% interest in any future sale or leasing proceeds from any of these properties transferred for private development or for public non-institutional purposes. The ESCA Grant properties are undergoing munitions and explosives of concern remediation with covenants restricting use of these properties ("CRUPS") and have limited value until the CRUPS are lifted at the completion of remediation.

Management has determined the estimated year-end value of Authority owned properties to be in the range of \$100-\$150 million, of which the Authority is entitled to a 50% share.

K. Net Assets

The Authority's net assets are classified as follows:

- Investment in capital assets - This represents the Authority's total investment in capital assets.
- Restricted net assets - Restricted net assets include resources that the Authority is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or regulatory agencies that direct usage, or other impositions by contract or adopted covenants.
- Unrestricted net assets - Unrestricted net assets represent resources derived from franchise fees and membership dues. These resources are used for transactions relating the general operations of the Authority, and may be used at the discretion of the governing board to meet current expenses for any purpose.

L. Long -Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net assets. Bond issuance costs are reported as deferred charges and amortized over the life of the related debt. In the fund financial statements, long-term debt is not reported.

M. Major Funds

In accordance with GASB Statement No. 34, paragraph 76, the Authority has elected to report all its special revenue funds as major funds because they believe these funds are particularly important to financial statement users.

FORT ORD REUSE AUTHORITY
Notes to Financial Statements
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Note 2 - Cash and Investments

Cash and investments as of June 30, 2010 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 18,720,972

Cash and investments as of June 30, 2010 consist of the following:

Deposits with financial institutions in:	
Checking accounts	\$ 230,664
Money Market accounts	10,027,262
Certificates of deposit	4,424,172
Investment in (11) mutual funds	4,038,874
Total cash and investments	<u>\$ 18,720,972</u>

The California Government Code requires California banks, and savings and loan associations, to secure a government agency's deposits, in excess of federal depository insurance, by pledging government securities as collateral. The market value of pledge securities must equal 110 percent of a government agency's deposits.

Investments Authorized by the Authority's Board of Directors

Investments are managed in compliance with the revised Investment Policy adopted by the Authority's Board of Directors in February 2009. Such investment policies authorized the Authority to invest in:

- Obligations of the U.S. Treasury
- Obligations guaranteed by the U.S. Government
- Obligations of U.S. Federal Agencies
- Obligations of Government Sponsored Enterprises
- Bank Obligations registered with the Securities and Exchange Commission and that are consistent with FDIC insurance
- Savings and Money Market Accounts
- Money Market funds and other funds whose portfolios consist of any allowed instrument as specified in the policy
- State of California's Local Agency Investment Fund

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment:

		<u>Maturity Date</u>
Checking accounts	\$ 230,664	N/A (due on demand)
Money market accounts	10,027,262	N/A (due on demand)
Certificates of deposit	4,424,172	12-24 months
Investment in (11) mutual funds	4,038,874	N/A (due on demand)

FORT ORD REUSE AUTHORITY
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Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Statistical ratings are generally not available for certificates of deposit, and mutual fund ratings vary by company.

Concentration of Credit Risk (see Note 18)

The investment policy of the Authority contains limitations on the amount that can be invested in any type of investment or industry group beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total Authority investments except as shown below:

\$4,038,875 (22%) of the cash and investments are invested in 11 different mutual funds.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Note 3 - Equipment and Furniture

Capital asset activity for the year ended June 30, 2010, was as follows:

<u>Depreciable Assets</u>	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Equipment and furniture	\$ 322,519	\$ 6,163	\$ -	\$ 328,682
Accumulated depreciation	(301,937)	-	(4,992)	(306,929)
Total capital assets, net	<u>\$ 20,582</u>	<u>\$ 6,163</u>	<u>\$ (4,992)</u>	<u>\$ 21,753</u>

Depreciation expense was \$4,992 for the year ending June 30, 2010.

Note 4 - Defined Benefit Pension Plan

Plan Description

All eligible full-time employees participate in the Authority's defined benefit pension plan, administered through the California Public Employee's Retirement System, which provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries.

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The California Public Employees' Retirement System (CalPERS) is an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provision as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The Authority selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local resolution (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California, 95814.

Funding Status and Progress

Participants are required to contribute 7% of their annual covered salary. The Authority makes the contributions required of its employees on their behalf and for their account. The Authority's required contribution is based upon an actuarially determined rate. The current 2009-2010 fiscal year employer rate was 12.003% of annual covered payroll. The projected 2010-2011 fiscal year employer rate is 12.053% of annual covered payroll. The contribution requirements of plan members, and the Authority, are established and may be amended by CalPERS.

Annual Pension Cost

The Authority's total annual pension cost of \$209,320 to CalPERS was equal to the Authority's required and actual employer contributions of \$132,215, and the employee share of \$77,105. The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age normal actuarial cost method.

The actuarial assumptions included:

- a 7.75% investment rate of return (net of administrative expenses).
- projected annual salary increases of 3.25% to 14.45% depending on age, service and type of employment.
- an inflation rate of 3.0%.
- a payroll growth rate of 3.25%.
- individual salary growth merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.0% and an annual production growth of 0.25%.

The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). The Schedule of Funding Progress on page 29 shows that the plan was underfunded as of June 30, 2008. Information for the years ending June 30, 2009 and 2010 have not been released by the Plan Actuary.

The contribution rate for normal cost is determined using the entry-age normal actuarial cost method, a projected benefit cost method. It takes into account those benefits that are expected to be earned in the future as well as those already accrued. Significant actuarial assumptions used in the 2007 and 2008 valuations to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described above.

Historic Trend Information

Three-year trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

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Notes to Financial Statements
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Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 240,499	100%	\$ -0-
6/30/2009	\$ 252,930	100%	\$ -0-
6/30/2010	\$ 209,320	100%	\$ -0-

Note 5 - Deferred Compensation Plan

The Authority offers its full-time employees a deferred compensation plan in accordance with Internal Revenue Code §457. The plan permits the employee to defer until future years up to 25% of annual gross earnings not to exceed \$16,500; this amount increases to \$22,000 for employees 50 years and older. Assets are not available to participants for disbursement until termination, retirement, death, or an emergency.

The Authority does not fund the compensation deferred under the Plan except for \$833 per month contributed on behalf of the Executive Officer per the employment agreement. The contributions are held in investments that are underwritten by ICMA Retirement Corporation. Periodic contributions are made through payroll deductions of the employees and all plan fees associated with the accounts are the responsibility of the individual employee.

The participants' accounts are not subject to claims of the Authority's creditors. The Authority has no liability for losses under the plan but does have the duty of due care that would be required of any ordinary prudent investor.

Note 6 - Long-Term Debt Obligations

Long-term debt activity for the year was comprised of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital lease	\$ 504,448	\$ -	\$ 91,585	\$ 412,863	\$ 96,017
Bonds payable, net	2,825,000	-	2,825,000	-	-
PLL Insurance loan	2,571,429	-	857,143	1,714,286	857,143
Line of credit	9,492,068	-	9,492,068	-	-
Preston Park loan	-	19,000,000	65,422	18,934,578	238,954
Compensated absences	57,386	-	10,859	46,527	11,632
Totals	\$ 15,450,331	\$ 19,000,000	\$ 13,342,077	\$ 21,108,254	\$ 1,203,746

The Authority paid \$771,771 interest expense for the year ending June 30, 2010.

Note 7 - Capitalized Lease Obligation

The Authority entered into a lease purchase agreement to acquire fire fighting equipment that was distributed to local jurisdictions for fire suppression on the former Fort Ord Army Base.

Scheduled Payments

Future minimum lease payments are as follows:

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<u>Year Ending June 30,</u>	
2011	\$ 116,000
2012	116,000
2013	116,000
2014	<u>116,000</u>
Total gross lease payments	464,000
Less amount representing interest	<u>51,137</u>
Net minimum lease payments	412,863
Less current portion due within one year	<u>96,017</u>
Amount due after one year	<u>\$ 316,846</u>

Note 8 - Bonds Payable

Revenue Bonds

In 2002, the Authority issued Series A Revenue Bonds and Series B Subordinate Revenue Bonds in the total amount of \$4,940,000 with a final maturity date of August 2014. The Series A Bonds were issued to finance a habitat conservation program and priority infrastructure improvements endorsed by the Board of Directors of the Authority. The Series B Bonds were issued to finance priority infrastructure improvements also endorsed by the Board. The Authority repaid the Bonds in full in March 2010.

Note 9 - Loans Payable

Basewide Pollution Legal Liability Insurance Policy Loan

In 2005, the Authority entered into a long-term financing agreement to purchase a ten-year Basewide Pollution Legal Liability insurance policy. Financing was provided by a local bank through two separate credit line loans, and is secured by real estate (RE) and certificates of deposit (COD). Interest accrues at 4.5% on the RE secured loan, at 3.5% on the COD secured loan, and is paid monthly. Any remaining unpaid loan balances are due January 15, 2012. Funding to the Authority to repay the loans is being provided by member municipalities that benefit from legal liability protection of the insurance policy.

Scheduled Payments

Future annual principal and interest requirements are estimated as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 857,143	\$ 75,805	\$ 932,948
2012	<u>857,143</u>	<u>23,846</u>	<u>880,989</u>
Totals	<u>\$ 1,714,286</u>	<u>\$ 99,651</u>	<u>\$ 1,813,937</u>

The total cost of the insurance policy in the amount of \$6,000,000 is being amortized over the term of the coverage, which is 10 years. At June 30, 2010, the amount of outstanding principal was \$1,714,286.

Line of Credit

In March 2006, the Authority entered into a revolving line of credit in the amount of \$10 million. In November 2007, the credit line was increased to \$14 million, to finance Board approved Capital Improvement Program commitments. The line of credit was repaid in full in March 2010.

Preston Park Loan

In March 2010, the Authority borrowed \$19 million from Rabobank. In June 2009, the Board of Directors authorized the new loan to 1) provide stimulus grant local matching funds and 2) retire certain existing debts.

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Distribution of the loan proceeds was as follows:

Stimulus grant matching funds requirement	\$ 6,426,754
2002 Revenue Bonds repayment	2,461,133
Line of Credit repayment	9,000,000
Loan fees	184,883
Operating funds replenishment	927,230
Total proceeds	<u>\$ 19,000,000</u>

The new loan has a fixed interest rate of 5.98% for five years and matures in June 2014. The monthly debt service (principal and interest) of \$113,740 is being funded by the Authority's 50% share of Preston Park lease revenue. It is anticipated that the Authority's 50% ownership in Preston Park will be sold by June 2011 and the loan either repaid or assumed during the sale transaction.

As of June 30, 2010, the amount of outstanding principal was \$18,934,578.

Note 10 - Compensated Absences

Authority employees are allowed to accrue up to 10 days of sick leave and up to 20 days of vacation per year, depending on length of employment. Employees are permitted to carry over an unlimited amount of sick leave hours each calendar year; the carryover for vacation leave is limited to 120 hours. In the event of separation of employment, an employee is reimbursed for any unused vacation leave, and a portion of their unused sick leave (limited to 174 hours). Reimbursement is based on the employee's regular salary rate at the date of termination or resignation. Vacation leave becomes vested immediately and sick leave becomes vested after 5 years of continuous service. Effective July 1, 2006, the Authority management employees are provided 5 days of management leave per year. There is no cash pay-off for unused management leave time.

The Authority's liability for accrued vacation pay at June 30, 2010 was \$46,527.

Note 11 - Health Care Plan

During the year ended June 30, 2010, employees of the Authority were covered by a third party medical insurance plan, the California Public Employees Retirement System (CalPERS) Medical Benefits Program, and by the Principal Financial Group for dental, vision, and life insurance. The Authority contributes to the employee medical premium and to eligible dependents medical premiums up to \$1,323 per month per family. In addition, employees receive monthly cash allowances of \$145 per employee to be applied towards premiums of the optional dental, vision, and life insurance benefits under an Internal Revenue Code Section 125 Flexible Benefit Plan.

Note 12 - Commitments and Contingencies

A. Litigation

The Authority is not currently involved in litigation, nor has litigation has been threatened by or against Authority.

Appropriate insurance policies protect the Authority from most potential litigation effects. In addition, the Authority requires indemnification and contract provisions with its vendors and contractors that also guard against, and redirect, litigation costs and potential impact to the Authority's assets.

FORT ORD REUSE AUTHORITY
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B. Grant Payments

The Authority participates in federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Authority has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies. Current year grant information is as follows:

1. Environmental Remediation Project

The \$99.3 million federal grant was paid to the Authority in three phases: \$40 million in FY 06-07, \$30 million in FY 07-08, and \$27.7 million in FY 08-09. The Army provided their payments ahead of schedule and secured a \$1.6 million credit for early payments. With the last payment received in December 2008, the grant paid for all contracted expenditures through the end of the remediation project (June 2014).

o Deferred Revenue

The Authority's share of unspent, unearned Army grant revenue at June 30, 2010 is classified as revenue collected in advance of the earnings process and is recorded as deferred revenue, a liability account, for financial statement purposes. It will be recognized as revenue when earned.

2. Road Construction and the Veteran Cemetery Projects

The Authority collects payments for these two projects on a cost reimbursement basis, therefore, there is no deferred revenue liability recorded, and grant expenditures are reported as grants receivable on the financial statements.

Note 13 - Fund Balance Designations

As required by the GASB, fund balances are reported in two components; reserved and unreserved.

When fund balance is **reserved**, it means either that the resources are in a form that cannot be appropriated and spent (such as non-current receivables) or that the resources are legally restricted appropriations.

Reserved funds at June 30, 2010 consist of the following:

General Fund	\$67,060 reserved for non-current assets that cannot be used to meet current obligations.
Lease and Sale Proceeds Fund	\$191,093 reserved for non-current notes receivable.
Developers Fees Fund	\$56,250 reserved for non-current note receivable.
Pollution Legal Liability Fund	\$2,700,000 reserved for unamortized insurance policy.
<i>Total</i>	<i>\$3,014,403</i>

The portion of fund balance that is not reserved is called **unreserved** fund balance. Unreserved fund balance is available for unrestricted expenditures and can be further **designated** by the Authority's management. A designation is not legally binding but does convey the Authority's intents for using its available resources. These designated funds include developer impact fees dedicated for capital improvement projects, land sale and lease revenues used for building demolition, and federal grant monies used for munitions cleanup and other capital projects.

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Unreserved designated funds at June 30, 2010 consist of the following:

General Fund	\$5,243,928 designated for local matching funds to federal stimulus grant and for previously approved projects and contracts.
Lease and Sale Proceeds Fund	\$17,654 designated in accordance with the Base Reuse Plan (BRP) to fund the building removal and other capital improvement program obligations.
Developers Fees Fund	\$3,842,579 designated in accordance with BRP to fund the Habitat Management Program.
Pollution Legal Liability Fund	\$282,174 designated for debt service.
<i>Total</i>	<i>\$9,386,335</i>

Unreserved undesignated funds at June 30, 2010 consist of the following:

General Fund	\$2,350,601 available for expenditure and designation.
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Note 14 - Property Sales and Lease Income

California Law requires that all net lease or property sale proceeds generated on the former U.S. Army Base are to be shared equally between the Authority and the governmental entity with jurisdiction over subject property. This state law is affirmed under contract implementation agreements between the Authority and its underlying jurisdictions. Property sale and lease income activity for the year was as follows:

Land sale proceeds

Young Nak Church	\$ 8,505
Marina Coast Water District	\$ 122,445

Lease income

Preston Park Housing	\$ 1,480,596
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Note 15 - Contingent Receivables

1. \$132,500 - The City of Marina

Marina holds a \$265,000 promissory note from a former Fort Ord real estate sale. The terms provide that the note may be forgiven if certain affordable housing criteria are met during the note term, which matures in 2012. State law requires Marina to distribute one-half of the sale proceeds (\$132,500) to the Authority.

Since Marina is not authorized to forgive the 50% portion of the note that it is legally required to pay the Authority, they must make provision to compensate the Authority if it chooses to forgive repayment of the note. This transaction was not submitted to the Authority for approval.

2. \$234,581 - The City of Del Rey Oaks (DRO)

a) In 2002, DRO participated in a construction project funded by the EDA grant and local matching funds. On April 23, 2002, the DRO Council affirmed the City's commitment to provide the 25% local match or \$51,707 to pave a portion of South Boundary Road within the DRO city limits. DRO never paid this obligation citing insufficient resources. The Authority reports this debt as a long-term receivable on its financial statements and intends to collect payment as a deduction from the future land sale proceeds of DRO real property.

b) In 2005, the Authority purchased a ten-year Pollution Legal Liability (PLL) insurance policy. The participating member municipalities agreed to pay for their respective shares of the policy cost through fixed annual payments. In 2009 DRO lost its developer who previously made these payments. The Authority's Board of Directors approved a payment plan for DRO until they find a new developer who will be required by the City to bring the PLL Insurance coverage current. As of June 30, 2010, DRO owed \$182,874.

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Note 16 - US Army Environmental Services Cooperative Agreement Grant

Removal of munitions and explosives of concern (MEC) at the former Fort Ord has been in progress by the U.S. Army since 1992. Several areas formerly used for military training at the former base have been cleared over the years, but approximately 3,340 acres must still undergo specific MEC removal activities before they can be reused for key elements of the Fort Ord Base Reuse Plan. In the spring of 2005 the U.S. Army and Authority entered into negotiations to execute an Army funded Environmental Services Cooperative Agreement (ESCA) leading to the transfer of former Fort Ord 3,340 acres prior to regulatory environmental sign-off. In early 2007, the Army awarded the Authority \$99.3 million to perform munitions cleanup on the ESCA parcels. Authority also entered into an Administrative Order on Consent (AOC) with U.S. Environmental Protection Agency (EPA) and California Department of Toxic Substance Control (DTSC), defining conditions under which the Authority assumes responsibility for the Army remediation of the ESCA parcels. In order to complete the AOC defined work; the Authority entered into a Remediation Services Agreement (RSA) with LFR, Inc. to provide MEC remediation services and executed a Cost-Cap insurance policy for this remediation work through the American International Insurance Group (AIG).

The ESCA Remediation Program (RP) has been underway for approximately 3.5 years. The ESCA property was transferred to FORA ownership on May 8, 2009. The FY 2010 ESCA RP field work focused in the Parker Flats and adjacent areas of the former Fort Ord.

On December 17, 2008 FORA received the fourth and final ESCA Grant fund payment of approximately \$28.6 million. Per the AOC, the majority of these funds have been transferred to AIG (now "Chartis" company) for payment to LFR, Inc. under the terms of the insurance policies and related agreements. The Authority's administrative costs and oversight responsibility, including third-party quality assurance work, are also funded by the ESCA grant.

Note 17 - New Pronouncements

The GASB issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," issued in March 2009, initially distinguishes fund balance between amounts that are considered nonspendable, such as fund balance associated with long-term notes receivable or inventory, and other amounts that are classified as spendable based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Restricted - Amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.
- Committed - Amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority.
- Assigned - Amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed.
- Unassigned - The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The new standard also clarifies the definitions of individual governmental fund types. It also specifies how economic stabilization or "rainy day" amounts should be reported. Because of the specific nature of these accounts, the statement considers stabilization amount as *specific purposes*. Stabilization amounts should be reported in the general fund as restricted or committed if they meet the appropriate criteria. Only if the resources in the stabilization arrangement derive from a restricted or committed revenue source could a stabilization fund be reported as a special revenue fund.

FORT ORD REUSE AUTHORITY
Notes to Financial Statements
June 30, 2010

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by this statement. The capital projects fund type was clarified for better alignment with the needs of financial statement users and prepares. Definitions are as follows:

- General fund - Account for and report all financial resources and uses not accounted for and reported in another fund.
- Special revenue funds - Account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- Capital projects funds - Account for and report financial resources that are restricted, committed, or assigned to the expenditure for capital outlays, including the acquisition of construction of capital facilities and other capital assets.
- Debt service funds - Account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.
- Permanent funds - Account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

The requirements of this statement are effective for fiscal periods beginning after June 15, 2010.

Note 18 - Subsequent Events

The Authority management has reviewed the results of operations for the period from June 30, 2010 through November 19, 2010, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

On August 18, 2010 the Authority sold its entire portfolio of mutual funds, in the amount of \$4.2 million, and reinvested those funds in certificates of deposit.

The management, however, feels that it is important to disclose the following information as it may affect the Authority's financial position as of June 30, 2010, and cause prior period adjustments in its financial statements, as follows:

- In the fall of 2010, as directed by the Board of Directors as part of the review of the Capital Improvement Program, the Authority conducted an internal audit of tax increment revenue that the Authority collects from the redevelopment agencies of the Cities of Seaside, Marina and Monterey County. The results indicate that the Authority may be owed property tax increment payments from the Cities of Seaside and Marina. The Authority has provided both cities with the audit conclusion.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress - Defined Benefit Pension Plan
- Budget and Actual - All Funds

FORT ORD REUSE AUTHORITY
Schedule of Funding Progress
Defined Benefit Pension Plan
Year Ended June 30, 2010

Pooled Report Format

Since the Authority has less than 100 active members, it is required by CalPERS to participate in a risk pool. The following valuation reports the activity of the risk pool as a whole, and not the specific activity of individual members such as the Authority.

<u>Miscellaneous Plan - 2% at 55 Risk Pool</u>	<u>Actuarial Valuation Date - Year Ended</u>		
	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
Accrued Liabilities (AL)	\$ 2,754,396,608	\$ 2,611,746,790	\$ 2,780,280,768
Actuarial Value of Assets (AVA)	\$ 2,492,226,176	\$ 2,391,434,447	\$ 2,547,323,278
Unfunded Liabilities (UL)	\$ 262,170,432	\$ 220,312,343	\$ 232,957,490
Funded Ratio (AVA/AL)	90.5%	91.6%	91.6%
Annual Covered Payroll	\$ 699,897,835	\$ 665,522,859	\$ 688,606,681
UL as a Percentage of Payroll	37.5%	33.1%	33.8%

Note - Details of the defined benefit pension plan can be found in Note 4 of the financial statements. Information for the years ended June 30, 2009 and 2010 have not been released by the Plan Actuary.

FORT ORD REUSE AUTHORITY
Statement of Revenues and Expenditures
Budget and Actual - All Funds
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (Inflows)				
Membership dues	\$ 261,000	\$ 261,000	\$ 261,000	\$ -
Franchise fees	195,000	195,000	224,885	29,885
Property tax increment	1,200,000	960,000	1,255,022	295,022
Federal grants	7,774,397	7,861,151	2,000,435	(5,860,716)
Developer fees	17,000	51,531	48,265	(3,266)
Planning reimbursements	-	150,000	149,482	(518)
Construction reimbursements	-	1,376,670	1,269,383	(107,287)
Insurance reimbursements	727,634	983,657	983,657	-
Lease/Rental income	1,558,000	1,558,000	1,578,318	20,318
Real estate sales	1,216,000	1,298,644	313,538	(985,106)
CSU mitigation fees	500,000	500,000	500,000	-
Investments/Interest payments	75,000	813,500	788,140	(25,360)
Loan proceeds	21,000,000	19,000,000	19,000,000	-
Operating transfers in	-	-	-	-
Other revenue	-	5,000	9,484	4,484
Amounts available for appropriation	<u>34,524,031</u>	<u>35,014,153</u>	<u>28,381,609</u>	<u>(6,632,544)</u>
Charges to Appropriations (Outflows)				
Salaries and benefits	1,792,062	1,662,062	1,640,633	21,429
Supplies and services	306,250	306,250	159,526	146,724
Contractual services	1,711,500	2,171,500	1,358,446	813,054
Capital improvements	14,478,000	14,478,000	3,760,142	10,717,858
Debt service	16,402,036	14,390,606	14,531,518	(140,912)
Operating transfers (out)	-	-	-	-
Amortization	-	-	600,000	(600,000)
Total charges to appropriations	<u>34,689,848</u>	<u>33,008,418</u>	<u>22,050,265</u>	<u>10,958,153</u>
Surplus (Deficit)	<u>\$ (165,817)</u>	<u>\$ 2,005,735</u>	<u>\$ 6,331,344</u>	<u>\$ 4,325,609</u>

Refer to MD&A, Budgetary Highlights for budget variance explanations

SINGLE AUDIT REPORT

MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

2701 Cottage Way, Suite 30 / Sacramento, California 95825 / 916.979.9079

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Board of Directors
Fort Ord Reuse Authority
Marina, California

Compliance

We have audited the compliance of the Fort Ord Reuse Authority (Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Fort Ord Reuse Authority, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

Board of Directors
Fort Ord Reuse Authority
Marina, California

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board of directors, federal awarding agencies, and state pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Marullo & Company

Certified Public Accountants
Sacramento, California
November 11, 2010

MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

2701 Cottage Way, Suite 30 / Sacramento, California 95825 / 916.979.9079

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Fort Ord Reuse Authority
Marina, California

We have audited the financial statements of the Fort Ord Reuse Authority (Authority) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. This report is intended solely for the information and use of management, the board of directors, federal awarding agencies, and state pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants
Sacramento, California
November 11, 2010

FORT ORD REUSE AUTHORITY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

<u>Description and Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF COMMERCE		
ECONOMIC DEVELOPMENT ADMINISTRATION		
Direct Program:		
Economic Adjustment Assistance		
Project grant for new arterial road construction		
EDA Award No. 07-79-73004	ARRA 11.307	1,149,134
U.S. DEPARTMENT OF DEFENSE		
<u>Cluster</u>		
OFFICE OF ECONOMIC ADJUSTMENT		
Direct Program:		
Community Economic Adjustment Assistance Award for		
Establishment, Expansion, Realignment, or Closure of a		
Military Installation		
Project grant for veterans cemetery master plan		
OEA Award No. CL9218-10-7	12.607	40,911
DEPARTMENT OF THE ARMY		
Direct Program:		
U.S. Army Corp of Engineers, HTRW Center of Expertise,		
Project grant for Environmental Services Cooperative		
Agreement		
Project grant for clean up of munitions and		
explosives of concern		
Agreement No. W9128F-07-2-0162	12.xxx	<u>\$ 588,366</u>
Total Expenditures of Federal Awards		<u>\$ 1,190,045</u>

The accompanying Note to Schedule of Expenditures of Federal Awards is an integral part of this schedule.

Fort Ord Reuse Authority
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Note A - Reporting Entity Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Fort Ord Reuse Authority (the Authority) under programs of the federal government for the year ended June 30, 2010. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position or changes in net assets of the Authority.

Note B - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) All federal grants were direct programs.

(3) There were no subrecipients of federal awards.

FORT ORD REUSE AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? No
- Reportable conditions identified not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

Federal Awards:

Internal control over major programs:

- Material weaknesses identified? No
- Reportable conditions identified not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133 No

Identification of major programs:

<u>CFDA No.</u>	<u>Name of Federal Program or Cluster</u>
11.307	Economic Adjustment Assistance
12.607	Community Economic Adjustment Assistance
12.xxx	Environmental Services Coop Agreement

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualifies as low-risk auditee? Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

Current Year: None
 Prior Year: None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Current Year: None
 Prior Year: None

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	CONSISTENCY DETERMINATION: General Plan Amendments for City of Marina Pedestrian and Bicycle Master Plan	
Meeting Date:	December 10, 2010	ACTION
Agenda Number:	7b	

RECOMMENDATION(S):

Approve Resolution 10-16 (**Attachment A**), concurring in the City of Marina's ("Marina") legislative land use decision that the General Plan Amendments for the Marina Pedestrian and Bicycle Master Plan ("Pedestrian and Bicycle Master Plan") are consistent with the Fort Ord Base Reuse Plan ("BRP").

BACKGROUND:

Marina submitted the Pedestrian and Bicycle Master Plan for consistency determination on November 12, 2010 (**Attachment B**). Marina requested a Legislative Land Use Decision review of the Pedestrian and Bicycle Master Plan in accordance with section 8.02.010 of the Fort Ord Reuse Authority ("FORA") Master Resolution. Under state law, (as codified in FORA's Master Resolution) legislative land use decisions (plan level documents such as General Plans, Zoning Codes, Pedestrian and Bicycle Master Plans, Redevelopment Plans, etc.) must be scheduled for FORA Board review under strict timeframes. This item is included on the Board agenda because the Pedestrian and Bicycle Master Plan is a legislative land use decision, requiring Board approval.

The FORA Administrative Committee reviewed this item on December 1, 2010 and recommended that the FORA Board concur in Marina's consistency determination.

DISCUSSION:

Marina staff will be available to provide additional information to the FORA Board on December 10, 2010. In all consistency determinations, the following additional considerations are made and summarized in a table (**Attachment C**).

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

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

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

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

The Pedestrian and Bicycle Master Plan would not establish a land use designation that is more intense than the uses permitted in the BRP. The Pedestrian and Bicycle Master Plan is a policy document that guides the location and design of facilities for walking and bicycling in Marina.

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

The Pedestrian and Bicycle Master Plan does not modify development density and is consistent with the BRP thresholds.

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

The Pedestrian and Bicycle Master Plan meets applicable program conditions.

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

The Pedestrian and Bicycle Master Plan is compatible with open space, recreational, or habitat management areas. Specifically, it would add new Policy 3.34.5 Environmental Considerations to the Marina General Plan. This would ensure that such pedestrian and bicycle facilities are planned with consideration for protection of preservation lands, wetlands, coastal resources, and other environmental resources.

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

Marina development will pay its fair share of the basewide costs through the FORA Community Facilities District Fee and tax increment that will accrue to FORA, as well as land sales revenues. The Pedestrian and Bicycle Master Plan policies would provide funding for pedestrian and bicycle facilities through Marina's participation in regional transportation financing and City Impact Fees.

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

The Fort Ord Habitat Management Plan ("HMP") designates certain parcels for "Development," in order to allow economic recovery through development while promoting preservation, enhancement, and restoration of special status plant and animal species in designated habitats. The Pedestrian and Bicycle Master Plan only affects lands that are located within areas designated for "Development" under the HMP. Lands designated as "Development" have no management restrictions placed upon them as a result of the HMP. The Pedestrian and Bicycle Master Plan would not conflict with implementation of the Fort Ord HMP.

(7) Is not consistent with the Highway 1 Scenic Corridor design standards as such standards may be developed and approved by the Authority Board; and

The Pedestrian and Bicycle Master Plan is compatible with the Highway 1 Scenic Corridor design standards and future pedestrian and bicycle facilities improvements within the Highway 1 Scenic Corridor will be reviewed by Marina and FORA for compliance with these standards.

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

Implementation of the Pedestrian and Bicycle Master Plan would increase connectivity between housing, employers, schools, and businesses on the former Fort Ord and support redevelopment activities. This is consistent with the jobs/housing balance approved by the FORA Board.

Additional Considerations

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

The Pedestrian and Bicycle Master Plan does not modify prevailing wage requirements for future development entitlements within Marina's former Fort Ord footprint.

FISCAL IMPACT:


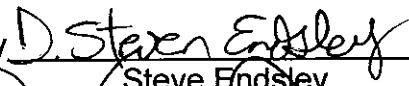
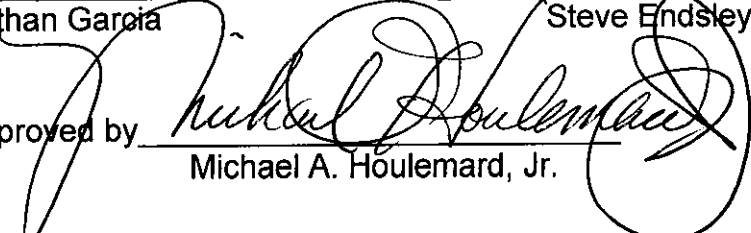
Reviewed by FORA Controller 

This action is regulatory in nature and should have no direct fiscal, administrative, or operational impact. In addition to points already dealt with in this report, it is clarified that the developments expected to be charged with reuse subject to the Pedestrian and Bicycle Master Plan are covered by the Community Facilities District or other agreement that ensure a fair share payment of appropriate future fees to mitigate for impacts delineated in the 1997 BRP and accompanying Environmental Impact Report. Marina has agreed to provisions for payment of all required fees for future developments in the former Fort Ord under its jurisdiction.

Staff time for this item is included in the approved FY 10-11 budget.

COORDINATION:

Marina, Planners Working Group, Administrative Committee, and Executive Committee

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

DRAFT

Resolution 10-16

ATTACHMENT A
Item 7b
FORA Board Meeting, December 10, 2010

Resolution Determining Consistency of)
General Plan Amendments for City of)
Marina Pedestrian and Bicycle Master Plan)

DRAFT

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

- A. On June 13, 1997, the Fort Ord Reuse Authority ("FORA") adopted the Final Base Reuse Plan under Government Code Section 67675, et seq.
- B. After FORA adopted the reuse plan, Government Code Section 67675, et seq. requires each county or city within the former Fort Ord to submit to FORA its general plan or amended general plan and zoning ordinances, and to submit project entitlements, and legislative land use decisions that satisfy the statutory requirements.
- C. By Resolution No. 98-1, the Authority Board of FORA adopted policies and procedures implementing the requirements in Government Code 67675, et seq.
- D. The City of Marina ("Marina") is a member of FORA. Marina has land use authority over land situated within the former Fort Ord and subject to FORA's jurisdiction.
- E. After noticed public meetings on February 2 and September 8, 2010, the City of Marina adopted the General Plan Amendments for City of Marina Pedestrian and Bicycle Master Plan ("Pedestrian and Bicycle Master Plan"), affecting lands on the former Fort Ord. Marina also found the Pedestrian and Bicycle Master Plan is consistent with the Fort Ord Base Reuse Plan, FORA's plans and policies and the FORA Act and considered the Fort Ord Base Reuse Plan Environmental Impact Report ("EIR") in their review and deliberations.
- F. On November 12, 2010, the City of Marina recommended that FORA concur in the City's determination that FORA's Final Base Reuse Plan, certified by the Board on June 13, 1997, and the Pedestrian and Bicycle Master Plan are consistent. Marina submitted to FORA its Pedestrian and Bicycle Master Plan together with the accompanying documentation.
- G. Consistent with the Implementation Agreements between FORA and Marina, on November 12, 2010, Marina provided FORA with a complete copy of the submittal for lands on the former Fort Ord, the resolutions and/or ordinance approving it, a staff report and materials relating to the City of Marina's action, a reference to the environmental documentation and/or CEQA findings, and findings and evidence supporting its determination that the Pedestrian and Bicycle Master Plan are consistent with the Fort Ord Base Reuse Plan and the FORA Act (collectively, "Supporting Material"). Marina requested that FORA certify the Pedestrian and Bicycle Master Plan as being consistent with the Fort Ord Base Reuse Plan for those portions of Marina that lie within the jurisdiction of FORA.

- H. FORA's Executive Officer and the FORA Administrative Committee reviewed Marina's application for consistency evaluation. The Executive Officer submitted a report recommending that the FORA Board find that the Pedestrian and Bicycle Master Plan are consistent with the Fort Ord Base Reuse Plan. The Administrative Committee reviewed the Supporting Material, received additional information, and concurred with the Executive Officer's recommendation. The Executive Officer set the matter for public hearing regarding consistency of the Pedestrian and Bicycle Master Plan before the FORA Board on December 10, 2010.
- I. Master Resolution, Chapter 8, Section 8.02.010(a)(4) reads in part: "(a) In the review, evaluation, and determination of consistency regarding legislative land use decisions, the Authority Board shall disapprove any legislative land use decision for which there is substantial evidence supported by the record, that [it] (4) Provides uses which conflict or are incompatible with uses permitted or allowed in the Reuse Plan for the affected property..."
- J. In this context, the term "consistency" is defined in the General Plan Guidelines adopted by the State Office of Planning and Research as follows: "An action, program, or project is consistent with the general plan if, considering all its aspects, it will further the objectives and policies of the general plan and not obstruct their attainment."
- K. FORA's consistency determination must be based upon the overall congruence between the submittal and the Reuse Plan, not on a precise match between the two.

NOW THEREFORE be it resolved:

1. The FORA Board recognizes the City of Marina's September 8, 2010 recommendation that the FORA Board find consistency between the Fort Ord Base Reuse Plan and the Pedestrian and Bicycle Master Plan was appropriate.
2. The Board has reviewed and considered the Fort Ord Base Reuse Plan Final Environmental Impact Report and Marina's environmental documentation is adequate and complies with the California Environmental Quality Act. The Board finds further that these documents are sufficient for purposes of FORA's determination for consistency of the Pedestrian and Bicycle Master Plan.
3. The Board has considered the materials submitted with this application, the recommendation of the Executive Officer and Administrative Committee concerning the application and oral and written testimony presented at the hearings on the consistency determination, which are hereby incorporated by reference.
4. The Board finds that the Pedestrian and Bicycle Master Plan are consistent with the Fort Ord Base Reuse Plan. The Board further finds that the legislative decision made herein has been based in part upon the substantial evidence submitted regarding allowable land uses, a weighing of the Base Reuse Plan's emphasis on a resource constrained sustainable reuse that evidences a balance between jobs created and housing provided, and that the cumulative land uses contained in Marina's submittal are not more intense or dense than those contained in the Base Reuse Plan.

5. The Pedestrian and Bicycle Master Plan will, considering all their aspects, further the objectives and policies of the Final Base Reuse Plan. The Marina application is hereby determined to satisfy the requirements of Title 7.85 of the Government Code and the Fort Ord Base Reuse Plan.

Upon motion by _____, seconded by _____, the foregoing resolution was passed on this 10th day of December, 2010, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

I, Supervisor Potter, Chair of the Board of Directors of the Fort Ord Reuse Authority of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of the said Board of Directors duly made and entered under Item ____, Page ____, of the board meeting minutes of _____, 2010 thereof, which are kept in the Minute Book resident in the offices of the Fort Ord Reuse Authority.

DATED _____

BY _____

Dave Potter
Chair, Board of Directors
Fort Ord Reuse Authority

Resolution 10-16

Resolution Determining Consistency of)
General Plan Amendments for City of)
Marina Pedestrian and Bicycle Master Plan)

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

- A. On June 13, 1997, the Fort Ord Reuse Authority ("FORA") adopted the Final Base Reuse Plan under Government Code Section 67675, et seq.
- B. After FORA adopted the reuse plan, Government Code Section 67675, et seq. requires each county or city within the former Fort Ord to submit to FORA its general plan or amended general plan and zoning ordinances, and to submit project entitlements, and legislative land use decisions that satisfy the statutory requirements.
- C. By Resolution No. 98-1, the Authority Board of FORA adopted policies and procedures implementing the requirements in Government Code 67675, et seq.
- D. The City of Marina ("Marina") is a member of FORA. Marina has land use authority over land situated within the former Fort Ord and subject to FORA's jurisdiction.
- E. After noticed public meetings on February 2 and September 8, 2010, the City of Marina adopted the General Plan Amendments for City of Marina Pedestrian and Bicycle Master Plan ("Pedestrian and Bicycle Master Plan"), affecting lands on the former Fort Ord. Marina also found the Pedestrian and Bicycle Master Plan is consistent with the Fort Ord Base Reuse Plan, FORA's plans and policies and the FORA Act and considered the Fort Ord Base Reuse Plan Environmental Impact Report ("EIR") in their review and deliberations.
- F. One of the main purposes of the Marina City Council action is to help Marina achieve reductions of greenhouse gas emissions over time as more people choose to travel on foot and by bicycle.
- G. On November 12, 2010, the City of Marina recommended that FORA concur in the City's determination that FORA's Final Base Reuse Plan, certified by the Board on June 13, 1997, and the Pedestrian and Bicycle Master Plan are consistent. Marina submitted to FORA its Pedestrian and Bicycle Master Plan together with the accompanying documentation.
- H. Consistent with the Implementation Agreements between FORA and Marina, on November 12, 2010, Marina provided FORA with a complete copy of the submittal for lands on the former Fort Ord, the resolutions and/or ordinance approving it, a staff report and materials relating to the City of Marina's action, a reference to the environmental documentation and/or CEQA findings, and findings and evidence supporting its determination that the Pedestrian and Bicycle Master Plan are consistent with the Fort Ord Base Reuse Plan and the FORA Act (collectively, "Supporting

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Material"). Marina requested that FORA certify the Pedestrian and Bicycle Master Plan as being consistent with the Fort Ord Base Reuse Plan for those portions of Marina that lie within the jurisdiction of FORA.

- I. FORA's Executive Officer and the FORA Administrative Committee reviewed Marina's application for consistency evaluation. The Executive Officer submitted a report recommending that the FORA Board find that the Pedestrian and Bicycle Master Plan are consistent with the Fort Ord Base Reuse Plan. The Administrative Committee reviewed the Supporting Material, received additional information, and concurred with the Executive Officer's recommendation. The Executive Officer set the matter for public hearing regarding consistency of the Pedestrian and Bicycle Master Plan before the FORA Board on December 10, 2010.
- J. Master Resolution, Chapter 8, Section 8.02.010(a)(4) reads in part: "(a) In the review, evaluation, and determination of consistency regarding legislative land use decisions, the Authority Board shall disapprove any legislative land use decision for which there is substantial evidence supported by the record, that [it] (4) Provides uses which conflict or are incompatible with uses permitted or allowed in the Reuse Plan for the affected property..."
- K. In this context, the term "consistency" is defined in the General Plan Guidelines adopted by the State Office of Planning and Research as follows: "An action, program, or project is consistent with the general plan if, considering all its aspects, it will further the objectives and policies of the general plan and not obstruct their attainment."
- L. FORA's consistency determination must be based upon the overall congruence between the submittal and the Reuse Plan, not on a precise match between the two.

NOW THEREFORE be it resolved:

1. The FORA Board recognizes the City of Marina's September 8, 2010 recommendation that the FORA Board find consistency between the Fort Ord Base Reuse Plan and the Pedestrian and Bicycle Master Plan was appropriate.
2. The Board has reviewed and considered the Fort Ord Base Reuse Plan Final Environmental Impact Report and Marina's environmental documentation is adequate and complies with the California Environmental Quality Act. The Board finds further that these documents are sufficient for purposes of FORA's determination for consistency of the Pedestrian and Bicycle Master Plan.
3. The Board has considered the materials submitted with this application, the recommendation of the Executive Officer and Administrative Committee concerning the application and oral and written testimony presented at the hearings on the consistency determination, which are hereby incorporated by reference.
4. The Board finds that the Pedestrian and Bicycle Master Plan are consistent with the Fort Ord Base Reuse Plan. The Board further finds that the legislative decision made herein has been based in part upon the substantial evidence submitted regarding allowable land uses, a weighing of the Base Reuse Plan's emphasis on a

resource constrained sustainable reuse that evidences a balance between jobs created and housing provided, and that the cumulative land uses contained in Marina's submittal are not more intense or dense than those contained in the Base Reuse Plan.

5. The Pedestrian and Bicycle Master Plan will, considering all their aspects, further the objectives and policies of the Final Base Reuse Plan. The Marina application is hereby determined to satisfy the requirements of Title 7.85 of the Government Code and the Fort Ord Base Reuse Plan.

Upon motion by Supervisor Parker, seconded by Councilmember Ford, the foregoing resolution was passed on this 10th day of December, 2010, by the following vote:

AYES: Director Potter, Director Parker, Director Bloomer, Director Pendergrass, Director Edelen, Director McCloud, Director Kampe, Director O'Connell, Director Selfridge, Director Ford

NOES: -0-

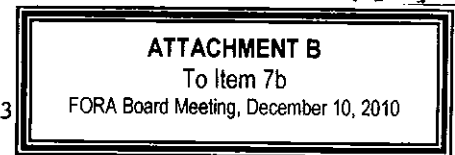
ABSTENTIONS: -0-

ABSENT: Director Calcagno, Director Barrera, Director Oglesby

I, Supervisor Potter, Chair of the Board of Directors of the Fort Ord Reuse Authority of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of the said Board of Directors duly made and entered under Item 7b, Page 2, of the board meeting minutes of December 10, 2010 thereof, which are kept in the Minute Book resident in the offices of the Fort Ord Reuse Authority.

DATED 1-5-11

BY Dave Potter
Dave Potter
Chair, Board of Directors
Fort Ord Reuse Authority



Steve Endsley
Director of Planning and Finance
Fort Ord Reuse Authority
100 Twelfth Street, Building 2880
Marina, California 93933

November 12, 2010

RE: Consistency Determination for General Plan Amendments for City of Marina Pedestrian and Bicycle Master Plan

Dear Mr. Endsley:

This letter is a formal request to the Fort Ord Reuse Authority for a consistency determination for the following described legislative action at the Administrative Committee on December 1, 2010, and by the Board of Directors on December 10, 2010.

The Pedestrian and Bicycle Plan has three main purposes: to provide guidelines for improving pedestrian and bicycle facilities in Marina; to meet the requirements of granting agencies such as Caltrans and TAMC; and to help the City of Marina achieve reductions of greenhouse gas emissions over time as more people choose to travel on foot and by bicycle.

The project consists of:

Amendments to Chapter 3 (Community Infrastructure Element) and Chapter 4 (Community Design and Development Element) of the General Plan including: new and modified policies which will provide updated pedestrian and bicyclist network facilities maps (Figures 3.3. and 3.4) for implementation through the CIP, as well as clarify the City goals and policies in relation to walking and bicycling, recognizing and advancing these modes in balance with other modes of transportation.

A Mitigated Negative Declaration (State Clearinghouse No. 2009121064) pursuant to the California Environmental Quality Act (CEQA) Statutes and Guidelines was adopted for the Pedestrian and Bicycle Master Plan and associated General Plan Amendments.

On December 17, 2009, the Public Works Commission held a public hearing, provided comments and recommended that City Council adopt the Marina Pedestrian and Bicycle Master Plan.

On January 7, 2010, the Transportation Agency of Monterey County (TAMC) Bicycle and Pedestrian Facilities Advisory Committee received a presentation regarding the plan and recommended several changes to the network maps.

On January 14, 2010, the Planning Commission conducted a public hearing, provided comments, and by Resolution No. 2010 -06 (PC), recommended that City Council consider certifying a Mitigated Negative Declaration for the project; as well as Resolution No. 2010 -07 (PC), recommending that City Council consider amending Chapters 3 and 4 of the Marina General Plan; and Resolution No. 2010-08 (PC), recommending that City Council consider adopting the Marina Pedestrian and Bicycle Master Plan.

S

On September 8, 2010, the Marina City Council held a public hearing, made findings and adopted Resolution No. 2010-140 adopting the City of Marina Pedestrian and Bicycle Master Plan and associated General Plan Amendments are consistent with Fort Ord Reuse Plan and Fort Ord Reuse Authority Master Resolution.

For the FORA Administrative Committee, a PDF of the Pedestrian and Bicycle Master Plan can be located at the City of Marina website main page under E-Services,Community Development/Planning Services/Marina Ped Bike Master Plan Final feb 2010.

Thirty CD ROM's are provided for the Board of Directors meeting. The CD roms contain the following:

- Cover Letter to Mr. Steve Endsley
- February 2, 2010 staff report to City Council;
- September 8, 2010 staff report to City Council;
- Executed City Council Resolution No. 2010-12 (Mitigated Negative Declaration)
- Executed City Council Resolution No. 2010-13 (General Plan Amendments)
- Executed City Council Ordinance No. 2010-17 (Pedestrian and Bicycle Master Plan)
- Executed City Council Resolution No. 2010-140 (Consistency Determination).

Thank you in advance and please contact me at (831) 884-1289 if you have questions or if you need additional information.

Sincerely,

Christine di Iorio, AICP
Community Development Director

cc: Theresa Szymanis, AICP, Planning Services Manager

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Administrative Committee Report	
Meeting Date: December 10, 2010 Agenda Number: 8a	INFORMATION

RECOMMENDATION:

Receive a report from the Administrative Committee.

BACKGROUND/DISCUSSION:

The Administrative Committee met on October 20, November 17 and December 1, 2010. A joint meeting with the Capital Improvement Program Committee was held on October 20, 2010. The approved minutes for the October 20th meeting are attached. The minutes from the November 17 and December 1, 2010 meetings will be presented at the January 2011 Board meeting.

FISCAL IMPACT:

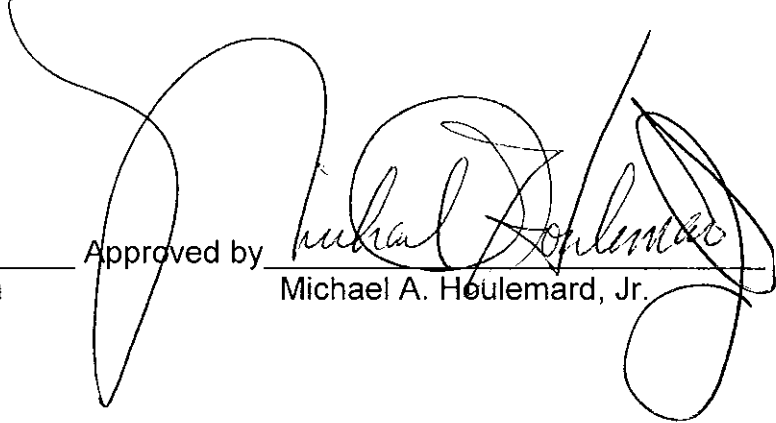
Reviewed by FORA Controller 

Staff time for this item is included in the approved FY 10-11 budget.

COORDINATION:

Administrative Committee

Prepared by 
Daylene Alliman

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 JOINT ADMINISTRATIVE / CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING

Wednesday, October 20, 2010

1. Call to order at 8:15 a.m.

Administrative Committee Co-chair Doug Yount called the meeting to order at 8:15 a.m. The following people, as indicated by signatures on the roll sheet, were present:

Nick Nichols, Monterey County
Rob Robinson, BRAC
Doug Yount, City of Marina
Tim O'Halloran, City of Seaside
Vicki Nakamura, MPC
Carl Niizawa, MCWD
Don Bachman, TAMC
Jonathan Garcia, FORA
Steve Endsley, FORA
Bob Schaffer, MCP
Chuck Lande, Marina Heights

Diana Ingersoll, City of Seaside
Jim Arnold, FORA
Graham Bice, UCMBEST
John Marker, CSUMB
Jim Cook, Monterey County
Daniel Dawson, City of DRO
Andy Sterbenz, Schaaf & Wheeler
Elizabeth Caraker, City of Monterey
Pat Ward, Bestor Engineers
Crissy Maras, FORA
Scott Hilk, MCP

2. Acknowledgements, Announcements, Correspondence – none

3. Public Comment Period – none

4. Approval of September 29, 2010 Meeting Minutes

On a motion made by Daniel Dawson and seconded by Graham Bice, the meeting minutes were approved as presented.

5. Old Business

a. General Jim Moore Boulevard

i. Traffic Study

ii. Review of Proposed Additive Alternative

FORA Senior Project Manager Jim Arnold informed the committees that General Jim Moore Boulevard ("GJMB") construction is expected to be complete in mid-November. A ribbon cutting ceremony, including brown bag lunch and MST tour, will take place November 1st with invitations previously sent out October 18th.

FORA Acting Assistant Executive Officer Steve Endsley noted that the Administrative Committee had discussed the need for an environmental document prior to the City of Seaside opening connector roads (Hilby and San Pablo Avenues) constructed as a part of the GJMB construction project. The City of Seaside requested that FORA fund the traffic study portion of the project, estimated to be \$25-26K. The Committee had asked for additional time to review the request.

Mr. Arnold reported that opening the connector roads at San Pablo and Hilby may have implications not analyzed as a portion of the GJMB project. When the connector roads are completed, concrete barricades will be placed at the City of Seaside end of the road and traffic delineators will be placed

at the GJMB end of the road until the study is complete. If approved, the traffic study is not eligible for ARRA funds and must be funded some other way.

Ms. Ingersoll again requested the Committee's consideration of the City's request for financial assistance. Mr. Cook asked if the study would analyze the entire GJMB corridor. Ms. Ingersoll responded that it would. Mr. Cook stated that if the environmental document analyzes the entire corridor and furthers other FORA CIP projects, he would move approval of the request for financial assistance. Mr. Cook additionally requested the scope of work be agendaized for a future Administrative Committee meeting. Ms. Ingersoll agreed to circulate the scope to the Committee.

Mr. Endsley noted that final approval of the request would come from the FORA Board. Mr. Cook moved to conceptually endorse FORA's financial assistance for the traffic study portion of the environmental document and Daniel Dawson seconded the motion. The vote was called; the motion passed.

At their March 2010 meeting, the FORA Board approved a list of projects to advertise for bids with remaining American Recovery and Reinvestment Act ("ARRA") grant funds. There is a possibility that bids received for that follow-on project will not fully consume the remaining funds. In the event that there is additional ARRA grant money, FORA staff is proposing an additive alternative ("add/alt") to the follow-on project documents. The proposed add/alt fits within the Board's guidance when they approved the list of follow-on projects and additionally fits within the ARRA grant guidelines. The add/alt consists of the completion of GJMB, from the end of the previous FORA project north of Highway 218 to where the current construction ends north of the City of Del Rey Oaks limit line. The impediment to this portion of GJMB is Seaside's Birdsbeak, a State protected plant species, in that location. Staff had been waiting on the completion of the Habitat Conservation Plan to construct that portion but is now pursuing a 2081 permit from the Department of Fish and Game ("DF&G") for the take of the species. The add/alt would only be constructed if there are available funds after receiving bids for the follow-on project. Staff expects to advertise the project in late November with a request to award a construction contract to the FORA Board in January.

Jim Cook stated that he was prepared to move the action and asked if others had input on working with the DF&G regarding the recent listing of the California tiger salamander under the California Endangered Species Act. Mr. Arnold responded that for the current construction project, a tolerable take of tiger salamander had been permitted on ESCA properties for munitions cleanup requirements, but for future work not on ESCA properties, FORA will have to go through the same process with the DF&G. Mr. Cook noted that it may be beneficial to work with FORA in that effort. Mr. Arnold agreed and made himself available to County staff for that work.

Ms. Ingersoll seconded Mr. Cook's motion to approve the inclusion of the add/alt, as described in the staff report, into the follow-on project documents. The vote was called; the motion passed.

6. New Business

a. CIP Review – Consultant Introduction and Scope of Work

- i. Request for information**
- ii. Development forecasts**
- iii. Project infrastructure phasing**
- iv. Other factors affecting development**
- v. Development projects for "cost-burden" analysis**
- vi. Next steps**

Mr. Endsley stated that the Administrative Committee had previously reviewed the Request for Proposals for the CIP review process. Four reputable firms responded. A review panel unanimously

recommended EPS for the work. This item presents an opportunity for the jurisdictions to touch base with EPS and get issues on the table.

FORA Senior Planner Jonathan Garcia noted that the scope from the FORA/EPS contract was in the meeting packet. FORA and EPS staffs hope to receive feedback on which projects to include in a cost burden analysis. Mr. Endsley noted that the scope was provided to ensure the Committee's knowledge of its specifics and limitations. He then introduced David Zehnder from EPS.

Mr. Zehnder stated that EPS has worked with FORA and the various jurisdictions and is conscious of reuse efforts. He noted that EPS has limited time to provide recommendations on the CIP and Community Facilities District ("CFD") fee. He would like the jurisdictions to provide a realistic outlook on development and their interpretations of risks to development. The cost burden analysis will help prioritize issues in terms of the remaining projects in the CIP. EPS will look at the projections and the fee and provide results at the November 17th meeting. At the December 15th meeting a more refined recommendation will be provided. In early January a draft final report will be prepared and EPS will be making a presentation to the FORA Board.

Today's purpose is to hear from the jurisdictions and their developers on a broad outlook of their projects and a prioritization of their concerns. EPS expects to have individual follow-up meetings over the next month.

Chair Yount asked if members had any questions related to the scope. Don Bachman asked if EPS intended to look at the CIP in relation to transportation project timing. Mr. Zehnder responded that they wouldn't unless a big issue exists. Mr. Bachman noted that TAMC is reviewing the priority of projects in a separate, but possibly complimentary, effort. EPS and TAMC agreed to touch base in this effort. Mr. Bachman stated that TAMC may present their findings at the November 17th meeting.

Chair Yount asked to go around the table to address each topic with the jurisdictions:

The City of Seaside reported that the forecasts submitted to FORA during the last CIP update were still applicable. The City has entered into an Exclusive Negotiating Agreement ("ENA") with the Horse Park developers regarding the veteran's cemetery endowment site, which may create a small change to the forecast. Any updates will be shared with EPS. Regarding infrastructure, GJMB is being built, but the City would like to see the completion of Eucalyptus Road and designs for Eastside Parkway. The City's concerns are water and recycled water pipelines, the delivery of recycled water, and the amount of the CFD fee.

The City of Del Rey Oaks ("DRO") responded that they are in litigation with their last developer. The delivery of water is critical to their development. The completion of GJMB to Highway 218 and improvements to South Boundary Road are critical. Mr. Dawson concurred with Seaside that the CFD fees are too high.

The City of Monterey reported no changes in their forecast.

TAMC reported no changes in their forecast. They have one development parcel at 8th Street. Mr. Bachman reported that TAMC is attempting to attract federal funding and a developer for this project. Chair Yount additionally noted that this development parcel is within the City of Marina's Dunes project area and water allocation could become an issue.

Marina Coast Water District reported that they model their CIP after FORA's, using the same development forecasts the jurisdictions provide to FORA. They attempt to line up their projects with FORA's roadway projects to maximize investment dollars. They are moving forward with the

Regional Urban Water Augmentation Project and continue to seek jurisdictional approval to secure funds from the State revolving account.

Monterey Salinas Transit reported that they are preparing an environmental document and working out entitlements with the County for their new headquarters on former Fort Ord. MST views the lack of recycled water as a critical issue. MST would like to work with FORA to see how the bus replacement line item in the CIP could possibly dovetail with their payment of CFD fees.

Monterey Peninsula College reported that their Education Center in the City of Marina is under construction and will be open next fall. They hope to work with the Horse Park and veteran's cemetery developers regarding their emergency training development in the Parker Flats area. MPC views water and Eastside Parkway as critical issues.

Monterey County reported that forecasts previously submitted to FORA are still accurate. Mr. Cook noted that it's important for EPS to look at all revenues, not just the CFD fee, in their analysis of the proper contingency amount. He additionally noted that while reviewing the fee amount, EPS should make sure there are no unintended negative consequences due to the Sierra Club settlement agreement.

CSUMB reported no changes to their forecast. Their projects depend on the state budget. They have an EDA planning grant and a business plan being reviewed by the EDA. Regarding infrastructure, Eastside Parkway, 8th Street to Engineers Equipment Road and the realignment of 6th Avenue for the multi-modal corridor are viewed as critical issues.

UCMBEST reported that they are working with local agencies to determine the best use of its former Fort Ord lands. Mr. Bice noted that UCMBEST is not pulling out of developing peripheral lands. Ensuring the HCP endowment monies are in place is viewed as an important issue.

The City of Marina reported no changes to their development forecast previously submitted to FORA. The City of Marina asked EPS to look at the basic assumptions in the CIP, revenue - including land sales, tax increment, CFD, and the developer fee, and the contingency amount. Chair Yount noted that the fee level is key to completing specific mitigation measures in the Base Reuse Plan. He also asked EPS to explore what has gone into the CIP, what's been accomplished and what is still outstanding per the BRP mitigations since the jurisdictions will be assuming FORA's outstanding obligations. Regarding infrastructure, the City views 8th Street, Highway 1 and the multi-modal corridor to be critical issues. Water and recycled water are also viewed as critical issues.

Chair Yount then asked the development representatives in attendance to provide their input. Chuck Lande, Marina Heights, commended FORA staff on hiring EPS and going through the process of reviewing the CIP. He reported that there are currently 299 lots ready to build but the CFD fee is too high. Scott Hilk, Marina Communities Partners, reported that high CFD fees are an impediment to development. He stated that if MCWD is successful in securing grants for the RUWAP project, FORA's \$40M contribution toward water augmentation should be reduced. He additionally noted that the lack of development affects tax increment, which is a huge benefit to the entire region. Ian Gillis, Urban Community Partners, reported that he agreed with his colleagues and added that the fee amount could make a big difference in developers building or not.

Mr. Zehnder thanked them for their input. There were no further comments.

7. Adjournment

Chair Yount adjourned the meeting at 10:05 a.m.

Minutes prepared by Crissy Maras, Administrative Coordinator

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Finance Committee - report

Meeting Date: December 10, 2010

Agenda Number: 8b

INFORMATION

RECOMMENDATION(S):

Receive minutes from the November 22, 2010 Finance Committee (FC) meeting.

BACKGROUND/DISCUSSION:

The FC met on November 22, 2010 to discuss the FY 09-10 Financial Audit Report. Please refer to the attached minutes from this meeting for more details and the FC recommendation.

FISCAL IMPACT:

Reviewed by FORA Controller 

Staff time for this item is included in the approved FY 10-11 budget.

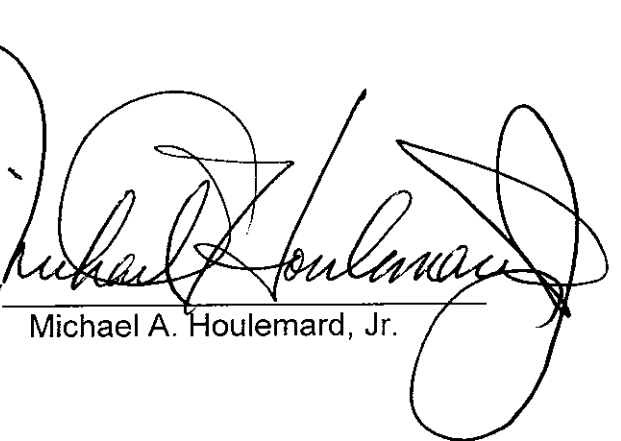
COORDINATION:

Finance Committee

Prepared by


Marcela Fridrich

Approved by


Michael A. Houlemard, Jr.



Fort Ord Reuse Authority

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

Finance Committee Meeting

Monday, November 22, 2010 at 4:30 pm

Action Minutes - DRAFT

DRAFT

Present: Chair Sue McCloud, Members: Tom Mancini, Graham Bice, Ken Gray, Hunter Harvath
Staff: Michael Houlemard, Ivana Bednarik, Marcela Fridrich
Guest: Ralph A. Marcello, CPA
Absent: Janet Barnes (Excused)

AGENDA

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

- Roll Call:
A quorum was achieved at 4:30 PM, Ken Gray joined at 4:35 PM. Chair McCloud and staff thanked outgoing members Mancini and Gray for their service at FC and wished them best of luck on their future endeavors.
- May 17, 2010 Minutes:
Adopted as presented.
- FY 09-10 Draft Annual Financial Statements (Audit Report):
FC members received the FY 09-10 draft Audit Report electronically prior to the meeting. The independent Auditor's Report and Single Audit Report were handed to FC members during the meeting. FORA Auditor, Ralph Marcello, was present to answer questions. Ivana Bednarik introduced the item and informed members that the Audit Report will be taken to the Board in December. Michael Houlemard summarized FY 09-10 financial highlights. Chair McCloud asked staff to clarify Accounts Receivable presented on the financial statements and itemized in Note 1. Ivana Bednarik explained the notes concentrate on major receivable items and suggested unifying balances to resolve the question. Chair McCloud asked if FORA charges late fees on outstanding receivables. Ivana Bednarik confirmed that FORA has a payment policy in place but assessing the fee depends on the individual case and Board direction. Ivana Bednarik also informed the committee about the Note 18 – Subsequent Events. She informed FC members about the recent internal audit of tax increment revenues of the Cities of Seaside, Marina and Monterey County. Chair McCloud asked staff to report this to the FORA Board. Michael Houlemard noted that the exact amount might not be concluded by the Board meeting. Member Bice asked about remaining balances in the ESCA fund and ESCA annual expenses. Ivana Bednarik pointed to financial statement details presented on page 12. Ralph Marcello informed FC members about new GASB No. 54 reporting requirements that will be implemented the next FY. Chair McCloud asked about FORA liabilities to the CalPERS unfunded risk pool. The Auditor replied that this information is not known at this time. He issued an unqualified opinion that the financial statements present fairly the financial position of FORA as of June 30, 2010. There are no findings or questioned costs. FC unanimously voted to recommend that the FORA Board accept the FY 09-10 Audit Report with the minor recommended changes. Approved; (Motion Gray, Second Mancini). Passed 4:0.
- Next Meeting Date:
The next meeting was set for January 31, 2011 at 3:30 PM.
- Adjournment:
The meeting adjourned at 5:35 PM.

Minutes prepared by Marcela Fridrich, Accounting Officer.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Capital Improvement Program – work plan status report

Meeting Date: December 10, 2010

Agenda Number: 8c

INFORMATION

RECOMMENDATION:


Receive a Capital Improvement Program ("CIP") work plan status report.

BACKGROUND/DISCUSSION:

On July 9, 2010, the Fort Ord Reuse Authority ("FORA") Board reviewed a proposed CIP work plan timeline. The Board directed staff to condense the review of CIP obligations and resources into a six-month period and to provide monthly updates. On July 14, 2010, working with the FORA Administrative Committee, FORA staff revised the CIP work plan timeline to reflect January 2011 completion. The schedule was slightly revised as a result of the CIP consultant Request for Qualifications/Request for Proposals ("RFQ/RFP") process, holding to January 2011 completion (**Attachment A**).

On August 17, 2010, FORA issued an RFQ/RFP for financial consultants to participate in a selection process to conduct the CIP review work. Four proposals were submitted by the due date of September 1, 2010. FORA convened a selection panel to review the proposals. Economic & Planning Systems, Inc. ("EPS") was selected through this process. David Zehnder is the Managing Principal and Jamie Gomes is the Principal for this project, and each have recent experience with California municipalities and county organizations reviewing CIP obligations and fee structures. David Zehnder also worked with FORA in the late 1990's and is familiar with the FORA CIP. EPS attended the October 20, 2010 and November 17, 2010 FORA Administrative Committee meetings, presenting updated development forecasts and preliminary CIP analysis to the Joint Administrative/CIP Committee in the form of a draft memorandum on November 17, 2010. On December 15, 2010, EPS will present a cost-burden analysis and a draft summary report on CIP obligations, cost estimates, and revenue forecasts. Concurrent with EPS's work, FORA staff is reviewing its CIP funding sources to ensure accuracy and TAMC is reviewing phasing of FORA's CIP transportation project expenditures with its transportation planning efforts.

FISCAL IMPACT:

Reviewed by FORA Controller 

The CIP review consultant contract is not to exceed \$24,500. Staff time for this item and funding for the consultant contract are included in the approved FY 10-11 budget.

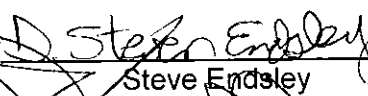
COORDINATION:

Administrative Committee, CIP Committee, Executive Committee

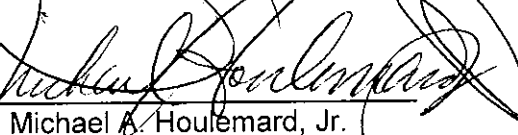
Prepared by


Jonathan Garcia

Reviewed by


Steve Erdsley

Approved by


Michael A. Houlemard, Jr.

ATTACHMENT A

Item 8c

FORA Board Meeting, December 10, 2010

Revised CIP Work Plan – September 2010 to January 2011

	Aug. 2010	Sept. 2010	Oct. 2010	Nov. 2010	Dec. 2010	Jan. 2011
1						
2						
3						
4						
5						
6						

1. Staff review of CIP program/ select consultant support
2. Oct. 20th – FORA Admin./CIP Committee – Program overview and feedback from stakeholders.
3. Nov. 17th – FORA Admin./CIP Committee – Consultant presents draft review of development forecasts and preliminary CIP analysis.
4. Dec. 15th – FORA Admin./CIP – Consultant presents draft summary report on CIP obligations, cost estimates and revenue forecasts.
5. Jan. 5th – FORA Admin./CIP – Consultant presents draft final report (includes previous reports plus sensitivity analyses, post-2014 options, and CIP funding source report)..
6. Jan. 14th – FORA Board – Consultant presents final report.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Habitat Conservation Plan – status report

Meeting Date: December 10, 2010

Agenda Number: 8d

INFORMATION

RECOMMENDATION(S):


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

BACKGROUND/DISCUSSION:

The Fort Ord Reuse Authority ("FORA"), with the support of its member jurisdictions and consultant team, is on a path to receive approval of a completed basewide HCP and 2081 permit in 2011, concluding in the US Fish and Wildlife Service ("USFWS") and California Department of Fish and Game ("CDFG") issuing crucial federal and state permits.

The FORA Board provided direction on the governance structure of the future HCP Joint Powers Authority Cooperative on May 14, 2010. ICF International (formerly Jones & Stokes), FORA's HCP consultant, completed a pre-public administrative draft HCP on December 4, 2009. FORA member jurisdictions have completed a comment and review period, which ended February 26, 2010. At this time, USFWS has commented on HCP sections 1-4 & 7-8 and has agreed to provide remaining comments by December 1, 2010, while CDFG has agreed to provide all comments by December 1, 2010 as well. The next critical milestones to completing the HCP are receiving HCP comments from USFWS and CDFG, resolving any outstanding issues from comments, and drafting the National Environmental Policy Act/California Environmental Quality Act ("NEPA/CEQA") documents. ICF International intends to schedule a working group meeting after the HCP comments are received. During this interim period, FORA staff will be working on two outstanding issues: 1) a solution that would allow the Permittees to include the Monterey Ornate Shrew as a covered species in the HCP and 2) a solution to identifying and certifying an endowment holder that can guarantee an acceptable cap rate for the HCP endowments.

FISCAL IMPACT:

Reviewed by FORA Controller 

ICF International and Denise Duffy and Associates' (FORA's NEPA/CEQA consultant) contracts have been funded through FORA's annual budgets to accomplish HCP preparation. Staff time for this item is included in the approved FY 10-11 budget.

COORDINATION:

Executive Committee, Administrative Committee, Legislative Committee, HCP working group, HCP Permit Completion working group, FORA Jurisdictions, USFWS and CDFG personnel, ICF International, Denise Duffy and Associates, and various development teams.

Prepared by


Jonathan Garcia

Reviewed by


Steve Endsley

Approved by


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Outstanding Receivables – update	
Meeting Date:	December 10, 2010	INFORMATION/ACTION
Agenda Number:	8e	

RECOMMENDATIONS:

- a) Receive a Fort Ord Reuse Authority (FORA) outstanding receivables update as of November 30, 2010.
- b) Authorize funding to cover Del Rey Oak's portion of the Pollution Legal Liability (PLL) annual premium.

BACKGROUND/DISCUSSION:

FORA has both receivables that are due during the fiscal year and outstanding receivables that remain unpaid (delinquent) after their due date. This report identifies the delinquent items and includes some formerly delinquent receivables as requested by the FORA Board at the November 2010 meeting:

	PLL Loan Payments		CFD Fees	Tax Increment	Interest Reimburs	Amount Outstanding
	FY 09-10 pmnt	FY 10-11 pmnt				
1 City of Del Rey Oaks	182,874	256,023				438,897
2 City of Marina			23,796			23,796
3 City of Seaside						0
Total outstanding receivables						462,693
Receivables paid since reported to the Board						
City of Marina			24,516			
Union Community Partners					143,893	0

1. **City of Del Rey Oaks (DRO):**

- PLL insurance annual payments: In 2009 DRO lost its developer who previously made these payments. The FORA Board approved a payment plan for DRO until they find a new developer who will be required by the City to bring the PLL Insurance coverage current. The City anticipates finding a suitable developer for its Fort Ord Property within the next few months. The new developer will be required by the City to bring the PLL Insurance coverage current. DRO agreed to make interest payments on the balance owed until the new developer is hired, and they are current. Staff recommends extending the payment agreement until the February Board meeting.

2. **City of Marina (Marina):**

- CFD fee: Marina approved development entitlements for the Neeson Road projects in 2004 and 2008 without collecting the CFD fee. At its September meeting the FORA Executive Committee instructed staff to work with Marina staff to obtain the \$23,796 payment. Resolution has not yet been achieved as Marina Counsel is researching the issue.
- Tax increment payments: In the fall of 2010, as directed by the FORA Board as part of the review of the Capital Improvement Program, FORA conducted an internal audit of tax increment revenue that FORA collects from the redevelopment agencies of the Cities of Seaside (Seaside), Marina and Monterey County. The results indicate that the Authority may be owed property tax increment payments from Seaside and Marina. FORA has provided both cities with the audit conclusion and anticipates review by their consultants by the FORA December Board meeting. This item will be reported to the Board in more detail at the January 2011 meeting.

3. **City of Seaside:**

- Tax increment payments: Please see paragraph 2 above.

Resolved/collected receivables:

City of Marina (Marina) – CFD fees from the Community Hospital of the Monterey Peninsula (“CHOMP”) project: At its September meeting the FORA Executive Committee instructed staff to work with Marina staff to obtain payment from CHOMP which had inadvertently been passed in the award of a building permit. Marina staff informed CHOMP about the fee; FORA staff invoiced CHOMP and collected full payment November 5, 2010.

Union Community Partners (UCP) – Interest reimbursement: In September 2010, UCP's financial partner questioned paying further interest payments paid since they acquired rights to the East Garrison project in a trustee's sale in 2009 contending that they are not technically subject to the terms and conditions of the agreement among the County, FORA and the past developer.

- Since the September report, UCP agreed to bring outstanding payments current and requested a meeting with FORA senior staff to discuss alternatives including amortizing the balance due in some form of debt instrument. A full payment of the outstanding interest was received November 5, 23010.

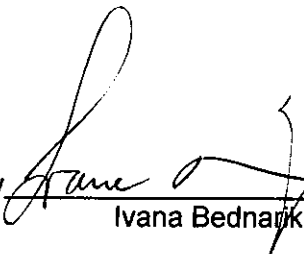
FISCAL IMPACT:

A negative impact on FORA's net revenues as FORA expends its own resources until these receivables are collected.

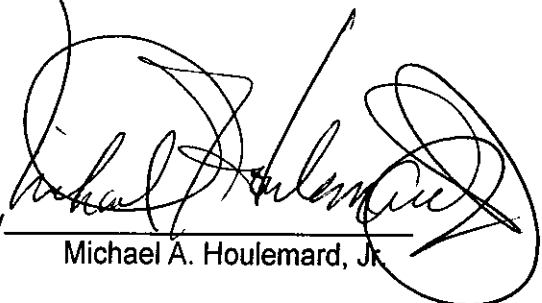
COORDINATION:

Executive Committee.

Prepared by


Ivana Bednark

Approved by


Michael A. Houlemard, Jr.