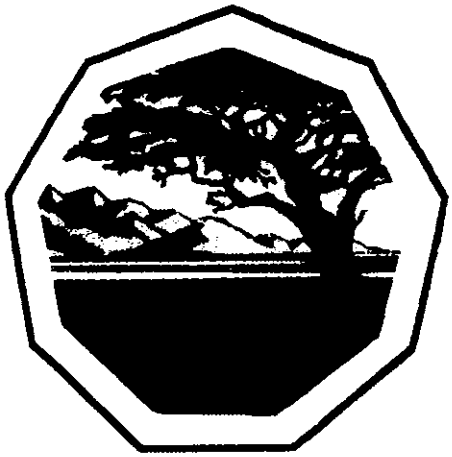
Fort Ord
Reuse Authority

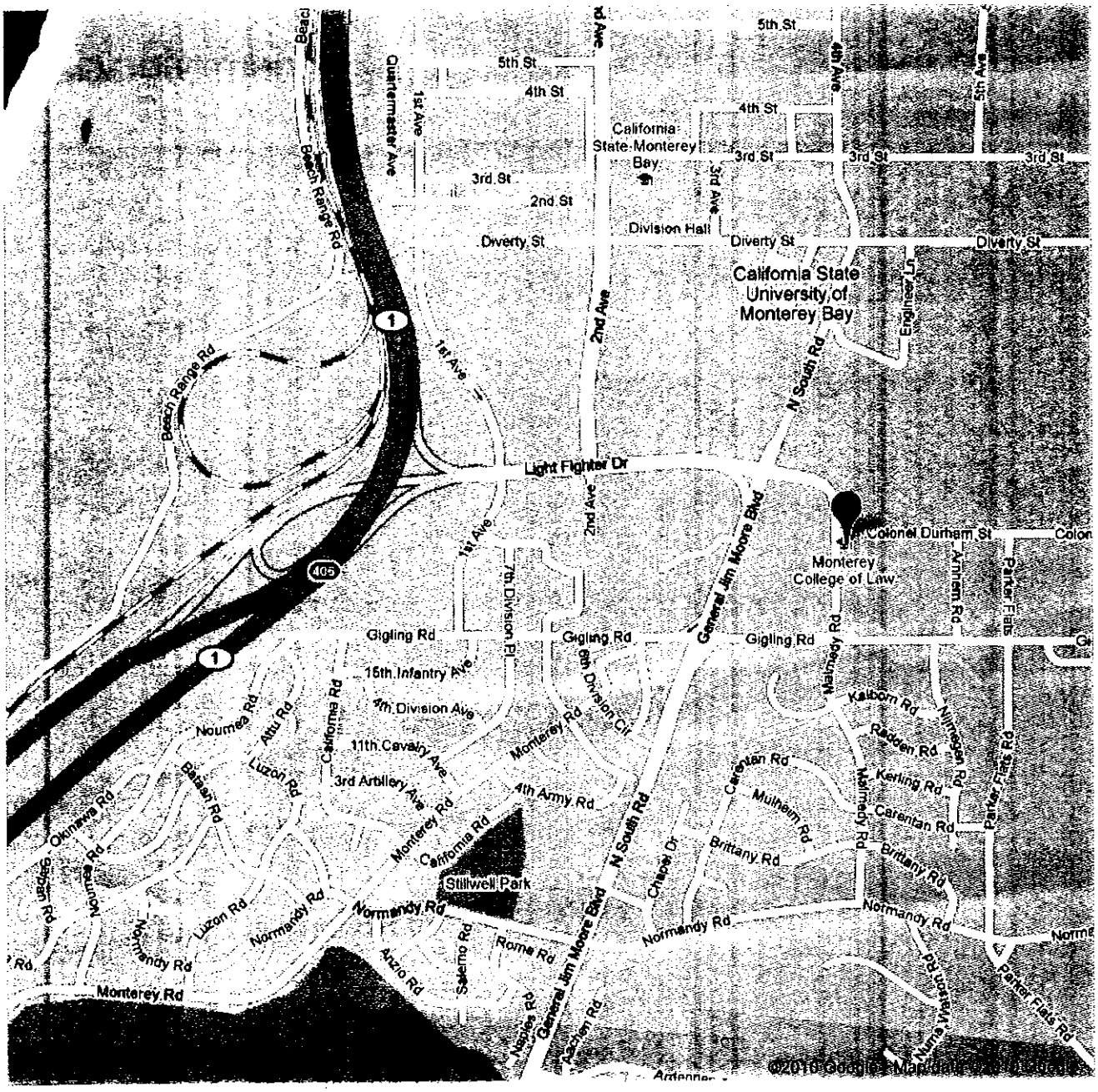


Board Packet

For

Board Meeting
May 14, 2010

5



Monterey College of Law
100 Colonel Durham Street, Seaside, CA
(On the former Fort Ord)

From Highway 1

Take Exit 406 (CSU Monterey Bay / Fort Ord Main Entrance). The Exit puts you onto Lightfighter Drive. Continue on Lightfighter cross General Jim Moore Blvd, continue onto Malmedy Road. Turn left on Colonel Durham Street. Monterey College of Law is on the right.

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
3:00 p.m. on Friday, May 14, 2010

MONTEREY COLLEGE OF LAW
Community Justice Center
2620 Colonel Durham Drive * Seaside

AGENDA

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

2. **PLEDGE OF ALLEGIANCE**

3. **ACKNOWLEDGEMENTS**

4. **LEGISLATIVE SESSION PRESENTATIONS** PRESENTATIONS

   Congressman Sam Farr (17th Congressional District)

   15th State Senate District

   Senator Jeff Denham (12th State Senate District)

   Assemblymember Anna Caballero (28th State Assembly District)

   Assemblymember Bill Monning (27th State Assembly District)

5. **ACKNOWLEDGEMENTS**

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

7. **CONSENT AGENDA** ACTION

   a. April 9, 2009 board meeting minutes

   b. Preston Park Financing Memorandum of Agreement

8. OLD BUSINESS

a. Habitat Conservation Plan ("HCP") – joint powers authority governance issue — ACTION

b. Office of Economic Adjustment Grant – Veterans Cemetery Infrastructure Planning — ACTION

9. NEW BUSINESS

a. FORA FY 10-11 Preliminary Budget (Action in June) — INFORMATION

b. Capital Improvement Program - Workshop/Presentation — INFORMATION

10. EXECUTIVE OFFICER'S REPORT

a. Administrative Committee report — INFORMATION

b. Legislative Committee report — INFORMATION

c. Executive Officer's travel report — INFORMATION

i. Legislative hearing for AB 1791, Sacramento
ii. 2010 Federal Legislative Mission to Washington, DC

d. Fort Ord Reuse Authority investments – status report — INFORMATION

e. Status update of outstanding receivables — INFORMATION

11. ANNOUNCEMENTS AND CORRESPONDENCE

12. CLOSED SESSION – Preston Park Buyout Negotiating Authority — ACTION

13. REPORT OUT OF CLOSED SESSION BY AUTHORITY COUNSEL

14. ADJOURNMENT

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

MINUTES
of the
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Monterey College of Law Community Justice Center
May 14, 2010

1. CALL TO ORDER AND ROLL CALL

Chair Ralph Rubio called the May 14, 2010 Board of Directors meeting to order at 3:30 p.m. and requested a roll call.

Voting members present:

Chair/Mayor Rubio (City of Seaside)
1st Vice Chair/Supervisor Potter (County of Monterey)
2nd Vice Chair/Councilmember McCall (City of Marina)
Supervisor Parker (County of Monterey)
Mayor Pendergrass (City of Sand City)
Mayor McCloud (City of Carmel-by-the-Sea)
Mayor Edelen (City of Del Rey Oaks)
Mayor ProTem Ken Grey (City of Marina)
Councilmember O'Connell (City of Marina)
Councilmember Mancini (City of Seaside)
Councilmember Kampe (City of Pacific Grove)

Arriving after the roll call were Councilmember Selfridge (City of Monterey), Jim Cook, alternate for Supervisor Calcagno (County of Monterey), Councilmember Barnes (City of Salinas). All voting members were present.

Ex-Officio members present:

Congressman Sam Farr (17th Congr. Dist.)
Rito Guerra (15th State Senate Dist.)
Dr. Bruce Margon (UCSC)
Douglas Garrison (Monterey Peninsula College)
Gail Youngblood (BRAC)
Don Bachman (TAMC)
Dan Albert, Jr. (MPUSD)
James Main (CSUMB)
Ken Nishi (Marina Coast Water District)

Arriving after the roll call were Assemblyman Bill Monning (27th State Assembly Dist.), Colonel Darcy Brewer (U.S. Army), and Mike Gallant (Monterey-Salinas Transit).

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

2. ACKNOWLEDGEMENTS

Chair Rubio introduced Mitchell Winnick, Dean of the Monterey College of Law. Dean Winnick spoke of the recently renovated Community Justice Center building, which is a platinum LEED project using recycled materials including the courtroom from the Watsonville courthouse and high efficiency solar panels. He stated the building is an example of how structures that were

abandoned at the army base can be used as educational. Dean Winnick also welcomed the Fort Ord Reuse Authority Board and members of the public. Chair Rubio thanked Dean Winnick for the use of the facility.

Chair Rubio stated condolences on behalf of himself personally and of the Board, to Executive Officer Michael Houlemard (and his wife Christina Valentino) who suffered a loss this week of his father-in-law, Alfredo Valentino. Chair Rubio shared with the Board and the public, Mr. Valentino's obituary and Executive Officer Houlemard expressed his appreciation.

3. PLEDGE OF ALLEGIANCE

Chair Rubio asked Congressman Farr, who agreed, to lead the Pledge of Allegiance.

4. LEGISLATIVE PRESENTATIONS

(1.) Chair Rubio introduced Congressman Sam Farr (17th Congressional District). Congressman Farr acknowledged Chair/Mayor Rubio, Executive Officer Houlemard, and 1st Vice Chair/Supervisor Potter's recent trip to Washington, DC reporting on the lobbying efforts of FORA. He reported that his office was able to engineer an OEA grant for the Veterans Cemetery infrastructure planning and handed out a commentary on projects presented. Congressman Farr said there are some issues with getting the land transferred for the VA Clinic and commented that while the developers have it in the Master Plan there is no authority in the law to transfer the land without it being sold to the Veterans Affairs. He said that he hopes to work it out with lawyers and the Army, and have good news soon when groundbreaking can begin. He further stated that he has asked for a billion in a supplemental billand $500M from the normal budget for base cleanup. Congressman Farr acknowledged that cleanup at the former Fort Ord is far more successful than similar closed bases around the country and that the Fort Ord Reuse Authority is nationally known for its base cleanup. He stated that cleanup and redevelopment at the former Fort Ord has the potential to be a job creator. Congressman Farr said that he has asked for $11.5 M in funding for an international center to construct a new instructional building at the Naval Post Graduate School, which could bring in a billion more in local construction jobs to Fort Ord. He has also requested $3 M to help with the water replenishment project, which would help the Fort Ord community and the Monterey Peninsula. Congressman Farr further noted that he has requested a review of the burial benefits for Veterans cemeteries to help in the financing of the Fort Ord cemetery, noting that these benefits have not been increased in nearly a decade.

Congressman Farr reported that Medicare reimbursement for doctors in the tri-county area (Monterey County, San Benito County and Santa Cruz County) is the lowest in the country and therefore patients are being denied access to medical care. He said that while military personnel can use the clinics, spouses and children of military personnel visit regular doctors and that they are covered under the Tricare reimbursement, however Tricare is tied to the same data as Medicare. He said there is a bill making its way through Congress, HR 4213, which contains language that will correct the Medicare underpayment problem and should help

keep healthcare more affordable. Councilmember Mancini made mention that military families pay a premium for the Tricare healthcare. Mayor McCloud asked that either Rochelle (Dornatt) or Alec (Arago) send the results of the bill (HR 4213) as seniors are being hit hard [from the effects of Medicare] in this area because they are losing their doctors.

(2.) Assemblymember Anna Caballero (28th State Assembly District). Assemblymember Caballero announced that the state budget came out that afternoon and that the state is still in very difficult economic times. She said that December (09), January, February and March revenues were up by $2.5 B, April was down due to taxes, and unemployment remains weak. She said this new budget takes us back to the1998/99 budget spending year and it maintains state budget for schools, fully funds the CalGrant programs, and avoids reductions for child welfare programs, public safety and the judiciary. She further reported that the deep reductions eliminate $12B in programs for CalWorks childcare and mental health services by 60%. She also noted that one program of concern was the Williamson Act, noting the Governor practically zeroed it out and it protects farmland. In order to keep agriculture one of our industries, the County had to pick it up through their general fund. Assemblymember Caballero said that she would be looking for support on Prop 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, which authorizes $5.388 billion in general obligation bonds to fund safe drinking water, water quality and supply, flood control, waterway and natural resource protection, water pollution and contamination control, state and local park improvements, public access to natural resources, and water conservation efforts.) Assemblymember Caballero said that a copy of bills she has been working on, were passed out to the Board and members of the public. Chair Rubio thanked Assemblymember Caballero for her help on AB 1791 to help the FORA mission.

(3.) Assemblymember Bill Monning (27th State Assembly District). Assemblymember Monning acknowledged the achievements of FORA since the transfer and thanked Monterey College of Law and Dean Winnick for opening the new central coast justice center made possible by FORA transfer and the City of Seaside. Assemblymember Monning also noted the Governor's May revised budget set a $19.1B dollar deficit and the biggest impacts are Health and Human Services, with the total elimination of CalWorks which is the welfare to work program. He further stated that 75% of the beneficiaries of the CalWorks program are children. He said that with the revised budget there are savings of $1B and it will add costs to our communities in terms of higher unemployment, homelessness, and the social and other problems related to those social impacts. He reported on the elimination of the Adult Health Daycare, (elderly living with dementia and other disabilities), who receive state and federal funds for health, nutrition physical therapy, and rehabilitation. He said that, because the state borrowed funds under Proposition 1A, further borrowing is prohibited until that money is paid back with interest within 3 years. He further stated that repayment within that timeframe was unlikely. However, under the constitution, the state is required to prioritize debt repayment above any other obligation.

Assemblymember Monning announced that he co-authored a bill with Assemblymember Caballero and former Sentor Maldonado, (now Lieutenant Governor Maldonado), which is the

redevelopment bill AB 1791, and stated that he appreciated the presence of Supervisor Dave Potter, Mayor Ralph Rubio, and Executive Officer Michael Houlemard who came to Sacramento to testify before local government. Assemblymember Monning stated that local government committee had "cleared" with Assemblymember Caballero's support in that committee, and cleared with bipartisan support off of the assembly floor. He said that bill now goes to the senate local government committee scheduled for either June 9th or June 23rd and he is working with local stakeholders to come back to Sacramento for testimony and support. Assemblymember Monning acknowledged the support of all the Mayors in FORA and the letters from all city councils in Monterey County. He stated that local representatives have represented a united front and acknowledged John Arriaga who has been quite helpful as the FORA legislative consultant in Sacramento. He reported that AB 1757, the Veteran's Cemetery bill was a measure amended this year and that, due to the economy, the implementation of the endowment has not been realized. He noted that Congressman Farr's office has been very helpful in moving the bill forward at the federal level. Assemblymember Monning acknowledged Executive Officer Houlemard and FORA staff for their pursuit of appropriate federal funds to maximize the leverage of maximum federal support possible for the cemetery project. He stated there are no quick fixes to the current state of the economy, but that the recovery in our region will be built upon job creation and reverse the trend of 10,000 home foreclosures in Monterey County. Assemblymember Monning reported that he is also co-authoring a piece of legislation regarding a mediation option requiring lenders to meet with borrowers face-to-face, to explore the possibility of refinancing or modifying a loan. Councilmember Mancini asked Assemblymember Monning about the housing crisis as it relates to violence and Monning stated the housing crisis creates a chain reaction and there was a rise in domestic violence. Executive Officer Houlemard asked Assemblymember Monning about AB 1757 if there were any issues that FORA needed to be aware of for the hearing on May 28. Monning said that the Veterans Cemetery bill is in appropriations and there have been some minor amendments to assure that there is no cost to the state. He said that phone calls to key people on appropriations might be helpful. Chair Rubio thanked Assemblymember Monning for all the work he does for the FORA.

(4.) Senator Jeff Denham (12th State Senate District). Bill Ritz (speaking on behalf of Senator Denham) commented that this would be his last report since they term out in November. He reported that there were a couple of bills; Veterans Day to be observed by all state agencies on the actual day, November 11th, going back to Armistice Day when it originated, to honor all veterans. Mr. Ritz further reported that they were working on a tax credit bill for hiring a veteran, which would be 25% of qualified wages not to exceed $6,000. He said that this incentive is for businesses to hire an additional employee and that employee being a veteran. Mr. Ritz said that two bills were brought up last year: First, the Central Coast Rural Crime Prevention Program has been extended to 2013; it is real important in the Ag industry as they try to fight agricultural crime, which is costing billions of dollars a year. Second, he stated that the Civil Service bill, SB 644, also passed which will help veterans. Supervisor Potter asked if the Senator was following AB 1791 and Mr. Ritz replied "yes" and that Executive Officer Houlemard had been to the Senator's office to present the bill to the legislative staff. He further

commented that the Senator is supportive of anything that has a positive effect to the Fort Ord, area but had not yet decided his position on the bill.

(5.) 15th State Senate District. Rito Guerra stated that former Senator Maldonado resigned a couple of weeks ago and the district staff is now under the employ of the senate as a whole, however he could not report from the senate as a whole. He said that there were two issues pressing is the May [budget] revise issued by the Governor and the API, which is important to the Ag industry. He said the office is currently still open until a new senator is elected and they are continuing to help constituents. Chair Rubio thanked Mr. Guerra for his service and reports to the FORA Board from the 15th District.

5. ACKNOWLEDGEMENTS – Chair Rubio thanked Mr. Guerra for his quality representation and giving updates on the work in the State Senate and engaging with the community.

6. PUBLIC COMMENT - None

7. CONSENT

Item 7a - April 9, 2010 board meeting minutes.

Item 7b. - Preston Park Financing Memorandum of Agreement: Executive Officer Michael Houlemard stated that staff wished to withdraw this item as counsel for City of Marina and FORA have some language issues that they want to work out. Executive Officer Houlemard stated that there was no 'time of the essence' so the item would return on the June agenda.

Motion to approve the April 9, 2010 board meeting minutes was made by Supervisor Potter, seconded by Mayor McCloud, and carried.

8. OLD BUSINESS

Item 8 a. Habitat Conservation Plan ("HCP") – joint powers authority governance issue: Steve Endsley reported that FORA has been working on a parallel process to advance the draft HCP document and its accompanying draft legal documents. He said the Board gave staff direction to research alternatives on the voting structure options that combine a proposed permittee-based voting structure with a weighted vote structure for various contributions. Population based methodologies, dollar and other contributions, landmass in each jurisdiction and habitat were looked at to determine a recommendation. Mr. Endsley stated that a hybrid structure using these methodologies would be most appropriate. He stated that staff recommends approving a hybrid weighted voting structure described on attachment "A" of the Board Report. Mr. Endsley reported that this hybrid structure combines the four methodologies of population, monetary contributions, landmass, and habitat and it is predicated on resources contributed to the cooperative, voting for which consists of the following: City of Del Rey Oaks (1), City of Monterey (1) City of Marina (2), City of Seaside (2), County of Monterey (2) Monterey Peninsula College (1), California State University Monterey Bay (CSUMB) (1), and Marina Coast Water District (1). Mr. Endsley further commented that staff considers this an

appropriate compromise, which protects the interest of the major permit holders and addresses jurisdictional concerns by distributing the voting equitably and reasonably. Dr. Margon, University of Santa Cruz stated that, on behalf of the university, they would urge the Board not to approve the hybrid weighted voting structure and that UCSC is in favor of one entity, one vote. He stated that there were three reasons for this decision. (1.) Simplicity because the entity needs to be long standing and, if weighted voting is the result, over the years population will change and it would seem imprudent because it would become more complex through the years. (2.) Weighted voting creates an awkward division of votes and responsibility. The University of California controls 600 acres covered by the habitat conservation plan and they have the direct responsibility to manage it. If the university was required to manage it, it is understandable why they would desire an equal vote, and (3.) Habitat management expertise should be used as a comparable resource to the funding contributions of the private developers. Dr. Margon urged the Board not to consider the staff recommendation. Mr. Main, CSUMB, said he also supported the recommendation made by UC Santa Cruz. Dr. Garrison, MPC, thanked the FORA staff for their work, however he disagreed with the hybrid voting structure. Dr. Garrison stated that the report didn't seem to match the tone of the last Board meeting and there were a number of individuals that supported equal voting among them Congressman Farr, Mayor McCloud, and Councilmember McCall. He said he would have preferred a single vote per entity voting structure. Mayor Edelen, City of Del Rey Oaks, stated that he felt the jurisdictional domains deserved a weighted vote even though it might not be in the interest of Del Rey Oaks, it is what is best for the organization. **Motion to adopt the staff recommendation was made by Supervisor Potter, seconded by Councilmember Pendergrass. After some discussion by members of the Board, Mayor Rubio called for the vote and the motion carried unanimously.**

Item 8 b. Office of Economic Adjustment Grant – Veterans Cemetery Infrastructure Planning:

Executive Officer Houlemard addressed the Chair and members of the Board stating that FORA had received a grant from the Office of Economic Adjustment. He stated that this grant would move the cemetery project along at a more rapid pace. He further noted that FORA is working very closely with the Veterans Administration and the County of Monterey and thanked Jim Cook and his staff for what they have done to help move this project along. Executive Officer Houlemard introduced staff member Jonathan Garcia who gave a brief report on the selection process of the consultant awarded to complete tasks 1-5 and 7 and additive bid items under the OEA grant Scope of Work for the Veterans Cemetery on the former Fort Ord. Mr. Garcia reported that, after consideration of the six proposals, the Committee selected Whitson Engineers for their overall compatibility, technical expertise, value, and schedule submitted with their proposal. He said that staff recommends the Board authorize the Executive Officer to execute a contract with Whitson Engineers. Executive Officer Houlemard clarified that $45,000 of the grant would go to the California Department of Veterans Affairs, with the remaining $415,000 to Whitson Engineers and further explained that, while the proposal process was not bound to the lowest bid, it was the lowest bid. Supervisor Parker asked for clarification that the money was designated solely to the cemetery and Executive Officer Houlemard stated that the

proposal is for an infrastructure study and that the design is up to the Veterans Affairs. **Motion to approve the staff recommendation to award Whitson Engineers, not to exceed $415,000 was made by Councilmember Mancini, seconded by Supervisor Parker, and the motion carried unanimously.**

9. NEW BUSINESS

Item 9a. FORA FY 10-11 Preliminary Budget (Action in June):
Executive Officer Houlemard stated that the Finance Committee was doing it's due diligence with staff on the budget and that portions of the budget will be reviewed by the Executive Committee at their next meeting. At the June meeting, we will have a budget that will be submitted to the Board for their approval.

Item 9b. Capital Improvement Program - Workshop/Presentation: Staff member Steve Endsley gave a presentation which explained the background of the Capital Improvement Program ("CIP") and reported that, after presenting to the Administrative Committee, staff will come back to the Board in June requesting direction regarding the policies and protocols associated with the CIP.

10. EXECUTIVE OFFICER'S REPORT

There were seven items in this report: Item 10a (Administrative Committee report), Item 10b (Legislative Committee report), Item 10c (Executive Officer's Travel report), Item 10d (Fort Ord Reuse Authority investments), Item 10e (Status update of outstanding receivables). Executive Officer Houlemard highlighted several points in these items.

11. ANNOUNCEMENTS AND CORRESPONDENCE

Executive Officer Houlemard reported significant activity on the former Fort Ord, noting Community Hospital of the Monterey Peninsula ("CHOMP") breaking ground for the new wellness center and grading has begun at the intersection of Imjin Road (and 2nd Avenue). He stated that Monterey Peninsula College ("MPC") also broke ground on their satellite campus in Marina, the Monterey College Community Justice facility is now open, and there is much work on General Jim Moore Blvd. He further noted that development is moving along more than one would expect in these economic times. Executive Officer Houlemard saluted the Army on it's development of the RCI project. Colonel Brewer stated the Army is well ahead of occupancy, which is bringing in more money for the Phase I and Phase II of the community center. Colonel Brewer announced the Presidio of Monterey (P.O.M.) Cemetery rededication on the Presidio on the 29th of May at 10:00 a.m., and a BBQ following at the Bellows Dining Facility. Chair Rubio announced that the Carpenter's Union building is complete and awaiting the City of Marina's final inspections. He stated it might be possible for the next FORA meeting to be held at that facility.

Chair Rubio adjourned to Closed Session at 4:56 p.m.

12 CLOSED SESSION - Preston Park Buyout Negotiating Authority

13 REPORT OUT OF CLOSED SESSION – The Board met with FORA's real estate negotiator and gave him direction and authority.

14 ADJOURNMENT - Chair Rubio adjourned the meeting at 5:16 p.m.

Minutes prepared by Daylene Alliman, Deputy Clerk

Approved by _____

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

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject:	Preston Park Financing Memorandum of Agreement	
Meeting Date:	May 14, 2010	**ACTION**
Agenda Number:	7b	

RECOMMENDATION(S)

Authorize the Executive Officer to execute the attached Preston Park Financing Memorandum of Agreement ("MOA") ("**Attachment A**") between the Fort Ord Reuse Authority ("FORA") and City of Marina ("Marina").

BACKGROUND/DISCUSSION

On June 12, 2009, the Board authorized the Executive Officer to execute a loan with Rabobank using FORA's share of Preston Park revenue. On February 11, 2010, the FORA Board approved Resolution 10-04, codifying the previous Board action to meet Rabobank outside counsel's requirements. In March 2010, FORA obtained the $19 million loan from Rabobank, which is financed through FORA's Preston Park lease proceeds with monthly payments (principal and interest) not exceeding $120,000 per month, as directed by the FORA Board.

FORA and Marina each receive 50% of Preston Park revenues, consistent with the Authority Act and the FORA-Marina Implementation Agreement. Marina has expressed concern and requested certain assurances related to FORA's loan. Marina has requested that such assurances be formalized in an MOA. The MOA is consistent with previous Board action related to this item and provides additional assurances to Marina.

FISCAL IMPACT

Reviewed by Controller /B/

FORA has designated the financing proceeds to provide stimulus grant local matching funds, retire existing debt, and accommodate anticipated development projects and required reserves.

COORDINATION

Marina, Marina Counsel, Authority Counsel, Administrative and Executive Committees

Prepared by Jonathan Garcia
Jonathan Garcia

Reviewed by D. Steven Endsley
Steve Endsley

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

ATTACHMENT A
Item 7b
FORA Board Meeting, May 14, 2010

MEMORANDUM OF AGREEMENT BETWEEN THE FORT ORD REUSE AUTHORITY AND THE CITY OF MARINA WITH REGARDS TO PRESTON PARK FINANCING

This Memorandum of Agreement is entered into this ____ day of _____, 2010 between the Fort Ord Reuse Authority, a subdivision of the State ("FORA") and the City of Marina, a charter city ("City") with regards to the following facts:

A. FORA is a regional agency established under Government Code Section 67650 to plan, facilitate and manage the transfer of former Fort Ord Army Base property from the United States Army (the "Army") to the governing local jurisdictions or their designee(s).

B. That property, more particularly described in Exhibit A (the "Property") and commonly referred to as "Preston Park," is located on the former Fort Ord within the territorial jurisdiction of the City. Title to Preston Park is held by FORA. Preston Park contains 352 housing units, which are currently rented under agreements between FORA and the City. Net revenues from the rental of the Preston Park are divided equally between the City and FORA.

C. The City and FORA are parties to that certain Implementation Agreement dated May 1, 2001 ("Implementation Agreement"). The Implementation Agreement provides for the acquisition and disposition of property located at the Former Fort Ord Army Base and within the territorial jurisdiction of the City of Marina.

D. The Implementation Agreement contains provisions governing the future disposition of Preston Park as well as the division of rental revenues from Preston Park between the City and FORA.

E. FORA, on February 25, 2010, entered into a Loan Agreement evidenced by a Promissory Note with Rabobank, N.A., a national banking association. Under that Agreement, FORA received $19,000,000 in financing proceeds (the "Loan"). The Loan is secured by a first deed of trust on the Property.

F. As a condition of approving the Loan, the FORA Board committed to protect the City's fifty percent (50%) interest in the Preston Park share in the rental proceeds and its anticipated acquisition of fifty percent (50%) title. Those interests are evidenced by the Implementation Agreement, the Management Agreement for Preston Park and the parties' course of dealings would be protected.

F. The City and FORA now desire to enter into this MOA to set forth the parties' understanding with regard to the Loan, the City's interest in Preston Park and the parties' future course of conduct with respect to Preston Park.

Now, therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Debt Service Payments. FORA acknowledges that FORA is solely responsible for the payment of all debt service on the Loan. In accordance with the Promissory Note, the Loan carries an adjustable interest rate based on the LIBOR index plus 3.25% points. FORA represents that it has entered into a Hedge Agreement with Rabobank which provides that the interest rate charged to FORA will be fixed for the term of the Loan at 5.98% resulting in fixed debt service payments every month, reflecting a 30-year amortization period. FORA will make debt service payments on the Loan from the portion of the Preston Park Net Revenue received by FORA each month. If FORA's share of the Preston Park Net Revenue is insufficient to make the monthly debt service payment on the Loan, FORA hereby agrees that it shall be obligated to make such debt service payments from FORA's other sources of funds and in no event will any such payments be made from the City's share of the Preston Park Net Revenues. In addition, FORA shall be responsible to cure any default occurring under the Loan from FORA's share of the Preston Park Net Revenues or FORA's other sources of funds, but in no event shall the City's share of the Preston Park Net Revenue be used to cure any default.

For purposes of this Agreement the "Preston Park Net Revenue" means the revenue received from Preston Park from rents and all other related income minus all costs of operating Preston Park, including management, maintenance and operating costs as well as any deposits into reserve funds approved by FORA and the City as part of the approval of the annual budget for Preston Park. FORA's share and the City's share of the Preston Park Net Revenue shall each be equal to fifty percent (50%) of the Preston Park Net Revenue.

2. Defaults. FORA agrees that if it receives a Notice of Default from Rabobank regarding the Loan, FORA shall provide the City with a copy of such notice immediately upon its receipt but in no event later than five (5) days after receipt. If the City offers to cure any default that can be cured by the City, FORA agrees that FORA will accept such cure from the City and that FORA will tender the cure to Rabobank immediately upon receipt of all such funds necessary for such cure but always within the applicable time for cure. If the City offers to cure a default, the amount of any funds advanced by the City to cure such a default shall be credited against the purchase price for the Preston Park property owed by the City to FORA when and in the event the City purchases the Preston Park Property plus interest at the same interest rate as rate of interest rate on the Loan. If the Preston Park Property is sold to a third party, the amount of funds advanced by the City to cure any default shall be repaid by FORA with interest at the same rate of interest as the rate of interest on the Loan from FORA's portion of the sale proceeds. In determining the amount of interest owed on any advance made by the City on FORA's behalf, interest shall be calculated in the same manner as the Loan from the date the City disbursed funds to FORA.

3. Direct Payment of Loan. At any time during the term of the Loan, regardless of whether the Loan is in default, the City may direct the Preston Park Property manager to pay the debt service on the Loan directly to Rabobank from FORA's share of the Preston Park Net Revenue by providing written notice to FORA of such election at least thirty (30) day prior to directing

the property manager to make such payments directly to Rabobank. If the City elects to direct property manager to make debt service payments directly, FORA shall upon receipt of such notice of election, provide the City and the property manager with the debt service schedule for the loan, any payment coupons or other information necessary to ensure the proper delivery of the loan payment. If the City elects to direct the property manager to make the loan payments directly to Rabobank, any late fees or other penalties for late payments shall be the responsibility of the City and shall be paid from the City's share of the Preston Park Net Revenue.

4. Assumption and Prepayment Fees. FORA and the City acknowledge that the terms of the Loan prohibit any assumption of the Loan by the City or any other successors to FORA's interest in the Preston Park property. Notwithstanding the fact that the Loan prohibits assumption of the Loan, Rabobank has informed FORA and the City that it will evaluate any request for assumption based on standard underwriting criteria and that if Rabobank allows assumption, an assumption fee would normally be required. If Rabobank approves assumption of the Loan by the City, the City will be responsible for payment of any assumption fees or other fees charged by Rabobank related to such assumption.

Under the terms of the Hedge Agreement early payment of the Loan can trigger an unwind fee or prepayment fee. If the City acquires the Preston Park property and such acquisition triggers a prepayment fee, FORA shall be responsible for payment of any such prepayment or unwind fees or any other fees associated with the payoff of the Loan.

5. Foreclosure. If FORA defaults on the Loan and Rabobank or any other lender forecloses on the Preston Park property pursuant to the deed of trust, either by judicial or nonjudicial action the City shall be entitled to an amount equal to fifty percent (50%) of the total amount of the foreclosure sale proceeds received by Rabobank or such other lender. To provide the City with its fifty percent (50%) share of the foreclosure sales proceeds, upon receipt of any proceeds from the foreclosure sale, FORA shall immediately pay to the City an amount equal to fifty percent (50%) of the total purchase price paid for the Property by the foreclosure purchaser, which amount shall include any costs of sale or other amounts paid by the purchaser. The intent of this Section 5 is to ensure that the City's fifty percent (50%) share of sales or lease proceeds will be realized to the extent possible if foreclosure results in the Preston Park property being transferred to a third party, recognizing that FORA will have received a portion of its sales proceeds from the Preston Park Property in the form of the Loan proceeds retained by FORA and that any costs associated with any such foreclosure action are to be deducted from FORA's share of any such sales proceeds. If the proceeds of any such foreclosure received by FORA are less than the amount necessary to pay to the City the share of sales proceeds to which it is entitled by the Implementation Agreement and Government Code Section 67678(b), FORA shall pay to the City: a) the proceeds of such foreclosure sale received by FORA and b) the remaining amounts owed to the City to ensure that the City receives fifty percent (50%) of the proceeds of any sale or foreclosure from any other sources of funds available to FORA. FORA acknowledges that the City's right to receive fifty percent (50%) of any sales proceeds from the sale of the Preston Park property represents a lien on FORA's funds and assets, FORA hereby pledges to make the City whole in terms of the amounts it is due under the Implementation Agreement and Government Code Section 67678(b) from any sale of the Preston Park property whether

voluntary or involuntary. FORA further recognizes the City's rights to such sales proceeds as a FORA debt. .

6. Due Diligence Costs. FORA and the City agree that FORA and the City incurred costs for due diligence activities related to the Loan. On the sale or transfer of the Preston Park property to the City or a third party, the parties agree that: a) One Hundred Twenty Five Thousand Dollars ($125,000) shall be considered Direct Sales Expenses, as that term is defined in the Implementation Agreement, to be deducted from any sales proceeds in order to determine the Sales or Lease Proceeds as defined in the Implementation Agreement, b) $62,500 shall be distributed to the City and c) $62,500 shall be distributed to FORA to compensate each for such due diligence costs. Sales and Lease Proceeds shall be split equally between the City and FORA as required by the Implementation Agreement.

7. Operating and Management Costs Relating to Loan. Costs to prepare any reports requested by Rabobank or fund any claims that Rabobank makes under the Loan documents, such as recovery of costs incurred to enforce the Loan, shall be funded solely by FORA from its share of the Preston Park Net Revenues or from other FORA sources of funds. None of these costs shall be funded by the City's share of Preston Park Net Revenue.

8. Time. Time is and shall be of the essence of each term of this MOA.

9. Severability. If any of the provisions of this MOA are determined to be invalid or unenforceable, those provisions shall be deemed severable from the remainder of this MOA and will not cause its invalidity unless this MOA without the severed provisions would frustrate a material purpose of either party in entering into the MOA.

AGREED AND ACCEPTED:

CITY OF MARINA

_____ Date: _____ _____, 2005

By: _____

Its: _____

FORT ORD REUSE AUTHORITY

_____ Date: _____ _____, 2005

By: _____

Its: _____

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Habitat Conservation Plan ("HCP") – joint powers authority governance issue	
Meeting Date:	May 14, 2010	**ACTION**
Agenda Number:	8a	

RECOMMENDATION(S)

Adopt the hybrid weighted vote structure ("**Attachment A**") for the Joint Powers Authority ("JPA") Fort Ord Regional Habitat Cooperative ("Cooperative"), creating the following voting assignments: City of Del Rey Oaks (1), City of Monterey (1), City of Marina (2), City of Seaside (2), County of Monterey (2), MPC (1), UC (1), CSUMB (1), and MCWD (1).

BACKGROUND

The Fort Ord Reuse Authority ("FORA") has been working on a parallel process to advance the draft HCP document and its accompanying draft legal documents, which include the HCP JPA Agreement, the HCP Implementing Agreement, and the HCP ordinance/policy, through staff and legal review. Jones & Stokes, FORA's HCP consultant, has managed the preparation and review of the HCP document, while FORA staff and Authority Counsel have managed the preparation and review of the accompanying legal documents.

In summary, the HCP document describes the work that the future Federal and State permit holders ("permit holders") (includes Monterey County, City of Marina, City of Seaside, City of Del Rey Oaks, City of Monterey, California State University Monterey Bay, University of California, Monterey Peninsula College, Marina Coast Water District, Monterey Peninsula Regional Park District, and State Parks) and the Bureau of Land Management ("BLM") (a cooperating agency) must perform to meet the Wildlife Agencies' permit issuance requirements, similar to a Scope of Work. The HCP JPA Agreement would form a governing body among the permit holders, which would ensure HCP implementation. The Implementing Agreement would forge a contract among the permit holders, BLM, and the Wildlife Agencies to implement the HCP and issue the State and Federal permits to the permit holders. The HCP ordinance/policy would assure the permit holders' implementation of the HCP through adopting specific policy measures complying with their HCP responsibilities.

All of these documents must ultimately be reviewed and approved by the permit holders and Wildlife Agencies. Jones & Stokes received comments from the HCP document reviewers, but has yet to receive comments on a number of chapters from the U.S. Fish and Wildlife Service ("USFWS") and the California Department of Fish and Game ("CDFG") on schedule. On April 22, 2010, USFWS and CDFG said that their goal was to provide comments on HCP chapters 4-6 by mid-May. FORA is currently receiving comments on the HCP Implementing Agreement and HCP ordinance/policy from the permit holders. Permit holders have already submitted comments on the HCP JPA agreement. However, at the FORA Administrative Committee level, reaching consensus regarding the Cooperative governance voting structure has proven

challenging. A decision regarding voting structure is important to assure that the JPA has the ability to govern its permit monitoring and HCP implementation functions.

DISCUSSION

To facilitate the Administrative Committee's discussion on the Cooperative governance voting structure, FORA staff prepared a memo summarizing proposed governance voting structures ("**Attachment B**"), an outline of the Cooperative's responsibilities and powers ("**Attachment C**"), an outline of the permit holders' responsibilities and rights ("**Attachment D**"), and, as requested at the March 17, 2010 meeting, draft language to add to the HCP JPA Agreement which could address proposed non-voting members' concerns regarding the HCP stay-ahead provision and habitat management ("**Attachment E**"). The FORA Administrative Committee met on March 31, 2010 to review these items and recommended FORA Board review and direction on the governance voting structures. At its April 9, 2010 meeting, the FORA Board directed staff to prepare additional voting structure options that combine a proposed permittee-based voting structure with a weighted voting structure. That analysis is included in **Attachments A and B**.

In summary; the land use jurisdiction structure limits voting rights to the former Fort Ord land use jurisdictions, while the permittee-based structure offers voting to all HCP Permittees desiring a vote. Staff has recommended a hybrid weighted vote structure that offers a compromise to these structures. FORA staff seeks Board policy direction in this regard.

FISCAL IMPACT

Reviewed by FORA Controller

Jones & Stokes, and Denise Duffy & Associates ("DD&A") (FORA's National Environmental Policy Act/California Environmental Quality Act consultant) contracts have been funded through FORA's annual budgets to accomplish HCP preparation. Staff time devoted to this item is included in the fiscal year 2009-10 operating budget.

COORDINATION

Executive Committee, Administrative Committee, HCP working group, USFWS, CDFG, Jones & Stokes, and DD&A.

Prepared by Jonathan Garcia
Jonathan Garcia

Reviewed by D. Steven Endsley
Steve Endsley

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

Recommended governance structure:

Hybrid weighted vote structure. Combining the four methodologies (population, contributions, land mass, and habitat lands) above, provided each member is contributing dollars and/or other resources, the base Cooperative Board voting assignments would consist of 12 voting members as follows: City of Del Rey Oaks (1), City of Monterey (1), City of Marina (2), City of Seaside (2), County of Monterey (2), MPC (1), UC (1), CSUMB (1), and MCWD (1).

Pro's: 1. This structure is simple and protects the interests of all permit holders. 2. Jurisdictional members' concern that non-local decision makers hold inordinate control over the Cooperative is mitigated through this option. 3. This structure equitably gives voting power based on a reasonable assessment of obligations and contributions of members.

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

ATTACHMENT B
Item 8a
FORA Board Meeting, May 14, 2010

MEMORANDUM

Date: March 17, 2010 (updated April 29, 2010)

To: Fort Ord Reuse Authority ("FORA") Administrative Committee

From: Steve Endsley, Director of Planning and Finance

Re: Discussion of Joint Powers Authority ("JPA") governance structure options (revised)

On February 3rd and March 3rd, 2010, the Administrative Committee reviewed recently submitted draft Habitat Conservation Plan ("HCP") JPA agreement comments. The Committee requested staff prepare a revised list of JPA governance structure options. The original options and additional options are described below.

- **Land use jurisdiction proposed structure.** The Cooperative board would consist of 9 voting members (one vote for the City of Monterey, one vote for the City of Del Rey Oaks, two votes for the City of Marina, two votes for the City of Seaside, and three votes for the County of Monterey). Non-voting members would consist of the remaining Permittees, assured by contractual terms and conditions.

  Pro: This structure most closely follows the current structure of FORA and protects the interests of current voting members.

  Con: This structure is not acceptable to other HCP permit holders (UC, CSUMB, MPC, and MCWD) upon which the overall program depends.

- **Permittee-based structure.** The Cooperative Board would consist of 9 voting members, one vote each for the City of Del Rey Oaks, City of Monterey, City of Seaside, City of Marina, County of Monterey, MPC, UC, CSUMB, and MCWD. Non-voting members would consist of the remaining enduring Permittees, assured by contractual terms and conditions.

  Pro: This structure is the simplest, most straightforward mechanism, and protects the interests of all permit holders.

  Con: Jurisdictional members are concerned that non-local decision makers will hold inordinate control over the Cooperative.

Additional Options:

On April 9, 2010, the FORA Board requested staff to prepare a methodological rationale for a weighted vote governing structure based on the Permittee-based structure. Among the various rationales are the following (please note that the hybrid weighted vote structure is included in **Attachment A**):

- **Population structure.** Provided each member is contributing dollars and/or other resources, the base Cooperative Board voting assignments would consist of 9 voting

members, one vote each for the City of Del Rey Oaks, City of Monterey, City of Marina, City of Seaside, County of Monterey, MPC, UC, CSUMB, and MCWD. Additional votes would be assigned at a rate of one vote per 10,000 inhabitants within a Permittees' jurisdiction or land holdings on former Fort Ord. The City of Seaside is currently at or near the 10,000 population threshold within its former Fort Ord jurisdiction and would be assigned the first additional vote if this structure were adopted. At current former Fort Ord build-out projections, the entities receiving additional votes would most likely be the City of Seaside (1), City of Marina (1), County of Monterey (1), and CSUMB (1). Non-voting members would consist of the remaining enduring Permittees, assured by contractual terms and conditions.

Pro's: 1. This structure is simple and protects the interests of most permit holders.
2. Jurisdictional members' concern that non-local decision makers will hold inordinate control over the Cooperative might be mitigated through this option.

- **Contributions structure.** Provided each member is contributing dollars and/or other resources, the base Cooperative Board voting assignments would consist of 9 voting members, one vote each for the City of Del Rey Oaks, City of Monterey, City of Marina, City of Seaside, County of Monterey, MPC, UC, CSUMB, and MCWD. Additional votes would be assigned at a rate of one vote per $50 million in FORA fee collected within a Permittees' jurisdiction or land holdings on former Fort Ord. At current former Fort Ord build-out projections, the entities receiving additional votes would most likely be the City of Seaside (1), City of Marina (2), and County of Monterey (1). Non-voting members would consist of the remaining enduring Permittees, assured by contractual terms and conditions.

  Pro's: 1. This structure is simple and protects the interests of most permit holders.
  2. Jurisdictional members' concern that non-local decision makers will hold inordinate control over the Cooperative might be mitigated through this option.

- **Land mass structure.** Provided each member is contributing dollars and/or other resources, the base Cooperative Board voting assignments would consist of 9 voting members, one vote each for the City of Del Rey Oaks, City of Monterey, City of Marina, City of Seaside, County of Monterey, MPC, UC, CSUMB, and MCWD. Additional votes would be assigned at a rate of one vote per 2,000 acres within a Permittees' jurisdiction or land holdings on former Fort Ord. The entities receiving additional votes would be the City of Seaside (1), City of Marina (1), and County of Monterey (2). Non-voting members would consist of the remaining enduring Permittees, assured by contractual terms and conditions.

  Pro's: 1. This structure is simple and protects the interests of most permit holders.
  2. Jurisdictional members' concern that non-local decision makers will hold inordinate control over the Cooperative might be mitigated through this option.

- **Habitat in jurisdiction structure.** Provided each member is contributing dollars and/or other resources, the base Cooperative Board voting assignments would consist of 9 voting members, one vote each for the City of Del Rey Oaks, City of Monterey, City of Marina, City of Seaside, County of Monterey, MPC, UC, CSUMB, and MCWD. Additional votes would be assigned at a rate of one vote per 500 acres of Habitat Management Area lands within a Permittees' jurisdiction or land holdings on former Fort Ord. The entities receiving additional votes would be the County of Monterey (3) and UC (1). Non-voting members would consist of the remaining enduring Permittees, assured by contractual terms and conditions.

  Pro's: 1. This structure is simple and protects the interests of most permit holders.
  2. Jurisdictional members' concern that non-local decision makers will hold inordinate control over the Cooperative might be mitigated through this option.

Outline of the Fort Ord Regional Habitat Cooperative's Responsibilities & Powers

The responsibilities and powers included herein stem from requirements of the HCP under the authority of the USFWS and CDFG. A governing mechanism to implement these responsibilities and powers must be selected. As currently proposed, the Fort Ord Regional Habitat Cooperative ("Cooperative") would be a Joint Powers Authority formed to implement the Installation-Wide Multispecies Habitat Conservation Plan ("HCP") for former Fort Ord on behalf of the Permittees. The following responsibilities and powers would be assigned to the Cooperative to ensure compliance with the Federal and State incidental take permits.

I. Implement HCP Work Program

Each fiscal year, the Cooperative would present an annual budget to its Board of Directors sufficient for carrying out required elements of the HCP. Most budget requirements are straightforward but some year to year adjustments can be expected. The budget available will be a function of how much money the habitat endowment produces and therefore will be relatively static. Jurisdictional General and Special Funds may not be tapped by the Cooperative to enhance the funds produced by the endowment. Budget categories would include:

A. Program administration
1. Employees, office rent, and vehicles/equipment
2. Travel, insurance, legal, and financial assistance
3. Education/outreach/public relations

B. Habitat restoration
1. Identifying and prioritizing potential restoration sites
2. Design restoration projects/bid assistance
3. Pre-construction surveys, construction, construction oversight and monitoring, and post-construction monitoring and maintenance
4. Remedial measures

C. Habitat Management Area ("HMA") management and maintenance/Borderlands Management
1. Management and maintenance personnel & specialized consultants
2. Heavy equipment, repair, fuel, & field facilities
3. Hand-held tools, equipment, & materials
4. Vegetation management and erosion control
5. Invasive species control (e.g. feral pigs)
6. Access controls & maintenance of roads & trails
7. Resource management plan development
8. Environmental compliance

D. Monitoring, research, and adaptive management
1. Reconnaissance studies
2. Pilot & adjusted baseline surveys
3. Abundance sampling

4. Aerial & GIS mapping
5. Statistical analysis

E. Conting ency and remedial measures – Costs incurred in response to changed circumstances or failure to meet performance standards
1. Covered and non-covered species listing
2. Global climate change, invasion of exotic species or disease, catastrophic fire, coastal erosion, storm-related erosion, & landslides

II. Ensure that Permittees and BLM maintain permit compliance

A. HCP Concurrence Process (Permittees' decisions are final unless appealed to the Cooperative Board)
B. Cooperative staff would attend Coordinated Resource Management and Planning (CRMP) group meetings to coordinate permit compliance with BLM and Permittees with HMA management responsibilities
C. Compile and submit annual report to the Wildlife Agencies

ATTACHMENT D
Item 8a
FORA Board Meeting, May 14, 2010

Outline of the permit holders' contractual responsibilities and rights

Irrespective of Cooperative voting structure and internal working procedures, the overarching HCP gives each permit holder certain rights and responsibilities.

I. Five Land-use jurisdictions (Monterey County, Cities of Marina, Seaside, Del Rey Oaks, and Monterey)

a. Responsibilities:
   i. Assure that their projects conform to HCP requirements.
   ii. Assure that landowners and other private applicants ("3rd Party participants") conform to HCP requirements by reviewing project submittal applications and, if the jurisdiction approves a project, incorporate HCP requirements into the Conditions of Approval or Development Agreement.
   iii. Assure FORA Community Facilities District or in-lieu Fee collection.

b. Rights:
   i. Capacity to extend HCP coverage to projects conducted by the jurisdiction.
   ii. Capacity to extend HCP coverage to 3rd Party Participants within the Plan Area, provided that their projects or activities are covered by the HCP and are executed in accordance with the HCP, the permits, and the Implementing Agreement.
   iii. Right to State and Federal Take Permits without making separate application.
   iv. No recourse to Cooperative member general or special funds (excepting general or special funds of MPRPD and State Parks, to fund their habitat management).

Current FORA non-voting members:

II. MPC and CSUMB

a. Responsibilities:
   i. Assure that their projects conform to HCP requirements.
   ii. As per prior agreement, assure payments are made to FORA – MPC agrees to pay $500,000, subject to adjustment for any deferred payment in accordance with adopted FORA practice.
   iii. As per prior agreement, CSUMB agrees to pay FORA a one-time lump sum payment of $47,800 for its fair-share costs of HCP preparation and $4,784.91 annually, or a one-time lump sum payment of $106,331.33, to cover the cost to manage the CSUMB Borderlands property.

b. Rights:
   i. Capacity to extend HCP coverage to projects conducted by MPC and CSUMB.
   ii. Right to State and Federal Take Permits without making separate application.
   iii. No recourse to Cooperative member general or special funds (excepting general or special funds of MPRPD and State Parks, to fund their habitat management).

Current FORA non-voting members (except for MPRPD):

III. UC, MCWD, MPRPD, and FORA

a. Responsibilities (as per prior agreement) :
   i. Assure that their projects conform to HCP requirements.
   ii. Assure FORA Community Facilities District Fee collection.
   iii. Manage the UC Fort Ord Natural Reserve in compliance with the HCP, the permits, and the Implementing Agreement (UC).
   iv. Manage the Natural Area Expansion in compliance with the HCP, the permits, and the Implementing Agreement (MPRPD).

b. Rights:

i. Capacity to extend HCP coverage to projects conducted by UC, MCWD, MPRPD, and FORA.

ii. Right to State and Federal Take Permits without making separate application.

iii. No recourse to Cooperative member general or special funds (excepting general or special funds of MPRPD and State Parks, to fund their habitat management).

Proposed non-voting member to JPA Cooperative:

IV. State Parks

a. Responsibilities:

i. Assure that their projects conform to HCP requirements.

ii. Assure FORA Community Facilities District Fee collection.

iii. Manage Fort Ord Dunes State Park in compliance with the HCP, the permits, and the Implementing Agreement.

b. Rights:

i. Capacity to extend HCP coverage to projects conducted by the State Parks.

ii. Right to State and Federal Take Permits without making separate application.

ATTACHMENT E
Item 8a
FORA Board Meeting, May 14, 2010

Potential contractual assurances between the voting and non-voting members of the JPA Cooperative (redline version to original proposed language in section 4.3 and 4.4 of HCP JPA Agreement). These provisions protect voting and non-voting Cooperative members by enabling stay-ahead and other requirements are met by the Cooperative:

4.3. Governing Board. The Cooperative will be governed by a twelve~~thirteen~~-member Governing Board. The Board shall consist of one representative from each of the twelve Parties~~, and the Executive Officer of FORA~~. Upon the sunset of FORA, the Board will be reduced from twelve~~thirteen~~ members to the eleven remaining Party representatives. The Board shall consist of voting and non-voting members as described under section 4.4 of this agreement. Each Party's legislative body shall appoint that Party's representative and may also appoint one alternate representative, both of whom shall serve at the pleasure of the appointing body. The term of office of each Board member and alternate terminates when the member or alternate is replaced by his/her appointing body or when the member or alternate ceases to be an elected official of the appointing body. Each Party's governing city council or board shall appoint a new representative to the Board whenever the Party's seat on the Board becomes vacant.

4.4 ~~4.4~~ Voting. The initial Governing Board voting structure shall be... (Insert voting and non-voting structure here). Each voting Board member has one vote for all decisions relating to the governance, budget and administration of the Cooperative. The Board may choose to enact a decision making policy that is weighted by population, the amount of contributions, or by land mass affected regarding extension of the authorization of Take. Decisions require a majority vote of the Board.

4.4.1 Non-Voting Member Assurances. The non-voting members agree to fulfill their responsibilities in compliance with the HCP, the permits, and the Implementing Agreement.

4.4.2 Voting Member Assurances. Since the voting members have the responsibility of ensuring HCP compliance through habitat management activities, coordination with other habitat managers, annual monitoring and reporting, and the HCP concurrence process, the voting members agree to (1) perform habitat management activities in compliance with the HCP and (2) reserve ___ number of acres for non-voting members' development needs, in compliance with the HCP stay-ahead provision, until those ___ acres are completely utilized by non-voting members, or all HCP Habitat Management Areas have transferred from the U.S. Army to the ultimate recipient and are in active habitat management, allowing planned development build out under the HCP.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Office of Economic Adjustment Grant – Veterans Cemetery Infrastructure Planning	
Meeting Date:	May 14, 2010	**ACTION**
Agenda Number:	8b	

RECOMMENDATION(S)

Authorize the Executive Officer to execute a contract with (*enter consultant's name*) not to exceed $415,000 (the Office of Economic Adjustment ["OEA"] grant award amount designated to complete tasks 1-5 and 7 and additive bid items under the OEA grant Scope of Work ["Scope"]).

BACKGROUND/DISCUSSION

In January 2010, FORA received a $460,000 grant award from OEA to conduct Central Coast Veterans Cemetery Infrastructure Planning. The movement to establish a Veterans Cemetery on former Fort Ord has sustained regional support for nearly two decades. This grant will accomplish essential infrastructure planning and coordinate efforts by local, state, and national government to complete the veterans cemetery on former Fort Ord.

Over the last few months, FORA distributed a request for qualifications/request for proposals ("RFQ/RFP") to qualify consultants to compete for this work and processed a grant amendment, modifying the OEA grant Scope to meet current objectives. After OEA processed the grant amendment, FORA issued proposal instructions for the six qualified consultants. FORA convened a selection panel to evaluate the proposals received on April 30, 2010. The selection panel reached a unanimous recommendation for one firm to complete this work. FORA staff is confirming the selection panel's decision with OEA and expects being able to present the recommended consultant to the FORA Board for consideration on May 14, 2010.

Additionally, FORA staff has identified the CDVA as being uniquely qualified to complete task 6 ($45,000 designated in the OEA grant award), a Budget Document estimating the design and construction costs for the future Central Coast California Veterans Cemetery. FORA staff anticipate presenting a recommendation to the FORA Board at its June 2010 meeting to adopt a Memorandum of Understanding ("MOU") between FORA and CDVA for completion of task 6.

FISCAL IMPACT

Reviewed by FORA Controller

The Veterans Cemetery consultant contract and FORA-CDVA MOU will be paid through OEA grant funds. Staff time for this item is included in the approved Fiscal Year 09-10 budget.

COORDINATION

Authority Counsel, CDVA, Administrative and Executive Committees

Prepared by Jonathan Garcia
Jonathan Garcia

Reviewed by D. Steven Endsley
Steve Endsley

Approved by for M. Houlemard
Michael A. Houlemard Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	FORA FY 10-11 Preliminary Budget (Action in June)
Meeting Date:	May 14, 2010
Agenda Number:	9a
	INFORMATION

RECOMMENDATION:

Receive this informational report regarding the Fort Ord Reuse Authority (FORA) Fiscal Year 2011 (FY 10-11) preliminary budget.

BACKGROUND/DISCUSSION:

The preliminary budget is presented to the Board by its June meeting, anticipating adoption before the beginning of the upcoming fiscal year. The FY 10-11 budget will be offered for consideration at the June 11 Board meeting, after being reviewed for recommendation by the FORA Finance and Executive Committees during budget meetings in May and June 2010. The Finance Committee held its first budget meeting on May 10.

FISCAL IMPACT:

It is expected that the FY 10-11 budget will balance.

Prepared by: Ivana Bednarik

Approved by: Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	Capital Improvement Program – Workshop/Presentation	
Meeting Date:	May 14, 2010	**INFORMATION**
Agenda Number:	9b	

RECOMMENDATION

1. Receive a presentation (**attached**) by Fort Ord Reuse Authority ("FORA") staff which explains the background of the Capital Improvement Program ("CIP").
2. Discuss policies and protocols associated with the CIP and offer direction to staff.

BACKGROUND

The Fort Ord Base Reuse Plan, adopted by the FORA Board of Directors ("Board") in 1997, identified certain obligations to mitigate development on the former Fort Ord. These obligations make up the components of the CIP. The FORA Board adopted the first CIP in June 2001. Since then, staff has annually presented a CIP document to the Board reflecting updated CIP financial obligations, adjustments to project time placement and offsets made throughout the previous year. The Board adopted these re-programmed CIPs and subsequently set transportation project time placement / project priorities for the upcoming fiscal year. The actual transportation projects, as originally determined by the Transportation Agency for Monterey County ("TAMC"), cannot be altered without the approval of TAMC and their Board of Directors.

Beginning in late 2008, FORA staff began updating the CIP following the normal schedule of annual presentation to, and adoption by, the FORA Board. However, in working with a joint committee of CIP and Administrative committee members (the "joint committee"), transportation project priority issues were identified which led staff to request an extension of the FY 2008/2009 CIP document in June 2009. The FORA Board approved the extension for 90 days (through September 2009). At the September 2009 Board meeting, staff requested the FY 2008/2009 CIP document be extended through June 2010, at which time the FY 2010/2011 CIP would be prepared and presented. The Board extended the FY 2008/2009 CIP document through the end of the calendar year and directed staff to present a mid-year update at that time.

In December 2009 staff presented a mid-year CIP update to the Board and requested approval of transportation project timing adjustments resulting from input and development forecasts received from joint committee members. The Board approved the adjustments which updated the placement of priority projects.

DISCUSSION

Staff has continued working with the joint committee toward a draft FY 2010/2011 CIP document which could be presented to the Board for adoption. Prior to presenting a CIP document to the Board, joint committee members have requested additional time for 1) analysis of the timing of transportation projects to ensure that they are accurately

placed to meet development needs and 2) validation of the amount of the basewide development fee to ensure adequate funding of FORA's mitigation obligations.

Once the analysis is concluded, a re-programmed CIP document, inclusive of transportation project time placement or other identified modifications, will be presented to the Board for adoption. It is staff's anticipation to present the draft FY 2010/2011 CIP to the Board at their June 2010 meeting.

The attached presentation was prepared for joint committee use in the above-noted analysis. Since there are several new members on the joint committee, and on the FORA Board, staff thought it would aid the analysis to provide the background of the CIP document. Staff is now requesting that the Board 1) receive the presentation on the background of the CIP document and 2) offer direction to staff regarding the policies and protocols associated with the CIP.

FISCAL IMPACT
Reviewed by FORA Controller

As noted throughout the CIP document, the primary sources of revenue anticipated to cover the cost of obligatory CIP projects are Developer Fees, collected via the approved Community Facilities District, and Land Sale/Lease proceeds.

Staff time for this item is included in the approved FY 09-10 budget.

COORDINATION

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

Prepared by _____ Reviewed by _____
Crissy Maras D. Steven Endsley

Approved by _____ for M. Houlemard
Michael A. Houlemard, Jr.

Presentation to the

Fort Ord Reuse Authority
Board of Directors

May 14, 2010

Capital Improvement Program (CIP) History

History

- Fort Ord Base Reuse Plan (BRP) set forth capital improvement obligations (1996-2015):
  - Transportation/Transit
  - Habitat Management
  - Potable/Non-Potable Water Supply/Distribution
  - Storm Drainage System
- Fort Ord Reuse Authority (FORA) Board established building removal obligations July 24, 2000.

Sierra Club Lawsuit and Settlement Agreement

- July 16, 1997 – Sierra Club challenged FORA actions approving BRP and BRP EIR.
- Nov. 30, 1998 – Sierra Club-FORA settlement agreement resolved lawsuit.
- Settlement agreement – FORA adopted Master Resolution Chapter 8 to assure resource constrained development and regional improvements fair-share.

Basewide Development Fee

- Government Code authorized FORA to levy former Fort Ord development impact mitigation fees.
- In Jan. 1999, FORA Board adopted Resolution 99-1, creating a Basewide Development Fee to fund BRP mitigations "Fair-Share."
- Adjusts July 1 annually, CCI increases.

FORA Community Facilities District (CFD) Fee

- FORA Board established former Fort Ord CFD by landowner election in May 2002.
- Can only be amended by CFD Voters.
- Adjusts July 1 annually, CCI increases.
- Basewide Development Fee applies to areas not within CFD.

Other Major CIP Funding Sources

- Land sale or lease proceeds
- Tax increment
- Grants
- Loans

CIP Project Funding

- CFD/Development Fee fund:
  - Roadway & Transit Improvements
  - Water & Storm Drain Improvements
  - Habitat Management
  - Other
- Land sale proceeds fund:
  - Building removal as per Board Direction
- Tax increment funds:
  - Operations and CIP projects

CIP Project Funding (cont.)

- Federal grants:
  - Roadway & Transit Improvements
  - Meter Installations
  - Sewer Lift Station Modernization
  - Water & Storm Drain Improvements
  - Base Reuse and Infrastructure Planning
- Loans:
  - Roadway & Transit Improvements
  - Building removal

Completed Capital Improvement Obligations

- Transportation / Transit
  - Gateway and miscellaneous safety improvements
  - California Avenue
  - Blanco Road widening
  - Reservation Road widening
  - 2nd Avenue
  - Imjin Parkway
  - General Jim Moore Blvd. from Normandy to Coe

Completed Capital Improvement Obligations

- Habitat Management
  - 25% of CFD fee diverted to Habitat Conservation Plan (HCP) endowment fund (± $36M) by Board direction
  - Total collected to date: ± $4M
  - If HCP is approved prior to full endowment funding, CFD must fund annual HCP operating costs in addition to building to the endowment target

Completed Capital Improvement Obligations

Potable/Non-Potable Water Supply / Distribution

- Marina Coast Water District chosen as water purveyor for former Fort Ord in 1997
- Regional Urban Water Augmentation Program identified as the most appropriate water augmentation program
- BRP original cost estimate of $15M
- First CIP document (2001/02) escalated the cost to $17,175,000
- 2001/02 cost indexed every year by CCI
- 2005/06 CIP increased the total contribution to $37M in lieu of MCWD capacity charge increase
- 2010/11 CIP total contribution is $43M

Completed Capital Improvement Obligations

Wastewater Collection System / Pump Station Improvements

- MCWD chosen to operate wastewater systems on the former Fort Ord in 1997
- Capital improvements are funded by MCWD customer rates, fees and charges
- Water/Wastewater Oversight Committee reviews MCWD operating and capital budgets and makes recommendations to the FORA Board

Completed Capital Improvement Obligations

- Storm Drainage System
  - EDA grant paid for design of alternative disposal systems for storm water run off
  - EDA grant funded storm water outfall demolition and retention pond construction
  - *Work completed and obligation met in January 2004*

Completed Capital Improvement Obligations

- Public Facilities – Fire Station
  - Local jurisdiction fire chiefs conferred on best use of FORA funds toward fire fighting enhancement
  - Recommended purchase of all-terrain fire fighting vehicles (one each for the Cities of Marina, Seaside and Monterey and the Ord Military Community) and one water tender (Salinas Rural) to serve former Fort Ord
  - FORA Board approved lease-purchase of equipment in 2003
  - Equipment fully paid/obligation met – 2014

Completed Capital Improvement Obligations

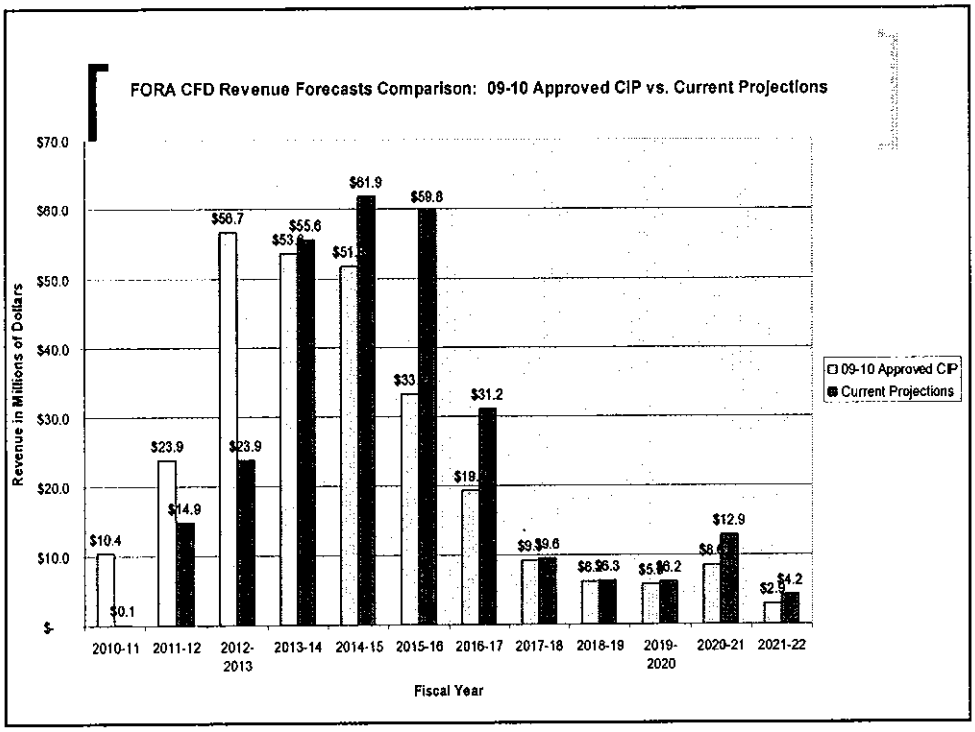
Building Removal

- August 2005 MOA assigned FORA $46M in building removal costs within Dunes on Monterey Bay project area – $22M paid in cash and $24M paid in land sales credits ($27M completed, 100% of FORA cash obligation met)
- February 2006 MOA assigned FORA $2,177,000 building removal costs within East Garrison project area – land sales credits funded

Remaining obligations: stockade (± $2.2M) and Surplus II (± $4M)

Remaining Transportation / Transit Obligations

- On-Site
  - Abrams (Reimb. Agmt.)
  - 8th Street (Reimb. Agmt.)
  - Intergarrison (Reimb. Agmt.)
  - Gigling
  - Salinas Avenue (Reimb. Agmt.)
  - Eastside Road
  - South Boundary Road upgrade
- Off-Site
  - Davis Road north of Blanco Road
  - Davis Road south of Blanco Road
  - Reservation Road widening 4 lanes to Watkins Gate
  - Reservation Road widening Watkins Gate to Davis Road
  - Crescent Avenue extend to Abrams (Reimb. Agmt.)
- Regional
  - HWY 1 – Seaside Sand City
  - HWY 1 – Monterey Road interchange
  - HWY 156 – Freeway Upgrade
  - HWY 68 – Operational
- Transit
  - Transit vehicle purchase / replacement
  - Intermodal centers



Transportation/Transit projects – anticipated completion before FORA Sunset

- On-site projects without a reimbursement agreement anticipated to be completed by June 30, 2014
  - Intergarrison
  - Gigling
  - Eastside Road
  - South Boundary
  - GJMB

Projects remaining as of 2009/10

- FORA responsibilities
  - Fee Collections 2010/11 to 2021/22 (based on jurisdictions' development forecasts) - $286.7 M
  - Cost of completing remaining CIP obligations
    - Transportation/Transit - $115.7 M
    - HCP endowment - $31 M
    - Water Augmentation - $22.5 M ($43.3 M including voluntary payment)
    - Fire Rolling Stock - $464,000
    - Other Costs and Contingency Reserve - $121.9 M ($101.1 M excluding voluntary payment)
    - Building Removal - $6.2 M
    - Additional obligations if identified in BRP reassessment – unknown

Projects remaining after FORA sunset

- FORA successor(s) responsibilities
  - Establish continuity of Fee Collection – post 2014 fee collections - $192.2 M
  - Complete remaining CIP obligations
    - Transportation/Transit - $46.1 M
    - HCP endowment - $7.4 M
    - Water Augmentation - $16.8 M
    - Other Costs and Contingency Reserve - $121.9 M
    - Building Removal - $2.5 M
    - Additional obligations if identified in BRP reassessment – unknown

Other Costs and Contingencies include

- Expenditures not included in current project cost estimates:
  - CCOs to ESCA
  - street landscaping
  - unknown site conditions
  - project changes
  - habitat/environmental mitigations
- Post 2014 funding for jurisdictions to accommodate:
  - increased habitat management costs,
  - restoration of the storm drainage site in the Fort Ord Dunes State Park

Other Costs and Contingencies includes (cont.)

Post 2014 funding for jurisdictions to accommodate:

- utilities relocation
- unknown subsurface conditions
- construction cost phasing
- unknown CEQA mitigations
- financing costs
- reimbursement for prior FORA expenses, and
- shortfalls in fee revenue when inflation exceeds the 5% fee increase cap

- Other costs and contingencies are not received until program out-years (post 2014)

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Administrative Committee report	
Meeting Date: **Agenda Number:**	May 14, 2010 10a	**INFORMATION**

RECOMMENDATION

Receive a report from the Administrative Committee

BACKGROUND/DISCUSSION

The Administrative Committee met on April 14, and May 5, 2010. The approved minutes for the April 14th meeting are attached. The minutes of the May 5th meeting have not yet been prepared.

The Administrative Committee also had joint meetings with the Capital Improvement Program Committee on April 14 and May 5, 2010. The approved minutes for the April 14th meeting are also attached. The minutes of the May 5th meeting have not yet been prepared.

FINANCIAL IMPACT

Reviewed by FORA Controller

Staff time for this item is included in the approved FY 09-10 budget.

COORDINATION

Administrative Committee and Capital Improvement Program Committee

Prepared by Daylene Alliman **Approved by** Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY
100 12th Street, Building 2880
Marina, CA 93933
(831) 883-3672 (TEL) · (831) 883-3675 (FAX) · www.fora.org

MINUTES OF THE
ADMINISTRATIVE COMMITTEE MEETING
Wednesday, April 14, 2010

APPROVED

1. Call to Order

Co-Chair Doug Yount called the meeting to order at 8:20 a.m. The following land recipient jurisdiction representatives, establishing a quorum, were present:

*Nick Nichols - County of Monterey
*Daniel Dawson – City of Del Rey Oaks
*Doug Yount – City of Marina
*Diana Ingersoll - City of Seaside
*Elizabeth Caraker – City of Monterey

Also present, as noted by the roll sheet, were:

Jim Arnold – FORA
*John Marker – CSUMB
Tim O'Halloran – City of Seaside
*Rob Robinson – BRAC
Pat Ward – Bestor Engineers
Anya Spear – CSUMB
Bob Schaffer
*Vicki Nakamura – MPC
*Carl Niizawa – MCWD
Michael Houlemard – FORA
Crissy Maras – FORA
Ron Chesshire – Mty/SC Counties BCTC
Steve Endsley - FORA
Jonathan Garcia – FORA
*Don Bachman - TAMC
*Graham Bice – UC MBEST
Scott Hilk – Marina Community Partners
*Debbie Hale – TAMC
Debby Platt – City of Marina

* indicates a committee member

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

2. Pledge of Allegiance

Chair Yount asked Debbie Hale, who agreed, to lead the Pledge of Allegiance.

3. Acknowledgements, announcements and correspondence

Executive Officer Michael Houlemard provided a report from his attendance at the CSUMB/ FORA jurisdictions Community meeting on April 12th. He said that it was the first of periodic meetings with the electeds from the jurisdictions impacted by the university's growth plans and vice versa. These meetings were established to address the continuing need to keep all informed about their development projects and were the result of the settlement agreement from the lawsuit between the CSU Trustees and FORA. Topics discussed were the equestrian venues, roadway network proposals, the future of Eastside Road and the joint powers authority governance issues. He

commented that the exchanges were positive and thanked the representatives from Seaside, Marina and the County for attending. He added that it's important to keep in mind how the educational institutions play a significant part in job creation on former Fort Ord.

4. Public comment period

Ron Chesshire from the Monterey/Santa Cruz Counties Building and Construction Trades Council ("M/SCC BCTC") focused on §1.02 of the FORA Master Resolution, Enforcement of Master Resolution. He called attention to the enforcement responsibilities and the officials designated as the enforcers. He stated that Chapter 8 of the Master Resolution was added to delineate the particulars of consistency determinations, which were the result of the Sierra Club settlement in 1998 and asked if the prevailing wage policy were addressed in a legislative land use or entitlement consistency determination review. He said it appears that FORA passes this responsibility on to the jurisdictions that, in turn, pass them on to developers, etc. His conclusion was that enforcement does not occur. Mr. Chesshire said that M/SCC BCTC has had to pay hundreds of thousands of dollars to enforce FORA's Master Resolution concerning payment of prevailing wages and recommended that §1.02 be either amended or eliminated, because it is confusing and misleading. He gave Executive Officer Houlemard a letter dated 4/8/10 from the M/SCC BCTC for FORA's records.

5. Approval of March 31, 2010 meeting minutes

Motion to approve the March 31, 2010 meeting minutes was made by Debbie Hale and seconded by Diana Ingersoll. The minutes were approved by consensus, since there were no objections.

Executive Officer Houlemard said that today's minutes were the last minutes written by Deputy Clerk Linda Stiehl, who is retiring. He introduced Daylene Alliman, Ms. Stiehl's replacement, who was present.

6. Follow-up to the April 9, 2010 FORA board meeting

Re the Habitat Conservation Plan (HCP) joint powers authority governance issue: Executive Officer Houlemard said the Board had discussed the joint powers authority governance issue and asked that staff return with a more detailed analysis of the options regarding weighted voting. He said that Director McCall had stated he believed all the permittees should have a vote but had requested more information about the weighted vote issue. Mr. Houlemard said that staff had recommended keeping it simple, meaning one vote for each permittee. He noted that weighting could be based on population, size of habitat lands, the amount of funding provided by the permittees, or other options. He said he would share the staff's recommendation to the Board with the Administrative Committee. The options would then be presented at the May board meeting for the Board to decide, as they had requested.

Re establishing the Environmental Services Cooperative Agreement ("ESCA") Pollution Legal Liability ("PLL") Insurance item: Mr. Houlemard reported that FORA staff will set up the endowment fund for the PLL self-insurance funds no later than August. This money was provided in the ESCA for the specific purpose of purchasing of a policy covering the jurisdictions after FORA terminates in 2014 and the ESCA clean-up project contractors have finished their work. Staff is working with bankers now to set up a special account for these funds (over $916,000) to reside and accrue interest until a policy is purchased.

Mr. Houlemard reported that Congressman Farr has requested further discussion regarding UC Santa Cruz's proposed disposition of its property on former Fort Ord. Mr. Houlemard plans to take this item to the Executive Committee for a discussion of the alternatives.

7. **Old Business** - none

8. **New Business**

Item 8a – ARRA grant modifications package – status report: Senior Project Manager Jim Arnold reported that two requests would be sent to the Economic Development Administration ("EDA") Seattle regional office for review: (1) the list of General Jim Moore Boulevard ("GJMB") project items that were eliminated to bring the GJMB project into the engineers' estimate. A request for restoration of these items was approved by the FORA Board as the first priority. He said some might need a second bid, e.g., the Eucalyptus Road length adjustment, and added that the criteria would be the dollar value of this restoration; and (2) the three follow-on projects (nos. 5-7 on the list of items presented to the Board) as next in priority. Mr. Houlemard stated that the Board had directed that these items be sent to the task force first and then on to EDA, which has requested ASAP for both submittals. Doug Yount asked what the timeline was, and Mr. Houlemard replied "ASAP" or after the EDA review of item (1), which could be completed any day now. Mr. Arnold said delays by EDA are not arbitrary, but due to staff reductions. He said a critical point to keep in mind is to avoid amending the grant but presenting the three follow-on projects as meeting the current grant specifications. Mr. Yount recommended that language from the original grant be included in the task force review. Mr. Houlemard stated that Mr. Arnold and Steve Endsley are working on the final submittal package.

Item 8b – Explanation/discussion of entitlement consistency determinations regarding housing elements: Director of Planning and Finance Steve Endsley said that the Administrative Committee had requested this information and called attention to his memo dated 4/14/10, which provides an explanation of why Housing Elements are not processed in the same manner as development entitlement consistency determinations. Attached to this memo were the procedure for consistency determinations and the appeals and review process of development entitlements. Executive Officer Houlemard reported that Marina and Seaside have requested reviews of their housing elements on a regular basis but staff is available to work with the County regarding the need for consistency determinations of any of their housing elements that might need to be reviewed for consistency. He said that Del Rey Oaks and Monterey probably don't have any of these consistency determinations yet. Mr. Endsley said there is a checklist, which should make this kind of determination painless, and staff is available to assist when there is doubt. Mr. Houlemard noted that these determinations bring to light developer fees that FORA must collect and since they are entitlement determinations, they go the Board as information items.

9. **Adjournment**

Chair Yount adjourned the meeting at 8:55 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

FORT ORD REUSE AUTHORITY
100 12th Street, Building 2880
Marina, CA 93933
(831) 883-3672 (TEL) · (831) 883-3675 (FAX) · www.fora.org

APPROVED

MINUTES OF THE
JOINT ADMINISTRATIVE / CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING
Wednesday, April 14, 2010

1. **Call to order at 8:45 a.m.**
Administrative Committee co-chair Doug Yount called the meeting to order at 9:00 a.m. The following people, as indicated by signatures on the roll sheet, were present:

Nick Nichols, Monterey County
Anya Spear, CSUMB
Doug Yount, City of Marina
Tim O'Halloran, City of Seaside
Debbie Hale, TAMC
Daniel Dawson, City of DRO
Don Bachmann, TAMC
Debby Platt, City of Marina
Pat Ward, Bestor Engineers
Bob Schaffer, MCP
Vicki Nakamura, MPC
Carl Niizawa, MCWD
Rob Robinson, BRAC
Michael A. Houlemard, Jr., FORA
Jim Arnold, FORA
Graham Bice, UCMBEST
John Marker, CSUMB
Chuck Lande, Marina Heights
Elizabeth Caraker, City of Monterey
Diana Ingersoll, City of Seaside
Lee Panza, City of Marina
Scott Hilk, MCP
Steve Endsley, FORA
Jonathan Garcia, FORA
Crissy Maras, FORA

2. **Public Comment Period** – none

3. **Approval of minutes from March 31, 2010 joint meeting**
The minutes were approved as presented.

4. **Old Business**
   a. **Capital Improvement Program (CIP)**
      1) **CIP History and Background – Presentation**

FORA Senior Planner Jonathan Garcia reviewed power point slides with the joint committee. FORA Acting Assistant Executive Officer Steve Endsley highlighted information regarding the Community Facilities District (CFD) fee and the basewide development fee. Both fees were adopted in order to fund mitigations due to the impact of development on the former Fort Ord. The basewide development fee was adopted in 1999 and covered the entire former Fort Ord territory. The CFD fee was formed subsequently by a landowners' election and does not include a number of existing residential areas in its overlay. Thus, in most instances, the CFD fee is collected. In areas not covered by the CFD, the basewide development fee is collected. The two fees are charged at the same rate, index the same, and, together, cover the entire base. There is a map on FORA's website (www.fora.org) at the end of the FORA developer fee/development fee document, which shows the area each fee covers, and certain adjustments allowed for below market rate housing units.

25% of FORA fee collection is earmarked for the Habitat Conservation Plan (HCP) endowment fund. Once the HCP is approved, FORA fee collection will fund annual HCP operating costs in addition to building the HCP endowment fund to the amount specified by the U.S. Fish and Wildlife Service, at which point operating costs will be fully covered by the endowment.

Approximately half of the $43M (FY 10/11 dollars) FORA obligation toward water augmentation was a voluntary contribution approved by the FORA Board in lieu of a Marina Coast Water District capacity charge increase. The Board made this policy decision after a series of meetings between MCWD, land use jurisdictions and developers determined that a capacity charge increase would significantly hinder development.

Debbie Hale, TAMC, noted that Davis Road south of Blanco appeared on both the completed obligations list and remaining obligations list. The presentation will be revised to place this project on the correct list.

FORA expects to complete all building removal prior to 2014 sunset date; this information will be included in the revised presentation.

It was FORA staff's anticipation to review this presentation with the joint committee prior to presenting it to the FORA Board, however, committee members asked for additional time in order to understand FORA's mitigation obligations and funding thereof. Members requested additional information on the dollar amount of remaining obligations and number of building permits remaining after FORA sunsets. They hope to use the presentation, with this additional noted information, in an effort to revalidate the CFD fee. FORA Executive Officer Michael A. Houlemard, Jr. remarked that when the CFD was being established, FORA hired consultants to conduct an analysis of the total cost of FORA's obligations and how to fund them. Reports were prepared using that analysis and were presented to the FORA Board during the CFD adoption. These reports can be sent to the committees and additionally, the information requested by the committees will be incorporated into the presentation and reviewed at the next meeting.

Staff was directed to prepare a board report for review which explains the revalidation process the committees have requested. Committee members discussed the timing for presenting the 2010/11 CIP document to the Board for approval and that bifurcating the process into two separate tracks (one track being the revalidation process and the other track being moving the 2010/11 CIP document forward) may or may not be advisable.

2) Fiscal Year 2010/11 CIP Spreadsheets

CIP spreadsheets Table 1 and Table 2 were distributed and reviewed. Ms. Hale noted that the total project cost and the FORA portion of the project cost on Table 1 left a funding gap and asked how the gap would be funded. Mr. Houlemard explained that FORA's original transportation and transit obligations under CEQA were determined by TAMC, taking the form of a list of transportation projects and corresponding dollar amounts as FORA's fair share of each project. FORA's obligation under CEQA was met once it enacted a financing mechanism that would cause this fair share, as determined by TAMC, to be collected. During the 2005 TAMC reallocation study, TAMC determined there was more benefit in funding on-site projects 100% so that FORA could complete these transportation network links prior to its sunset. Therefore, the project list was adjusted, with traffic studies and other documentation provided by TAMC that indicated the same amount of traffic flow would be accommodated. Although FORA's total funding obligation remained the same, the fair share percentage was reallocated to fully fund on-site projects. Mr. Endsley additionally noted that FORA's obligations are a subset of regional obligations and that FORA is obligated only to pay its fair share. Any gap in the funding of off-site and regional projects is a problem the region as a whole shares.

5. Adjournment

Mr. Yount adjourned the meeting at 10:00 a.m.

Minutes prepared by Crissy Maras, Administrative Coordinator

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Legislative Committee report	
Meeting Date: **Agenda Number:**	May 14, 2010 10b	**INFORMATION**

RECOMMENDATION:

Receive a report from the Legislative Committee ("LC")

BACKGROUND:

The LC focuses primarily on state and federal legislation that impacts former Fort Ord redevelopment. The Fort Ord Reuse Authority's ("FORA's) state and federal staff representatives give reports at each committee meeting, particularly when legislatures are in session. FORA legislative missions occur annually in the spring. Each fall the LC focuses on crafting FORA's legislative agenda and work program for the coming year. This document offers legislative, regulatory, policy or resource allocation support actions to improve and/or enhance former Fort Ord redevelopment. The focus has been on federal and state legislation, property transfer and reuse, environmental remediation, habitat management, and infrastructure and mitigation funding. The items on the legislative agenda are considered priorities in achieving FORA's objectives.

DISCUSSION:

The LC met on May 10, 2010 and the members reviewed the reports from the legislative offices, JEA & Associates, and 2010 Federal Legislative Mission attendees. Members also approved the 2010 Legislative Committee meeting dates. **The draft minutes will be forwarded for the June meeting.**

FISCAL IMPACT:

Reviewed by FORA Controller

Staff time for this item is included in the approved FY 09-10 budget.

COORDINATION:

Legislative, Administrative and Executive Committees; FORA's state and federal elected legislators and their district representatives; and JEA & Associates

Prepared by _____ **Approved by** _____ for M. Houlemard

Daylene Alliman

Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Executive Officer's travel report	
Meeting Date: **Agenda Number:**	May 14, 2010 10c	**INFORMATION**

RECOMMENDATION(S):

i. Receive a report regarding the Executive Officer's AB 1791 legislative hearing trip to Sacramento, and

ii. Receive a report regarding FORA's 2010 Federal Legislative Mission to Washington, DC.

BACKGROUND/DISCUSSION:

The Executive Officer regularly submits reports to the Executive Committee providing details of his travel requests, including those by the Fort Ord Reuse Authority ("FORA") staff and board members. Travel expenses may be paid or reimbursed by FORA, outside agencies/ jurisdictions/organizations, or a combination of these sources. The Executive Committee reviews and approves these requests, and the travel information is reported to the Board as an informational item.

Trip to Sacramento to attend the legislative hearing for AB 1791 (Monning): This trip was reported to the board at last month's meeting in conjunction with another state legislative item regarding FORA's support of AB 1757 Veterans cemetery legislation. Chair/Mayor Rubio, 1st Vice Chair/Supervisor Potter, and Authority Counsel Bowden accompanied Mr. Houlemard to Sacramento. Chair Rubio and 1st Vice Chair Potter both testified at the hearing. AB 1791 passed the Assembly Local Government committee with the final vote: 7-2. Expenses will be reimbursed according to the FORA travel policy.

2010 Federal Legislative Mission to Washington, DC (April 25-29, 2010): Executive Officer Houlemard, Chair/Mayor Rubio, Supervisor Potter, travelled to the nation's capital to attend a series of meetings which focused on items from the FORA Legislative Agenda, including follow-up with the Bureau of Reclamation, Office of Sustainable Housing and Communities, US Fish and Wildlife Service, Office of Economic Adjustment, Department of Education, US Department of Defense, Congressman Farr and others as noted on the attached report **(Attachment "A").**

Since some of the meetings overlapped with Mr. Houlemard's Association of Defense Communities ("ADC") responsibilities, ADC may reimburse some of the expenses (unknown at this time). FORA will reimburse all remaining expenses according to the travel policy.

FISCAL IMPACT:
Reviewed by FORA Controller

Travel expenses and staff time for this item are included in the approved FY 09-10 budget.

COORDINATION: Chair Rubio, 1st Vice Chair Potter, Executive Committee and Legislative Committees; staff members from the offices of Congressman Sam Farr and FORA.

Prepared by: Daylene Alliman **Approved by:** for M. Houlemard
Daylene Alliman Michael A. Houlemard, Jr.

Attachment "A"

Fort Ord Reuse Authority ("FORA") Legislative Mission
Washington DC - April 26, 27, 28 and 29, 2010
(In connection with Association of Defense Communities Meetings)

Monday, April 26th

Bill Birney, US Army Installations and Environment Office

Brief discussion regarding US Army support for the site selection for the Veteran's Clinic. Mr. Birney indicated that there was no opposition to the site from within the US Army – although they were still reviewing legislative language under consideration. Mr. Birney also indicated that he thought the site issues would not delay the clinic effort.

Tuesday, April 27th

Thomas Lederle, US Army Base Realignment and Closure Office

Meeting to discuss the full array of munitions and explosives removal/remedial work underway at the former Fort Ord. This included the Army's work to complete the inland range clearance as well as completing FORA's contractual obligations to the Army. The pending CA Department of Toxic Substances Control video featuring the FORA work was also discussed.

Wednesday, April 28th

9:00a.m. – 10:00 a.m.
Deputy Commissioner Bob Quint, US Department of Interior Bureau of Reclamation

Discussion centered on the potential for the Bureau to provide financial support for a regional solution to water supply for the Fort Ord Reuse Authority future reuse programs. The Bureau indicated that there were limited resources available for the near term and that federal budget issues did not foresee funding for the regional project at this time, however new criteria is being drafted for potential funding FY 2012.

11:00 a.m. – 12:00 p.m.
Shelley Poticha, Director, Office of Sustainable Housing and Communities HUD

Ms. Poticha discussed several funding programs that included new funding for regional sustainable programs similar to FORA and also discussed programs that could offer help for regional water programs. She outlined the blueprint for coordination/collaboration with the Department of Energy, Transportation and Housing, and Urban Development to fund future sustainable program implementation ("Tiger 2 Grants").

2:00 p.m. – 3:00 p.m.
Don R. Morgan, Chief Branch of Consultation, HCP's and State Grants Endangered Species Program and Megan Debranski Kelhart - Office of Congressional and Legislative Affairs U.S. Fish and Wildlife Service

The representatives had a productive discussion outlining the history of the Fort Ord Habitat Conservation Project ("HCP") and the efforts to accomplish approval and associated permits. Mr. Morgan and Megan Kelhart offered to advocate for appropriate resources and to continue efforts to approve the HCP by 2011. Both emphasized that there were no barriers/show stoppers in the path of HCP approval at the Department level. They further indicated their appreciation for our efforts to keep the process moving and committed to working with their solicitor's office to encourage speedy review of the final documents.

4:00 p.m. – 4:45 p.m.
Congressman Sam Farr/Chief Deputy Rochelle Dornatt

Ms. Dornatt had provided considerable help in setting several of the Federal Legislative Mission meetings. FORA representatives discussed the results of several of the meetings and reviewed options for moving ahead on completing all of the former Fort Ord munitions and explosives of concern removal work. That discussion explored the potential to keep the inland range removals moving ahead and Congressman Farr's success in securing additional dollars for US Army cleanup activities. The members also discussed the location and processing of the Veteran's Clinic on the former Fort Ord and Congressman Farr's efforts to secure the use of the Gigling site.

Thursday, April 29th

9:00 a.m. – 10:00 a.m.
Patrick O'Brien, Office of Economic Adjustment ("OEA")

The FORA representatives reviewed the progress with the OEA grant for the Central Coast Veteran's Cemetery project and explored several OEA funding opportunities and national issues that impact Fort Ord reuse. Mr. O'Brien also talked about the Department of Defense collaboration on sustainable installation management with other Departments.

11:00 a.m. – 12:00 p.m.
Barbara Shawyer, Department of Education

Discussion with Barbara Shawyer evolved around the several former Fort Ord educational uses/projects still to be transferred, "exchanged" or otherwise evaluated by the Department of Education. In every case Ms. Shawyer indicated that DOE was reviewing the submittals and would be making decisions in the near term. She noted that she did not foresee any problems with the "swap" of properties between Monterey Peninsula College and City of Marina, which will benefit both parties and FORA.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Fort Ord Reuse Authority investments – status report	
Meeting Date:	May 14, 2010	**INFORMATION**
Agenda Number:	10d	

RECOMMENDATION:

Receive the Fort Ord Reuse Authority (FORA) investment report - period ending March 31. 2010.

BACKGROUND/DISCUSSION:

As recommended by the Finance Committee (FC), the FORA Board approved modifications to the FORA investment policy at its February 13, 2009 meeting. To preserve investments during the economic downturn, the FC recommended moving funds to more safe fixed income securities as market opportunities arise. The Executive Officer recommended and FC approved gradually reducing stock holdings to 40% - 60%, stocks vs. bonds ratio. Staff implemented this approach by 1) selling the underperforming stock funds held in the portfolio and replacing them with bond funds and by 2) reallocating other stocks to government, corporate and inflation hedged bonds within the portfolio.

To capture recovered earnings and preserve principal, staff is working with bank representatives to convert Prime Vest accounts to certificates of deposit and other secured investments awaiting certification of the proposed habitat endowment to accept these funds.

No funds were withdrawn and no new funds were invested. The ending balance in the investment account was $4,180,813.

Financial Institution	Investment Type	3/31/10 Balance	Portfolio Percent	12/31/09 Balance	Portfolio Percent	Maturity
First National Bank	**PRIMEVEST INVESTMENT ACCOUNT**					
	Mutual Funds	**4,173,621**	**99.83%**	**4,130,384**	**99.83%**	Liguid
	Stock Funds	1,464,330	35.09%	1,528,242	38.60%	
	Bond Funds	2,709,291	64.91%	2,602,142	61.23%	
	Money Market Funds	**7,192**	**0.17%**	**7,192**	**0.17%**	Liquid
	TOTALS	**4,180,813**	**100.00%**	**4,137,576**	**100.00%**	

FISCAL IMPACT:

The market began a slow rebound in early 2009. This is the fourth reporting period in a row since the market decline in 2007 that we can report earnings.

COORDINATION:

Finance Committee Chair, John Pira

Prepared by _____
Ivana Bednarik

Approved by _____
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Status update of outstanding receivables	
Meeting Date:	May 14, 2010	**INFORMATION**
Agenda Number:	10e	

RECOMMENDATIONS:

Receive a report regarding outstanding receivables.

BACKGROUND/DISCUSSION:

This is an update regarding Fort Ord Reuse Authority (FORA) outstanding receivables as of April 30, 2010.

Del Rey Oaks (DRO) annual Pollution Legal Liability (PLL) loan payments

DRO owes FORA $182,874 for the 09-10 insurance premium. In 2009, DRO lost its developer who previously financed these annual premiums. To prevent losing the PLL coverage, DRO submitted payment for the remaining 08-09 premium and signed an agreement to pay the 09-10 premium in equal monthly payments through June 2010. After making the first two payments, DRO informed FORA staff that the City has no funds to continue making payments.

- The City is working to find the next suitable developer for its Fort Ord Property and anticipates that a new developer will make good on outstanding obligations to FORA for the PLL Premium. The Executive Committee discussed this item at its May 5 meeting and directed staff to inform DRO that they must pay the premium before June 30, 2010 or they will loose the insurance as staff will recommend removing the PLL coverage from DRO for non-payment of premium to the FORA Board in July 2010.

FISCAL IMPACT:

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

COORDINATION:

Executive Committee.

Prepared by _____ Approved by _____

Ivana Bednarik

Michael A. Houlemard, Jr.