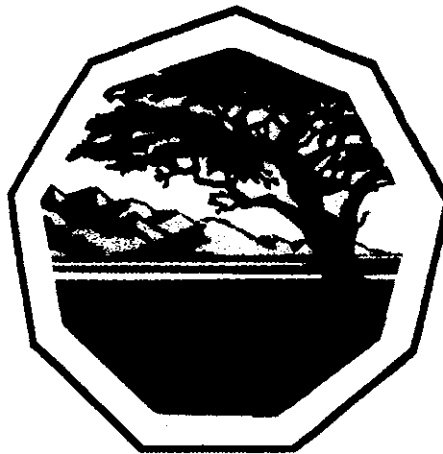


Fort Ord
Reuse Authority



Board Packet
For
Board Meeting
February 11, 2011



Fort Ord Reuse Authority

100 12th Street, Building 2880, Marina, CA 93933
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BOARD OF DIRECTORS MEETING

Friday, February 11, 2011
2:30 p.m. Carpenters Union Hall
910 2nd Ave, Marina (on the former Fort Ord)

AGENDA

1. **CALL TO ORDER AND ROLL CALL – 2:30 p.m.**
2. **PLEDGE OF ALLEGIANCE**
3. **SPECIAL WORKSHOP**
Capital Improvement Program – Community Facilities District tax/fee reduction INFORMATION/ACTION
4. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE**
5. **PUBLIC COMMENT PERIOD:** Members of the audience wishing to address the Fort Ord Reuse Authority (“FORA”) Board on matters within the jurisdiction of FORA, but not on this agenda, may do so during the Public Comment Period. Public comments are limited to a maximum of three minutes. Public comments on specific agenda items will be heard at the time the matter is under Board consideration.
6. **CONSENT AGENDA**
January 14, 2011 FORA Board meeting minutes ACTION
7. **OLD BUSINESS**
Eastside Parkway INFORMATION/ACTION
 - a. Approve consultant selection and authorize funding for design
 - b. Memorandum of Agreement
8. **NEW BUSINESS**
 - a. FORA mid-year budget ACTION
 - b. Confirmation of Chair’s 2011 FORA committee appointments ACTION
9. **EXECUTIVE OFFICER’S REPORT**
 - a. Governor’s proposed elimination of redevelopment
 - i. Approve Resolution No. 11–01 ACTION/INFORMATION
 - ii. Request letters and/or resolutions of support from jurisdictions ACTION
 - b. Administrative Committee – report INFORMATION
 - c. Finance Committee – report INFORMATION
 - d. Habitat Conservation Plan – status report INFORMATION
 - e. Travel Report - 2011 State Legislative Mission to Sacramento (January 23-24) INFORMATION
 - f. Outstanding Receivables – update ACTION/INFORMATION
 - g. Bureau of Land Management - presentation INFORMATION
10. **ITEMS FROM MEMBERS** INFORMATION
11. **CLOSED SESSION**
 - a. Preston Park sale – Real property negotiations
 - b. Potential litigation – The Board will confer with legal counsel regarding two matters.
12. **REPORT OUT OF CLOSED SESSION**
13. **ADJOURNMENT**

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

FORA BOARD
SPECIAL WORKSHOP

Capital Improvement Program

2:30 PM

February 11, 2011

Carpenters Union Hall
910 2nd Avenue
Marina, CA

FORT ORD REUSE AUTHORITY BOARD REPORT

SPECIAL WORKSHOP

Subject:	Capital Improvement Program – Community Facilities District tax/fee reduction	
Meeting Date:	February 11, 2011	INFORMATION/ACTION
Agenda Number:	3	

RECOMMENDATION(S):

- a. Receive staff (**Attachment A**) and Economic & Planning Systems, Inc. ("EPS") presentations as part of the Fort Ord Reuse Authority ("FORA") Capital Improvement Program ("CIP") review workshop.
- b. Direct staff to prepare formal documents so the Board can implement an **Option 2** FORA Community Facilities District ("CFD") Fee reduction, limited to a 2 year period, and outline a Phase II FORA CIP Review for consideration at the March 11, 2011 Board meeting.
- c. Direct the FORA Administrative Committee to work on any policy or technical issues identified by the Board.

BACKGROUND:

On July 9, 2010, the FORA Board authorized a proposed CIP work plan timeline. The Board directed staff to conduct review of CIP obligations and resources during a six-month period and provide monthly updates. The project was successfully completed by the January 2011 target (**Attachment B**). However, at the January 14, 2011 Board meeting, the Board requested additional information and the answers to certain questions. The Board adjusted the budgetary authority accordingly and will review the new material at its Board meeting of February 11, 2011.

EPS has been the principal consultant from the inception of the project. David Zehnder is the Managing Principal and Jamie Gomes is the Principal, and each have recent experience with California municipalities and county organizations reviewing CIP obligations and fee structures. Previously, EPS presented updated development forecasts and preliminary CIP analysis to the Joint Administrative/CIP Committee in the form of a memorandum on November 17, 2010. On December 15, 2010, EPS presented a cost-burden analysis and a draft summary report on CIP obligations, cost estimates, and revenue forecasts. On January 5, 2011, EPS presented a draft final report on their CIP review. Concurrent with EPS's work, FORA staff reviewed its CIP funding sources to ensure accuracy and the Transportation Agency for Monterey County ("TAMC") is reviewing phasing of FORA's CIP transportation project expenditures to coordinate regional transportation planning efforts.

DISCUSSION:

During the January 5, 2011 Administrative Committee workshop, EPS presented their December 30, 2010 draft memorandum. The memorandum distilled previous reports into three options for potential FORA Actions related to the CIP Review.

Option 1 – Reduce the Community Facilities District (“CFD”) Special Tax from approximately \$46,200 to \$36,500 per new residential unit based on eliminating various contingencies not deemed essential or no longer necessary (Please note that all of EPS’s recommendations include the same percentage reduction to each CFD Special Tax fee category (new residential, existing residential, retail, office, industrial, and hotel). The Board may reduce the FORA CFD Fee without calling for an election, but only if the same percentage reduction is applied to each fee category. The new residential fee is highlighted because it is the largest proportionate fee generator.)

Option 2 – In addition to the Initial Proposal, revise the “minimum” justifiable CFD Special Tax reduction, targeting three specific proposed adjustments to the CIP contingency, reducing the fee from \$36,500 per new residential unit to \$29,600 per new residential unit.

Option 3 – Consider additional, separate policy-based decisions to reduce the CFD Special Tax below whatever “minimum” justifiable CFD Special Tax was derived using either Option 1 or Option 2.

The FORA Administrative Committee had an extensive discussion following EPS’s presentation. On January 14, 2011, staff gave the FORA Board an overview of the FORA CIP and EPS presented its draft report. There was a lengthy discussion, followed by public comment. This discussion is summarized in the draft January 14, 2011 Board Meeting Minutes. The Board’s actions included authorizing the Executive Officer to amend EPS’s contract to provide a supplemental report and attend an additional FORA Board meeting (February 11, 2011).

On February 2, 2011, the Joint FORA Administrative/CIP Committee reviewed staff’s draft workshop presentation, EPS’s supplemental report, provided feedback to EPS and staff, discussed items to recommend to the Board, and made recommendations as reflected in the “recommendation” section of this report. David Zehnder with EPS agreed to adjust his supplemental report based on feedback received (**Attachment C**).


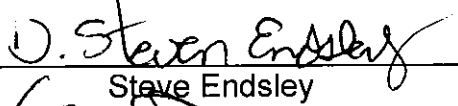
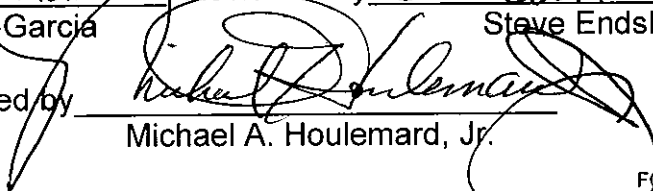
FISCAL IMPACT:

Reviewed by FORA Controller 

CIP Review funding is included in the approved FY 10-11 budget and is derived from the FORA CFD Fee.

COORDINATION:

Administrative Committee, CIP Committee, Executive Committee, development teams, Building Industry Association of the Bay Area, Development Planning & Financing Group, Inc., and EPS.

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

Presentation to the

Fort Ord Reuse Authority
 Board of Directors
 February 11, 2011

**Capital Improvement
 Program (CIP)
 Review Workshop**

History

© Fort Ord Base Reuse Plan (BRP) set forth California Environmental Quality Act (CEQA) mitigations (1996-2015):

Transportation/Transit	\$58.9 M	\$115.7 M
Habitat Management	\$4 M	\$31 M
Water/Wastewater (later renamed Water Augmentation)	\$0.5 M	\$22.5 M
Storm Drainage	\$1.6 M	\$0
Wildfire Fire Fighting	\$0.7 M	\$0.5 M

Capital Improvement Obligations in BRP EIR

© Transportation/Transit Obligations:

Impact: Increased Travel Demand on Regional Transportation System

Program A-1.1: FORA and each jurisdiction with lands at former Fort Ord shall provide a funding mechanism to pay for Fort Ord's share of impact on the regional transportation system.

Mitigation: A Development and Resource Management Plan (DRMP) to establish programs and monitor development at Fort Ord to assure that it does not exceed resource constraints posed by transportation facilities."

Capital Improvement Obligations in BRP EIR

◎ Habitat Management Obligation

"Impact: Loss of Sensitive Species and Habitats Addressed in the Habitat Management Plan (HMP)

For the HMP to be implemented to allow FORA and its member agencies to meet the requirements of the ESA, CESA, CNPFA, NCCP Act, NEPA, and CEQA for HMP Resources, an Implementing/Management Agreement (IA) has been developed that establishes the conditions under which FORA and its member agencies will receive certain long-term permits and authorizations from the USFWS and the CDFG."

Note: The vehicle to implement the BRP consistent with these statutes is a combined federal and State Habitat Conservation Plan (HCP) and HCP IA, allowing USFWS and CDFG to issue Incidental Take Permits.

Capital Improvement Obligations in BRP EIR

◎ Water Augmentation Obligation

"Impact: Need for New Local Water Supplies (2015)

Program B-1.4: The City/County shall continue to actively participate in and support the development of "reclaimed" water supply sources by the water purveyor and the MRWPCA to insure adequate water supplies for the former Fort Ord.

Program B-1.6: The City/County shall work with FORA to assure the long-range water supply for the needs and plans for reuse of the former Fort Ord.

Mitigation: A Development and Resource Management Plan (DRMP) to establish programs and monitor development at Fort Ord to assure that it does not exceed resource constraints posed by water supply shall be established by FORA."

Capital Improvement Obligations in BRP EIR

◎ Storm Drainage Obligation

"Impact: Water Quality Degradation from Urban Runoff

Program C-6.1: The City/County shall work closely with other Fort Ord jurisdictions and the CDPR to develop and implement a plan for storm water disposal that will allow for the removal of the ocean outfall structures and end the direct discharge of storm water into the marine environment...

Mitigation: Add a new program that shall require preparation of a Master Drainage Plan be developed for the Fort Ord property to assess the existing natural and man-made drainage facilities, recommend area-wide improvements based on the approved Reuse Plan and develop plans for the control of storm water runoff from future development, including detention/retention and enhanced percolation to the ground water..."

Capital Improvement Obligations in BRP EIR

- ◎ Fire Fighting Enhancement Obligation
Impact: Increased Demand for Fire Protection and Emergency Response Services
Mitigation: FORA, jointly with the local city managers and fire protection agencies involved, shall develop a regional program that promotes joint efficiencies in operations, identifies further sources of funding for additional required fire protection services such as a special fire district or other standard mechanism, and seeks to secure adequate funding to maintain existing levels of service.

Government Code 67655

- ◎ In addition to the BRP EIR, government code includes a definition of FORA's responsibility for financing "Base-wide facilities."
- ◎ "Base-wide facility" means a public capital facility which, in judgment of the [FORA] board is important to the overall reuse of Fort Ord, and has significance beyond any single city or the unincorporated area of the County.

Major Basewide Facilities (non-CEQA)

Voluntary Water Augmentation	\$0	\$20.8 M
Building Removal (includes land credits)	\$48.2 M	\$6.2 M
Other Costs & Contingencies	\$3.4 M	\$103.8 M

CIP Project Funding

- CFD/Development Fee funds:
 - > Basewide impact mitigations
- Land sale proceeds fund:
 - > Building removal as per Board Direction
- Tax increment funds:
 - > Operations and other unfunded projects
- Grants fund:
 - > Specific projects; i.e. road construction
- Loans fund:
 - > Specific CIP projects and must be paid back

Remaining Transportation / Transit Obligations

- > On-Site
 - Eastside Road
 - South Boundary Road upgrade
 - Gilling Road
 - Intergration Road
 - Abrams (Reimb. Agmt.)
 - 8th Street (Reimb. Agmt.)
 - Salinas Avenue (Reimb. Agmt.)
- > 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

Questions?



Attachment B

To Item 3

FORA Board Meeting, February 11, 2011

Revised CIP Work Plan – September 2010 to February 2011

	Aug. 2010	Sept. 2010	Oct. 2010	Nov. 2010	Dec. 2010	Jan. 2011	Feb. 2011
1							
2							
3							
4							
5							
6							
7							

1. Staff review of CIP program/ select consultant support
2. Oct. 20th – FORA Admin./CIP Committee – Program overview and feedback from stakeholders.
3. Nov. 17th – FORA Admin./CIP Committee – Consultant presents draft review of development forecasts and preliminary CIP analysis.
4. Dec. 15th – FORA Admin./CIP – Consultant presents draft summary report on CIP obligations, cost estimates and revenue forecasts.
5. Jan. 5th – FORA Admin./CIP – Consultant presents draft final report (includes previous reports plus sensitivity analyses, post-2014 options, and CIP funding source report)..
6. Jan. 14th – FORA Board – Consultant presents draft final report.
7. Feb. 2nd Admin./CIP Com. and Feb. 11th Board added to Consultant Scope at Jan. 14th Board meeting.

MEMORANDUM

To: Fort Ord Reuse Authority Board of Directors

From: David Zehnder and Jamie Gomes

Subject: Response to Initial Fort Ord Reuse Authority Board Comments on Reduced Special Tax Rate Recommendations; EPS #20510

Date: February 4, 2011

The Economic & Planning Systems, Inc.



On January 14, 2011, Economic & Planning Systems, Inc., (EPS) presented findings of the Fort Ord Capital Improvement Program (CIP) review to the Fort Ord Reuse Authority (FORA) Board (Board), based on the approach crafted over the past couple of months with the Administrative Committee (AC), culminating in the Draft Report dated January 14, 2011 (hereafter, the "Draft Report").

As presented by the Draft Report, EPS believes that substantial reductions to project contingencies can be made, while still ensuring that the CIP's costs can be covered. **Table 1** (Table 2 from the Draft Report) provides a summary of the recommended adjustments. This table refers to two primary options for an interim "right-sizing" of the Community Facilities District (CFD) Special Tax based on available information, followed by a more thorough review and confirmation of costs and revenues, given major upcoming events such as FORA's pending transition or re-authorization:

- 1) An immediate reduction contributing to a one-time CFD Special Tax payment of \$36,300 per single-family residential unit (SFR), down from the existing rate of \$46,200/SFR.¹
- 2) A more significant immediate reduction to contingencies relating to transportation projects, habitat maintenance, and FORA reimbursements contributing to a lower rate of \$29,600/SFR. This is EPS's current recommendation, insofar as it cuts rates sufficiently to

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¹ For presentation purposes, comparative figures are presented for SFRs; any reductions would be applied on an equal percentage basis to all land uses contemplated for development on Fort Ord.

Table 1
FORA 2010 CIP Review
CFD Special Tax Options

Land Use	Basis	OPTION 1		OPTION 2			Subtotal	CFD	Special	CFD
		Existing Special Tax	Option 1 Reduction	Option 2a Roadway Cont. Reduction	Option 2b Habitat Cont. Reduction	Option 2c CIP Loan Reduction				
		July 1, 2010	December 15, 2010	January 14, 2011						
Percentage Change [1]			-21.5%	-5.3%	-5.4%	-3.7%				ROUNDED
New Residential	per du	\$46,205	(\$9,934)	(\$2,456)	(\$2,484)	(\$1,732)	(\$6,672)	\$36,271	\$29,600	
Existing Residential	per du	\$13,892	(\$2,987)	(\$738)	(\$747)	(\$521)	(\$2,006)	\$10,905	\$8,900	
Office & Industrial	per acre	\$6,056	(\$1,302)	(\$322)	(\$326)	(\$227)	(\$875)	\$4,754	\$3,900	
Retail	per acre	\$124,885	(\$26,850)	(\$6,638)	(\$6,715)	(\$4,681)	(\$18,034)	\$98,035	\$80,000	
Hotel	per room	\$10,304	(\$2,215)	(\$548)	(\$554)	(\$386)	(\$1,488)	\$8,089	\$6,600	

tax_diffs

Sources: FORA and EPS.

[1] Adjusted to account for rounding of total percentage reduction in CFD Special Tax for Option 2 as shown in Table 8.

catalyze development, while covering projected CIP costs. In addition, the FORA Board has the ability to go beyond Option #2 to further reduce rates as an economic development policy option. This was referred to as "Option #3" in the Draft Report.

Tables 2 and 3 shows the contingency amounts for each Option included in the Draft Report.

Based on the Board's review of the Draft Report, the presentation, and ensuing discussion, several major categories of comments were received and recorded by FORA. This memorandum groups these comments into seven major categories and provides a response for AC consideration. It is expected that the responses articulated in this memorandum will be vetted and discussed at the February 2 AC meeting as preparation for an upcoming Board workshop.

Table 4 provides a correspondence matrix between the expressed questions and concerns and the seven comment categories. As shown, the major categories of concern related to the proposals to institute lower CFD Special Tax rates, based on EPS's interpretation of comments in consultation with FORA staff, including these:

- 1) "Fairness" to prior deals/developers done under higher fee.
- 2) Potential impacts to jurisdictions.
- 3) Long-term outlook for basewide financing strategies.
- 4) Appropriate contingency relative to risks.
- 5) Probability of new development initiation.
- 6) Legal (CEQA, consistency determination).
- 7) Other comments.

#1: "Fairness" to Prior and Future Deals and Developers

Special taxes and impact fees are routinely adjusted as new information comes to light. In particular, these adjustments are made during periods of economic stress, when cost burdens that once were in line with typical underwriting standards are no longer valid relative to reduced asset values. This effect is demonstrated by the cost burden analysis provided in Appendix D of the Draft Report.

The "fairness" question routinely comes to light as fees and other taxes and charges are adjusted downward. However, there is little that can be, typically is, or should be done about this circumstance. A given developer has the right to proceed if rewards compare favorably to risks or can choose to stay on the sidelines until market values rise. When a developer chooses to move forward, that developer is subject to the fees or special taxes that are in effect in that jurisdiction at that given time.

Moreover, these adjustments affect every developer and deal differently, and it is not possible to anticipate and correct for every eventuality. The important consideration is that charges, fees, and taxes are in proportion to a prioritized list of essential improvements with reliable estimates of hard costs, soft costs, and contingencies.

Table 2
FORA 2010 CIP Review
Proposed 2011 FORA Capital Improvement Program Contingencies

Option 1

Item	Amount	% of Conting.	% of CIP	Description
Additional Transportation Costs	\$34,700,000	48.9%	17.8%	Equals 30.0% contingency on total transportation CIP. Covers MEC const. support, soil mgt. plans, ROW acquisition, unknown subsurface conditions, phasing, etc.
Additional Habitat Management Costs	\$17,500,000	24.7%	9.0%	Assumes 50% increase over existing \$35.0 million estimate based on revised endowment investment return calculations.
FORA Reimbursements [1]	\$12,200,000	17.2%	6.3%	CFD Fee repayment of FORA's land sale proceeds loaned to complete CIP projects.
Utilities and Storm Drainage Costs	\$3,500,000	4.9%	1.8%	Staff estimates of anticipated project expenditures.
Other Costs	\$3,000,000	4.2%	1.5%	Staff estimate for PLL insurance beyond 2014.
Total Contingencies	\$70,900,000	100.0%	36.5%	

"2011_cont_1"

Source: FORA

Amounts rounded to the nearest \$100,000.

[1] Equals reimbursements for prior FORA expenses.

Table 3
FORA 2010 CIP Review
Proposed 2011 FORA Capital Improvement Program Contingencies

Option 2

Item	Amount	% of Conting.	% of CIP	Description
Additional Transportation Costs	\$17,400,000	72.8%	8.9%	Equals 15.0% contingency on total transportation CIP. Covers MEC const. support, soil mgt. plans, ROW acquisition, unknown subsurface conditions, phasing, etc.
Additional Habitat Management Costs	\$0	0.0%	0.0%	Option 2 eliminates this item.
FORA Reimbursements [1]	\$0	0.0%	0.0%	Option 2 eliminates this item.
Utilities and Storm Drainage Costs	\$3,500,000	14.6%	1.8%	Staff estimates of anticipated project expenditures.
Other Costs	\$3,000,000	12.6%	1.5%	Staff estimate for PLL insurance beyond 2014.
Total Contingencies	\$23,900,000	100.0%	12.3%	

"2011_cont_2"

Source: FORA

Amounts rounded to the nearest \$100,000.

[1] Equals reimbursements for prior FORA expenses.

Table 4
FORA Board Meeting Feedback - January 14, 2011
Fort Ord Capital Improvement Program Review

Board Comments [1]

1. "Fairness" to prior deals/developers done under higher fee.

a) Interim Fees vs. Fairness – How does this affect prior deals and negotiations? Some developers benefit and some don't. The question of fairness needs to be addressed. How do we deal with potential developer windfalls/protect ourselves? Would participation agreements be a possible solution? (#1)

b) How does a fee reduction affect existing development agreements? (#13)

2. Potential impacts to jurisdictions.

a) Interim Fees vs. Fairness – How does this affect prior deals and negotiations? Some developers benefit and some don't. The question of fairness needs to be addressed. How do we deal with potential developer windfalls/protect ourselves? Would participation agreements be a possible solution? (#1)

b) Upfront nature of fees – FORA Board has not permitted bonding of CFD. Is another structure, such as jurisdiction overlaying a CFD Fee to pay-off FORA's upfront CFD Fee a possibility? Could the fees rise as the economy comes back? (#2)

c) What are the impacts of lowering the FORA CFD Fee on Jurisdictions? What is the effect on FORA's remaining Building Removal obligations? HCP Funding? We need to know the cash flow of FORA CFD Fee dollars into the CIP program. (#5)

d) What does the public get from reducing the fee? (#10)

e) If FORA is going to give up fee dollars through a fee reduction, what is FORA/the public getting back? (#14)

3. Long-term outlook for basewide financing strategies.

a) Upfront nature of fees – FORA Board has not permitted bonding of CFD. Is another structure, such as jurisdiction overlaying a CFD Fee to pay-off FORA's upfront CFD Fee a possibility? Could the fees rise as the economy comes back? (#2)

b) Would a proposed fee reduction meet FORA's obligations if Tax Increment funding is diverted to the State of California? (#3)

c) We need to plan for the future needs of FORA. (#4)

d) What are the impacts of lowering the FORA CFD Fee on Jurisdictions? What is the effect on FORA's remaining Building Removal obligations? HCP Funding? We need to know the cash flow of FORA CFD Fee dollars into the CIP program. (#5)

e) What does the public get from reducing the fee? (#10)

f) If FORA is going to give up fee dollars through a fee reduction, what is FORA/the public getting back? (#14)

g) Consider creative ways to fund the FORA CIP. (#18)

h) Issue of CFD Fee long-term collection. Does the FORA CFD end when FORA ends? (#20)

i) How should 'discounted' revenue sources be taken into account (i.e. grants)? (#21)

[1] Figures in parenthesis after each comment denote original FORA staff's numbering system.

Table 4
FORA Board Meeting Feedback - January 14, 2011
Fort Ord Capital Improvement Program Review

Board Comments [1]

4. Appropriate contingency relative to risks.

- a) A transportation project that hasn't been designed typically has a higher project contingency than a project that has been designed. Can EPS's analysis take this into account? (#6)
- b) EPS should prepare a matrix regarding industry standards for contingencies and other military bases' contingencies. (#8)
- c) FORA should update project assumptions/contingencies to reflect industry standards. (#16)
- d) Contingency factors need to be transparent. (#17)

5. Probability of new development initiation.

- a) How much would implementing the Option 2 fee reduction kick-start development? (#9)

6. Legal.

- a) Would a fee reduction require a CEQA process? (#11)
- b) Would a fee reduction result in FORA having to perform Consistency Determinations on development projects that previously received FORA Consistency Determinations? (#12)

7. Other

- a) Are FORA's transportation obligations set to a fixed dollar payment or actual project completion cost? (#7)
- b) Additional residual land use value analysis is needed. (#15)
- c) What would be the difference between right sizing the fee and implementing an interim fee reduction? (#19)

"comments"

[1] Figures in parenthesis after each comment denote original FORA staff's numbering system.

#2: Potential Impacts to Jurisdictions

The jurisdictions hosting development included in the Basewide Reuse Plan have rightfully inquired as to how downward adjustments to CIP contingencies could provide local benefits, as well as increase their exposure to certain risks. Assuming the CFD Special Tax reduction has the effect of catalyzing development that would not otherwise occur (see Issue #5), the following positive impacts and potential risks are in play.

Positive Impacts

- Realization of needed jobs and housing.
- Tax benefits associated with household spending power and commercial sales.
- Generation of funds needed to complete circulation and other important community facilities.
- Generation of land sales revenue—land values increase as other costs are reduced.
- Generation of near-term tax increment revenue—the cumulative aspect of tax increment underscores the importance of initiating redevelopment as early as possible.

Potential Risks

If the CFD Special Tax reduction proposed for interim application is subjected to a defined, limited time frame, risks are greatly minimized, assuming that the initial reduction is followed by a detailed, exacting analysis of costs and funding mix relative to the transition of FORA and the outcome of budget deliberations regarding redevelopment in California. During a 2-year window, for example, it is probable that fewer than 1,500 units (about 25 percent of remaining basewide SFR development under the cap of 6,160 dwelling units) would pull permits and be subject to the reduced rate) even under the most optimistic development scenarios. As this interim right-sizing would be followed-up with substantial additional review and resolution of outstanding related issues (e.g., FORA's transition, resolution of Habitat Conservation Plan [HCP] funding approaches, future of tax increment funding in California, etc.), any critical adjustments may be made at the end of the aforementioned 2-year period. This approach greatly reduces "downside" risk to the jurisdictions, such as these:

- CIP cash flow shortfalls affecting timing of key projects. Under Option #2, if all infrastructure and vertical projects move forward as planned, a temporary shortfall of approximately \$16.0 million could materialize through 2013/14. As discussed previously, the recommended rate of \$29,600/SFR is calibrated to offset all CIP costs through buildout of the basewide reuse plan, so even if the 2-year interim right-sizing were extended indefinitely after the recommended subsequent review, the overall cash flow generated by these lower Special Taxes would be sufficient to fund estimated costs and related (albeit lowered) contingencies. Moreover, any temporary shortfalls in cash would be mitigated by at least the following two factors: (1) "first mover" projects (e.g., Marina Heights) already benefit from backbone infrastructure that has been installed; and (2) history has shown that a likely development scenario involves the "fronting" of basewide infrastructure costs by developers, who are repaid from Special Tax revenues over time as they materialize. Finally, the Transportation Agency of Monterey County (TAMC) is actively engaged in reviewing potential project

adjustments that could alleviate any potential temporary shortfalls. While these data are presently in draft form, it is anticipated that specific findings from TAMC's efforts will be reviewed at the upcoming FORA Board workshop.

- Diversion of tax increment and land sale revenue to compensate for lack of CFD Special Tax funding, affecting other uses of these funds (building removal, etc.). The fate of tax increment, a key source of operations funding, may be determined in the months ahead as the State resolves major budget issues. In the area of building removal, funded largely by land sale revenue, \$48.2 million in building removal has been accomplished, with only \$6.2 million in additional activity expected, mainly affecting the City of Seaside and the County of Monterey. The reduction in the CFD Special Tax rate makes it more likely that residual land values will improve. If "captured" in the form of participation agreements between the development community and jurisdictions, FORA's receipt of funds contributing to the completion of building removal should also improve.
- Further Base Reuse Plan delay. In the case that tax increment is eliminated and CFD Special Taxes fall short, there is a potential that a challenge could be made regarding CEQA mitigation. While the recommended strategy is designed to minimize the probability of any such challenges, it is expected that any such issues would be addressed as necessary and appropriate before proceeding with new projects.

As has been discussed at the AC, perhaps the greatest threat to accomplishment of the Base Reuse Plan is that development remains stalled. By moving assertively to resolve major uncertainties (FORA's future, availability of tax increment, etc.) after the 2-year adoption of a reduced CDF Special Tax, the benefits of re-initiating development appear to eclipse the contingent risks highlighted above.

#3: Long-Term Outlook for Basewide Financing

Several questions have surfaced regarding the probability and related implications of losing tax increment as a result of State fiscal issues, the use of bonding, overlapping CFD districts, the potential for CFD Special Taxes to be levied in the absence of FORA by the Local Agency Formation Commission (LAFCO) or a Joint Powers Authority (JPA), and other creative strategies for combining a range of public and private sources.

All these questions and issues are valid and have been fully considered in the derivation of the current strategy to (1) rapidly institute a lower Special Tax for a limited period of time; and (2) evaluate a permanent strategy, tied-in with the resolution of FORA, for permanent right-sizing Special Taxes, including more in-depth validation of CIP costs and sequencing. This second step is of paramount importance as a risk management strategy. Moreover, the prospect of a change in the Special Tax, without knowledge of direction (higher or lower), acts as a source of uncertainty, providing short-term impetus to initiate development. However, too short an interim Special Tax period will also have a negative effect of putting development on hold until the permanent Special Tax rates are determined.

Therefore, careful consideration needs to be given to timing of the interim Special Tax and the ultimate right-sized solution. Development of a timeline for the permanent solution, before the Board workshop, may help determine the length of time the interim reduction would remain in

force. Discussions at the AC appear to indicate that a 2-year window might be appropriate as a term for the interim CFD Special Tax rate.

#4: Appropriate Contingency Relative to Risks

This topic has been a central issue of the current assignment. Available evidence, explored under the current limited scope, indicates a high probability that current contingencies are excessive. For example, data provided by FORA indicate that just \$3.4 million in "other costs and contingencies" has been spent to date, associated with about \$65 million in capital expenditures, equating to an actual contingency level of approximately 5 percent to date. A key task in progress at this time is the evaluation of past experiences on Fort Ord and other locales to ensure the recommended adjustments to the contingency items are sustainable. As mentioned earlier, any risk associated with potentially low interim contingencies is mitigated by the limited duration of the interim Special Tax period, recommended to be no more than 2 years in duration.

#5: Probability of New Development Initiation

As discussed with the AC and the Board, the recommended adjustments to the CFD Special Tax may be more effective in catalyzing commercial development than residential development, based on the results of the cost burden analysis. At least one residential developer has stated that the Option #2 CFD Special Tax adjustment, to \$29,600 per SFR, would "start the engine." While it is difficult to say exactly what the effect would be, feedback from the building industry provides some confidence that this option, if selected, would be an effective catalyst for new development. As indicated by the cost burden analysis, initiation of full-scale development will likely involve both reduction of costs and appreciation of asset values.

#6: Legal Issues

Questions have surfaced regarding the potential for CEQA review and FORA consistency determination requirements associated with the reduction of CFD Special Taxes. EPS is working with FORA's legal counsel to determine specific legal requirements associated with the recommended strategy. Preliminary feedback from FORA and members of the AC indicates that CEQA review and consistency determinations directly related to a reduction in the CFD Special Tax rate are unlikely.

Moreover, as it pertains to the recommended interim reduction, it seems probable these potential actions are less likely if the Special Tax reduction period is uniformly applied and is specifically limited in duration to minimize any potential outcomes that could warrant these actions.

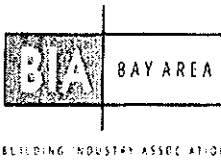
#7: Other Potential Issues

Other questions raised are presented below in italics, with brief responses provided for each:

- a) *Are FORA's transportation obligations set to a fixed dollar payment or actual completion cost?*
It is customary to limit a jurisdiction's obligation to the identified improvement cost in the

CIP. If costs exceed available CFD Special Tax funds, additional funding must be identified from other sources, or the CIP must be adjusted, all other things being equal.

- b) *Additional residual land value analysis is needed.* The cost burden analyses demonstrate the magnitude of the excessive cost burdens created by a combination of relatively high costs (including Special Taxes) confronting FORA's projects, relative to declining asset values.
- c) *What would be the difference between right-sizing the "fee" and implementing an interim reduction?* Essentially there is no difference—in the short term and the long term, the emphasis of this effort is to right-size the CFD Special Tax based on the best available information. In the short-term effort to catalyze development, available time and resources preclude research to verify every assumption, and in some cases (e.g., ultimate form and function of FORA, availability of tax increment given the State budget crisis), there are major categories of uncertainty that no amount of research would resolve. Ultimately, these topics must be resolved in concert with the potential extension of FORA, resolution of HCP contingencies, and verification of other major assumptions, to ensure that a CFD Special Tax can be right-sized for the duration of the buildout of the Base Reuse Plan.



February 9, 2011

Crisand Giles
Executive Director

FORA Board of Directors
Fort Ord Reuse Authority
910 2nd Avenue
Marina, CA 93933

RE: Comment Letter: Item 3, Special Workshop, Capital Improvement Program

Dear Board Members;

On behalf of the Building Industry Association of the Bay Area (BIA) we appreciate the opportunity to participate and comment on the special workshop for the Capital Improvement Program (CIP) Work Plan. Recent meetings with the Joint Admin Committee and FORA Staff have provided productive discussions and insights on the three options outlined in the EPS memos. This comment letter is intended to support FORA's Staff recommendation of Option #2 CFD Special Tax adjustment to \$29,600 per single-family residential unit for two years as a bridge to the detailed Phase II analysis of the CIP mitigations and programs.

If we continue to wait until the market can absorb the costs associated with the current CFD special tax we slow the increase in property value that fuels significant Tax Increment revenue, losing valuable redevelopment dollars for FORA communities. As BIA has discussed in previous comment letters there is already funding uncertainty in the adopted 2010 CIP program, the program is expected to be completed in 2022 but FORA has no legal authority to collect CFD fees after 2014. Whether you are in favor or against new development is no longer an issue, a significant amount of construction projects have already been approved for redevelopment, delaying those projects now will only have a negative effect on; the region's affordable housing program, schools, the county general fund, and local redevelopment agencies. FORA jurisdictions stand to benefit significantly by the reinvestment of generated Tax Increment revenue should the Board act quickly and get construction projects started.

If we update the current CFD assumptions to align with the recommended Option #2 as an interim 2-year program to bridge a detailed CIP analysis we can remove project uncertainty while giving the Board the ability to set the fee annually to cover mitigation and programmatic costs – including future cost updates to the Habitat Conservation Plan. We urge you to (1) adopt the Option #2 Special Tax Adjustment (\$29,600) and (2) approve a process seeking a detailed analysis of the CIP program and its schedule (Phase II Analysis). Affordable housing providers have stated that they would benefit greatly from this swift action and could begin construction immediately, providing much needed affordable housing and jobs to the Monterey region.

We thank you for your time and consideration.

Best regards,

Crisand Giles
Executive Director

Mailing Address:
150 S Alameda Blvd.,
#1100
San Jose, CA 95113

Tel (408) 961-8133
cgiles@biabayarea.org
<http://www.biabayarea.org>

Charlotte Ellsworth

Subject: FW: BIA Comment Letter - FORA Board Item 6a, CIP Work Plan
Attachments: FORA Board Comment Ltr 02112011.pdf

From: Crisand Giles [<mailto:cgiles@biabayarea.org>]
Sent: Wednesday, February 09, 2011 4:16 PM
To: Daylene Alliman
Cc: Michael Houlemard; David Zehnder; Steve Endsley
Subject: Re: BIA Comment Letter - FORA Board Item 6a, CIP Work Plan

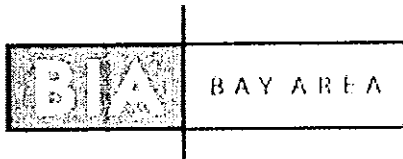
Dear Daylene - thank you in advance for distributing our attached comment letter to the FORA Board of Directors prior to Friday's scheduled Board meeting.

On behalf of the Building Industry Association of the Bay Area (BIA) we appreciate the opportunity to participate and comment on the special workshop for the Capital Improvement Program (CIP) Work Plan. This comment letter is intended to support FORA's Staff recommendation from the Joint Admin Committee meeting and (1) adopt the EPS Option #2 Special Tax Adjustment of \$29,600 per residential housing unit for a 2-year period and (2) approve a process seeking a detailed analysis of the CIP program and its schedule (Phase II Analysis). Thank you for your time and consideration.

Best,

Crisand Giles
Executive Director - South Bay
BIA Bay Area
408.961-8133 - Direct
925.360.5101 - Cell
cgiles@biabayarea.org

Please note our new name and update your records!



BUILDING INDUSTRY ASSOCIATION OF THE BAY AREA



Fort Ord Capital Improvement Program Review

Presented by
David Zehnder
Economic & Planning Systems

Prepared for the Fort Ord Reuse Authority
February 11, 2011



Presentation Overview

- ▶ Methodology and Principles
- ▶ Review Findings and Future Considerations
- ▶ Special Tax Reduction Options
- ▶ Recommended Multi-phased Approach
- ▶ Responses to Board Questions

Fort Ord Capital Improvement Program Review



CIP Review Methodology

- ▶ Evaluate Economics of Base Reuse
- ▶ Review CIP assumptions
- ▶ Recommend Warranted Adjustments
- ▶ Ensure Continuing Ability to Fund CEQA Mitigations

Fort Ord Capital Improvement Program Review



Across-the-Board CFD Special Tax Reductions

- ▶ Option 1: Initial Recommendation
 - ▶ Reduce the CIP Contingency to \$70.9 million
 - ▶ Reduce CFD Special Tax ~21.5%
 - ▶ Reduce residential SFR rate to \$36,300
- ▶ Option 2: Current Recommendation
 - ▶ Builds on Option 1
 - ▶ Further reduce transportation project contingency
 - ▶ Eliminate HCP contingency
 - ▶ Eliminate FORA loan repayment line-item
- ▶ Option 3: "Policy-Based" Recommendation
 - ▶ Tax below the "minimum" justifiable CFD Special Tax Rate

Fort Ord Capital Improvement Program Review

Options	Description	CFD Special Tax % Reduction	Total Program Cost	SFR CFD Special Tax
Present	CFD Special Tax based on July 2010 CIP Update	-	\$295.1 mill	\$46,205
Option 1	Reduce Contingency to \$70.9 million. Includes other revenue and cost assumption updates	21.5%	\$267.1 mill	\$36,271
Option 2	Consistent with Option 1. Reduce Contingency to \$23.9 million.	36.0%	\$220.1 mill	\$29,600
Option 3	Discretionary action by FORA to reduce CFD Special Tax below Option 1 or 2	TBD	TBD	TBD

Note all options eliminate the currently assumed revenue reduction associated with affordable housing incentives, as this policy incentive has not been used since inception.

Proposed 2011 FORA CIP Contingencies

Option 1

Item	Amount	% of Contingency	% of CIP	Description
Additional Transportation Costs	\$1,700,000	48.9%	17.8%	Equal 20.0% contingency on total transportation CIP. Covers MEC costs, support, signage, ROW acquisition, unknown subsurface conditions, drainage, etc.
Additional Fiscal Management Costs	\$1,500,000	21.7%	6.0%	Addresses 20% increase over existing \$3.0 million estimate based on revised endowment investment return calculations
FORA Reimbursements	\$1,200,000	17.2%	6.3%	CFD Fee repayment of FORA's land sale proceeds loaned to complete CIP projects
Utilities and Storm Drainage Costs	\$3,500,000	6.9%	1.8%	Start estimates of anticipated project expenditures
Other Costs	\$1,000,000	4.2%	1.9%	Start estimate for PLL insurance beyond 2011
Total Contingencies	\$70,900,000	100.0%	38.8%	

Fort Ord Capital Improvement Program Review

Multi-phased Approach

Phase 2 Approach:

1. Establish a framework to evaluate additional mid-to long-term actions prior to FORA sunset.
2. Evaluate revenues impacted by FORA sunset:
 - CFD Special Taxes
 - Tax-Increment Revenues
 - Land Sales Revenues
3. Obtain commitment to FORA's extension or transition.

Fort Ord Capital Improvement Program Review

Response to Board Questions

Category #1: Fairness to Prior/Future Deals and Developers

1. Fees, taxes, and charges are routinely adjusted during periods of economic stress
2. "Fairness" question is often brought up; however:
 - Little can or should be done to resolve these concerns-- developers are subject to charges in place at the time of development
 - Not feasible to anticipate all eventualities
 - Development will move forward when rewards eclipse costs and perceived risks

Fort Ord Capital Improvement Program Review

Response to Board Questions (continued)

Category #2: Potential Impacts to Jurisdictions

1. Positive impacts include realization of jobs and housing, tax benefits, development of important community facilities, land sale revenue generation, and tax increment generation (perhaps)
2. Remaining building removal is facilitated by a lower CFD Special Tax, as reduced costs improve land value. Without this cost reduction, no revenue will be generated, as development would be unlikely within the next two years.
3. Potential risks are largely mitigated by 2-phase strategy:
 - Potential cash flow shortfalls and CEQA issues minimized by short duration of interim period, resolved by potential CIP adjustments
 - Uncertainty regarding tax increment affects availability of back-up funding; however this is the rationale for maintaining an adequate contingency such as that provided by Option 2

Fort Ord Capital Improvement Program Review



Response to Board Questions (continued)

▶ **Category #6: Potential CEQA Review
"Triggered" Reduced CFD Special Tax?**

1. Is there a nexus between reduced "fees" and environmental impacts? Level of retained contingencies suggests unlikely
2. Limited interim period suggests limited risk exposure
3. Legal review on-going, to be culminated prior to March

Fort Ord Capital Improvement Program Review



MINUTES
of the
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Carpenters Union Hall – 910 Second Ave., Marina
February 11, 2011

1. CALL TO ORDER

With a quorum present, Chair/Supervisor Dave Potter called the February 11, 2011 Board of Directors meeting to order at 2:30 p.m.

Voting members present:

Supervisor Dave Potter (County of Monterey)
Supervisor Jane Parker (County of Monterey)
Supervisor Lou Calcagno County of Monterey)
Mayor Jerry Edelen (City of Del Rey Oaks)
Councilmember Tony Barrera (City of Salinas)

Mayor Sue McCloud (City of Carmel-by-the-Sea)
Mayor Pro-Tem Bill Kampe (City of Pacific Grove)
Councilmember Frank O'Connell (City of Marina)
Councilmember David Brown, (City of Marina)
Councilmember Ian Oglesby (City of Seaside)

Arriving after the roll call were: Councilmember Nancy Selfridge (City of Monterey), Mayor David Pendergrass (City of Sand City), and Mayor Felix Bachofner (City of Seaside)

Jim Cook (County of Monterey) replaced Supervisor Lou Calcagno who left the meeting at 4:20 p.m.

Ex-Officio members present:

Graham Bice (University of California Santa Cruz), John Marker (California State University Monterey Bay), Vicki Nakamura (Monterey Peninsula College), Mike Gallant, (Monterey-Salinas Transit), Dan Burns (Marina Coast Water District), Dan Albert, Jr. (Monterey Peninsula Unified School District), and Don Bachmann (Transportation Agency Monterey County).

Absent were representatives from Monterey Peninsula College, 17th Congressional District, 15th State Senate District, and 27th State Assembly District.

Ex-Officio members arriving after the roll call were: COL Brewer (United States Army), Gail Youngblood (Base Realignment and Closure - BRAC), and Debbie Hale (Transportation Agency of Monterey County - TAMC).

2. PLEDGE OF ALLEGIANCE - Chair Potter lead the Pledge of Allegiance.

3. SPECIAL WORKSHOP - Capital Improvement Program – Community Facilities District tax/fee. The members of the Board spent the first hour of the meeting with a presentation from David Zendher, consultant with EPS, and discussing the Capital Improvement Program ("CIP") as follows:

Q and A session:

1. **Question:** How does an Option 2 fee reduction affect Transportation/Transit funding and Habitat Management funding?

Answer: David Zendher, EPS Consultant ("DZ") – It may mean a reduction in CFD fee collections in the near-term, but may help to stimulate development in near-term. If keep the fees high and no development occurs, we effectively stand still.

2. **Question:** What is envisioned to happen after 2 years of the lower fee? Will the fee go back up to its previous level?

Answer: DZ – The goal of a Phase II study would be to answer the question of what the long-term fee structure should be. From my analysis, I would conjecture that the result of the study would not be a return to the current fee level. There is a degree of uncertainty with FORA's transition in 2014, HCP endowment costs, and the future of redevelopment agencies' tax increment funding, but that is my opinion after reviewing FORA's CIP.

3. **Question:** Which developers are ready to proceed with their projects in the next 2 years? Is it desirable to not let a developer pull all of their permits during the 2-year period?

Answer: MH (Michael Houlemard)– Marina Heights, the Dunes on Monterey Bay, East Garrison, the Seaside Resort project, and possibly the Seaside Main Gate could pull permits within the 2-years. DZ – Typically, it is not advisable to limit a developer in their ability to pull building permits. Before a permit is pulled, the FORA fee must be paid.

4. **Question:** If we find that we need additional funding for the HCP endowment, can we raise the fee?

Answer: DZ – That is the major advantage of having a CFD special tax. You have flexibility to raise the fee in the future if necessary.

5. **Question:** Were land sale and tax increment funding sources considered? Are you thinking that land sale funding will just be enough to pay for FORA's Building Removal obligation?

Answer: DZ – Yes. Land sales and tax increment were considered. There is a degree of uncertainty with these funding sources due to the State of California's budget proposal and land sales residuals being significantly lower since the recent recession. However, lowering the fee would help improve land sales revenues. On the second question, yes, we are thinking that land sales funding will be enough to fund FORA's Building Removal obligation. It might be worthy of further analysis to see if land sales could be a potential FORA CIP funding source going into the future.

6. **Question:** Is affordable housing hurt by the proposed fee reduction?

Answer: DZ – No. We believe a fee reduction would help affordable housing development. Mid-Peninsula Housing Coalition – one of the affordable housing developers on the base – read a letter into the record last month saying that they supported the fee reduction because it would help their project.

7. **Question:** What about those developers who won't benefit in this 2-year period?

Answer: DZ – The Phase II study would address this issue. The sooner that process can be worked through, the sooner FORA can provide additional certainty to the development community.

Motion requesting staff to address the following issues was made by Mayor McCloud, seconded by Supervisor Parker and carried unanimously.

1. Could reducing the fee result in legal issues (CEQA and FORA Consistency Determinations)?
2. Could there be a policy change allowing the use of land sales revenues for the CIP?
3. How would a fee reduction affect phasing of transportation/transit expenditures (work with TAMC)?
4. Fairness/equity issue: Which projects are entitled/likely to go forward in the next 2 years and how would projects that cannot go forward in the next 2 years be affected by the fee reduction?
5. What would happen if the HCP endowment ends up higher than expected?
6. How long would it take to execute an Option 2 fee reduction? What steps are involved?
7. Is it desirable for a project to pull all of its building permits in the 2-year period? Would the lower fee incentivize existing developers to build units that the consumer may not want to buy (given a consumer trend towards smaller, less expensive units)?
8. What are the various options for the 2014 transition of FORA and how might those choices affect the FORA CIP?
9. What might be the scope and schedule of a Phase II CIP review study?

4. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE** – Chair Potter acknowledged former board member and Monterey County Supervisor Ila Mettee-McCutchon, Councilmember Tony Barrera, City of Salinas and David Brown, City of Marina.
5. **PUBLIC COMMENT PERIOD** – Chuck Lande representing Marina Heights had a clarification about the CIP fee reduction. He said that the equity question was only raised by one development community representative and those concerns were addressed when they understood that the proposed fee reduction would still ensure that the road serving their project gets built. Chair Potter responded that the comment was appreciated, but it would have been more appropriate to voice such comments during the public comment period for item 3.
6. **CONSENT AGENDA** – January 14, 2001 FORA Board Meeting Minutes. **Motion to approve the Consent Agenda was made by Supervisor Parker seconded by Mayor McCloud and carried.**
7. **OLD BUSINESS** – Eastside Parkway – Executive Officer Houlemard presented this item. He noted that Eastside Parkway was FORA's highest priority CIP transportation project and the design has not yet been completed. Mr. Houlemard said that staff has identified available tax increment funding to begin the roadway design. Senior Project Manager James Arnold clarified the selection process and the consultant selected to complete the design was Whitson Engineers, who has already begun preliminary roadway design work under FORA's Office of Economic Adjustment Grant. Supervisor Calcagno commented too much funding and effort is being applied to transportation projects within former Fort Ord, while the burden on roadway arteries, such as Blanco Road, Reservation Road, and Davis Road (heading toward Salinas) are not taken care of. He said this is creating an unacceptable burden on Davis and Blanco Roads and he is concerned about the priorities. Supervisor Calcagno also wanted to know when the bridge over Davis Road would be completed. Supervisor Calcagno asked another question about which roads were (four lanes) in the Attachment A road alignment map to the MOA? Mr. Arnold answered the question and stated that FORA would work with the consultant on revising the map to delineate which roads were two lanes and which roads were four lanes. Mr. Arnold noted that the widening of David Road is a part of FORA's CIP expenditure plan and FORA will meet those obligations. Mr. Houlemard also noted that FORA will continue to work with TAMC on this issue. Supervisor Parker asked about the design of Eastside Parkway. Where do the two lanes end and the four lanes begin? Where will the bike lanes be located? Will the bike lanes be throughout the entire roadway? Mr. Arnold clarified that the entire roadway will be two lanes except for the portion in parcel L5.7, which is adjacent to Intergarrison Road and is planned to be 4 lanes. The roadway design would include 8-foot wide shoulders on each side of the road. These areas of the roadway would be committed to "Class B" (also referred to as Class II) bike lanes throughout the entire roadway. Chair Potter opened up this to public comment and there was none, Public Comment period closed. Mr. O'Connell noted that the agreement was not in the packet and questioned authorizing the amendment. Mr. Houlemard asked that the Board postpone taking an action until next month. Chair Potter asked for the motion to postpone item a. Approve consultant selection and authorize funding for design, and to accept b.: Report on Memorandum of Agreement. **Motion was made by Frank O'Connell, Supervisor Parker seconded, motion passed.**
8. **NEW BUSINESS** – Item 8a – FORA mid-year budget – Executive Officer Houlemard reviewed the mid-year budget noting budget adjustments which both decrease expenditures (Eastside Parkway design is ahead of schedule) savings in salaries and benefits, and increase in reserve account. Supervisor Potter questioned that \$50,000 seemed high for FORA's contribution to the UCMBEST Visioning Consultant contract. Executive Officer Houlemard clarified that the Board authorized

FORA's contribution to this item at 40% of the contract cost, up to \$50,000, when they approved the reimbursement agreement last month. He stated that FORA's colleagues at UC would be cognizant of FORA's desire that a fair and reasonable contract be negotiated with the consultant. UC is aware that, if contract costs go above FORA's contribution level, UC would have to fund excess costs. **Supervisor Parker made a motion to accept the report, with a second by Mayor Pro-Tem Bill Kampe and the motion carried unanimously.**

Item 8b – Confirmation of Chair's 2011 FORA committee appointments – Supervisor Parker made a motion to accept the committee appointments as noted. Mayor Pro Tem Frank O'Connell seconded and the motion carried.

9. **EXECUTIVE OFFICER'S REPORT** - Executive Officer Houlemard stated that all of the items in the Executive Officer's Report Item 9a Governor's proposed elimination of redevelopment; Item 9b Administrative Committee - report; Item 9c Finance committee - report; Item 9d Habitat Conservation plan – status report; Item 9e Travel Report – 2011 State Legislative Mission to Sacramento (January 23-24); Item 9f Outstanding Receivables – update; stood as information items however he highlighted the following:

Item 9a Mr. Houlemard authored a letter addressed to Governor Brown regarding the importance of his consideration of redevelopment as it relates to military base closures in California. Mayor Bachofner requested the resolution be amended to clarify military base closures as he supports the Governor's decision regarding the elimination of redevelopment agencies, just not the elimination of the tax increment funding that supports military base closures. **Motion was made by Mayor McCloud, seconded by Councilmember Oglesby, and the motion passed.** Item 9b Mr. Houlemard noted that the minutes of recent Administrative Committee meetings were attached. Item 9c Mr. Houlemard reported that the Finance Committee reviewed the mid-year budget during their meeting this month. Items 9d and 9e Mr. Houlemard reported that he, Chair Potter, Acting Assistant Executive Officer Endsley, and Authority Counsel Bowden met with California Natural Resources Secretary John Laird (Chief of the California Department of Fish and Game ("CDFG") and State Parks) regarding CDFG's inability provide comments on the draft HCP over the last 14 months. They also had a positive meeting with representatives from the California Department of Veterans Affairs regarding funding the Veterans cemetery endowment. However, it appears that there is more work to do to secure cemetery funding. Item 9f Mr. Houlemard reported on the outstanding receivables stating that the City of Seaside has made their first payment toward the tax increment owed FORA. Similar agreements have been requested by other cities and the Executive Committee will review those at next month's meeting. Mayor Edelen reported that the City of Del Rey Oaks is currently negotiating with Rabobank to pay off their debt within the next month and stated his appreciation of the Board's willingness to work with his City as this item is being resolved. Supervisor Parker asked a question regarding the FORA Community Facilities District ("CFD") Fee and the tax increment underpayment and the mechanism for collecting those fees. Mr. Houlemard explained that the tax increment underpayment was discovered during the audit to comply with the Board's request to verify revenue for tax increment payments under the CIP review. As a consequence, adjustments were made from previous years by the City of Seaside and the City of Marina. He stated the County was converting from one format to another format and there were inconsistencies in what was reported to the individual jurisdictions and to FORA. FORA Controller Ivana Bednarik stated that FORA staff met with the County Auditor this past fall in preparation for the tax increment audit. FORA is now receiving the same information as the base Redevelopment Agencies ("RDA") (Cities and the County) through the County Auditor. Mr. Houlemard said that, with respect to the CFD fees, these are collected from private sector developers before local building departments issue building permits. In a few instances along Neeson Road in Marina, the City did not assess CFD fees at the time the permits were issued. City of Marina legal counsel and FORA legal counsel are working together to resolve the issue. Chair Potter stated that all remaining items

b through g would be approved at one time. Item 9g Representing the Bureau of Land Management ("BLM") were Eric Morgan, Mark Conley, and Rick Cooper. Mr. Conley gave a presentation on the National Landscape Conservation System and discussed possible designation of BLM's public lands at the former Fort Ord. **Motion was made by Mayor McCloud to approve the remaining items on Item 9, seconded by Councilmember Brown, and the motion passed.**

10. ITEMS FROM MEMBERS – None

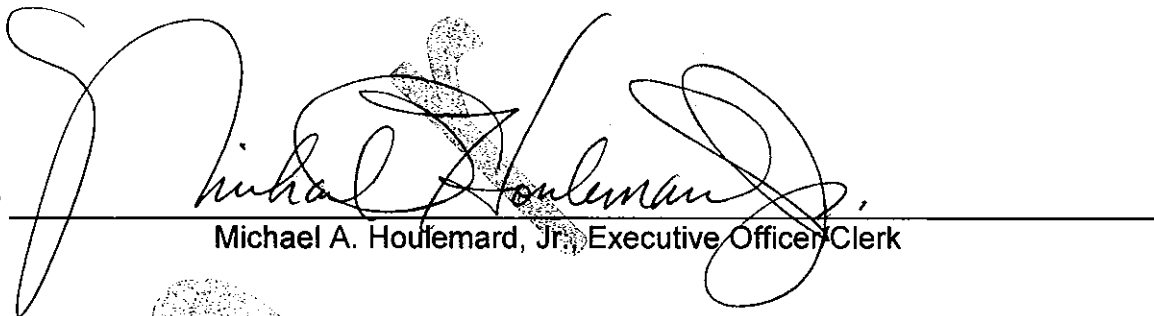
11. CLOSED SESSION – There were two items on the Closed Session agenda – a. Preston Park Sale, which included a conference with real property negotiators; and b. Potential litigation which included a conference with real property negotiators.

12. REPORT OUT OF CLOSED SESSION BY AUTHORITY COUNSEL – The FORA Board met and discussion was had and direction given in the Preston Park matter and other potential litigation.

13. ADJOURNMENT – Being no further business, Chair Potter adjourned the meeting at 5:55 p.m.

Minutes prepared by Daylene Alliman, Deputy Clerk

Approved by



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

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Eastside Parkway - Whitson and Associates Inc. Agreement for Professional Services - Amendment #2	
Meeting Date:	February 11, 2011	ACTION
Agenda Number:	7	

RECOMMENDATION:

- a. Authorize the execution of Amendment #2 to Agreement for Professional Services FC-052010 ("Agreement") with Whitson and Associates, Inc. ("Whitson") to include Eastside Parkway final design services.
- b. Receive a report regarding the draft Memorandum of Agreement concerning Eastside Parkway alignment ("MOA") (**Attachment A**).

BACKGROUND:

In January 2010, the Fort Ord Reuse Authority ("FORA") received a \$460,000 grant award from the Office of Economic Adjustment ("OEA") to conduct California Central Coast Veterans Cemetery ("CCCVC") Infrastructure Planning. FORA distributed a request for proposals to qualify consultants to compete for this work. A selection panel reviewed six proposals and unanimously selected Whitson to complete this work. The FORA Board authorized the Agreement with Whitson on May 14, 2010. As a portion of their scope of services, Whitson refined the preliminary road design work and developed a conceptual alignment for Eastside Parkway as a part of the CCCVC planning.

Whitson presented information regarding their CCCVC planning work at the October 8, 2010 FORA Board meeting. In July 2010, Whitson was unable to gain site access to certain active munitions response areas within the planning area. As a result, Whitson and FORA adopted contract amendment #1, which redistributed their work in the planning area to accomplish grant objectives within the authorized budget. Some specific deliverables included a draft conceptual roadway centerline alignment study map with a final map to be completed once Monterey Peninsula College ("MPC") and California State University Monterey ("CSUMB") confirm the proposed alignment or provide feedback. To formalize agreement on the roadway alignment, FORA drafted the MOA, which, once approved, would allow FORA to transfer future Eastside Parkway Rights of Way to the County of Monterey and allow construction of the road to proceed.

DISCUSSION:

In July 2010, the FORA Board discussed moving the Eastside Parkway project forward in the event there was an opportunity for State or Federal grants that could support the roadway. Also, at the request of the County of Monterey, FORA staff worked with the Veteran's Cemetery, Monterey Horse Park, CSUMB, and MPC to secure a roadway alignment that sets boundaries and parameters for each of these important projects to move ahead. The formal design process will aid all these projects. The FORA Board adopted the FY 2010/2011 CIP in July 2010 which placed Eastside Parkway in a priority position for funding. FORA staff met with Monterey County Redevelopment Agency ("MCRA") staff, who secured the initial plan line for Eastside Parkway, to commence planning discussions. MCRA staff will work closely with FORA staff and Whitson during the design/engineering to ensure the final plans and specifications integrate appropriate appurtenances.

FORA staff recommends amending the existing Agreement to provide the final engineering/design, construction documents, and environmental documentation for Eastside

Parkway from Eucalyptus Road to Inter Garrison Road. The amendment will not exceed \$651,200.


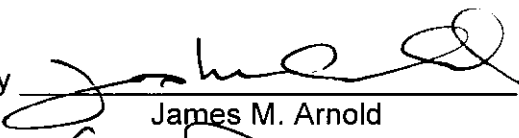
FISCAL IMPACT:

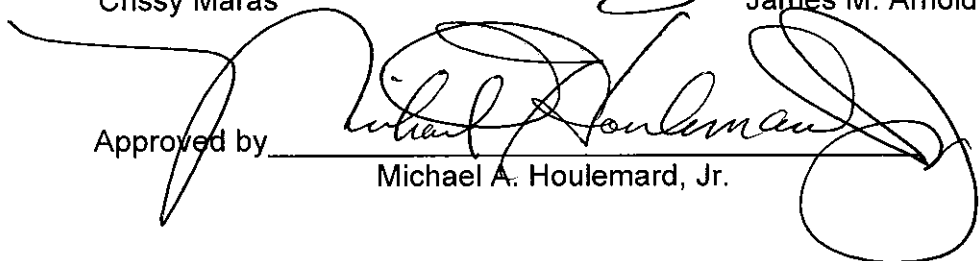
Reviewed by FORA Controller 

The cost for Eastside Parkway final design services was not included in the approved FY 10-11 CIP budget, although it was affirmed by the Board as the priority CIP project. The prorated portion of this 12-month design project through June 30, 2011 is estimated at \$260,000. Community Facilities District fees, the primary source of revenue to cover transportation projects cost, is not available to fund this project. If approved by the FORA Board, the project will be financed in this fiscal year by Preston Park loan proceeds and/or tax increment. The mid-year budget (item 8a) reflects this adjustment. The design services remaining balance (\$391,200) will be included in the FY 11-12 budget.

COORDINATION:

Administrative Committee, Executive Committee, MCRA, CSUMB, MPC, CCCVC

Prepared by  Reviewed by 
Crissy Maras James M. Arnold

Approved by 
Michael A. Houlemard, Jr.

DRAFT

**MEMORANDUM OF AGREEMENT
AMONG AND BETWEEN**

**THE FORT ORD REUSE AUTHORITY, CALIFORNIA STATE UNIVERSITY
MONTEREY BAY, THE REDEVELOPMENT AGENCY OF THE COUNTY OF
MONTEREY, THE COUNTY OF MONTEREY, AND MONTEREY PENINSULA
COLLEGE CONCERNING THE ALIGNMENT OF EASTSIDE ROAD ON THE
FORMER FORT ORD**

THIS AGREEMENT is made and signed on this ____ day of _____, 2011, by and among the FORT ORD REUSE AUTHORITY (hereinafter referred to as “FORA”), CALIFORNIA STATE UNIVERSITY MONTEREY BAY (hereinafter referred to as “CSUMB”), THE REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY (hereinafter referred to as “AGENCY”), the COUNTY OF MONTEREY (hereinafter referred to as “COUNTY”), AND MONTEREY PENINSULA COLLEGE (hereinafter referred to as “MPC”) (with FORA, CSUMB, AGENCY, COUNTY, and MPC each being from time to time hereinafter referred to as “Party”, and together being from time to time collectively hereinafter referred to as “Parties”).

RECITALS

- A. In June 1997, the FORA Board of Directors adopted a Final Environmental Impact Report (hereinafter referred to as “FEIR”) and a Fort Ord Base Reuse Plan (hereinafter referred to as “BRP”). The BRP included the designation of a roadway corridor called “Eastside Road”, as shown on Figures 4.2-2, 4.2-3 and 4.2-5 of the BRP Reuse Plan Element, from Gigling Road to Imjin Road.
- B. The 2005 FORA Fee Reallocation Study prepared by the Transportation Agency for Monterey County created a new general alignment for the Eastside Road project from Eucalyptus Road to Intergarrison Road.
- C. In January 2010, FORA received a grant from the Department of Defense’s Office of Economic Adjustment (“OEA”) to perform infrastructure studies in the vicinity of the future California Central Coast Veterans Cemetery. One component of the grant was to produce a centerline map for the future alignment of the Eastside Road project.
- D. FORA has a legislated expiration date of June 30, 2014. Therefore, COUNTY is the logical entity to be granted rights of way (“ROW”) for the construction of Eastside Road.
- E. COUNTY will need to obtain ROW for future Eastside Road construction. The ROW for future alignment of Eastside Road would affect CSUMB, AGENCY, COUNTY, and MPC property since they are the designated recipients of these properties.
- F. FORA will own and owns properties that would be affected by the alignment of future Eastside Road. FORA will transfer these properties after receiving regulatory approval of environmental remediation.

G. FORA, through its consultant Whitson Engineers, has prepared a proposed alignment for Eastside Road (hereinafter referred to as "Proposed Alignment"), as described in **Attachments A and B**, that would require COUNTY to acquire ROW through future CSUMB, AGENCY, COUNTY, and MPC property. FORA held stakeholders meetings that included CSUMB, AGENCY, COUNTY, and MPC in August 2010 to request feedback on the Proposed Alignment.

H. It is the intention of the Parties to formalize the Proposed Alignment to advance the redevelopment program envisioned in the BRP and FEIR through mitigation of traffic impacts.

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

1. Agreement to Grant ROW. Parties who will receive land along the Proposed Alignment agree to grant ROW as described generally in **Attachment A** and more specifically in **Attachment B** to COUNTY. In this agreement to grant ROW, the Parties understand that the ROW shall be up to 200' within Army Corps of Engineers ("COE") parcel L5.7 and 84' in all other affected parcels plus a minimum of 5 feet outside the grading daylight. When FORA has received regulatory approval of environmental remediation on CSUMB, AGENCY, COUNTY, and MPC properties (COE parcels L20.18, E18.1.2, E19a.5, E19a.1, E19a.3, S1.3.2, and L5.7) and when COE parcel L2.3 has conveyed from the U.S. Army to FORA, FORA will convey Eastside Road ROW within these parcels to COUNTY and the remaining property to the intended recipients. The actual date of property conveyance is undetermined, but is anticipated prior to 2015.

2. Agreement to assist grant application efforts. The construction of Eastside Road from Eucalyptus Road to Interparrison Road is a project in the FORA Capital Improvement Program ("CIP"). The FORA CIP identifies the FORA Development Fee, FORA Community Facilities District Fee, FORA Tax Increment, Grants, Mitigation Fees, and Miscellaneous Revenues (Revenue Bonds, Interest) as funding sources for FORA CIP projects, including Eastside Road. FORA and/or COUNTY expect to apply for grants to potentially design and/or construct the Eastside Road project. These grants may require FORA and/or COUNTY to demonstrate title to or access rights to the Eastside Road project ROW. If required through grant applications, the Parties agree to assist FORA and/or COUNTY to secure evidence of title or access rights to the Eastside Road project ROW.

3. Costs. The parties shall not be required to incur expenses in cooperating with each other. Each Party agrees to pay any costs it incurs under this agreement.

4. Amendment by Written Recorded Instrument. This Agreement may be amended or modified in whole or in part, only by a written and recorded instrument executed by the parties.

5. Indemnity and Hold Harmless. Each Party hereto agrees to indemnify, defend and hold each other Party harmless from and against any loss, cost claim or damage directly related to such Party's actions or inactions under this Agreement.

6. Governing Law. This Agreement shall be governed by and interpreted by and in accordance with the laws of the State of California.
7. Entire Agreement. This Agreement along with any exhibits and attachments hereto, constitutes the entire agreement between the parties hereto concerning the subject matter hereof.
8. Interpretation. It is agreed and understood by the parties hereto that this Agreement has been arrived at through negotiation and that no party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654.
9. Authority. Each signatory to this Agreement certifies that he or she has the lawful authority to execute this Agreement for and on behalf of the Party named herein.
10. Term. This Agreement will expire on December 31, 2025. This term may not be extended absent separate negotiations and a separate fully executed written agreement.

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

FORT ORD REUSE AUTHORITY

Date: _____

By: _____

Executive Officer
Michael A. Houlemard, Jr.

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

CALIFORNIA STATE UNIVERSITY MONTEREY BAY

Date: _____

By: _____

Kevin Saunders, Vice President for
Administration and Finance

APPROVED AS TO FORM:

By: _____
Carrie Rieth, CSU Attorney

REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY

Date: _____

By: _____

APPROVED AS TO FORM:

By: _____

COUNTY OF MONTEREY

Date: _____

By: _____

APPROVED AS TO FORM:

By: _____

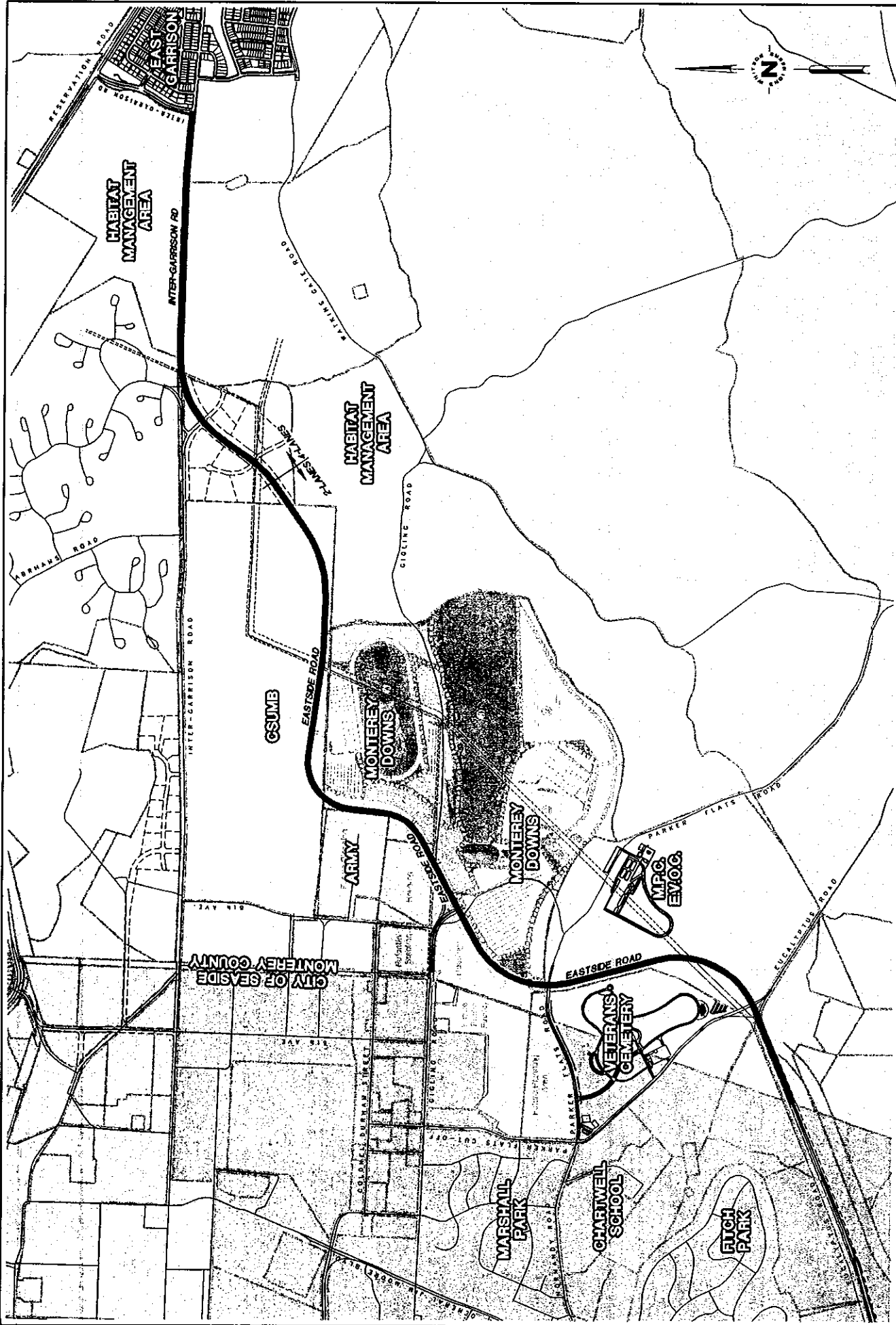
MONTEREY PENINSULA COLLEGE

Date: _____

By: _____

APPROVED AS TO FORM:

By: _____



DATE: DEC. 1, 2010
 SCALE: 1" = 2,000'
 DRAWN: APH
 CHECKED: RPW
 PROJECT No.: 2232.01

MONTEREY COUNTY
 CALIFORNIA

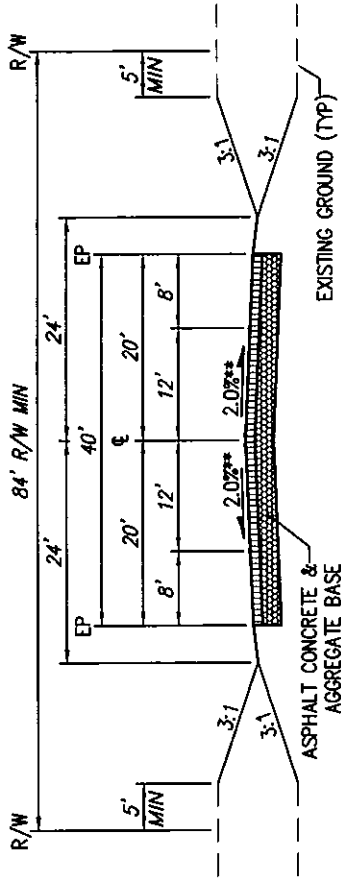
ATTACHMENT 'A'

PROPOSED EASTSIDE ROAD ALIGNMENT

DRAWING PATH: T:\Monterey Projects\2232\223201\CAD\Exhibits\Eastside Rd-MOA Attachment.dwg
 9699 BLUE LARKSPUR LANE, SUITE 105 - MONTEREY, CALIFORNIA 93940 - TEL (831) 649-5225 - FAX (831) 373-5065

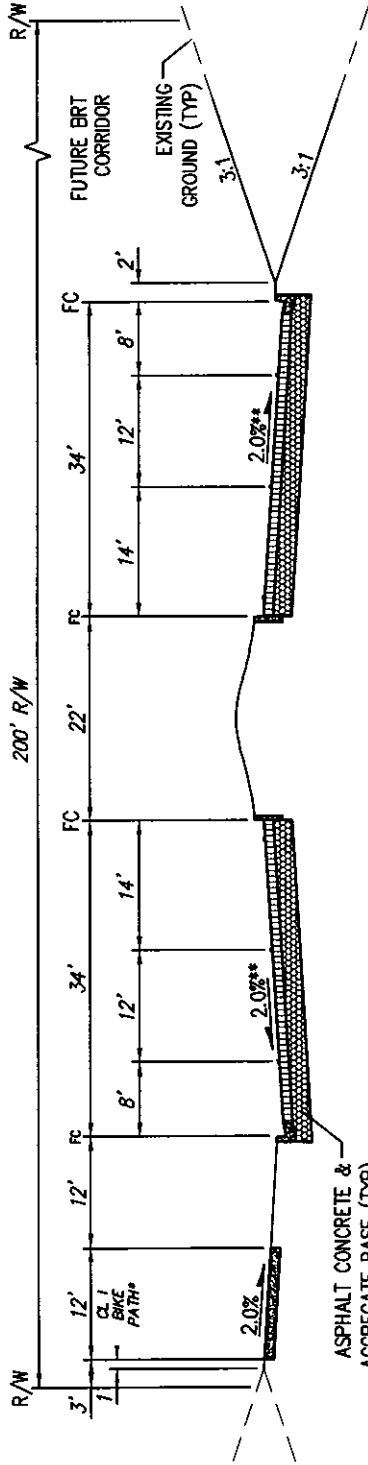
WHITSON ENGINEERS - WWW.WHITSONENGINEERS.COM





**TYPICAL 2-LANE SECTION
EASTSIDE ROAD**

** 2% CROSS SLOPE TYPICAL FOR CROWNED STREET SECTION. SEE PLAN FOR LOCATIONS OF SUPER-ELEVATION (e).



**TYPICAL 4-LANE SECTION
EASTSIDE ROAD AND
INTER-GARRISON ROAD**

* BIKE PATH PER SPECIFIED LOCATIONS SHOWN ON PLAN.
** 2% CROSS SLOPE TYPICAL FOR CROWNED STREET SECTION. SEE PLAN FOR LOCATIONS OF SUPER-ELEVATION (e).

ATTACHMENT 'B'

MONTEREY COUNTY		CALIFORNIA		DATE: DEC. 1, 2010	SHEET
PROPOSED EASTSIDE ROAD SECTIONS				SCALE: 1" = 20'	2
				DRAWN: APH	
				CHECKED: RPW	
DRAWING PATH: T:\Monterey Projects\2232\223201\CAD\Exhibits\Eastside Rd-MOA Attachment.dwg		PROJECT No.: 2232.01		OF 2	
WHITSON ENGINEERS - 9698 BLUE LARKSPUR LANE, SUITE 105 - MONTEREY, CALIFORNIA 93940 - TEL (831) 649-5225 - FAX (831) 649-5065		WWW.WHITSONENGINEERS.COM			



FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	FORA mid-year budget	
Meeting Date:	February 11, 2011	ACTION
Agenda Number:	8a	

RECOMMENDATIONS:

Accept the FY 10-11 Fort Ord Reuse Authority (FORA) Operating Budget mid-year status report.

BACKGROUND:

The mid-year budget update is typically provided at the February Board meeting. This report covers the status of the FY 10-11 budget approved at the June 9, 2010 meeting. The Finance Committee reviewed the mid-year budget at its February 3 meeting.

DISCUSSION:

Despite the continuing recessionary economic conditions delaying redevelopment activities on the former Fort Ord, FORA Board policies have maintained financial stability. The financial support was aided by two federal grants allowing the Capital Improvement Program (CIP) activities to continue uninterrupted.

This mid-year budget reports a net decrease in both revenues and expenditures.

- On the revenue side, the following have been removed from the current budget: 1) a portion of EDA grant proceeds as completion of the GJMB construction is delayed and revenues are carried over to the next FY, 2) PLL insurance payment from the City of Del Rey Oaks, 3) land sale payment from a County project, and 4) a portion of MCWD construction reimbursement collected in FY 09-10. The following revenues have been added: 1) land sale payment from Salinas Valley Memorial Hospital and 2) past-due tax increment payments from the Cities of Seaside and Marina.
- On the expenditure side, the mid-year budget reports reductions in: 1) Salaries and Benefits and 2) Capital projects (due to deferral of GJMB completion to FY 11-12). The Board has authorized additional expenditures since the budget approval; these include increased travel budget and additional contracts (detailed on **Attachment 2**).

As result of the budget adjustments and larger beginning (carryover) balance, the ending fund balance increases from \$2.7 million to \$4.3 million as compared to the approved budget. This increase includes funds reserved for matching the EDA grant in FY 11-12.

Attachment 1 illustrates the updated budget as compared to the approved budget; corresponding notes offer brief narrative descriptions of budget variances.

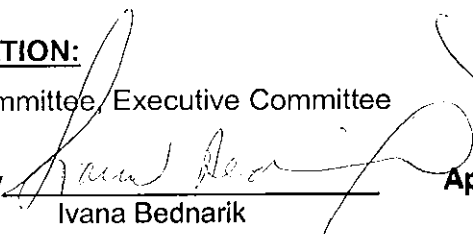
Attachment 2 provides expenditure changes in detail. Please refer to corresponding notes.

FISCAL IMPACT:

All budgeted activities are funded. Eastside Parkway design is commencing ahead of schedule, savings in Salaries and Benefits, and increase in Reserve Account.

COORDINATION:

Finance Committee, Executive Committee

Prepared by 
Ivana Bednarik

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY - FY 10-11 MID-YEAR BUDGET - ALL FUNDS COMBINED

<u>CATEGORIES</u>	<u>FY 10-11 APPROVED</u>	<u>FY 10-11 MID-YEAR</u>	<u>BUDGET ADJUSTMENTS</u>	<u>NOTES</u>
REVENUES				
<u>Carryover Revenue</u>				
Beginning Fund Balance	\$ 6,710,381	\$ 7,223,323	\$ 512,942	Increase attributable to capital projects timing and overall budget savings
<u>New Revenue</u>				5.1M Matching funds to EDA grant (Preston Park loan proceeds)
Membership Dues	261,000	261,000	-	2.1M FORA Reserve/Funds available for expenditures
Franchise Fees - MCWD	195,000	195,000	-	7.2M
Federal Grants - ESCA	993,856	993,856	-	All ESCA grant proceeds received by FY 08-09; transfer to cover the FY 10-11 activities
Federal Grants - EDA	4,826,754	3,855,000	(971,754)	Funds prorated to FY 10-11 construction; remaining funds carried over to FY 11-12
Federal Grants - OEA	400,000	400,000	-	
PLL Loan Payments	983,657	727,634	(256,023)	DRO PLL insurance payment not collected, Board authorized interim use of FORA funds
Development Fees	118,000	150,000	32,000	Slight increase based on actual/expected collections
Land Sale Proceeds	218,916	1,200,000	981,084	Payment collected Salinas Valley Memorial Hospital
Rental/Lease Payments	1,547,562	1,547,562	-	
Tax Increment	1,033,600	1,338,600	305,000	\$483K Seaside and Marina tax increment underpayment; \$305K portion collected this FY
CSU Deficit Payment	500,000	500,000	-	
Construction Reimbursements	544,000	100,000	(444,000)	MCWD funded GIMB improvements ahead of schedule; adjustment reflects remaining reimbursement
Planning Reimbursements	-	-	-	Contract reimbursement by agencies for ESCA program assistance; amount unknown
Loan Reimbursements	287,000	287,000	-	
Investment Income	132,500	132,500	-	Excludes funds invested to establish the endowment fund
Total New Revenue	12,041,845	11,688,152	(353,693)	Decrease in New Revenue
<u>Other Financing Sources</u>				
Loan Proceeds	-	-	-	
TOTAL REVENUES	18,752,226	18,911,475	159,249	Increase in total revenues (including carryover balance)
EXPENDITURES				
Salaries & Benefits	1,733,025	1,547,825	(185,200)	Reduced staffing
Supplies & Services	318,250	320,250	2,000	
Contractual Services	1,897,500	1,974,030	76,530	Seaside traffic study and UC visioning added to budget
Capital Projects (CP)	9,685,362	8,314,854	(1,370,508)	EDA grant/local match carryover to FY 11-12; Eastside Parkway design budget added pending 2-11-2011 Board approval.
Debt Service (P+I)	2,415,166	2,399,094	(16,072)	
TOTAL EXPENDITURES	16,049,303	14,556,054	(1,493,250)	Decrease in total expenditures (See Attachment 2 - Itemized Expenditures)
NET REVENUES	\$ 2,702,923	\$ 4,355,421	\$ 1,652,499	Increase in ending fund balance/FORA Reserve
(Ending fund balance)				

FORT ORD REUSE AUTHORITY
FY 10-11 MID-YEAR BUDGET

ITEMIZED EXPENDITURES

EXPENDITURE CATEGORIES	FY 10-11 APPROVED	FY 10-11 MID-YEAR	BUDGET ADJUSTMENTS	NOTES
<u>SALARIES & BENEFITS</u>				
FORA STAFF - 13.5 POSITIONS APPROVED	1,733,025	1,547,825	(185,200)	13.5 position approved, 12 position filled
FORA STAFF - 12 POSITIONS REVISED				1 position on long-term disability leave
<u>SUPPLIES & SERVICES</u>				
Communications	12,000	12,000	-	
Supplies	15,000	15,000	-	
Equipment & Furniture	25,000	25,000	-	
Travel, Auto & Lodging	16,000	18,000	2,000	Budget increase - <u>BM 1-14-11</u>
Meeting Expenses	8,000	8,000	-	
Building maintenance & security	10,000	10,000	-	
Utilities	13,000	13,000	-	
Insurance	65,900	65,900	-	
Computer support	14,350	14,350	-	
Moving Expenses	100,000	100,000	-	Relocation to IOP building anticipated June 2011
Other (postage, advertising, printing, etc.)	39,000	39,000	-	
TOTAL SUPPLIES AND SERVICES	318,250	320,250	2,000	
<u>CONTRACTUAL SERVICES</u>				
LEGAL FEES (INCLUDES AUTHORITY COUNSEL)	135,000	135,000	-	
AUDITOR	30,000	30,000	-	
EDC COUNSEL (DECK-ESCA)	80,000	80,000	-	
REGULATORY RESPONSE/QUALITY ASSURANCE-ESCA	600,000	600,000	-	
VETERANS CEMETERY CONSULTANT	400,000	400,000	-	
FINANCIAL CONSULTANT	122,500	122,500	-	
LEGISLATIVE SERVICES CONSULTANT	30,000	30,000	-	
PUBLIC INFORMATION	13,000	13,000	-	
ARCHITECT & ENGINEERS (CIP)	200,000	226,530	26,530	GJMB/Seaside traffic study - <u>BM 11-12-10</u>
NEPA/CEQA CONSULTING FIRM	100,000	100,000	-	Potential savings, services financed by FY 09-10
HABITAT MITIGATION	150,000	150,000	-	carryover balance.
PARKER FLATS ENDANGERED SPECIES	12,000	12,000	-	
UC MBEST	-	50,000	50,000	Visioning exercise for UC property - <u>BM 1-14-2011</u>
OTHER CONSULTING	25,000	25,000	-	
TOTAL CONTRACTUAL SERVICES	1,897,500	1,974,030	76,530	
<u>CAPITAL PROJECTS</u>				
CIP/ROADWAYS	9,580,862	8,197,354	(1,383,508)	EDA funded GJMB/Eucalyptus to be carried over to FY 11-12; Eastside Pkwy design added - <u>BM 2-11-11</u>
HABITAT MANAGEMENT	29,500	37,500	8,000	CFD collection dependent (25%)
HABITAT MANAGEMENT/UC REGENTS	75,000	80,000	5,000	Funding agreement amendment - <u>BM 12-10-10</u>
TOTAL CAPITAL PROJECTS	9,685,362	8,314,854	(1,370,508)	
<u>DEBT SERVICE (Principal and Interest)</u>				
PRESTON PARK LOAN (PPL) DEBT SERVICE	1,364,880	1,364,880	-	
PLL INSURANCE FINANCING	934,286	918,214	(16,072)	Reflect actual cost, Year 6 of 7-year financing
FIRE TRUCK LEASE	116,000	116,000	-	
TOTAL DEBT SERVICE	2,415,166	2,399,094	(16,072)	
TOTAL EXPENDITURES	16,049,303	14,556,054	(1,493,250)	

FORT ORD REUSE AUTHORITY – FY 10-11 MID-YEAR BUDGET SUMMARY

	FY 10-11 APPROVED	FY 10-11 MID-YEAR	VARIANCES
REVENUES (Includes FY 09-10 carryover)	18,752,226	18,911,475	159,249
EXPENDITURES	16,049,303	14,556,054	1,493,249
FUND BALANCE - ENDING (6-2011)	2,702,923	4,355,421	1,652,498

FORT ORD REUSE AUTHORITY – FY 10-11 MID-YEAR BUDGET REVENUES

	FY 10-11 APPROVED	FY 10-11 MID-YEAR	VARIANCES
Beginning Fund Balance	6,710,381	7,223,323	512,942
10-11 Revenues			
Membership Dues	261,000	261,000	-
Franchise Fees - MCWD	195,000	195,000	-
Federal Grants - ESCA	993,856	993,856	-
Federal Grants - EDA	4,826,754	3,855,000	(971,754)
Federal Grants - OEA	400,000	400,000	-
PLL Loan Payments	983,657	727,634	(256,023)
Development Fees	118,000	150,000	32,000
Land Sale Proceeds	218,916	1,200,000	981,084
Rental/Lease Payments	1,547,562	1,547,562	-
Tax Increment	1,033,600	1,338,600	305,000
CSU Deficit Payment	500,000	500,000	-
Construction Reimbursements	544,000	100,000	(444,000)
Planning Reimbursements	-	-	-
Loan Reimbursements	287,000	287,000	-
Investment Income	132,500	132,500	-
Total 10-11 Revenues	12,041,845	11,688,152	(353,693)
Loan Proceeds	-	-	-
TOTALS	18,752,226	18,911,475	159,249

FORT ORD REUSE AUTHORITY – FY 10-11 MID-YEAR BUDGET EXPENDITURES

	FY 10-11 APPROVED	FY 10-11 MID-YEAR	VARIANCES
EXPENDITURES			
Salaries & Benefits	1,733,025	1,547,825	(185,200)
Supplies & Services	318,250	320,250	2,000
Contractual Services	1,897,500	1,974,030	(76,530)
Capital Projects	9,685,362	8,314,854	1,370,508
Debt Service	2,415,166	2,399,094	16,072
	16,049,303	14,556,053	1,493,250

**FORT ORD REUSE AUTHORITY – FY 10-11 MID-YEAR BUDGET
RECOMMENDATION**

ACCEPT THE FY 10-11 MID-YEAR BUDGET REPORT

**Finance Committee Recommendation*

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	Confirmation of Chair's 2011 FORA committee appointments	
Meeting Date:	February 11, 2011	ACTION
Agenda Number:	8b	

RECOMMENDATION:

Confirm Chair Potter's 2011 appointments to the Finance Advisory Committee (aka the Finance Committee) and the Legislative Advisory Committee (aka the Legislative Committee).

BACKGROUND/DISCUSSION:

At the February board meeting each year, the FORA Chair presents his/her recommendations of board members to serve on FORA's Finance and Legislative Committees. These appointments are for one-year, and each committee will have a chair, a certain number of members and, sometimes, alternates. Chair Potter has recommended the following to serve through the February 2012 board meeting:

Finance Committee:

Members: Mayor Sue McCloud (Carmel) *(to serve as Chair)*
Councilmember Ian Oglesby (Seaside)
Hunter Harvath (MST)
Councilmember Bill Kampe (Pacific Grove)
Graham Bice (UC Santa Cruz)

Legislative Committee:

Members: Supervisor Dave Potter (Monterey County) *(to serve as Chair)*
Mayor Felix Bachofner (Seaside)
Mayor Jerry Edelen (Del Rey Oaks)
Mayor David Pendergrass (Sand City)
Mayor Pro-Tem Frank O'Connell (Marina)

Alternates: Supervisor Lou Calcagno (Monterey County)

FISCAL IMPACT: None

Reviewed by FORA Controller 

COORDINATION: FORA Chair and Executive Committee

Prepared by 
Daylene Alliman

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Governor's proposed elimination of redevelopment	
Meeting Date:	February 11, 2011	ACTION/INFORMATION
Agenda Number:	9a	

RECOMMENDATION:

- i. Approve Resolution No. 11-01 supporting preservation of FORA's Tax Increment funding (**ACTION**)
- ii. Request letters and/or resolutions of support from jurisdictions (**ACTION/INFORMATION**)

BACKGROUND/DISCUSSION:

In 1994, the State legislature created the Fort Ord Reuse Authority (FORA) to oversee the reuse of the former Fort Ord and to implement the recovery program that affected Monterey, Santa Cruz, and San Benito Counties. State Law also enabled FORA to use redevelopment financing to assist in the reuse/recovery programs, which are not complete as a consequence of recent economic conditions. Since FORA is established in Government Code as a State Corporation, the Governor's proposal does not impact the existence of FORA. However, eliminating redevelopment as a financing tool will significantly inhibit (\$1M per year) FORA's ability to complete its State mandated obligations.

The 1994 FORA enabling legislation anticipated FORA access to tax increment financing to support its statutory obligations (GC Sections 67650-67700). As a consequence of the significant economic downturn during the past five years, along with delays in federal and State agency approval of a draft basewide Habitat Conservation Plan ("HCP"), the reuse of the former Fort Ord is currently only 17 – 20% completed. Therefore, FORA's obligation to implement the 1997 Base Reuse Plan is still incomplete and requires every financing tool to effectuate. Specifically, FORA tax increment funding would pay for/contribute to: its obligation to make payments until 2014 of the leased/purchased wild land fire protection vehicles, roadway and transit obligations including current building of two major roadways with plans to complete a third by 2015/16, the basewide HCP endowment, which will be used to preserve and manage habitat lands on the base in order to allow incidental take of federal and State listed species to occur on development parcels, the regional water augmentation program, and contaminated building removal. Tax increment is an important resource in assuring FORA's ability to meet these California Environmental Quality Act mitigations associated with the 1997 Fort Ord Base Reuse Plan.

Attached are the following documents:

Attachment A - Draft FORA Resolution No. 11-01

Attachment B - Sample letter to support jurisdictions' opposition to the California Administration's proposal to abolish redevelopment agencies.

FISCAL IMPACT:

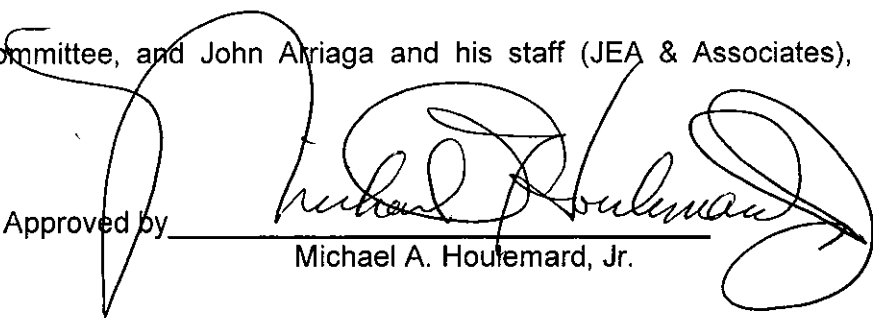
Reviewed by FORA Contoller 

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

COORDINATION:

Chair/Supervisor Potter, Executive Committee, and John Ariaga and his staff (JEA & Associates), FORA jurisdictions.

Prepared by 
Daylene Alliman

Approved by 
Michael A. Houlemard, Jr.

**FORT ORD REUSE AUTHORITY RESOLUTION NO. 11-01
IN OPPOSITION TO THE ADMINISTRATION'S PROPOSAL TO ABOLISH REDEVELOPMENT
AGENCIES IN CALIFORNIA**

WHEREAS, as part of his 2011-12 budget proposal, the Governor proposed to permanently abolish California's more than 400 local redevelopment agencies; and

WHEREAS, this proposal brings limited financial benefit to the State of California And according to the State Controller's Office, redevelopment agencies have more than \$87 billion in bond and other contractual obligations that legally must be repaid before revenues are available to any other purpose. In fact, according to the State Department of Finance's own budget documents, there will be zero State savings in out years from shutting down redevelopment; and

WHEREAS, this proposal not only results in immense detrimental impacts to local economic development throughout California, redevelopment activities support 304,000 jobs annually, including 170,600 construction jobs, contribute over \$40 billion annually to California's economy in the generation of goods and services, and generate more than \$2 billion in state and local taxes in a typical year; and

WHEREAS, eliminating redevelopment will take away one of the few tools local governments have to comply with state requirements to plan for more compact urban development supported by transit-oriented development, housing, jobs and infrastructure; and

WHEREAS, eliminating redevelopment defeats the creation of affordable housing in California. Redevelopment agencies are the second largest funder of affordable housing, behind only the federal government, responsible for over 98,000 units of affordable housing since 1993; and

WHEREAS, state law enabled the Fort Ord Reuse Authority ("FORA") to use redevelopment financing to assist in the reuse/recovery programs and eliminating redevelopment as a financing tool will significantly inhibit (\$1M per year) FORA's ability to complete its State mandated obligations; and

WHEREAS, eliminating access to the critical redevelopment financing tools further exacerbates the problems encountered by redevelopment authorities in recovering from the economic disparity experienced by local communities impacted by federal military base closures. Reuse Authorities are the single most effective way to build state recovery from the severe economic impacts of the past two decades currently fostering programs that will significantly increase jobs and housing.

THEREFORE, BE IT RESOLVED that the Fort Ord Reuse Authority formally opposes the Administration's proposal to abolish redevelopment in California.

THEREFORE, BE IT FURTHER RESOLVED, that the Fort Ord Reuse Authority Board authorizes its staff to communicate its opposition to this proposal to the Governor, the Legislature, business groups, and citizens.

PASSED AND ADOPTED this ____ day of _____, 2011 by the following vote:

**FORT ORD REUSE AUTHORITY RESOLUTION NO. 11-01
IN OPPOSITION TO THE ADMINISTRATION'S PROPOSAL TO ABOLISH REDEVELOPMENT
AGENCIES IN CALIFORNIA**

WHEREAS, as part of his 2011-12 budget proposal, the Governor proposed to permanently abolish California's more than 400 local redevelopment agencies; and

WHEREAS, this proposal brings limited financial benefit to the State of California and according to the State Controller's Office, redevelopment agencies have more than \$87 billion in bond and other contractual obligations that legally must be repaid before revenues are available to any other purpose. In fact, according to the State Department of Finance's own budget documents, there will be zero State savings in out years from shutting down redevelopment; and

WHEREAS, this proposal will likely result in immense detrimental impacts to local economic development throughout California, as redevelopment activities support 304,000 jobs annually, including 170,600 construction jobs, contribute over \$40 billion annually to California's economy in the generation of goods and services, and generate more than \$2 billion in state and local taxes in a typical year; and

WHEREAS, eliminating redevelopment will take away one of the few tools former military base local governments have to comply with state requirements to plan for more compact urban development supported by transit-oriented development, housing, jobs and infrastructure; and

WHEREAS, eliminating redevelopment removes an important tool for the creation of affordable housing in California. Redevelopment agencies are the second largest funder of affordable housing, behind only the federal government, responsible for over 98,000 units of affordable housing since 1993; and

WHEREAS, eliminating access to the critical redevelopment financing tools further exacerbates the problems encountered by redevelopment authorities in recovering from the economic disparity experienced by local communities impacted by federal military base closures. Reuse Authorities are the single most effective way to build state recovery from the severe economic impacts of the past two decades currently fostering programs that will significantly increase jobs and housing; and

WHEREAS, state law enabled the Fort Ord Reuse Authority ("FORA") to use redevelopment financing to assist in the reuse/recovery programs and eliminating redevelopment as a financing tool will significantly inhibit (\$1M per year) FORA's ability to complete its State mandated obligations.

THEREFORE, BE IT RESOLVED that the Fort Ord Reuse Authority formally opposes the Administration's proposal to abolish redevelopment on former military bases in California.

THEREFORE, BE IT FURTHER RESOLVED, that the Fort Ord Reuse Authority Board authorizes its staff to communicate its opposition to this proposal to the Governor, the Legislature, business groups, and citizens.

PASSED AND ADOPTED this 11th day of February 2011 by the following vote:

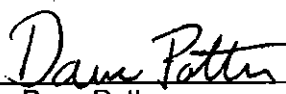
AYES – 13 Chair/Director Potter, Director O'Connell, Director, Edelen, Director McCloud, Director Brown, Director Cook, Director Parker, Director Kampe, Director Barrera, Director Selfridge, Director Pendergrass, Director Oglesby, Director Bachofner.

NOES: -0-

ABSTENTIONS: -0-

ABSENT: -0-

DATED 2-11-11

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



Attachment B
To Item 9a
FORA Board Meeting – February 11, 2011

Honorable Jerry Brown
Governor, State of California
California State Senators
California State Assembly Members
State Capitol
Sacramento, CA 95814

February 1, 2011

Dear Governor Brown and California State Legislators:

The Association of Defense Communities (ADC), the premier membership organization serving America's defense communities for three decades, presents the enclosed letter signed by a delegation of California jurisdictions with closed military bases. ADC provides a voice for communities and states with significant military presence on issues of base closure and realignment, defense real estate, infrastructure, mission growth and sustainment, community-military partnerships, military privatization and base redevelopment. ADC unites the diverse interests of communities, state governments, the private sector and the military. The association fully supports its California members in their effort to retain the economic development tools needed by redevelopment agencies to revitalize the state's more than two dozen closed military bases.

Sincerely,

John Armbrust
President, ADC

Michael Houlemard
Immediate Past President, ADC

Enclosure: Letter signed by California delegation of jurisdictions with closed military bases



Honorable Jerry Brown
Governor, State of California
California State Senators
California State Assembly Members
State Capitol
Sacramento, CA 95814

February 1, 2011

Dear Governor Brown and California State Legislators:

RE: Military Base Closure Communities' Reuse and Redevelopment Programs Are Key to California's Long-Term Budget Deficit Solution

Jurisdictions with closed military bases stand united with all redevelopment agencies throughout California in support of the continuation of redevelopment. As representatives of State of California jurisdictions with closed military bases that suffered the loss of 47,000 civilian jobs and 83,000 military personnel, we fully understand the serious financial realities and tough decisions faced by the State's massive budget deficit. We stand by the State in finding appropriate long-term solutions to the structural problems with the State's budget, and understand that hard choices will need to be made during these difficult economic times. As part of the State's long-term solution to its budget deficit, we urge you to support military base reuse's continued access to redevelopment financing and other appropriate mechanisms to generate significant new jobs, tax revenues and private sector investment.

We strongly believe, and studies have shown, that redevelopment of former military bases presents one of the greatest opportunities for a faster and more sustainable economic recovery for the State. Closed military bases are strategically located throughout the State in highly urbanized, land-constrained regions, and along key transportation routes. The properties offer extraordinary potential for new large-scale mixed-use communities, as well as dynamic logistic and employment centers, both of which can help California address environmental concerns regarding greenhouse gas emissions.

Moreover, many of the former military bases remain under government ownership, and therefore have not paid State or local taxes -- neither the State nor local governments currently receive the fiscal benefits that would accrue from the privatization and reuse of these lands. This has resulted in a dual economic impact to our communities and the State of both loss of jobs and productivity due to base closure and the economic recession. It should be an imperative of the State to move these base closure properties onto the tax rolls and create the thousands of jobs that accompany reuse.

A 2011 study indicated that reuse of the unconveyed portions of the 25 closed military bases in California:¹

- Will support **117,000 permanent jobs** and an annual average of **10,000 temporary construction jobs**;
- Will generate **\$21 billion in real estate value**, the majority of which comes from private investment;
- Will result in **\$276 million in tax revenue annually to the State**, which represents an average salary for over 4,900 new teachers;

¹ *Economic Impact Analysis of Delayed Military Base Reuse in California*, Economic & Planning Systems, January 2011

- Will create **\$152 million in annual tax revenue to local governments**, which represents the average salary of 2,000 new police officers;
- Will produce **23,000 housing units** within predominantly urban infill locations, including more than **6,600 below market rate units**;

The State and affected local governments will not realize any of these benefits unless closed military bases are permitted to access land secured financing, including tax increment financing. These former bases face infrastructure, transportation, and clean-up cost burdens at a scale unparalleled by most other development sites – without redevelopment financing these properties may never be able to leverage private investment and become productive parts of our communities. For example, the extensive public/private planning and development negotiations for the Hunters Point Shipyard in San Francisco, McClellan Air Force Base in Sacramento, Oakland Army Base, and Naval Training Center in San Diego all have shown that tax increment financing is critical to the feasibility of recovery programs that support major job growth, sustainable communities, and important affordable housing.

We are confident that with your leadership, California will solve its budget problems and that investment in closed military bases will help accelerate our economic recovery, produce new jobs and address important environmental and community issues. Thank you for your serious consideration of our request that the promise of reusing closed military bases throughout all regions of California be protected and allowed to become a reality through retaining key financing means in the California health and safety code.

Sincerely,

City of Alameda

Naval Air Station Alameda

City of Del Rey Oaks

Ford Ord Army Base

City of Marina

Ford Ord Army Base

City of Novato

Hamilton Army Air Field

Sacramento Housing & Redevelopment Agency

Mather Air Force Base, McClellan Air Force Base,
Sacramento Army Depot

City of San Diego

Naval Training Center

County of Merced

Castle Air Force Base

March Joint Powers Authority

March Air Reserve Base

Southern California Logistics Airport Authority

George Air Force Base

City of Concord

Concord Naval Weapons Station

City of Irvine

El Toro Marine Corp Air Station

City of Oakland

Oakland Army Base

City of Riverbank

Riverbank Army Ammunition Plant

City and County of San Francisco

Hunters Point Shipyard, Treasure Island Naval
Station

City of Victorville

George Air Force Base

Fort Ord Reuse Authority

Ford Ord Army Base

San Bernardino International Airport Authority

Norton Air Force Base

CC: California Redevelopment Association
League of California Cities

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Administrative Committee Report	
Meeting Date: February 11, 2011 Agenda Number: 9b	INFORMATION

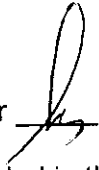
RECOMMENDATION:

Receive a report from the Administrative Committee.

BACKGROUND/DISCUSSION:

Joint Administrative Committee and Capital Improvement Program Committee meetings were held on January 19, and February 2, 2011. The approved minutes for the January 19 meeting are attached and the minutes for the February 2nd meeting will be presented at the Board meeting in March.

FISCAL IMPACT:

Reviewed by FORA Controller 

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

COORDINATION:

Administrative Committee

Prepared by 
Daylene Alliman

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY

100 12th Street, Building 2880

Marina, CA 93933

(831) 883-3672 (TEL) • (831) 883-3675 (FAX) • www.fora.org

MINUTES OF THE JOINT ADMINISTRATIVE / CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING Wednesday, January 19, 2011

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

Fort Ord Reuse Authority ("FORA") Executive Officer Michael A. Houlemard, Jr. called the meeting to order at 8:18 a.m. The following people, as indicated by signatures on the roll sheet, were present:

Nick Nichols, Monterey County
Rob Robinson, BRAC
Doug Yount, City of Marina
Tim O'Halloran, City of Seaside
Vicki Nakamura, MPC
Ian Gillis, Urban Community Partners
Don Bachman, TAMC
Jonathan Garcia, FORA
Steve Endsley, FORA
Bob Schaffer, MCP
Scott Hilk, MCP
Elizabeth Caraker, City of Monterey
Stan Cook, FORA

Diana Ingersoll, City of Seaside
Jim Arnold, FORA
Graham Bice, UCMBEST
John Marker, CSUMB
Jim Cook, Monterey County
Keith McCoy, Urban Community Partners
Bill Collins, BRAC
Debby Platt, City of Marina
Anya Spear, CSUMB
Patrick Breen, MCWD
Crissy Maras, FORA
Chuck Lande, Marina Heights
Michael Houlemard, FORA

2. Pledge of Allegiance – Chair Houlemard asked Keith McCoy, who agreed, to lead the pledge of allegiance.

3. Acknowledgements, Announcements, Correspondence – BRAC representative Rob Robinson distributed maps and introduced Bill Collins from BRAC Environmental. Mr. Collins explained that the map illustrated locations of wells being installed or removed in conjunction with the Army's large groundwater plume project currently in progress. Chair Houlemard asked for a map showing the location of the plume on the former Fort Ord. Mr. Collins agreed to present the map at the next Administrative Committee meeting and additionally noted BRAC Director Gail Youngblood's suggestion that an update be provided to the FORA Board at their March meeting.

4. Public Comment Period – none

5. Approval of January 5, 2011 Meeting Minutes

UCMBEST representative Graham Bice moved approval of the minutes, which was seconded by CSUMB representative John Marker, and unanimously approved.

6. Follow-up to the January 14, 2011 FORA Board Meeting

Chair Houlemard provided a follow-up to three items: 1) the Army map previously requested for presentation at the February 2 Administrative Committee to illustrate the location of the groundwater plume was requested by a Board member under the ESCA update; 2) the CIP workshop may be scheduled for January 26th or 28th and will likely take 2.5 hours to fully vet the issues. This item will be discussed further under the Administrative Committee agenda; and 3) the FORA Executive Committee is now in place and includes Chair Potter, 1st Vice Chair Edelen, 2nd Vice Chair O'Connell and Members at Large Pendergrass and Bachofner. The FORA Board

will confirm appointments to the FORA Legislative and Finance Committees at their February meeting.

7. New Business – none

8. Old Business

a. Land Use Covenants – update

i. Department of Toxic Substances Control – approval letter

ii. FORA request for July 1, 2009 – June 30, 2010 surveys

FORA Senior Planner Jonathan Garcia noted that DTSC approved the reports for the last period and additionally requested 30 day notice prior to storm water system installations for parcels with groundwater Land Use Covenants. Mr. Garcia requested the next round of reports, surveys and back-up material be submitted to FORA so that FORA could submit them to DTSC by the February 18, 2011 deadline. Chair Houlemard suggested using the model in place when completing the reports since DTSC has approved that format.

b. CIP Review and Draft Report – Update

i. Discussion/review of Consultant Report

The report in the packet, which combined the draft and final reports by EPS, was provided to the FORA Board at their January meeting. Two PowerPoint ("PPT") presentations were provided to the Board, one by FORA acting Assistant Executive Officer Steve Endsley providing an overview of the CIP and one by EPS Managing Principal David Zennder outlining the work performed by EPS and recommendations resulting from that work. Both PPTs will be sent to the Board, Administrative, and CIP Committees.

Chair Houlemard explained that the CIP workshop will provide a more detailed history of the CIP and the Community Facilities District fee, along with a description of the review process taken on during the last year by the Administrative and CIP committees. Chair Houlemard suggested that staff may use the questions posed at the Board meeting and the consultant's scope of work in a question and answer format for the workshop presentation. Mr. Houlemard asked committee members what they hoped to see the Board do after the workshop, i.e. taking action at their February or March meeting. Scott Hilk suggested that the workshop presentation be fleshed out with the Administrative Committee prior to going to the Board and that staff request direction from the Board at the end of the workshop.

Mr. Endsley suggested that based on Mr. Hilk's comment, staff could present the workshop at the February 2nd Administrative Committee meeting and conduct the workshop at the February 11th Board meeting rather than scheduling it separately. Mr. Houlemard agreed and suggested that the Board meeting begin earlier to accommodate what could be lengthy discussion on the topic. The staff report on the item could include a recommendation to provide direction to staff in February with a more formal action being taken in March, but allowing the Board the flexibility to take an action in February if necessary.

Mr. Hilk asked how the 2nd phase of the CIP review process would unfold and noted that Board members would likely be interested in that information as well. Mr. Houlemard stated that EPS could provide a description of the proposed process in the workshop.

City of Marina representative Doug Yount asked if information on which projects included in the CIP are mitigations resulting from the Base Reuse Plan ("BRP") Environmental Impact Report ("EIR") and which projects are not required by the BRP EIR could be included in the presentation. Mr. Houlemard agreed that this information would be included in the workshop presentation, which might entail re-distributing documents that were provided to the Board or resulting from the Board's action during policy decisions allocating specific revenue to certain CIP categories.

Mr. Yount asked if TAMC would still be providing a presentation on the transportation project timing analysis they had undertaken. TAMC representative Don Bachman noted that knowing the fee amount is crucial to the analysis since the cash flow for any given year affects which projects can be funded and which projects should be moved out in time. Mr. Bachman agreed to present two scenarios: one scheduling transportation projects by readiness and one scheduling transportation projects by cash flow, taking project readiness into account. Mr. Houlemard cautioned the group about strategically funding roadways and not funding other mitigations as per the Sierra Club settlement agreement.

Mr. Bice requested that a description of the risks of development moving forward at a lower fee amount and the risks of the fee amount not being lowered and development not moving forward be included in the presentation. Mr. Houlemard agreed to include this information in the workshop.

c. Draft Eastside Road Alignment Memorandum of Agreement

Chair Houlemard introduced this item, noting it was a multi-party agreement among FORA, CSUMB, MPC, Monterey County and the Monterey County Redevelopment Agency. Mr. Garcia added that FORA staff hoped to use the Administrative Committee to get to final document approval. The plan line and roadway sections are included as exhibits to the agreement. Mr. Houlemard asked for feedback as quickly as possible so that engineering design could begin this fiscal year.

9. Adjournment

Chair Houlemard adjourned the meeting at 9:15 AM.

Minutes prepared by Crissy Maras, Administrative Coordinator

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Finance Committee - report	
Meeting Date: February 11, 2011	INFORMATION
Agenda Number: 9c	

RECOMMENDATION(S):

Receive the February 3, 2011 Finance Committee ("FC") meeting report.

BACKGROUND/DISCUSSION:

The FC met on February 3, 2011 to discuss the FY 10-11 mid-year budget. The FC approved the form and general substance of the mid year report and recommends Board acceptance. FC minutes will be presented to FORA Board at its March 2011 meeting.


FISCAL IMPACT:

Reviewed by FORA Controller 

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

COORDINATION:

Finance Committee

Prepared by 
Marcela Fridrich

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Habitat Conservation Plan – status report

Meeting Date: February 11, 2011

Agenda Number: 9d

INFORMATION

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

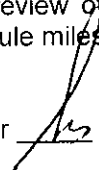
The Fort Ord Reuse Authority ("FORA"), with the support of its member jurisdictions and consultant team, is on a path to receive approval of a completed basewide HCP and 2081 permit in 2012, concluding with the US Fish and Wildlife Service ("USFWS") and California Department of Fish and Game ("CDFG") issuing crucial federal and state permits.

The FORA Board provided direction on the governance structure of the future HCP Joint Powers Authority Cooperative on May 14, 2010. ICF International (formerly Jones & Stokes), FORA's HCP consultant, completed a pre-public administrative draft HCP on December 4, 2009. FORA member jurisdictions completed a comment and review period, which ended February 26, 2010. At this time, USFWS has commented on all draft HCP sections except for the Funding and Alternatives sections, while CDFG has not submitted any comments.

The next critical milestones to completing the HCP are receiving all HCP comments from USFWS and CDFG, resolving any outstanding issues, and drafting the National Environmental Policy Act/California Environmental Quality Act ("NEPA/CEQA") documents. ICF International intends to schedule a working group meeting after all HCP comments are received from the regulatory agencies. FORA staff will be working on two outstanding issues: 1) Allowing Permittees to include the Monterey Ornate Shrew as a covered species and 2) Identifying and certifying an endowment holder that can guarantee an acceptable earnings rate for the HCP endowment.

On January 24, 2011, Chair/Supervisor Dave Potter, Executive Officer Michael A. Houlemard, Jr., Acting Assistant Executive Officer Steve Endsley, and Authority Counsel Jerry Bowden met with John Laird, the newly appointed Natural Resources Secretary, in Sacramento. During the meeting, FORA legislative representatives described the year-long delay in CDFG's review of the draft HCP and requested immediate feedback and a commitment to meeting HCP approval schedule milestones.


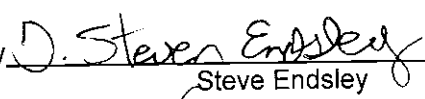
FISCAL IMPACT:

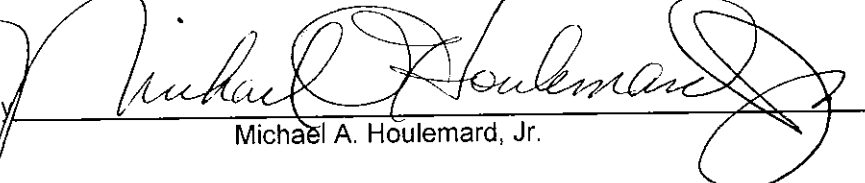
Reviewed by FORA Controller 

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

COORDINATION:

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

Prepared by  Jonathan Garcia Reviewed by  Steve Endsley

Approved by  Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Travel Report - 2011 State Legislative Mission to Sacramento (January 23-24)	
Meeting Date:	February 11, 2011	INFORMATION
Agenda Number:	9e	

RECOMMENDATION:

Receive an informational travel report from the Executive Officer regarding the legislative mission to Sacramento.

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, accordingly, and the travel information is reported to the Board as an informational item.

Legislative Mission Sacramento, California (January 23 & 24, 2011):

This trip was reported to the board at last month's meeting. Chair/Supervisor Potter, Authority Counsel Bowden and Acting Assistant Executive Officer/Director of Planning & Finance Steve Endsley accompanied Mr. Houlemard to Sacramento and met with the following regarding AB 1791 (or new), Veterans Cemetery, Department of Fish & Game:

January 23rd

5:30 p.m. Meeting with John Arriaga

January 24th

11:00 a.m. Meeting with Assembly Member Bill Monning

11:30 a.m. Meeting with Katie Kolitsos, Consultant

12:00 p.m. Meeting with EPS Consultant – David Zehnder

1:30 p.m. Meeting with Peter Detwiler, Staff Director Senate Local Government Committee

2:30 p.m. Meeting with Veteran's Affairs - California Department of Veterans Affairs

- Dave Gerard – Assistant Deputy Secretary for Capital Assets & Facilities Management
- Steve Jorgensen – Assistant Deputy Secretary for Veteran Cemeteries and Memorials
- Ted Puntillo – Deputy Secretary for Veteran Services
- Patty Ingram – Budget Officer

3:30pm Meeting with John Laird, Natural Resources Secretary

Expenses will be reimbursed according to the FORA travel policy.

FISCAL IMPACT:

Reviewed by FORA Controller 

Travel expenses for this item are included in the approved FY 10-11 budget.

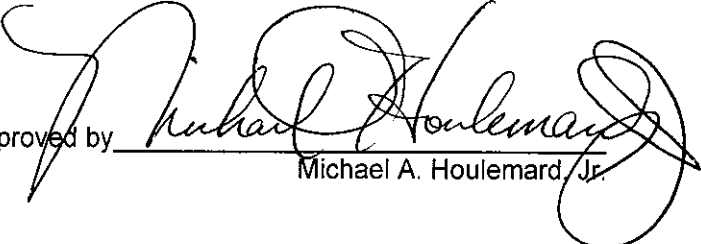
COORDINATION:

Chair/Supervisor Potter, Executive Committee, and John Arriaga and his staff (JEA & Associates)

Prepared by


Daylene Alliman

Approved by


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Outstanding Receivables	
Meeting Date:	February 11, 2011	INFORMATION/ACTION
Agenda Number:	9f	

RECOMMENDATIONS:

- I. Receive a Fort Ord Reuse Authority (FORA) outstanding receivables update as of January 31, 2011.
- II. Provide direction to staff regarding the City of Marina FY 08-09 tax increment underpayment and delinquent CFD fees.
- III. Authorize the FORA Executive Officer to execute tax increment payment agreement with the City of Seaside (Attachment A).

BACKGROUND/DISCUSSION:

FORA has several significant delinquent receivables. FORA Late Fee policy requires receivables older than 90 days to be reported to the Board.

	PLL Loan Payments		Lease Revenue	CFD Fees	Tax Increment	Interest Reimburs	Amount Outstanding
	FY 09-10	FY 10-11					
1 City of Del Rey Oaks	182,874	256,023					438,897
2 City of Marina				23,796	124,232		148,028
3 City of Seaside					358,830		358,830
4 Monterey County			10,000				10,000
Total outstanding receivables							945,755

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

- **PLL insurance annual payments:** In 2009, DRO cancelled its agreement with its project developer who previously made the PLL loan payments. The FORA Board approved a payment plan for DRO and the interim use of FORA funds to pay the premium until DRO finds a new developer (who will be required by the City to bring the PLL Insurance coverage current). DRO anticipates finding a suitable developer for its Fort Ord Property within the next few months. DRO agreed to make interest payments on the balance owed until the new developer is secured, and they are current.

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

- **CFD fee:** Marina approved development entitlements for the Neeson Road projects in 2004 and 2008 without collecting the CFD fee. Following the Board discussion of this item in September 2010, Marina sent letters to the three owners of Neeson property about the FORA fee. FORA staff were able to contact and invoice two owners, but not yet received payment. Resolution has not yet been achieved regarding the third owner and this item will be discussed in closed session.
- **Tax increment (TI):** In the fall of 2010, as directed by the FORA Board during the Capital Improvement Program review, FORA conducted an audit of TI revenue that FORA collects from the Cities of Seaside, Marina and Monterey County. The results indicated that FORA is owed property TI payments from Seaside and Marina. Both cities acknowledged the debt.

Payment status: In December 2010, Marina informed FORA that it was working to identify resources to make the payment in the near term. FORA invoiced Marina on January 18. Marina has not paid this obligation as of January 31, 2011.

- **Action: Staff seeks Board's direction regarding the tax increment receivable.**

3. **City of Seaside (Seaside):**

- **Tax increment:** Please see paragraph 2 above regarding Seaside tax increment underpayment.
This item was reviewed by the Board at its January 14 meeting. Seaside is requesting an 18 month payment plan and a decreased interest rate (1% per annum) on the unpaid balance. The Board directed staff to report back if the first payment is collected before considering Seaside's request.

Payment status: Seaside paid the first installment on time (by January 31, 2011). The next installment payment is due June 30, 2011.

- **Action: Staff recommends that the Board approve the TI payment agreement (Attachment A).**

4. **County of Monterey (County):**

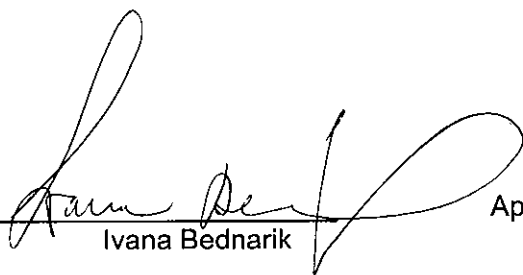
- **Lease revenue:** County collects lease revenue from the Ord Market and shares it 50/50 with FORA. County stopped sending their quarterly lease payments this fiscal year (last payment received June 2010). Staff contacted County staff several times regarding this receivable, but has not received a response.
- **Action: FORA staff is working with County staff to bring this item current and will make an oral report at the February meeting.**

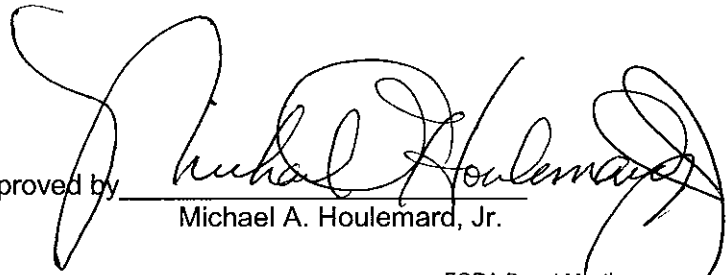
FISCAL IMPACT:

Negative. FORA expends its own resources until these receivables are collected.

COORDINATION:

Executive Committee

Prepared by 
Ivana Bednarik

Approved by 
Michael A. Houlemard, Jr.

**MEMORANDUM OF AGREEMENT
BY AND BETWEEN
THE FORT ORD REUSE AUTHORITY AND
THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE
FOR PAYMENT OF TAX INCREMENT PASS-THROUGH REVENUE**

THIS MEMORANDUM OF AGREEMENT ("MOA"), dated for reference as January 6, 2011, by and between the **Fort Ord Reuse Authority** ("FORA"), a corporation of the State of California created, operated and existing under the laws of the State of California and the **Redevelopment Agency of the City of Seaside**, (Agency), collectively referred to as "the Parties".

I. RECITALS

1.1 State Law entitles FORA to receive a percentage of the tax increment ("TI") revenue generated from redevelopment projects within the Agency's jurisdiction on the former Fort Ord. This revenue is collected by the County of Monterey ("County") and paid to the Agency, and is referred to herein as the "pass-through TI". The Agency pays the "pass-through TI" amounts to FORA.

1.2 As a part of FORA's Capital Improvement Program review, FORA conducted review of the TI revenue and retained an auditor who confirmed underpayment by the Agency.

1.3 Between 2003-04 and 2009-10, overpayments and underpayments were made by the Agency due to errors in the calculation of the pass-through TI. See attached Exhibit A showing the corrected calculations, amounts paid by the Agency, and the amount due. The balance due from the Agency to FORA is Three Hundred Fifty-eight Thousand Eight Hundred Thirty Dollars (\$358,830).

1.4 FORA seeks repayment in this fiscal year to meet its obligations and Agency agrees to repayment of the pass-through TI previously underpaid in four (4) installments as set forth below.

1.5 The Agency proposes a payment plan to retire this balance due as set forth in this MOA.

II. TERMS AND CONDITIONS

2.1 The Agency agrees to pay FORA the outstanding pass-through TI balance of \$358,830 in four installment payments.

2.2 Principal: The Parties agree to the following payment schedule:

First Installment: January 31, 2011	\$90,000.00
Second Installment: June 30, 2011	\$90,000.00
Third Installment: January 31, 2012	\$90,000.00
Final Installment: June 30, 2012	<u>\$88,830.00</u>
Total	\$358,830.00

2.3 Interest: The outstanding principal balance shall bear simple interest at the rate of one percent (1%) per annum from February 1, 2011 until full repayment of the principal.

III. GENERAL TERMS

3.1 Further Actions: Each of the parties agree to execute and deliver to the other such documents and instruments, and to take such actions, as may reasonably be required to give effect to the terms and conditions of this Agreement.

3.2 Modification: This Agreement is not subject to amendment or modification except in writing and signed both the parties hereto.

3.3 Assignment: Neither party may assign all or portions of its rights and obligations under this Agreement without prior written approval from the other party. Any party shall not unreasonably withhold approval of an assignment.

3.4 Interpretation: This Agreement has been negotiated by and between representatives of each party hereto and their staffs, all persons knowledgeable in the subject matter of this Agreement, which was then reviewed by the respective legal counsel of each party. The provisions of this Agreement shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Agreement.

3.5 Attorney's Fees: If any controversy, claim or dispute arises relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorney's fees and costs. Monterey County will be the venue for hearing any disputes.

3.6 Notice and Correspondence: Any notice required to be given to any party shall be in writing and deemed given if personally delivered upon the other party or deposited in the United States mail, and sent certified mail, return receipt requested, postage prepaid and addressed to the other party at the address set forth below or sent via facsimile transmission during normal business hours to the party to which notice is given at the telephone number listed for fax transmission.

Redevelopment Agency of the City of Seaside:
Ray Corpuz, Executive Director
Redevelopment Agency of the City Seaside
440 Harcourt Avenue
Seaside, CA 93955
Telephone: (831) 899-6701
Facsimile: (831) 899-6227

Ft. Ord Reuse Authority:
Michael Houlemard, Executive Officer
Fort Ord Reuse Authority
100 12th St., Building 2880
Marina, California 93933
Telephone: (831) 883-3672
Facsimile: (831) 883-3675

3.7. Areas of Non-Responsibility: Neither party shall be liable for commitments made to a third party by the other party which are:

- a. contrary to this Agreement or
- b. not specifically included within the obligations of the parties hereto.

Each party shall defend, indemnify and hold the other harmless for any claims, costs, damages or other liability arising from such statements, representations or commitments.

3.8 No Third Party Rights: This Agreement shall not create any benefits or rights in third parties.

IN WITNESS WHEREOF, FORA, and the Agency, by their duly authorized representatives, have executed this Agreement as of the date first written above.

FORT ORD REUSE AUTHORITY

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

As to form: _____
Gerald D. Bowden

REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

By: _____
Ray Corpuz, Executive Director

As to form: _____
Don Freeman

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Bureau of Land Management ("BLM") - presentation

Meeting Date: February 11, 2011

Agenda Number: 9g

INFORMATION

RECOMMENDATION(S):

Receive a presentation regarding National Landscape Conservation System designation for the former Fort Ord and how it enhances FORA's Habitat Conservation Plan ("HCP") and State of California 2081 Incidental Take Permit ("2081 permit") preparation process.

BACKGROUND:

FORA is on a path to receive approval of a completed base-wide HCP and 2081 permit in 2012, with the US Fish and Wildlife Service ("USFWS") and California Department of Fish and Game ("CDFG") issuing federal and state permits crucial to completion of the Base Reuse Plan. To this end, Chair/Supervisor Dave Potter, Executive Officer Michael A. Houlemard, Jr., Director of Planning and Finance Steve Endsley, and Authority Counsel Jerry Bowden met in Sacramento with California Resources Secretary John Laird on January 24 to discuss outstanding issues (see separate Board report). One issue that has been discussed but not yet resolved is whether federal designation of the former Fort Ord lands in some manner might prove helpful to both BLM and FORA efforts to implement and receive budgetary support for the HCP when it is put into effect. To this end, FORA and BLM staff have held preliminary conversations.

DISCUSSION:

The FORA Legislative Work Plan includes an item supporting continued and enhanced efforts to seek federal National Landscape Conservation System ("NLCS") designation for the former Fort Ord Bureau of Land Management Natural Resource Management Area. Such designation is thought to be helpful in targeting budgetary resources from the federal government appropriate to the property's unique ecological and recreational resources. The NLCS has four categories of federally designated areas; 1) National Monuments, National Conservation Areas, and similar designations; 2) Wilderness; 3) Wild and Scenic Rivers; and 4) National Trails. A detailed listing of these potential designations are outlined in "**Attachment A**" to this report. A brief presentation will be made about the efficacy of selecting such a designation for the former Fort Ord.

FISCAL IMPACT:

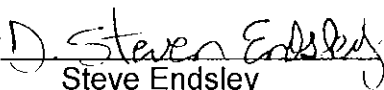
Reviewed by FORA Controller 

Savings unknown but the designation is expected to ease budgetary pressures on BLM and FORA, incident to HCP implementation.

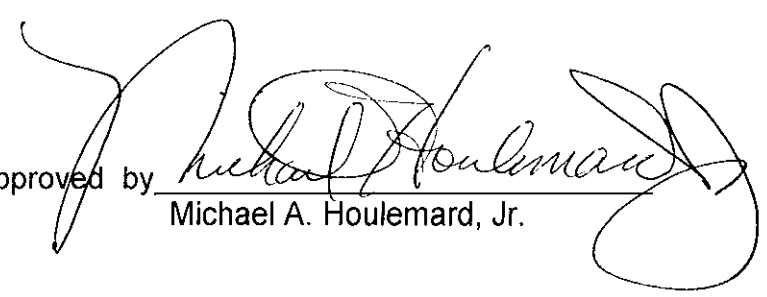
COORDINATION:

BLM, Executive Committee, Administrative Committee, Legislative Committee, HCP working group, USFWS and CDFG personnel, Jones & Stokes, DD&A,

Prepared by


Steve Endsley

Approved by


Michael A. Houlemard, Jr.

DEFINITIONS AND EXAMPLES OF RELEVANT DESIGNATIONS

National Conservation Area (NCA):

These are areas of public land primarily designated for the conservation, protection, restoration, enhancement, and management of the area's resources for the use, benefit, and enjoyment of present and future generations. Areas with this designation hold special natural, recreational, cultural, wildlife, aquatic, archeological, paleontological, historical, educational, and/or scientific values. Nearly all NCA's are managed by BLM.

Examples:

California Desert Conservation Area (CDCA)

The CDCA was designated by Congress in 1976 through the Federal Land Policy and Management Act. The 9,500,000-acres area features vast desert areas with myriad wildlife and recreational opportunities. (note: there is still debate as to whether the CDCA is actually an NCA because it both lacks the word "National" in its title and because of the size, scope and complexity of the area.

King Range National Conservation Area The King Range NCA is the first NCA and designated by Congress in 1970. The 60,000-acre area has 35 miles of remote coastline known as California's Lost Coast. The mountains are a mix of Douglas-fir forest, chaparral and grassland, providing habitat for blacktailed deer, elk, black bear and nearly 300 species of native and migratory birds.

Designation: Act of Congress

Cooperative Management and Protection Areas:

The Cooperative Management and Protection Area (CMPA) is a customized conservation designation for the Steens Mountains to accommodate the local concerns. Although not significantly different than the National Conservation Area, it was uniquely established by Congress to conserve, protect and manage the long-term ecological integrity of special landscapes for future and present generations. This designation seeks to maintain and enhance cooperative and innovative management projects, programs and agreements between tribal, public and private interests. The BLM manages the only CMPA in the nation.

Example: Steens Mountain

Designated by Congress in 2000, this area consists of 425,000 acres in southeastern Oregon including volcanic uplifts, deep glacially carved gorges, stunning scenery, wilderness, wild rivers, and a rich diversity of plant and animal species.

Designation: Act of Congress

National Heritage Areas:

Congress has established 37 National Heritage Areas (NHAs) to commemorate, conserve, and promote areas that include important natural, scenic, historic, cultural, and recreational resources. NHAs are partnerships among the National Park Service (NPS), states, and local communities, where the NPS administers and supports state and local conservation through federal recognition, seed money, and technical assistance.

Examples: Yuma Crossing National Heritage Area, Arizona, none in CA

Restrictions: NHAs are not part of the National Park System, where lands are federally owned and managed. Rather, lands within heritage areas typically remain in state, local, or private ownership or a combination thereof. Heritage areas have been supported as protecting lands and traditions and promoting tourism and community revitalization.

Benefits: NHAs might receive funding from a wide variety of sources, and Congress and the NPS do not ordinarily expect to provide NHAs with permanent federal funding. Congress typically determines federal funding for NHAs in annual Interior appropriations laws. NHAs can use federal funds for many purposes, including staffing, planning, and projects.

Designation: Act of Congress

National Historical Park: This designation generally applies to historic parks that extend beyond single properties or buildings.

Designation: Act of Congress

National Historic Site: Usually, a national historic site contains a single historical feature that was directly associated with its subject. Derived from the Historic Sites Act of 1935, a number of historic sites were established by secretaries of the Interior, but most have been authorized by acts of Congress.

Designation: Act of Congress or Secretary of Interior

National Historic Landmark:

The Historic Sites Act of 1935 authorizes the Secretary of the Interior to designate National Historic Landmarks as the Federal Government's Official recognition of the national significance of historic properties. These landmarks possess exceptional value or quality in illustrating or interpreting the heritage of the United States in history, architecture, archeology, technology, and culture. They also possess a high degree of integrity of location, design, setting, materials, workmanship, feeling, and association. National Historic Landmarks are managed by IA, Reclamation, FWS, BLM, and NPS.

Designation: Act of Congress or Secretary of the Interior

National Memorial: A national memorial is commemorative of a historic person or episode; it need not occupy a site historically connected with its subject.

National Monuments

The Bureau of Land Management administers fifteen national monuments in eight western states. Congress granted the President authority to designate national monuments in the Antiquities Act of 1906, which specifies that the law's purpose is to protect "objects of historic or scientific interest." In addition to presidentially-created national monuments, Congress has established national monuments by passing laws to create individual monuments with their own purpose (generally to protect natural or historic features). Since 1906, the President or Congress have created more than 100 national monuments that are currently managed by the National Park Service, National Oceanic and Atmospheric Administration, Forest Service, Fish and Wildlife Service, or BLM.

Example: California Coastal National Monument (by Presidential Proclamation)

The California Coastal National Monument is a biological treasure. Its thousands of islands, rocks, exposed reefs, and pinnacles are part of the nearshore ocean zone, which begins just off shore and ends at the boundary between the continental shelf and continental slope. Presidential Proclamation established the monument in January of 2000. The monument provides feeding and nesting habitat for an estimated 200,000 breeding seabirds as well as forage and breeding habitat for marine mammals including the southern sea otters and California sea lions.

Designation: Act of Congress or by Presidential Proclamation

National Natural Landmarks: National Natural Landmarks are designated by the Secretary of the Interior. To qualify as a national natural landmark, the area must be an outstanding representative example(s) of the Nation's natural heritage, including terrestrial communities, aquatic communities, landforms, geological features, habitats of native plant and animal species, or fossil evidence of the development of life on earth and must be located within the boundaries of the United States or on the Continental Shelf. National Natural Landmarks are managed by Reclamation, FWS, NPS, and BLM.

Designation: Secretary of the Interior

National Park: These are generally large natural places having a wide variety of attributes, at times including significant historic assets. These areas are only administered by the National Park Service. Hunting, mining and consumptive activities are not authorized.

Designation: Act of Congress

National Preserve: National preserves are areas having characteristics associated with national parks, but in which Congress has permitted continued public hunting, trapping, oil/gas exploration and extraction. Many existing national preserves, without sport hunting, would qualify for national park designation.

Designation: Act of Congress

National Recreation Areas

Congress established the National Recreation Area (NRA) designation to protect important recreation, scenic, scientific, and natural values. Recreation activities center on water and land-based activities associated with the natural environment. The Forest Service administers the majority of NRAs. The White Mountains NRA in Alaska is BLM's first and only National Recreation Area. It was established by Congress in 1980. There are no BLM NRA's in California.

Example: White Mountains National Recreation Area

The Bureau of Land Management administers the White Mountains National Recreation Area to provide for multiple use of public lands. The area encompasses approximately one million acres and was established in 1980 through the Alaska National Interest Lands Conservation Act. It provides recreation opportunities for hiking, camping, river float trips, winter snowmobiling, dog mushing, and cross-country skiing along scenic trails to remote cabins.

Restrictions: Unlike Wilderness areas, there is no one law guiding management of these areas; each one is unique. Also unlike Wilderness, motorized equipment and other management actions are allowed, the primary management objectives of these areas is for recreation.

Designation: Act of Congress

National Scenic Area:

These areas of public land are designated to provide for the conservation and protection of certain scenic, recreational, and/or pastoral values and to provide for the enhancement of those values.

Example: Santa Rosa Mountains National Scenic Area

Designation: Act of Congress or Secretarial of Interior

National Scenic and Historic Trails

The Bureau of Land Management is one of several agencies responsible for management of National Historic or Scenic Trails. In 1968, Congress established the National Trails System and designated the first national trails. National Historic Trails are extended trails that closely follow a historic trail or route of travel of national significance. Designation identifies and protects historic routes, historic remnants, and artifacts for public use and enjoyment. The Bureau of Land Management is responsible for over 4,500 miles of 10 National Historic Trails. National Recreation Trails are a separate and unique designation made by the Secretary of Interior.

National Scenic Trails are extended trails that provide maximum outdoor recreation potential and for the conservation and enjoyment of the various qualities – scenic, historical, natural, and cultural – of the areas they pass through. The Bureau of Land Management is responsible for over 600 miles of the Continental Divide, Pacific Crest and Potomac Heritage National Scenic Trails.

Examples:

Pacific Crest National Scenic Trail

Designated for its scenic significance, Pacific Crest National Scenic Trail spans California desert valleys to Northwestern rain forests, offering hikers and equestrians a wide variety of climate and terrain. It crosses California, Oregon, and Washington, with starting points in Canada and Mexico. The Pacific Crest has the greatest elevation change of any of the National Scenic Trails, from near sea level to the crest of the Sierra and Cascade mountain ranges.

California National Historic Trail

The California National Historic Trail was a mid-19th century highway for human movement to lures of gold and farmland in California. Numerous routes emerged in attempts to create the best available course. These fostered commerce and encouraged the development of transportation and communication networks. There were many changes in cultures of Native Americans along the way as hundreds of thousands of people and animals used the trail. Designated in 1992, this trail commemorates that which brought the country closer together and today offers auto touring, educational programs and visitor centers to present-day gold seekers and explorers.

Designation: Act of Congress

Outstanding Natural Area:

The Outstanding Natural Area (ONA) designation was established by Congress primarily to protect unique scenic, scientific, educational, and recreational values. Recreation activities center on those that foster education and interpretation of the Outstanding Natural Area's unique resources. The BLM's first Outstanding Natural Area, the Yaquina Head ONA, was established by Congress in 1980 along the Oregon coast. In 2008, Congress designated the BLM's Piedras Blancas and the Jupiter Inlet light-stations and surrounding lands as ONAs.

Example: Yaquina Head

The centerpiece of this 100-acre area is the historic Yaquina Head Lighthouse, Oregon's second-oldest continuously operating lighthouse, though this coastal headland is also a popular place for bird watching, whale watching, and tidepool viewing.

Designation: Act of Congress (Note: until recently the ONA designation was made through the BLM's land use planning process. However, in the late 1980's they were incorporated in Areas of Critical Environmental Concern. Now, all three BLM managed ONAs are Congressionally designated)

Wilderness Areas

The wilderness designation designed to provide long-term protection and conservation of Federal public lands. Wilderness is defined by the Wilderness Act of 1964 as "an area where the earth and its community of life are untrammelled by man, where man himself is a visitor who does not remain...Federal land retaining its primeval character and influence, without permanent improvements or human habitation, which is protected and managed so as

to preserve its natural conditions and which (1) generally appears to have been affected primarily by the forces of nature, with the imprint of man's work substantially unnoticeable; (2) has outstanding opportunities for solitude or a primitive and unconfined type of recreation; (3) has at least five thousand acres of land or is of sufficient size as to make practicable its preservation and use in an unimpaired condition; and (4) may also contain ecological, geological, or other features of scientific, educational, scenic, or historical value." The Wilderness Act asserted the exclusive power of the Congress to designate Wilderness. Congress can also un-designate a Wilderness Area or change the boundaries of a Wilderness Area. Wilderness areas are managed by the National Park Service, Forest Service, BLM and US Fish and Wildlife Service.

Designation: Act of Congress

Wilderness Study Areas

The Bureau of Land Management manages more than 600 Wilderness Study Areas (WSAs) containing nearly 14.1 million acres located in the Western States and Alaska. The Federal Land Policy and Management Act of 1976 directed the Bureau to inventory and study its roadless areas for wilderness characteristics. To be designated as a Wilderness Study Area, an area had to have the following characteristics:

- Size - roadless areas of at least 5,000 acres of public lands or of a manageable size;
- Naturalness - generally appears to have been affected primarily by the forces of nature;
- Opportunities - provides outstanding opportunities for solitude or primitive and unconfined types of recreation.

In addition, Wilderness Study Areas often have special qualities such as ecological, geological, educational, historical, scientific and scenic values.

The congressionally directed inventory and study of BLM's roadless areas received extensive public input and participation. By November 1980, the BLM had completed field inventories and designated about 25 million acres of WSAs. Since 1980, Congress has reviewed some of these areas and has designated some as wilderness and released others for non-wilderness uses. Until Congress makes a final determination on a WSA, the BLM manages these areas to preserve their suitability for designation as wilderness.

Designation: Administrative decision by BLM through the Federal Land Management and Policy Act that requires an Act of Congress to release. However there are some exceptions to the Congressional release provision.

Many of the designations listed above that are managed by BLM are included in the National Landscape Conservation System. There are no specific prescriptions for how land within the NLCS is to be managed, but the overall goal is conserve, protect and restore the designated areas.

Legislation likely to be passed by the Senate this year would give statutory authority to the existing administratively created NLCS, which incorporates some of the most prized BLM lands into a cohesive system in order to provide for a higher level of management. Though wilderness areas and national conservation areas are included in the NLCS now, and the BLM has treated the California Desert Conservation Area (including the Alabama Hills (incorrect: this is not in the CDCA) as a part of the system since 2000, it does not necessarily guarantee higher level protection or funding. Consequently, it would not restrict uses, but provides no guarantees for additional resources. Because the current proposal would not include the Alabama Hills, inclusion would require that legislation specifically name it part of the NLCS.

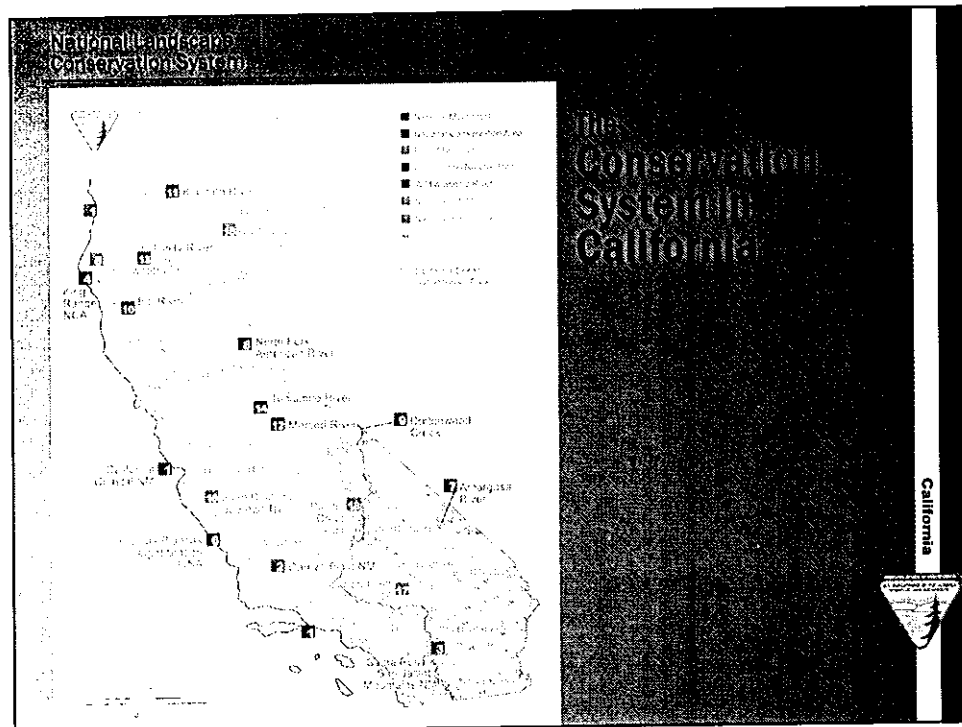
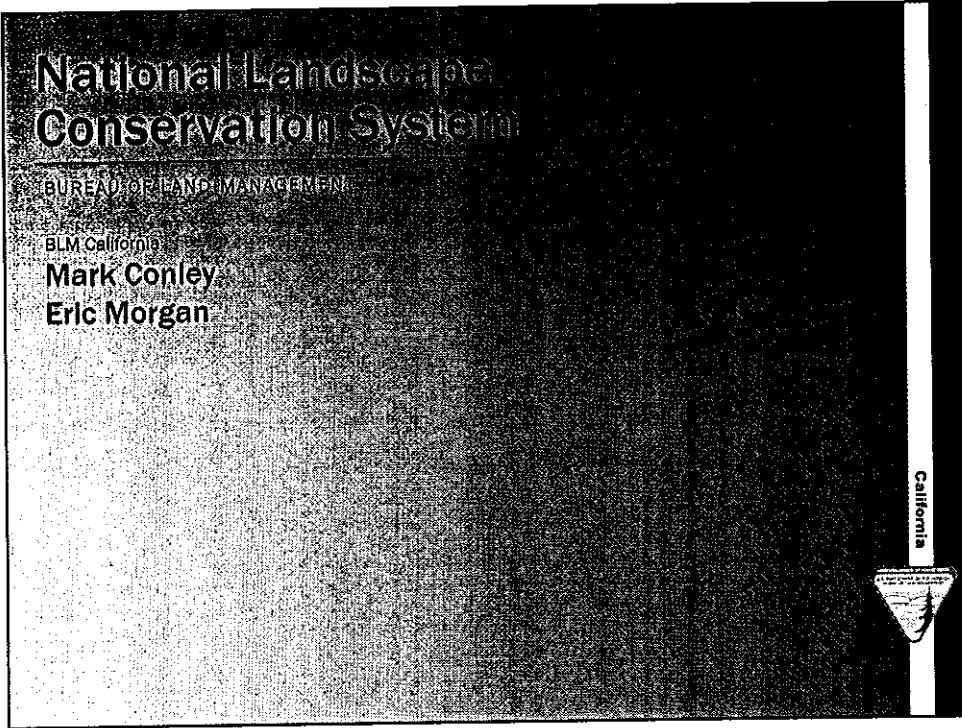
BUREAU OF LAND MANAGEMENT

National Landscape Conservation Service Designated Unit:

The Bureau of Land Management's National Landscape Conservation System (NLCS) contains some of the West's most spectacular landscapes. It includes over 850 federally recognized areas and approximately 27 million acres.

The NLCS has four categories of federally designated areas:



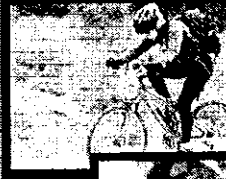

1. **National Monuments, National Conservation Area (NCAs) and similar designations**
'Similar designations' includes National Recreation Areas, Cooperative Management and Protection Areas, Outstanding Natural Areas, and Forest Reserves
2. **Wilderness**
This category includes Designated Wilderness and Wilderness Study Areas
3. **Wild and Scenic Rivers**
4. **National Trails**
This category includes National Historic Trails and National Scenic Trails




National Landscape Conservation System

Fort Ord Public Lands

- Outstanding Natural Area
- National Conservation Area
- National Scenic Area
- National Recreation Area




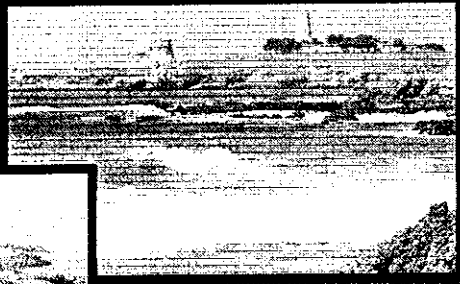
California




National Landscape Conservation System

Outstanding Natural Area

- Piedras Blancas Light Station
- Outstanding Natural Area,
- California



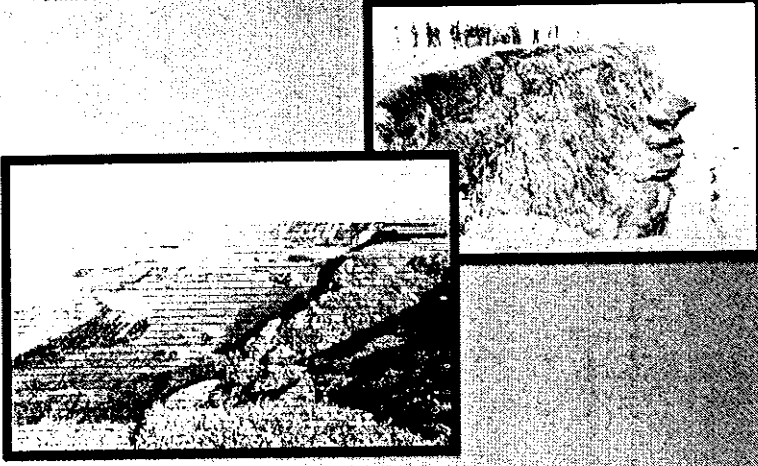
California




National Landscape Conservation System

Outstanding Natural Area

Stornetta
Proposed Outstanding Natural Area
California



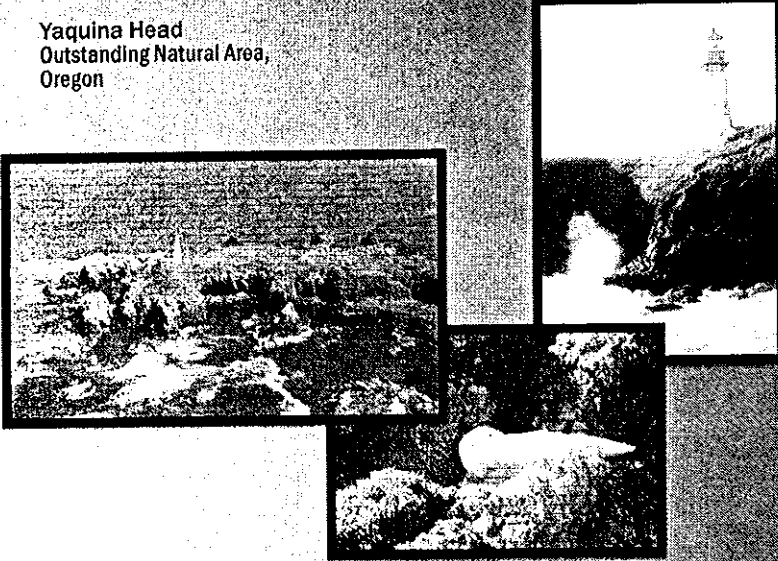
California




National Landscape Conservation System

Outstanding Natural Area

Yaquina Head
Outstanding Natural Area
Oregon



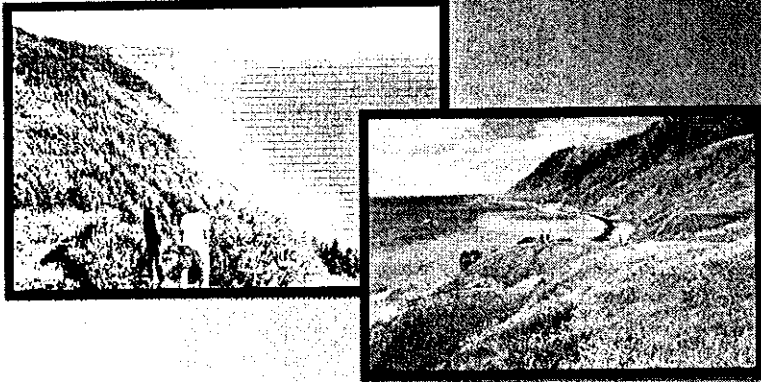
California




National Landscape Conservation System

National Conservation Area

King Range
National Conservation Area,
California




California




National Landscape Conservation System

National Conservation Area

Gunnison Gorge
National Conservation Area,
Colorado



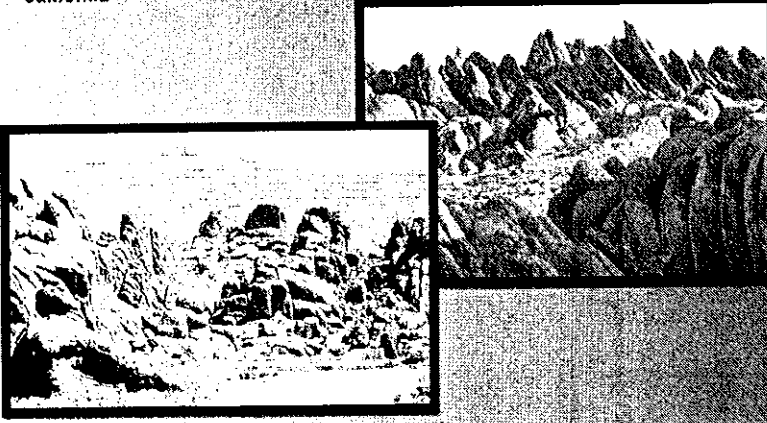
California




National Landscape Conservation System

National Scenic Area

Alabama Hills
Proposed National Scenic Area,
California




California




National Landscape Conservation System

National Scenic Area

Columbia River Gorge
National Scenic Area,
Oregon




California




National Landscape Conservation System

National Recreation Area

Shasta-Trinity
National Recreation Area,
California




California




National Landscape Conservation System

National Recreation Area

Sacramento River
Proposed National Recreation Area,
California



California



January 11, 2000

ESTABLISHMENT OF THE CALIFORNIA COASTAL NATIONAL MONUMENT

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

The islands, rocks, and pinnacles of the California Coastal National Monument overwhelm the viewer, as white-capped waves crash into the vertical cliffs or deeply crevassed surge channels and frothy water empties back into the ocean. Amidst that beauty lies irreplaceable scientific values vital to protecting the fragile ecosystems of the California coastline. At land's end, the islands, rocks, exposed reefs, and pinnacles off the coast above mean high tide provide havens for significant populations of sea mammals and birds. They are part of a narrow and important flight lane in the Pacific Flyway, providing essential habitat for feeding, perching, nesting, and shelter.

The California Coastal National Monument is a biological treasure. The thousands of islands, rocks, exposed reefs, and pinnacles are part of the nearshore ocean zone that begins just off shore and ends at the boundary between the continental shelf and continental slope. Waters of this zone are rich in nutrients from upwelling currents and freshwater inflows, supporting a rich array of habitats and organisms. Productive oceanographic factors, such as major ocean currents, stimulate critical biological productivity and diversity in both nearshore and offshore ocean waters.

The monument contains many geologic formations that provide unique habitat for biota. Wave action exerts a strong influence on habitat distribution within the monument. Beaches occur where wave action is light, boulder fields occur in areas of greater wave activity, and rocky outcroppings occur where wave action is greatest. The pounding surf within boulder fields and rocky shores often creates small, but important, habitats known as tidepools, which support creatures uniquely adapted for survival under such extreme physical conditions. Although shoreline habitats may appear distinct from those off shore, they are dependent upon each other, with vital and dynamic exchange of nutrients and organisms being essential to maintaining their healthy ecosystems. As part of California's nearshore ocean zone, the monument is rich in biodiversity and holds many species of scientific interest that can be particularly sensitive to disturbance.

The monument's vegetative character varies greatly. Larger rocks and islands contain diverse growth. *Dudleya*, *Atriplex-Baeria-Rumex*, mixed grass-herb, *Polypodium*, *Distichlis*, ice plant, *Synthyris-Poppy*, *Eymus*, *Poa-Baeria*, chapparal, and wetlands vegetation are all present. Larger rocks and islands contain a diverse blend of the vegetation types.

The monument provides feeding and nesting habitat for an estimated 200,000 breeding seabirds. Development on the mainland has forced seabirds that once fed and nested in the shoreline ecosystem to retreat to the areas protected by the monument. Pelagic seabird species inhabit salt or brackish water environments for at least part of their annual cycle and breed on offshore islands and rocks. Gulls, the endangered California least tern, the threatened brown pelican, and the snowy plover, among countless others, all feed on the vegetation and establish their nests in the monument. Both bald eagles and peregrine falcons are found within the monument.

The monument also provides forage and breeding habitat for several mammal species. Pinnipeds are abundant, including the threatened southern sea otter and the Guadalupe fur seal. The monument contains important shelter for male California sea lions in the winter and breeding rookeries for threatened northern (Steller) sea lions in the spring.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431) authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

WHEREAS it appears that it would be in the public interest to reserve such lands as a national monument to be known as the California Coastal National Monument:

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, by the authority vested in me by section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the California Coastal National Monument, for the purpose of protecting the objects identified above, all unappropriated or unreserved lands and interests in lands owned or controlled by the United States in the form of islands, rocks, exposed reefs, and pinnacles above mean high tide within 12 nautical miles of the shoreline of the State of California. The Federal land and interests in land reserved are encompassed in the entire 840 mile Pacific coastline, which is the smallest area compatible with the proper care and management of the objects to be protected.

The establishment of this monument is subject to valid existing rights.

All Federal lands and interests in lands within the boundaries of this monument are hereby appropriated and withdrawn from all forms of entry, location, selection, sale, leasing, or other disposition under the public land laws, including but not limited to withdrawal from location, entry, and patent under the mining laws, and from disposition under all laws relating to mineral and geothermal leasing, other than by exchange that furthers the protective purposes of the monument. Lands

and interests in lands within the proposed monument not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

The Secretary of the Interior shall manage the monument through the Bureau of Land Management, pursuant to applicable legal authorities, to implement the purposes of this proclamation.

Nothing in this proclamation shall be deemed to revoke any existing withdrawal, reservation, or appropriation; however, the national monument shall be the dominant reservation.

Nothing in this proclamation shall enlarge or diminish the jurisdiction or authority of the State of California or the United States over submerged or other lands within the territorial waters off the coast of California.

Nothing in this proclamation shall affect the rights or obligations of any State or Federal oil or gas lessee within the territorial waters off the California coast.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy, or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this eleventh day of January, in the year of our Lord two thousand, and of the Independence of the United States of America the two hundred and twenty-fourth.

/s/ WILLIAM J. CLINTON

S.2739 Consolidated Natural Resources Act of 2008

TITLE II--BUREAU OF LAND MANAGEMENT AUTHORIZATIONS

SEC. 201. PIEDRAS BLANCAS HISTORIC LIGHT STATION.

(a) Definitions- In this section:

- (1) **LIGHT STATION-** The term 'Light Station' means Piedras Blancas Light Station.
- (2) **OUTSTANDING NATURAL AREA-** The term 'Outstanding Natural Area' means the Piedras Blancas Historic Light Station Outstanding Natural Area established pursuant to subsection (c).
- (3) **PUBLIC LANDS-** The term 'public lands' has the meaning stated in section 103(e) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1703(e)).
- (4) **SECRETARY-** The term 'Secretary' means the Secretary of the Interior.

(b) Findings- Congress finds as follows:

- (1) The publicly owned Piedras Blancas Light Station has nationally recognized historical structures that should be preserved for present and future generations.
- (2) The coastline adjacent to the Light Station is internationally recognized as having significant wildlife and marine habitat that provides critical information to research institutions throughout the world.
- (3) The Light Station tells an important story about California's coastal prehistory and history in the context of the surrounding region and communities.
- (4) The coastal area surrounding the Light Station was traditionally used by Indian people, including the Chumash and Salinan Indian tribes.
- (5) The Light Station is historically associated with the nearby world-famous Hearst Castle (Hearst San Simeon State Historical Monument), now administered by the State of California.
- (6) The Light Station represents a model partnership where future management can be successfully accomplished among the Federal Government, the State of California, San Luis Obispo County, local communities, and private groups.
- (7) Piedras Blancas Historic Light Station Outstanding Natural Area would make a significant addition to the National Landscape Conservation System administered by the Department of the Interior's Bureau of Land Management.
- (8) Statutory protection is needed for the Light Station and its surrounding Federal lands to ensure that it remains a part of our historic, cultural, and natural heritage and to be a source of inspiration for the people of the United States.

(c) Designation of the Piedras Blancas Historic Light Station Outstanding Natural Area-

(1) IN GENERAL- In order to protect, conserve, and enhance for the benefit and enjoyment of present and future generations the unique and nationally important historical, natural, cultural, scientific, educational, scenic, and recreational values of certain lands in and around the Piedras Blancas Light Station, in San Luis Obispo County, California, while allowing certain recreational and research activities to continue, there is established, subject to valid existing rights, the Piedras Blancas Historic Light Station Outstanding Natural Area.

(2) MAPS AND LEGAL DESCRIPTIONS- The boundaries of the Outstanding Natural Area as those shown on the map entitled 'Piedras Blancas Historic Light Station: Outstanding Natural Area', dated May 5, 2004, which shall be on file and available for public inspection in the Office of the Director, Bureau of Land Management, United States Department of the Interior, and the State office of the Bureau of Land Management in the State of California.

(3) BASIS OF MANAGEMENT- The Secretary shall manage the Outstanding Natural Area as part of the National Landscape Conservation System to protect the resources of the area, and shall allow only those uses that further the purposes for the establishment of the Outstanding Natural Area, the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), and other applicable laws.

(4) WITHDRAWAL- Subject to valid existing rights, and in accordance with the existing withdrawal as set forth in Public Land Order 7501 (Oct. 12, 2001, Vol. 66, No. 198, Federal Register 52149), the Federal lands and interests in lands included within the Outstanding Natural Area are hereby withdrawn from--

- (A) all forms of entry, appropriation, or disposal under the public land laws;
- (B) location, entry, and patent under the public land mining laws; and
- (C) operation of the mineral leasing and geothermal leasing laws and the mineral materials laws.

(d) Management of the Piedras Blancas Historic Light Station Outstanding Natural Area-

(1) IN GENERAL- The Secretary shall manage the Outstanding Natural Area in a manner that conserves, protects, and enhances the unique and nationally important historical, natural, cultural, scientific, educational, scenic, and recreational values of that area, including an emphasis on preserving and restoring the Light Station facilities, consistent with the requirements of subsection (c)(3).

(2) USES- Subject to valid existing rights, the Secretary shall only allow such uses of the Outstanding Natural Area as the Secretary finds are likely to further the purposes for which the Outstanding Natural Area is established as set forth in subsection (c)(1).

(3) MANAGEMENT PLAN- Not later than 3 years after of the date of enactment of this Act, the Secretary shall complete a comprehensive management plan consistent with the requirements of section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) to provide long-term management guidance for the public lands within the Outstanding Natural Area and fulfill the purposes for which it is established, as set forth

in subsection (c)(1). The management plan shall be developed in consultation with appropriate Federal, State, and local government agencies, with full public participation, and the contents shall include--

(A) provisions designed to ensure the protection of the resources and values described in subsection (c)(1);

(B) objectives to restore the historic Light Station and ancillary buildings;

(C) an implementation plan for a continuing program of interpretation and public education about the Light Station and its importance to the surrounding community;

(D) a proposal for minimal administrative and public facilities to be developed or improved at a level compatible with achieving the resources objectives for the Outstanding Natural Area as described in paragraph (1) and with other proposed management activities to accommodate visitors and researchers to the Outstanding Natural Area; and

(E) cultural resources management strategies for the Outstanding Natural Area, prepared in consultation with appropriate departments of the State of California, with emphasis on the preservation of the resources of the Outstanding Natural Area and the interpretive, education, and long-term scientific uses of the resources, giving priority to the enforcement of the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470aa et seq.) and the National Historic Preservation Act (16 U.S.C. 470 et seq.) within the Outstanding Natural Area.

(4) COOPERATIVE AGREEMENTS- In order to better implement the management plan and to continue the successful partnerships with the local communities and the Hearst San Simeon State Historical Monument, administered by the California Department of Parks and Recreation, the Secretary may enter into cooperative agreements with the appropriate Federal, State, and local agencies pursuant to section 307(b) of the Federal Land Management Policy and Management Act of 1976 (43 U.S.C. 1737(b)).

(5) RESEARCH ACTIVITIES- In order to continue the successful partnership with research organizations and agencies and to assist in the development and implementation of the management plan, the Secretary may authorize within the Outstanding Natural Area appropriate research activities for the purposes identified in subsection (c)(1) and pursuant to section 307(a) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1737(a)).

(6) ACQUISITION- State and privately held lands or interests in lands adjacent to the Outstanding Natural Area and identified as appropriate for acquisition in the management plan may be acquired by the Secretary as part of the Outstanding Natural Area only by--

(A) donation;

(B) exchange with a willing party; or

(C) purchase from a willing seller.

(7) ADDITIONS TO THE OUTSTANDING NATURAL AREA- Any lands or interest in lands adjacent to the Outstanding Natural Area acquired by the United States after the date of enactment of this Act shall be added to and administered as part of the Outstanding Natural Area.

(8) OVERFLIGHTS- Nothing in this section or the management plan shall be construed to--

(A) restrict or preclude overflights, including low level overflights, military, commercial, and general aviation overflights that can be seen or heard within the Outstanding Natural Area;

(B) restrict or preclude the designation or creation of new units of special use airspace or the establishment of military flight training routes over the Outstanding Natural Area; or

(C) modify regulations governing low-level overflights above the adjacent Monterey Bay National Marine Sanctuary.

(9) LAW ENFORCEMENT ACTIVITIES- Nothing in this section shall be construed to preclude or otherwise affect coastal border security operations or other law enforcement activities by the Coast Guard or other agencies within the Department of Homeland Security, the Department of Justice, or any other Federal, State, and local law enforcement agencies within the Outstanding Natural Area.

(10) NATIVE AMERICAN USES AND INTERESTS- In recognition of the past use of the Outstanding Natural Area by Indians and Indian tribes for traditional cultural and religious purposes, the Secretary shall ensure access to the Outstanding Natural Area by Indians and Indian tribes for such traditional cultural and religious purposes. In implementing this subsection, the Secretary, upon the request of an Indian tribe or Indian religious community, shall temporarily close to the general public use of one or more specific portions of the Outstanding Natural Area in order to protect the privacy of traditional cultural and religious activities in such areas by the Indian tribe or Indian religious community. Any such closure shall be made to affect the smallest practicable area for the minimum period necessary for such purposes. Such access shall be consistent with the purpose and intent of Public Law 95-341 (42 U.S.C. 1996 et seq.; commonly referred to as the 'American Indian Religious Freedom Act').

(11) NO BUFFER ZONES- The designation of the Outstanding Natural Area is not intended to lead to the creation of protective perimeters or buffer zones around area. The fact that activities outside the Outstanding Natural Area and not consistent with the purposes of this section can be seen or heard within the Outstanding Natural Area shall not, of itself, preclude such activities or uses up to the boundary of the Outstanding Natural Area.

(e) Authorization of Appropriations- There are authorized to be appropriated such sums as are necessary to carry out this section.

David Potter, Chair
Fort Ord Reuse Authority
100 12th Street, Building 2880
Marina, CA 93933

Re: Disposition of Preston Park

Feb. 11, 2011

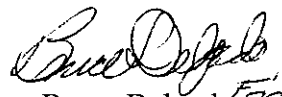
Dear Dave,

Marina City Council has been advised that the City of Marina FORA representatives were invited (by attorney Don Freeman through our city attorney Rob Wellington) to attend the initial portion of the FORA Board's closed session tomorrow afternoon on real property negotiations concerning Preston Park. Usually I like to make every effort to represent Marina or have the City represented at regional meetings to communicate Marina's perspective, especially on such an important matter as this. However, although I appreciate the invite and believe the intent (to "clear the air" and indicate the direction given to Mr. Freeman in this matter) was sincere, our city attorney has opined that, since the FORA closed session is for real property negotiations, it would be improper and perhaps illegal to include the Marina board members who also represent the party (Marina) with which FORA is negotiating. The justification for the closed session under the Brown Act would disappear. We're advised that a "closed" session cannot be "partially" closed and that not complying with the Brown Act could be risky for all of us.

Despite our inability to participate in this closed session, Marina wants to stay on the record and reiterate that we remain available to continue working with FORA toward an appropriate resolution of this matter. In that regard, I look forward to further meetings and discussions of the appointed ad hoc committee toward solutions for this issue.

Thank you for your courtesy and attention to this matter. Could you please provide copies of this letter to all FORA board members? I would like them to know Marina's absence is regrettable but necessary.

Very truly yours,



Bruce Delgado
Mayor, City of Marina

cc:
FORA Board Members
Marina City Council
Michael Houlemard, Jr., Executive Officer
Anthony Altfeld, City Manager, Marina