



# FORT ORD REUSE AUTHORITY

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## BOARD OF DIRECTORS SPECIAL MEETING

Friday, July 12, 2013 at 2:00 p.m.

910 2<sup>nd</sup> Avenue, Marina, CA 93933 (Carpenter's Union Hall)

### AGENDA

#### 1. CALL TO ORDER AND ROLL CALL

#### 2. CLOSED SESSION

- a. Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – Five Cases
  - i. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Numbers: M114961, M116438, M119217
  - ii. Bogan v. Houlemard, Case Number: M122980
  - iii. The City of Marina v. Fort Ord Reuse Authority, Case Number: M118566
- b. Conference with Legal Counsel - Anticipated Litigation, Gov Code 54956.9(b) – One Case
- c. Public Employee Performance Evaluation – Executive Officer (Gov Code 54957)

#### 3. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

#### 4. PLEDGE OF ALLEGIANCE

#### 5. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

#### 6. CONSENT AGENDA

- a. Approval of the June 21, 2013 Board Meeting Minutes ([pg. 1-4](#)) ACTION
- b. Resolution Fixing the Employer's Contribution Under the Public Employee's Medical and Hospital Care Act ([pg. 5-6](#)) ACTION

#### 7. NEW BUSINESS

- a. Fort Ord Reuse Authority Master Resolution Section 2.02.010 (Meetings – Time and Place) – Amend Board Meeting Start Time ([pg. 7-10](#)) ACTION

#### 8. OLD BUSINESS

- a. Environmental Services Cooperative Agreement (ESCA) – Update ([pg. 11-13](#)) INFORMATION
  - i. Presentation/Update
  - ii. Property Transfer/Risk Management
- b. FY 2013/14 Capital Improvement Program ([pg. 14-22](#)) INFORMATION/ACTION
- c. Preston Park Fiscal Year 2013/2014 Budget (2<sup>nd</sup> Vote) ([pg. 23-46](#)) ACTION
- d. Base Reuse Plan (BRP) Post-Reassessment Follow-Up ([pg. 47](#))
  - i. Receive Report from Post-Reassessment Advisory Committee (PRAC) INFORMATION
  - ii. Consider PRAC "Category IV" Approach Recommendations ACTION
- e. FORA Initiatives Status Report and Recommendations ([pg. 48-49](#)) INFORMATION/ACTION
  - i. California Central Coast Veterans Cemetery, Open Space Preservation, and Economic Revitalization Initiative
  - ii. Protect Fort Ord Open Space Initiative

#### 9. PUBLIC COMMENT PERIOD

Members of the public wishing to address the Fort Ord Reuse Authority (FORA) Executive Committee on matters that are not on this agenda, but are within FORA's jurisdiction, may comment for up to three minutes during this period. Public comments on specific agenda items are heard under that item.

**10. EXECUTIVE OFFICER'S REPORT**

- a. Outstanding Receivables (pg. 50) INFORMATION
- b. Habitat Conservation Plan Update (pg. 51) INFORMATION
- c. Administrative Committee (pg. 52-56) INFORMATION
- d. Veterans Issues Advisory Committee (pg. 57-59) INFORMATION
- e. Administrative Consistency Determination for Entitlement:  
City of Seaside's Chartwell School Kiln and Clay  
Storage Shed (pg. 60-103) INFORMATION/ACTION
- f. Capital Improvement Program Review –  
Phase II Study Final Report (pg. 104-162) INFORMATION
- g. Base Reuse Plan California Environmental Quality Act and Land  
Use Memorandum Summary (pg. 163-165) INFORMATION
- h. Public Correspondence to the Board (pg. 166) INFORMATION

**11. ITEMS FROM MEMBERS**

**12. ADJOURNMENT**

**NEXT REGULAR BOARD MEETING: AUGUST 9, 2013**

*Persons seeking disability related accommodations should contact FORA 24 hours prior to the meeting.*  
This meeting is recorded by Access Monterey Peninsula (AMP) and is televised Sundays at 9:00 a.m. and 1:00 p.m. on Marina/Peninsula Chanel 25. The video and full Agenda packet are available online at [www.fora.org](http://www.fora.org).

# FORT ORD REUSE AUTHORITY

## BOARD OF DIRECTORS SPECIAL MEETING MINUTES

2:00 p.m. - Friday, June 21, 2013

910 2<sup>nd</sup> Avenue, Marina, CA 93933 (Carpenter's Union Hall)

### 1. CALL TO ORDER AND ROLL CALL

Chair Edelen called the meeting to order at 2:01 p.m.

A roll call was conducted by the Deputy Clerk and a quorum was confirmed.

#### **Voting Members Present:** (*\*alternates*)(AR: entered after roll call)

Chair/Mayor Edelen (City of Del Rey Oaks)	Mayor Pendergrass (City of Sand City)
Councilmember Beach (City of Carmel-by-the-Sea)* AR	Supervisor Parker (County of Monterey) AR
Mayor Kampe (City of Pacific Grove)	Supervisor Potter (County of Monterey) AR
Mayor Gunter (City of Salinas)	Mayor Rubio (City of Seaside)
Councilmember Morton (City of Marina)	Supervisor Salinas (County of Monterey)
Mayor ProTem O'Connell (City of Marina)	Councilmember Selfridge (City of Monterey)
Mayor Pro-Tem Oglesby (City of Seaside) AR	

#### **Voting Members Absent:** None.

**Ex-officio (Non-Voting) Board Members Present:** Congressman Farr (20<sup>th</sup> Congressional District) (*later replaced by Alec Arago\* and Sonja Ardnt\**), Senator Monning (17<sup>th</sup> State Senate District) (*later replaced by Nicole Charles\**), Assemblymember Stone (29<sup>th</sup> State Assembly District) (*later replaced by Erica Parker\**), Graham Bice\* (University of California), Andre Lewis\* (California State University), Walter Tribley (Monterey Peninsula College), Todd Muck\* (Transportation Agency of Monterey County) (*later replaced by Debbie Hale*), Colonel Clark (U.S. Army), Bill Collins (Fort Ord BRAC Office), Director Thomas Moore (Marina Coast Water District).

### 2. LEGISLATIVE SESSION

#### **b. Senator Bill Monning – 17<sup>th</sup> State Senate District**

Senator Monning discussed the state budget process and discussed his current efforts to secure funding for the California Central Coast Veterans Cemetery (CCCVC) and to protect potential investor contributions to the state endowment fund for the project.

#### **c. Assemblymember Mark Stone – 29<sup>th</sup> State Assembly District**

Assemblymember Stone discussed his coordination with Senator Monning to secure funding for the CCCVC, provided information regarding allocations in the proposed FY 2013/14 state budget to assist veterans, and emphasized the need to address transportation needs on the former Fort Ord.

#### **a. Congressman Sam Farr – 20<sup>th</sup> Congressional District**

Congressman Farr stated that when the federal government receives the state's application for CCCVC grant funding, his office will be prepared to do everything necessary to expedite the application through the federal process. He discussed the historical efforts to establish the cemetery and provided an update regarding the Joint Department of Defense/Veteran's Affairs Medical Clinic and the effects of sequestration.

**3. CLOSED SESSION**

The Board adjourned into closed session at 2:46 p.m.

- a. **Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – Five Cases**
  - i. **Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Numbers: M114961, M116438, M119217**
  - ii. **Bogan v. Houlemard, Case Number: M122980**
  - iii. **The City of Marina v. Fort Ord Reuse Authority, Case Number: M118566**
- b. **Public Employee Performance Evaluation – Executive Officer (Gov Code 54957)**

**4. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION**

The Board reconvened into open session at 3:15 pm. Authority Counsel Jon Giffen announced no reportable action had been taken.

**5. PLEDGE OF ALLEGIANCE**

Director Moore led the Pledge of Allegiance.

**6. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE**

Chair Edelen discussed the recent FORA Federal Legislative Mission to Washington, D.C., noting that it had been very successful. He stated that Executive Officer Houlemard had given three presentations at the ADC Conference. He was particularly impressed by the high-regard in which Mr. Houlemard, and also FORA, was held by other members of the national defense community.

- a. **Base Reuse Plan Reassessment - American Planning Association Best Practices Award of Merit**

Chair Edelen introduced Ron Sisseem, who announced that the Base Reuse Plan Reassessment Report had received the American Planning Association Best Practices Award of Merit. He explained the basis for the award and presented Chair Edelen with the Award Certificate. Chair Edelen congratulated EMC and FORA staff, and he thanked the community members for attending the Reassessment workshops/Board meetings and for submitting comments and input during the Reassessment process. Chair Edelen also recognized outgoing FORA Planner Darren McBain for his work on the Reassessment and his continuing support for the Post-Reassessment Advisory Committee (PRAC).

**7. CONSENT AGENDA**

- a. **Approval of the May 10, 2013 and May 29, 2013 Board Meeting Minutes**
- b. **Economic and Planning Systems Contract Amendment #7**

MOTION: Supervisor Potter moved, seconded by Mayor Rubio, to approve the consent agenda, as presented.

MOTION PASSED: unanimous

**8. NEW BUSINESS**

- a. **Preston Park Fiscal Year 2013/2014 Budget**

FORA Principal Analyst Robert Norris conducted a PowerPoint presentation overview of the FY 2013/14 Preston Park Housing Operating and Capital Expenditure Budgets. Mr. Norris was joined by Alliance representatives, who helped to answer questions from members of the Board and public.



MOTION: Mayor Pro-Tem O'Connell moved, seconded by Councilmember Morton, to approve the FY 2013/2014 Preston Park Housing Operating and Capital Expenditure Budgets to include funds for capital Improvements and no rental increase.

MOTION FAILED: Ayes: Morton, O'Connell, Parker, Selfridge. Noes: Beach, Edelen, Gunter, Kampe, Oglesby, Potter, Rubio, Salinas.

MOTION: Mayor Gunter moved, seconded by Mayor Rubio, to approve FY 2013/2014 Preston Park Housing Operating and Capital Expenditure Budgets to include funds for capital Improvements and a 2.4% rental increase.

MOTION PASSED (2<sup>nd</sup> vote required): Ayes: Beach, Edelen, Gunter, Kampe, Oglesby, Potter, Rubio, Salinas. Noes: Morton, O'Connell, Parker, Selfridge.

## 9. **OLD BUSINESS**

### a. **FY 2013/14 Capital Improvement Program**

FORA Senior Planner Jonathan Garcia conducted a PowerPoint presentation on the Capital Improvement Program (CIP) Program. FORA Executive Officer Michael Houlemard noted that the Administrative Committee had expressed great interest in exploring Post-FORA implications. At their meeting on June 19, the Committee recommended that the Board postpone the item for 30 days to allow time for further study and review at the Committee level.

MOTION: Supervisor Potter moved, seconded by Mayor Pro-Tem O'Connell, to continue the item to the July Board meeting.

MOTION PASSED: unanimous.

### b. **FORA FY 2013-14 Preliminary Budget – Consider Adoption**

Mr. Houlemard conducted a PowerPoint presentation on the FY 2013/14 FORA budget. He discussed the budget development and the Board and Committee review processes. FORA Controller Ivana Bednarik provided an overview of changes that were made since the previous presentation of the budget.

MOTION: Supervisor Potter, seconded by Mayor Rubio, to approve the FY 2013/14 FORA budget and direct the Finance Committee to consider whether to revert to the expanded budget presentation model used in previous years.

MOTION PASSED: unanimous.

### c. **Base Reuse Plan Post-Reassessment Follow-Up**

#### i. **Receive Report from Post-Reassessment Advisory Committee (PRAC)**

#### ii. **Consider PRAC “Category IV” Approach Recommendation and Proposal for September Board Workshop**

FORA Associate Planner Darren McBain presented a report from the PRAC and discussed the proposal for a Board colloquium.

MOTION: Councilmember Beach moved, seconded by Councilmember Morton. to adopt the PRAC recommendation, with following amendments: 1) remove the numbering (placing current number four at the top of the list), 2) remove “research and recreational” under current number four, 3) reinsert the footnote that was removed from the revised

version of the staff report, and 4) change “financing for removal of blight” to “funding for removal of blight” in current number 2.

MOTION FAILED: Ayes: Beach, Morton, O’Connell, Parker, Selfridge. Noes: Edelen, Gunter, Kampe, Oglesby, Pendergrass, Potter, Rubio, Salinas.

MOTION: Mayor Rubio moved, seconded by Supervisor Potter, to continue the item to the July Board meeting and direct staff to incorporate the amendments from Councilmember Beach’s failed motion.

MOTION PASSED (requires 2<sup>nd</sup> vote): Ayes: Edelen, Gunter, Kampe, Oglesby, Pendergrass, Potter, Rubio, Salinas. Noes: Beach, Morton, O’Connell, Parker, Selfridge.

MOTION: Mayor Pro-Tem Oglesby moved, seconded by Supervisor Parker, to extend the meeting until five minutes after the conclusion of public comment.

MOTION PASSED: unanimous

#### **10. PUBLIC COMMENT PERIOD**

The Board received comments from members of the public.

#### **11. EXECUTIVE OFFICER’S REPORT**

- a. **Fort Ord Reuse Authority Master Resolution**
- b. **Outstanding Receivables**
- c. **Habitat Conservation Plan Update**
- d. **Travel Report**
- e. **Administrative Committee**
- f. **Veterans Issues Advisory Committee**
- g. **Water and Wastewater Oversight Committee**
- h. **Public Correspondence to the Board**
- i. **Fort Ord Reuse Authority Initiatives Status**

Executive Officer Houlemard presented the status of the initiatives and noted that an action was required under item d for an increase in budget authority.

MOTION: Mayor Kampe moved, seconded by Supervisor Salinas, to authorize an \$8,000 increase in the travel budget authority for FY 2012-13.

MOTION PASSED: unanimous.

#### **12. ITEMS FROM MEMBERS**

Authority Counsel Jon Giffen announced that he had received word that Judge Kingsley had denied the motion in the Bogan v. Houlemard court case (case number M122980), meaning that the Protect Fort Ord Open Space Access Initiative would continue to move forward.

#### **13. ADJOURNMENT**

Chair Edelen adjourned the meeting at 6:10 pm.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

<b>Subject:</b>	Resolution fixing the Employer's Contribution under the Public Employee's Medical and Hospital Care Act	
<b>Meeting Date:</b>	July 12, 2013	<b>ACTION</b>
<b>Agenda Number:</b>	6b	

### RECOMMENDATION(S):

Adopt Resolution No. 13-X titled "Fixing the Employer's Contribution under the Public Employee's Medical and Hospital Care Act (PEMHCA)" updating Fort Ord Reuse Authority's (FORA) contribution to employees' health premium (**Attachment A**), approved on June 21, 2013.

### BACKGROUND/DISCUSSION:

PEMHCA requires that contracting agencies adopt a resolution when modifying the employer contribution to employees' health premium. This provides the California Public Employees' Retirement System (CalPERS) proper authority to process the modification. On June 21, 2013, the FORA Board approved the annual FY 13-14 budget incorporating an adjustment in contributions to employees' health premium effective July 1, 2013. Therefore, Resolution No. 13-X is required to replace Resolution No. 10-13 currently on file with CalPERS.


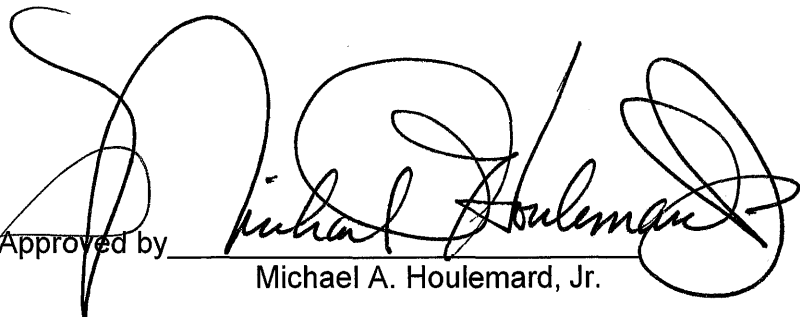
	Expiring contributions Res. No. 10-13 <u>FY 09-10</u>	New Contributions Res. No. 13-X <u>FY 13-14</u>
1 party (employee)	\$ 508.74	\$ 666.74
2-party (employee+1 dependent)	\$ 1,017.48	\$ 1,175.48
Family (employee+ 2 or more dependents)	\$ 1,322.72	\$ 1,480.72

### FISCAL IMPACT:

Annual cost of this adjustment is \$24,693 based on current health insurance coverage/enrollment and was included in the approved FY 13-14 budget.

### COORDINATION:

Executive Committee

Prepared by  Approved by 

Ivana Bednarik Michael A. Houlemard, Jr.

# Fort Ord Reuse Authority

## Resolution No 13 - XX

### RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, (1) Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the Act, and

WHEREAS, (2) Government Code Section 22892(c) provides that a contracting agency may fix the amount of the employer's contribution for employees and the employer's contribution for annuitants at different amounts, provided that the monthly contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by 5 percent of the current monthly contribution for employees, until such time as the amounts are equal; and

WHEREAS, (3) **Fort Ord Reuse Authority**, hereinafter referred to as Public Agency is local agency contracting under the Act; now, therefore be it

RESOLVED, That the employer's contribution for each employee shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members in a health benefits plan or plans up to a maximum of \$666.74 per month with respect to employee enrolled for self alone, \$1,175.48 per month for an employee enrolled for self and one family member, and \$ 1,480.72 per month for an employee enrolled for self and two or more family members per month plus administrative fees and Contingency Reserve Fund Assessments.

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

- AYES:
- NOES:
- ABSTENTIONS:
- ABSENT:

Signed: \_\_\_\_\_  
Jerry Edelen, Chair

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Fort Ord Reuse Authority hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 13-XX adopted \_\_\_\_\_, \_\_\_\_\_.

Attest: \_\_\_\_\_  
Michael A. Houlemard Jr., Secretary

# FORT ORD REUSE AUTHORITY BOARD REPORT

## NEW BUSINESS

<b>Subject:</b>	Fort Ord Reuse Authority Master Resolution Section 2.02.010 (Meetings – Time and Place) – Amend Board meeting start time	
<b>Meeting Date:</b>	July 12, 2013	<b>ACTION</b>
<b>Agenda Number:</b>	7a	

### RECOMMENDATION:

Amend the Section 2.02.010 (Meetings – Time and Place) of the Fort Ord Reuse Authority (FORA) Master Resolution to change the start time of FORA Board meetings from 3:30 p.m. to 2:00 p.m.

### BACKGROUND/DISCUSSION:

At their July 2<sup>nd</sup> meeting, the FORA Executive Committee (EC) reviewed a report by Executive Officer Michael Houlemard's of observations and impact of the three month "experiment" to move up time of FORA Board meetings to 2:00 p.m. After deliberation, the EC concluded that it recommends changing the start time of FORA Board meetings from 3:30 p.m. to 2:00 p.m. A permanent change to the start time requires amending Section 2.02.010 of the Master Resolution (**attached hereto**). If approved, the attachment should *replace* the cover and page 14 of the recently distributed Master Resolution. The Master Resolution is also available at [www.fora.org](http://www.fora.org).

### FISCAL IMPACT:

Reviewed by FORA Controller 

Staff time for this item is included in the approved FORA budget.

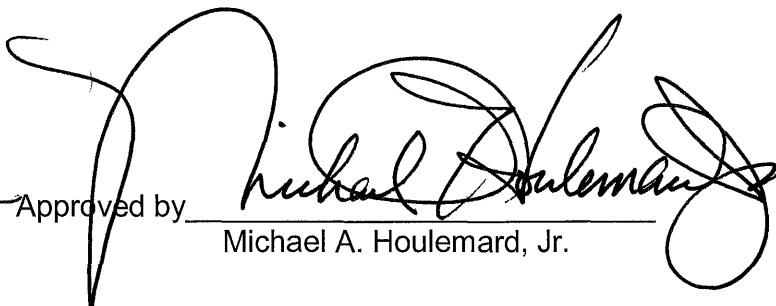
### COORDINATION:

Executive Committee

Prepared by

  
Crissy Maras

Approved by

  
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY MASTER RESOLUTION

**Adopted March 14, 1997**

**Amended November 20, 1998** [Addition of Chapter 8 and Amend §1.01.050, Definitions]

**Amended February 19, 1999** [Update §2.03, (Committees) to add Executive Committee duties and addition of Legislative and Financial Advisory Committees; clarify and add text to §1.02.010(b)(4), (Responsibilities for Enforcement) to add City of Del Rey Oaks Police Chief as an enforcement officer and Amend §2.09.020(a), (Designated Positions; Disclosure Categories)]

**Amended January 21, 2000** [Amend §2.03.040, Legislative Advisory Committee, and §2.03.050, Finance Advisory Committee (Redefine membership)]

**Amended January 18, 2002** [Amend §2.03.051, Finance Advisory Committee Duties (Delete the word “monthly” in reference to Finance Committee meetings)]

**Amended February 8, 2002** [Amend §2.03.040, Legislative Advisory Committee (Increase Legislative Committee membership from 6 to 8 and define voting and ex-officio members) and Amend §2.03.041, Legislative Advisory Committee Duties (Delete text that Authority Counsel should attend meetings)]

**Amended April 16, 2004** [Amend Chapter 8 by the addition of Sections 8.02.020(t) and 8.02.030(a)(8), which address the jobs/housing balance in consistency determinations]

**Amended February 9, 2007** [§2.02.010(a) (start time of board meetings) and §2.03.051 (duties of the Finance Advisory Committee)]

**Amended March 9, 2007** [Repeal of §3.03.100 (Developers of Property Pursuant to Agreements with FORA), amendment to §3.03.090 (Prevailing Wages), and amendment to §1.01.050 (addition of definition of “First Generation Construction”)]

**Amended March 12, 2010** [Minor corrections throughout the document to add clarity]

**Amended August 10, 2012** [Amend §2.03.020 (Executive Committee Membership) to include one ex-officio non-voting member on the Executive Committee]

**Amended March 15, 2013** [Delete §2.04.060 (Authority Over Employees), amend §8.01.050(a) (Review of Development Entitlements by Appeal to Authority Board), reverse March 12, 2010 amendments to Chapter 8]

**Amended April 12, 2013** [Amend §2.09.020 (Designated Positions; Disclosure Categories) to update designated positions, 23 typographical corrections to Chapter 8]

**Amended May 10, 2013** [Amend §2.01.020 (Ex-Officio Membership), to delete text that prohibits ex-officio members from participation in Board/Committee closed session meetings] [Amend §2.02.030 (Notice and Call of Meetings) to add text permitting one ex-officio non-voting Board member to participate in Board/Committee closed session meetings (appointed per §2.03.020)] [Amend §2.03.020 to add text permitting currently appointed ex-officio non-voting member to participate in Executive Committee closed session meetings.]

**Amended July 12, 2013** [Amend §2.02.010 (Meetings – Time and Place), to change the start time of Board meetings from 3:30 p.m. to 2:00 p.m.]

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(a) Review and approve all agendas of all regular and special meetings of the Board of Directors;

(b) Provide initial performance evaluation of the Executive Officer and make recommendations to the Board of Directors regarding employment and personnel matters relating to the Authority staff; and

(c) Perform such other duties as the Board of Directors may direct.

**2.03.030. ADMINISTRATIVE COMMITTEE.**

The chief administrative officer, county administrative officer, or city manager of each member agency, or designee, may serve on an administrative subcommittee to the Board to provide advice, analysis and recommendations to the Board as the Board may request from time to time according to the responsibilities listed in the Authority Act.

**2.03.040. LEGISLATIVE ADVISORY COMMITTEE.**

The Legislative Advisory Committee shall not exceed a total of eight (8) members. The committee members will be appointed by the Chair of the Authority, subject to confirmation by the Board of Directors, and is comprised of up to five (5) voting members and three (3) ex-officio members to be the 17<sup>th</sup> Congressional District member, the 15<sup>th</sup> California State Senate District member, and the 27<sup>th</sup> California State Assembly District member or their respective representatives. Committee members serve for a period of one year.

**2.03.041. LEGISLATIVE ADVISORY COMMITTEE DUTIES.**

The Legislative Advisory Committee is an advisory committee to the Authority Board and meets at the Authority Offices on date and time convenient or as necessary. The Executive Officer attends these meetings. The Legislative Advisory Committee's duties will be as follows:

(a) Review and evaluate the impact of proposed federal or state legislation with respect to the Authority's obligations under state law to implement reuse activities on the former Fort Ord;

(b) Advise and inform the Authority Board, when requested or on its own initiative, regarding pending legislation and noting its potential impact on the activities of the Authority. The Committee will develop recommendations to the Authority Board for actions associated with its advice and information responsibilities;

(c) Recommend an annual legislative agenda.

(d) Plan, schedule, and conduct an annual Legislative Session with the sitting representatives of the 27<sup>th</sup> Assembly District, the 15<sup>th</sup> Senatorial District, and the 17<sup>th</sup> Congressional District (individually or collectively as schedules permit).



# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** Environmental Services Cooperative Agreement (ESCA) – Update

**Meeting Date:** July 12, 2013

**Agenda Number:** 8a

**INFORMATION**

### RECOMMENDATION(S):

Receive a report from FORA staff on the status of the FORA Environmental Services Cooperative Agreement (“ESCA”).

### BACKGROUND:

In Spring 2005, the U.S. Army (“Army”) and FORA entered into negotiations to execute an Army-funded Environmental Services Cooperative Agreement (“ESCA”) leading to the transfer of 3,340 acres of former Fort Ord prior to regulatory environmental sign-off. In early 2007, the Army awarded FORA approximately \$98 million to perform munitions cleanup on the ESCA parcels. FORA also entered into an Administrative Order on Consent (“AOC”) with U.S. Environmental Protection Agency (“EPA”) and California Department of Toxic Substance Control (“DTSC”), defining conditions under which FORA undertakes responsibility for the Army remediation of the ESCA parcels.

In order to complete the AOC defined work, FORA entered into a Remediation Services Agreement (“RSA”) with LFR Inc. (now “ARCADIS”) to provide Munitions and Explosives of Concern (“MEC”) remediation services and executed a Cost-Cap insurance policy for this remediation work through American International Insurance Group (“AIG”). FORA received the property after EPA approval and concurrence by the Governor of California. In August 2008, the Governor concurred in the transfer of the ESCA parcels under a Finding of Suitability for Early Transfer. The ESCA property was subsequently transferred to FORA ownership on May 8, 2009.

The ESCA Remediation Program (“RP”) has been underway for approximately six years. Current ESCA RP field work is focused in the Parker Flats, Interim Action Ranges and Future East Garrison areas of the former Fort Ord.

### DISCUSSION:

The ESCA allows FORA, acting as the Army’s contractor, to address safety issues resulting from previous munitions training operations conducted at the former Fort Ord. This provides for the ESCA to successfully address three major concerns: 1) requirement for yearly appropriation of federal funding; 2) state, federal regulatory questions about protectiveness of previous actions; and 3) FORA’s desire to reduce, to the extent possible, continuing risk to individuals accessing the site.

FORA’s cost of performance was paid with a grant from the Army. Under the ESCA grant agreement with the U.S. Army, FORA received a \$97.7 million grant to clear munitions and to secure regulatory approval from approximately 3,340 acres on the former Fort Ord. FORA subsequently entered into a guaranteed fixed-price contract with LFR (now

“ARCADIS”) to complete the work. As part of the contract between FORA and LFR, an insurance policy was secured from AIG (formerly “AIG” then “Chartis” and now “AIG” again) for which FORA paid \$82.1 million upfront from grant funds. This policy provides the funds that AIG uses to pay ARCADIS for the work performed.

AIG also provides insurance for up to \$128 million to address additional work for both known and unknown site conditions, if needed. That means there are extra funds in place to assure that the scope of work is completed to the satisfaction of the Regulators; and AIG monitors/approves ARCADIS expenditures in meeting AOC/grant requirements.

Based on Army grant, EPA AOC requirements and insurance provisions, FORA does not control the ARCADIS/AIG \$82.1 million Commutation Account. The full amount was provided to AIG in 2008 to as payment for a cost-cap insurance policy where AIG reviews ARCADIS’ work performed and makes payments directly to ARCADIS. FORA does oversee that work complies with grant/AOC requirements.

Item	Originally Allocated	Accrued as of 31-Mar-13
FORA Self-Insurance or Policy	\$916,056	\$916,056
Reimburse Regulators & Quality Assurance	\$4,725,000	\$1,843,607
State of California Surplus Lines Tax, Risk Transfer, Mobilization	\$6,100,000	\$6,100,000
Contractor's Pollution Liability Insurance	\$477,344	\$477,344
Work Performed ARCADIS/AIG Commutation Account	\$82,117,553	<b>\$62,626,259</b>
FORA Administrative Fees	\$3,392,656	\$2,373,544
<b>Total</b>	<b>\$97,728,609</b>	<b>\$74,336,810</b>
	<b>ESCA Remainder</b>	<b>\$23,391,799</b>

FORA has received written confirmation from the Regulatory agencies that CERCLA MEC remediation work is complete (received regulatory site closure) on portions of the ESCA properties known as County North and Parker Flats Phase 1. For these properties, ARCADIS is commuting ESCA insurance coverages under Coverages B and C for all Clean-Up Costs related to Group A. Per the existing FORA/Jurisdiction Implementation Agreements and Memorandum of Agreements regarding property ownership and responsibilities during the period of Environmental Services, deeds have been prepared to transfer these properties to the following:

- County of Monterey - County North
- County of Monterey – Portion of Parker Flats
- Monterey Peninsula College – Portion of Parker Flats
- State of California - Portion of Parker Flats

The ESCA team will have completed the known ESCA Remediation Program MEC field work (Remedial Investigations) by the end of July 2013. It is important to note that the data collected during this investigation stage is under review by the Regulatory agencies who determine when the remediation work is complete. They will not issue written confirmation of Regulatory site closure until they are satisfied their review is complete, Final Proposed Plan, Record of Decision, Land Use Control Operation and Maintenance Plan have been completed and approved. The process of completing the review and documentation is expected to take between a year and a year and a half depending on the Regulatory agency decisions. Until regulatory site closure has been received, the ESCA property will remain closed to the public. Once regulatory site closure has been received, FORA will prepare the necessary deeds to transfer land title to the appropriate jurisdictions.

FORA's obligation under the ESCA, acting as the Army's contractor, is to perform the investigation and cleanup of MEC on the ESCA property. FORA makes recommendations about the work to be performed, but it does not approve that work. Remediation decisions are the responsibility of the Army and the Regulators.

The fact that property has regulatory approvals, does not dictate what the end use will be. FORA is not empowered to impose or limit zoning, decide future use, property density or related land use decisions which are the responsibility of the local jurisdiction(s) where the property lies. Issues associated with future land use should be directed to the governmental authority with land use responsibility, not to FORA. The level to which the property is cleaned does not require that the jurisdictions establish their land use at a corresponding level. If cleaned to sensitive use permitted levels, the jurisdictions can then utilize the remediated property for a variety of uses, in accordance with their city codes and ordinances.

The Fort Ord Reuse Authority (FORA) has successfully settled litigation about the California Public Records Act, alleging that FORA had not properly applied or accounted for public funds being expended to complete munitions responsibilities to protect public health and safety and our environment.

**FISCAL IMPACT:**

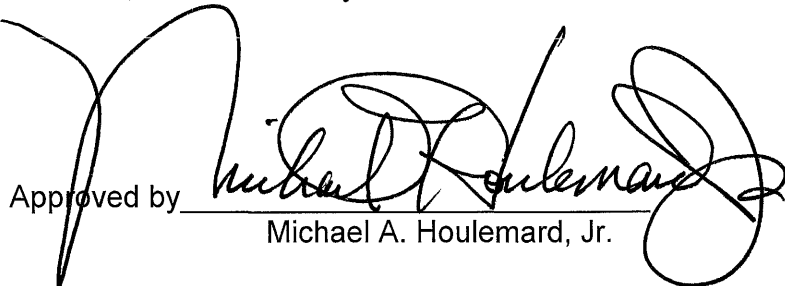
Reviewed by FORA Controller 

The funds for this review and report are part of the existing FORA ESCA funds.

**COORDINATION:**

Administrative Committee; Executive Committee; FORA Authority Counsel; ARCADIS; U.S. Army EPA; and DTSC

Prepared by   
Stan Cook

Approved by   
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** FY 2013/14 Capital Improvement Program

**Meeting Date:** July 12, 2013

**Agenda Number:** 8b

**INFORMATION/ACTION**

### RECOMMENDATION:

1. Receive a status report on Administrative Committee (AC) discussions regarding the Fort Ord Reuse Authority (FORA) FY 2013/14 Capital Improvement Program (CIP).
2. Review CIP with updates/corrections – see upload on website: [fora.org/Board/2013/Packet/Additional/071213CIP.pdf](http://fora.org/Board/2013/Packet/Additional/071213CIP.pdf)
3. Approve the FY 2013/14 CIP, as recommended by the FORA Executive Committee.

### BACKGROUND:

At their June 19<sup>th</sup> meeting, the AC recommended that the FORA Board postpone consideration of the FY 2013/14 CIP for one month to allow further AC review. The FORA Board accepted that recommendation on June 21<sup>st</sup>, urging the AC to be expeditious in their review.

The AC discussed four specific CIP-related topics at their July 2<sup>nd</sup> meeting: 1) Post-FORA implications; 2) CIP funding and project placement; 3) building removal credits; and, 4) CIP narrative.

- 1) Post-FORA implications: A memo written by FORA Executive Officer Houlemard prior to the FORA extension has been revised to reflect new scenarios and possibilities regarding post-FORA sunset CIP implications. The draft memo is included as **Attachment A**.
- 2) CIP funding and project placement: Development community representatives and AC members raised concerns that FORA staff applied a 50% reduction to the land use jurisdictions' development forecast from FY 14/15 to FY 19/20 to account for a pattern of overly optimistic development forecasts in the past. The agreed upon approach was that the jurisdictions will work with their developers to reaffirm projections, using criteria such as approved or entitled projects, proposed projects that have developers, projects still in planning stages, and projects that support revenue and jobs generators. The information will be submitted to FORA by July 11<sup>th</sup>. These changes will be provided on July 12.
- 3) Building removal credits: The development community requested information regarding which proposed projects include building removal and how removal costs would be credited. Currently, FORA's remaining "cash" obligation toward building removal includes \$2.2M for the stockade (Marina) and \$4M for buildings in Surplus II (Seaside). The remaining "credit" obligation includes \$19.4M for the Dunes on Monterey Bay (Marina Community Partners), where the developer performs and funds the building removal and in return receives land sale credit from FORA. These adjustments are inserted in the revised CIP.
- 4) CIP narrative: Jurisdictions, developers and FORA Board members suggested adjustments to the CIP narrative to improve the understanding of the CIP, specifically the building removal section. FORA staff added those improvements to address questions and comments that surfaced at the June 21<sup>st</sup> FORA Board meeting (**Attachment B**).

The AC will meet on July 17<sup>th</sup> to review information resulting from their July 2<sup>nd</sup> meeting. The AC will meet again on July 31<sup>st</sup> to refine their recommendation to the FORA Board.

**DISCUSSION:**

At their July 2<sup>nd</sup> meeting, the FORA Executive Committee received a status report on AC discussions. The Executive Committee determined that the Post-FORA implications and CIP funding and project placement were larger issues that likely wouldn't be resolved in the near-term. The Executive Committee recognized the importance of approving the CIP and, if changes needed to be made in the near-term as a result of AC input, the FORA Board could consider adjustments at the appropriate time.

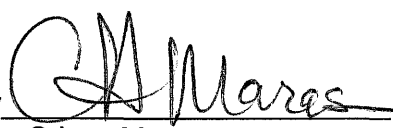
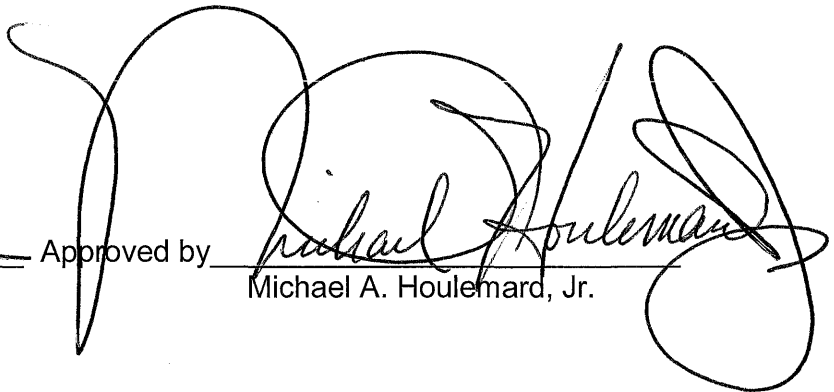
**FISCAL IMPACT:**

Reviewed by FORA Controller 

Staff time for this item is included in the approved FORA budget.

**COORDINATION:**

Administrative Committee, CIP Committee, Executive Committee

Prepared by  Approved by   
Crissy Maras Michael A. Houlemard, Jr.

## Summary of Post-FORA Sunset CIP Implications

The Fort Ord Reuse Authority (“Authority” or “FORA”) is scheduled to sunset on June 30, 2020 and, by State Law, is required to submit to the Assembly a report regarding the transition strategy connected to that sunset date in 2018. That is approximately 5 years from now, and five years before a Local Area Formation Commission transition process should be initiated to ensure a smooth turnover of responsibilities. However, several issues recently surfaced from discussion about the placement in time of FORA Capital Improvement Program (CIP) projects and revenue that required the need to address the transition. In particular, members of the public, developer representatives, and some Board members have expressed concern about the validity of the CIP if projects are placed in time past the FORA 2020 sunset date. It is staff’s position that these expense and revenue issues will be more formally addressed in 2018 – but a summary of how the Board might approach these issues is presented for the Board’s consideration in making a decision to adopt the 2013-2014 CIP.

### **I. FORA responsibilities that survive FORA’s legislative sunset date.**

FORA has numerous ongoing and fixed term obligations/responsibilities that are either derived from meeting the requirements of the Authority Act/State law or that have been authorized by the Board to complete remediation or financing demands. In particular, the following list defines ongoing and fixed term obligations from the CIP that must be addressed for assignment to a post-FORA entity prior to the June 30, 2020 sunset date.

- Habitat Conservation Plan implementation (funding and management).
- FORA Base Reuse Plan compliance and California Environmental Quality Act (CEQA) mitigation measures/projects
- Building Removal project obligations.
- FORA-Marina Coast Water District (MCWD) Fort Ord water purveyor service agreement and the associated FORA water allocations carried out by MCWD and Regional Urban Water Augmentation Program (RUWAP) implementation funding (2015-2017).

### **II. Options to perform post-FORA sunset date obligations.**

- a) Assign FORA responsibilities to an existing entity.
- b) Assign responsibilities to FORA’s member agencies and regional and state agencies.
- c) Create a Joint Powers Agency (JPA), modify an existing JPA, or create a Community Services Area (CSA) governed by the Board of Supervisors.

### **Assign FORA responsibilities to an existing entity.**

It is not clear whether any existing entity carries the full range of FORA’s financial, planning, and oversight authority established by State Law. However, there are a number of possibilities for assigning specific responsibilities to a successor agency in

2020. One example, recently offered by TAMC, would be for LAFCO to explore assigning the transportation portion of the developer fee to the TAMC regional fee. I am not clear of all that would need to occur to make that a reality, but the TAMC fee was established under a nexus approach and the conversion appears to be possible. This could apply to other FORA obligations.

**Assign responsibilities to FORA's member agency or regional and state agencies.**

This could result in local individual planning and development decision making, as each jurisdiction would perform independent financial, physical and reporting obligations. This addresses the past expressed concern by FORA member agencies about "external" regional involvement in local decisions. However, the member jurisdictions do not carry FORA's cross boundary authority that allows for continuity in certain existing responsibilities. In order to continue the financial obligations in the Base Reuse Plan and the related environmental mitigations each jurisdiction would need to recreate taxing districts to fund post-FORA obligations. There would be individual budget implications to address these obligations including staffing and reporting, agency reimbursements, construction, monitoring, conservation, and management. This approach would result in duplicate efforts to individually address what are now common/shared tasks and may wind up increasing rather than decreasing costs.

Using a member agency for the post-FORA building removal obligations (if they are not complete by 2020) is appropriate as FORA's land sale share should also go to the local jurisdiction post-FORA. In this sense, both the obligation and the revenues would transition.

The water obligations for allocation post-FORA would also best be assigned to the appropriate underlying water agencies. As this is not yet defined, staff will not assert who would be responsible but recognize that MCWD retains easements, service and other obligations for former Fort Ord water and wastewater.

**Create a JPA, modify an existing JPA, create a CSA governed by the Board of Supervisors, or restructure FORA's membership/legislative authority and extend for a fixed term.**

A JPA could be an efficient replacement for FORA due to economies of scale and the very limited duplication. However, there are significant implications creating a JPA that require time, political issues, and expense as well as identifying revenue support for financing operations, staffing, projects, field management, and overhead. A JPA would be particularly useful for habitat conservation implementation, since that is a basewide obligation that crosses boundaries and remains as a responsibility in perpetuity. Creating such a JPA for habitat would also require jurisdictions with land use authority to adopt some form of post-Community Facilities District fee collection if the required endowment is not fully funded by 2020.



f) **Building Removal Program**

~~As a basewide obligation, the BRP includes the removal of building stock to make way for redevelopment in certain areas of the former Fort Ord. Building removal is funded from land sale revenue and/or credited against land sale valuation. The FORA Board established policy regarding building removal obligations with adoption of the FY 01/02 CIP. That policy defines FORA obligations and has been sustained since that time. For example, one of FORA's obligations includes some City of Seaside Surplus II buildings. The policy fixes the overall FORA's funding obligation to Surplus II at \$4M, and the City of Seaside decides which buildings to remove. The FORA Board additionally established criteria to address how the building removal program would proceed at Surplus II: 1) buildings must be within Economic Development Conveyance parcels; 2) building removal is required for redevelopment; buildings are not programmed for reuse; and, buildings along Gigling Road potentially fit the criteria. When the City of Seaside, working with any developer, determines which buildings should be removed, FORA would forego a portion of land sale proceeds in an amount commensurate with actual costs, up to \$4M (December 1996 Reimer Associates Fort Ord Demolition Study). All jurisdictions have been treated in a similar manner but have widely varying building removal needs that FORA does its best to accommodate with available funds.~~

~~As per Board direction, building removal is funded by land sale revenue and/or credited against land sale valuation. Two MOAs have been finalized for these purposes, as described below:~~

~~In August 2005 FORA entered into an MOA with the City of Marina Redevelopment Agency and Marina Community Partners ("MCP"), assigning FORA \$46M in building removal costs within the Dunes on Monterey Bay project area and MCP the responsibility for the actual removal. FORA paid \$22M and MCP received credits of \$24M for building removal costs against FORA's portion of the land sale proceeds. FORA's building removal obligation was completed as directed agreed by the City of Marina and MCP in 2007.~~

~~In February 2006 FORA entered into an MOA with Monterey County, the Monterey County Redevelopment Agency and East Garrison Partners ("EGP"). In this MOA, EGP agreed to undertake FORA's responsibility for removal of certain buildings in the East Garrison specific plan area for which they received a credit of \$2.1M against FORA's portion of land sale proceeds. Building removal in the East Garrison project area is now complete. Since this agreement was made, the property was acquired by a new entity who is complying with the financial terms of the MOA.~~

~~In these agreements, the hierarchy of building reuse is observed the FORA Board policy that prioritizes the most efficient reuse of obsolete buildings by focusing on renovation and reuse in place; relocation and renovation; deconstruction and reuse of building materials; and, mechanical demolition with aggressive recycling.~~

~~FORA's remaining building removal obligations include the former Fort Ord stockade within the City of Marina (± \$2.7M) and as previously discussed, buildings in the City of Seaside's Surplus II area (± \$43.9M). In 2011, FORA, at the direction of the City of Seaside, removed a building in the Surplus II area which is explained in more detail in Appendix C, reduced FORA's financial obligation by 100,000. FORA will continue to work closely with the Cities of Marina and Seaside as new specific plans are prepared for those areas.~~

~~Since 1996 FORA has been aggressively reusing, redeveloping, and/or deconstructing former Fort Ord buildings in environmentally sensitive ways to reuse or reclaim significant building materials. FORA has worked closely with the regulatory agencies and local contractors to safely abate hazardous materials, maximize material reuse and recycling, and create an educated work force that can take advantage of the jobs created on Fort Ord. FORA, CSUMB and the jurisdictions continue to leverage the accumulated expertise and experience and focus on environmentally sensitive reuse, removal of structures, and recycling remnant structural and site materials, while applying lessons learned from past FORA efforts to "reduce, reuse and recycle" materials from Fort Ord structures as described in Appendix C.~~



## Summary of Post-FORA Sunset CIP Implications

The Fort Ord Reuse Authority (“Authority” or “FORA”) is scheduled to sunset on June 30, 2020 and, by State Law, is required to submit to the Assembly a report regarding the transition strategy connected to that sunset date in 2018. That is approximately 5 years from now, and five years before a Local Area Formation Commission transition process should be initiated to ensure a smooth turnover of responsibilities. However, several issues recently surfaced from discussion about the placement in time of FORA Capital Improvement Program (CIP) projects and revenue that required the need to address the transition. In particular, members of the public, developer representatives, and some Board members have expressed concern about the validity of the CIP if projects are placed in time past the FORA 2020 sunset date. It is staff’s position that these expense and revenue issues will be more formally addressed in 2018 – but a summary of how the Board might approach these issues is presented for the Board’s consideration in making a decision to adopt the 2013-2014 CIP.

### **I. FORA responsibilities that survive FORA’s legislative sunset date.**

FORA has numerous ongoing and fixed term obligations/responsibilities that are either derived from meeting the requirements of the Authority Act/State law or that have been authorized by the Board to complete remediation or financing demands. In particular, the following list defines ongoing and fixed term obligations from the CIP that must be addressed for assignment to a post-FORA entity prior to the June 30, 2020 sunset date.

- Habitat Conservation Plan implementation (funding and management).
- FORA Base Reuse Plan compliance and California Environmental Quality Act (CEQA) mitigation measures/projects
- Building Removal project obligations.
- FORA-Marina Coast Water District (MCWD) Fort Ord water purveyor service agreement and the associated FORA water allocations carried out by MCWD and Regional Urban Water Augmentation Program (RUWAP) implementation funding (2015-2017).

### **II. Options to perform post-FORA sunset date obligations.**

- a) Assign FORA responsibilities to an existing entity.
- b) Assign responsibilities to FORA’s member agencies and regional and state agencies.
- c) Create a Joint Powers Agency (JPA), modify an existing JPA, or create a Community Services Area (CSA) governed by the Board of Supervisors.
- d) Create a FORA-shell that maintains existing funding structure.

#### **Assign FORA responsibilities to an existing entity.**

It is not clear whether any existing entity carries the full range of FORA’s financial, planning, and oversight authority established by State Law. However, there are a

number of possibilities for assigning specific responsibilities to a successor agency in 2020. One example, recently offered by TAMC, would be for LAFCO to explore assigning the transportation portion of the developer fee to the TAMC regional fee. It is not clear all that would need to occur to make that a reality, but the TAMC fee was established under a nexus approach and the conversion appears to be possible. This could apply to other FORA obligations.

**Assign responsibilities to FORA’s member agency or regional and state agencies.**

This could result in local individual planning and development decision making, as each jurisdiction would perform independent financial, physical and reporting obligations. This addresses the past expressed concern by FORA member agencies about “external” regional involvement in local decisions. However, the member jurisdictions do not carry FORA’s across boundary authority that allows for continuity in certain taxing responsibilities. In order to continue the financial obligations in the Base Reuse Plan and the related environmental mitigations, each jurisdiction would need to recreate taxing districts to fund post-FORA obligations. There would be individual budget implications to address these obligations including staffing and reporting, agency reimbursements, construction, monitoring, conservation, and management. This approach would result in duplicate efforts to individually address what are now common/shared tasks and may wind up increasing rather than decreasing costs.

Using a member agency for the post-FORA building removal obligations (if they are not complete by 2020) is appropriate as FORA’s land sale share should also go to the local jurisdiction post-FORA. In this sense, both the obligation and the revenues would transition.

The water obligations for allocation post-FORA would also best be assigned to the appropriate underlying water agencies. As this is not yet defined, staff will not assert who would be responsible but recognize that MCWD retains easements, service and other obligations for former Fort Ord water and wastewater.

**Create a JPA, modify an existing JPA, or create a CSA governed by the Board of Supervisors.**

A JPA could be an efficient replacement for FORA due to economies of scale and the very limited duplication. However, there are significant implications creating a JPA that require time, political issues, and expense as well as identifying revenue support for financing operations, staffing, projects, field management, and overhead. A JPA would be particularly useful for habitat conservation implementation, since that is a basewide obligation that crosses boundaries and remains as a responsibility in perpetuity. Creating such a JPA for habitat would also require jurisdictions with land use authority to adopt some form of fee collection if the required endowment is not fully funded by 2020.

**Create a FORA-shell that maintains existing funding structure.**

A FORA-shell would provide a reliable and efficient framework for completion of FORA obligations. Under this option, FORA would be extended for a fixed-term and FORA's primary funding sources of Property Taxes, Land Sales Revenue, and Community Facilities District Special Taxes would be maintained. This option would also provide the most flexibility for FORA's future role. As FORA completes its obligations or sets up reimbursement agreements with LAFCO-approved entities to complete FORA's obligations, FORA's role could be reduced, even to the point of being a financial vehicle for completion of obligations without direct project involvement. For example, under this option, FORA could provide staffing for the Habitat Conservation Plan JPA until endowments are fully funded and then have no further role with the JPA.

DRAFT

**f) Building Removal Program**

~~As a basewide obligation, the BRP includes the removal of building stock to make way for redevelopment in certain areas of the former Fort Ord. -Building removal is funded from land sale revenue and/or credited against land sale valuation. -The FORA Board established policy regarding building removal obligations with adoption of the FY 01/02 CIP. That policy defines FORA obligations and has been sustained since that time. For example, one of FORA's obligations includes some City of Seaside Surplus II buildings. The policy fixes the overall FORA funding obligation to Surplus II at \$4M, and the City of Seaside decides which buildings to remove. The FORA Board additionally established criteria to address how the building removal program would proceed at Surplus II: 1) buildings must be within Economic Development Conveyance parcels; 2) building removal is required for redevelopment; buildings are not programmed for rehabilitation; and, buildings along Gigling Road potentially fit the criteria. When the City of Seaside, working with any developer, determines which buildings should be removed, FORA would forego a portion of land sale proceeds in an amount commensurate with actual costs, up to \$4M (December 1996 Reimer Associates Fort Ord Demolition Study). All jurisdictions have been treated in a similar manner but have widely varying building removal needs that FORA does its best to accommodate with available funds.~~

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~~In these agreements, the hierarchy of building reuse is observed - the FORA Board policy that prioritizes the most efficient reuse of obsolete buildings by focusing on renovation and reuse in place; relocation and renovation; deconstruction and reuse of building materials; and, mechanical demolition with aggressive recycling.~~

~~FORA's remaining building removal obligations include the former Fort Ord stockade within the City of Marina ( $\pm$  \$2.2M) and as previously discussed, buildings in the City of Seaside's Surplus II area ( $\pm$  \$43.9M). In 2011, FORA, at the direction of the eCity of Seaside, removed a building in the Surplus II area which is explained in more detail in Appendix C. ~~reduced FORA's financial obligation by \$100,000. FORA will continue to work closely with the Cities of Marina and Seaside as new specific plans are prepared for those areas.~~~~

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# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** Preston Park Fiscal Year 2013/2014 Budget (2nd Vote)

**Meeting Date:** July 12, 2013

**Agenda Number:** 8c

**ACTION**

### RECOMMENDATION(S):

Approve FY 2013/2014 Preston Park Housing Operating (**Attachment B**) and Capital Expenditure Budgets (**Attachment F**) to include funds for Capital Improvements and a 2.4% rent increase.

### BACKGROUND/DISCUSSION:

At the June 21, 2013 FORA Board Meeting the motion above received a majority vote to approve the FY 2013/2014 Preston Park Housing Operating and Capital Expenditure Budgets with a 2.4% rent increase. It is returned for a second vote since the approval was not unanimous.

FORA staff has reviewed the Alliance memo, Preston Park FY 2013/14 Operating Budget and Capital Improvement Program (CIP) Assessment (**Attachment A**) and met with representatives of the Preston Park Abrams Tenants Association to receive budget input. FORA staff recommended approval of the Capital Replacement Program Budget and rent increase. In the current year a number of Life and Safety Issues have occurred that will require unplanned use of funding from the property reserves averaging \$2,200 per unit or \$800,000 (**Attachment G**). Approved projects have been scheduled to perform emergency assessments and will be scheduled to limit on the residents.

The 2.4 % rental increase uses the Consumer Price Index as applied to the current and prospective Preston Park residents. The formulae are: 1) **Move-ins** - establishing market rents on an on-going basis according to a market survey, and 2) **Existing tenants** - increase rent once a year by the lesser of 3% or the Consumer Price Index. The financial impacts of the rent increase are displayed by unit type in **Attachment I**. Preston Park rents will remain 10 to 16% below market as compared to equivalent market units. The budget sustains the Board Policy formulas for setting annual market rents. For a full review of the supporting attachments (i.e., Market Survey (**Attachment H**) and Operating Budgets, etc.), these lengthy attachments are provided on the FORA website at the following links:

<http://fora.org/Board/2013/Packet/062113Item8aAttachB-BudgetOption1.pdf>

<http://fora.org/Board/2013/Packet/062113Item8aAttachC-BudgetOption2.pdf>

<http://fora.org/Board/2013/Packet/062113Item8aAttachH-MarketSurvey.pdf>

<http://fora.org/Board/2013/Packet/062113Item8aAttachmentK-AmenityAnalysis.pdf>

### FISCAL IMPACT:

Reviewed by FORA Controller 

The FY 2013/2014 Preston Park budget as presented provides adequate revenue for the Preston Park loan debt service.

### COORDINATION:

FORA Staff, Alliance Staff, Administrative Committee, Executive Committee.

Prepared   
Robert J. Norris, Jr.

Approved   
Michael A. Houlemard, Jr.

May 29, 2013

Mr. Michael Houlemard, Jr.  
Fort Ord Reuse Authority  
920 Second Avenue, Suite A  
Marina, California 93933

Re: Preston Park FY 2013/14 Proposed Budget

It has been a pleasure to continue to work with residents and the Fort Ord Reuse Authority over the last year. With the combination of wonderful residents and effective staff, a number of positive changes have been seen in Preston Park:

- 1) **Exterior Building Upgrades:** With the approval of the Capital Budget in December 2012, the community has been given a minor face lift with the replacement of deteriorated fence slats throughout the community. Motion Sensor lighting is currently being added to the front entrance each home. Pending capital projects include Exterior Painting, Roof Replacements, Window and Door Replacements, additional Driveway and Community Lighting.
- 2) **Interior Building Upgrades:** The Community Center has seen minor renovations as the space has been painted, updated with Stainless Steel Appliances, and new flooring has been installed. The purchase of new furniture is in the works.
- 3) **Units of Long Term Residents:** Several long-term residents have seen upgrades in their flooring, paint, and appliances with little intrusion or inconvenience. These services are extended to long-term residents upon notification or inspection indicating replacement is necessary.
- 4) **Go-Green Initiatives:** The community has been implementing water and energy saving programs inspired by Alliance's own Go-Green Initiative. Devices designated as water or energy saving are purchased and installed as replacement appliances and fixtures as needed. PG&E has been working with residents in the Below Market and Section 8 programs to weatherize their homes at no cost to the resident or the community. Planned landscaping changes, including the addition of low cost irrigation soil sensors, will reduce the amount of water usage in the common areas of the community, and will continue to evolve into larger cost savings for residents as we work in conjunction with Paul Lord at Marina Coast Water.
  - Residents in units with water and energy savings devices installed should anticipate an overall reduction in utility costs of up to 10%. Additional savings (up to 15% on irrigation water usage) will be realized through landscaping upgrades that have been pushed back to 2015.
- 5) **Code Compliance/Safety Improvements:** Carbon Monoxide detectors were installed in all homes as of November 2012, and all water heaters were confirmed to be double strapped for seismic safety in August 2012.
  - Additional Life/Safety Issues have been identified and are currently being addressed throughout the community. Please see **Attachment G** from Marina Fire Chief Harold Kelley, and **Attachment H** for detailed information on Life/Safety issues within the community.

Alliance looks to continue to provide the residents at Preston Park a comfortable and quality living experience. Continued capital improvements throughout the community will allow this property to remain a desirable neighborhood for renters, as well as a continued source of affordable housing for the general populace of Marina.

Revenues

The primary source of revenue is rents, Section 8 voucher payments from the Housing Authority of the County of Monterey and associated charges to residents such as late fees.

The proposed budget reflects projected revenues according to the approved formula indicating that the annual increase in market rents for in-place tenants shall be capped at the lesser of three percent (3%) or the Department of Labor's Consumer Price Index for San Francisco-Oakland-San Jose, All Items, for All Urban Consumers (referred to as CPI-U) Average percentage for the previous year (February to February) be applied to the next fiscal year, provided that the increased rent for in-place residents does not exceed the market rent charged to move-in residents. The proposed Budget Option 1 assumes the maximum rent increase for in-place residents of three percent (2.4%) resulting in an anticipated 4.3% increase in Total Income (\$236,517) over the FY 2012/13 Estimated Actuals. The proposed Budget Option 2 assumes no increase in the FY 2013/14 rent schedule for in-place residents, however still results in a 3.3% increase in Total income (\$178,975) due to new move-in rent values. Please see **Attachment D** for a summary of Revenue Income under the two options.

In Place Residents – Market Rent

The proposed FY 2013/14 Budget – Option 1 assumes a 2.4% increase for in-place residents using the approved formula of three percent (3%) or the Department of Labor's Consumer Price Index for San Francisco-Oakland-San Jose, All Items, for All Urban Consumers (referred to as CPI-U) which has been documented as 2.4%. The rents proposed in Budget Option 1 are as follows:

Unit Size	In-Place Market Rate Rents		Change 8/1/13
	Current Rent Range FY12/13	Proposed FY13/14 Rent	
Section 8 – Two BR	\$1,029 - \$1,175	\$1,029 - \$1,175	\$0
Section 8 – Three BR	\$1,473 - \$1,562	\$1,473 - \$1,562	\$0
Two Bedroom	\$1,146 - \$1,645	\$1,173 - \$1,684	\$27 - \$39
Three Bedroom	\$1,499 - \$1,950	\$1,535 - \$1,997	\$36 - \$47
Luxury – Two BR*	\$1,650 - \$1,947	\$1,690 - \$1,994	\$40 - \$47
Luxury – Three BR*	\$1,947	\$1,994	\$47

\* Note: Four 2-Bedroom homes and one 3-Bedroom home have additional features that warrant higher than average rental rates.

Fair Market Rents (FMR) for Monterey County on a County-wide basis as published in October 2012 by the Monterey County Housing Authority (MCHA) are as follows:

Unit Bedroom Size	Fair Market Rent
Two Bedroom	\$1,223
Three Bedroom	\$1,784

The two bedroom average in-place market rent at Preston Park is \$1,367 which represents a difference of \$144 from the FMR table above. The general cause of the difference in two-bedroom rents relates to the unique amenities and space available in the two-bedroom apartments at the community as compared to the general marketplace. Conversely, the majority of in-place market renters in Preston Park three bedroom homes are below the MCHA Fair Market Rent for a home of this size. The average in-place rent for the three bedroom units at Preston Park is \$1,664, which represents a difference of \$120 from the FMR table above.

Please refer to **Attachment K** for detailed information regarding Preston Park rental rates, including utility estimates, as compared to other communities that pay for Water, Sewer, and Trash service.

Affordable Rents

Affordable rental rates are derived from median income schedules published by governmental agencies. Rental rates at Preston Park are based upon 50% and 60% of the median income for Monterey County. The U.S. Department of Housing and Urban Development calculates the maximum household income by family size in Monterey County, generally once a year. As of the date of this memo the rental rates are based upon families at 50% and 60% of the Monterey County median income for 2013 and allowances for the cost of utilities (as published by MCHA). **Please see Attachment L.** A rental increase is proposed per the revised 2013 rates and allowances.

Unit Size	In-Place Affordable Rate Rents		Change 8/1/13
	Current Rent Range FY12/13	Proposed FY13/14 Rent	
Two Bedroom VL - L	\$656 – \$807	\$677 - \$832	\$21 - \$25
Three Bedroom VL - L	\$731 – \$900	\$756 - \$928	\$25 - \$28

Maximum Household Income Limits for 2013 as published in January 2013.

Income Category	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
50% VL	\$28,500	\$32,100	\$35,650	\$38,500	\$41,400	\$44,250	\$47,100
60% L	\$34,260	\$38,520	\$42,780	\$46,260	\$49,680	\$53,100	\$56,520

Current Market Rent Conditions

The market rent for new move-ins is calculated by comparable market rent levels in the competitive market throughout the year. Additionally, the comparables as outlined in the attached Market Survey dated 4.8.13 (**Attachment J**) are smaller in square footage than units at Preston Park, and many do not offer the specialized features including in-home laundry room, gated back yard with patio, direct access garage, generous storage space, dogs and cats



accepted with pet deposit (Breed restrictions apply, max 2 animals per home). Please refer to **Attachment I** for detailed information.

Per the approved rent formula in 2010, the market rents for new move-ins are fluid throughout the year and change according to market conditions. Today, rents for new move-ins are as follows:

<b>Unit Size</b>	<b>Current Rent Range for Incoming Market Rate Residents</b>
Two Bedroom	\$1,610 - \$1,715
Luxury – Two BR	\$1,750 - \$2,100*
Three Bedroom	\$1,985 - \$2,010
Luxury – Three BR	\$2,100*

\* Note: Four 2-Bedroom homes and one 3-Bedroom home have additional features that warrant higher than average rental rates.

Budget Summary

Expenses as outlined in **Attachment E** include Operating Expense projections and relevant changes from the FY 2012/13 budget. Operating expenses typically include expenditures for routine maintenance of the property, redecorating expenses as they apply to unit turns, and expenditures relating to the daily operations of the Leasing Office. Non-Routine expenses are included as they pertain directly to the daily function of the community, however are not typically able to be forecasted (i.e. large plumbing leaks requiring vendor service, unit specific rehabilitation projects). Annual Inspection materials are included with the Non-Routine expenses as they are a one-time yearly expense. Overall, total operating expenses proposed for FY 2013/14 are 7.0% higher than the estimated actual expenses for FY 2012/13 (\$96,927). Alliance seeks to maximize cost savings, e.g. lower utilities expenses through installation of water/energy saving devices, while contending with inescapable cost increases such as fuel for maintenance vehicles.

Capital Expenses

Expenses categorized as Capital expenses directly impact the long term value of the community, including roof replacements, exterior painting, large-scale landscaping improvements, and interior upgrades including appliances and carpeting/vinyl. Capital projects currently scheduled to be completed in the 2012/13 FY include:

- 1) Site Lighting Repair/Replacement/Installation - \$265,849
- 2) Roof Replacements - \$1,311,893
- 3) Exterior Paint - \$398,008
- 4) Exterior Unit Doors/Windows- \$1,557,000
- 5) Seal Coat Streets - \$155,787

A Capital Management Agreement was signed on May 2, 2013. Efforts are currently underway to create a scope of work for each project and obtain competitive bids. Work will begin as soon as all approvals are in place. Ownership of streets within Preston Park has been confirmed.

2013/2014 FY Capital Improvement Program

Recommended Capital Projects to be managed through the Construction Department (excluding continuing projects or completions of projects from 2012/13):

- 1) Dry Rot Repairs - \$20,000
- 2) Building Fascia/Flashing Repairs - \$800,000

Recommended capital projects managed at the site level include:

- 3) Fire Extinguishers - \$13,000
- 4) Termite Remediation - \$50,000

Capital Reserves Fund

In accordance with the 2013 reevaluation of the Replacement Reserves Study conducted in April 2008, Alliance recommends a minimum reserve withholding of \$2,937 per unit per year during the 2013/14 fiscal period. **Please refer to Attachment F.** This withholding would ensure that the asset holds adequate reserves to perform necessary replacements and repairs to protect the useful life of the buildings.

While both Budget Options assume owner distribution (revenue to FORA and the City of Marina) similar to FY 2012/2013, these options reflect a withholding amount of just \$2,076.20 per unit per year. Necessary Life/Safety Capital projects will not be able to be accomplished per the attached CIP schedule if withholding amounts are not increased.

**Budget Option 1** (Maximum rent increase of 2.4% for in-place residents) offers an opportunity to increase the property's replacement reserve account through revenue generation, thus allowing for many of the critical Capital Improvement projects throughout the community to take place over time. (**Attachment B**)

**Budget Option 2** (No rent increase for in-place residents) outlines community needs to continue daily operations, but may compromise many of the necessary long-term capital projects due to restricted funds available to complete such projects. (**Attachment C**)

Management Assessment

In accordance with the December 2012 budget approval, Management has been directed to provide detailed information regarding Leasing and Maintenance services provided to residents and prospects. Alliance Residential utilizes an independent source (Kinglsey Associates) to monitor and gauge resident satisfaction throughout the company portfolio. **Attachment M for Q4 2012 and Attachment N for Q1 2013** indicate that Preston Park consistently outperforms Alliance Portfolio standards.

We will continue to look for new ways to improve our services over the coming year and remain committed to meeting the objectives set by FOR A.

Please feel free to contact me should you have additional questions or concerns at (408) 396-8341. Approval of the final budget prior to May 31, 2013, would be helpful in order to implement rental increases by August 1, 2013.

Regards,

Jill Hammond  
Regional Manager

Cc: Jonathan Garcia, FOR A  
Ivana Bednarik, FOR A  
Robert Norris, FOR A  
Brad Gibbins, Chief Operating Officer, Alliance Communities, Inc.  
Annette Thurman, Vice President of Operations, Alliance Communities, Inc.

Attachments:

- A.
- B. Budget Document – Option 1
- C. Budget Document – Option 2
- D. FY 2013/2014 Budget Revenue Summary
- E. Operating Expenses
- F. Revised CIP
- G. Life Safety
- H. Letter from Fire Chief Kelley
- I. April 2013 Market Survey
- J. Affordable Housing Rental Rates
- K. Unit Matrix
- L. BMR Rent Limits
- M. Kingsley Q4 2012 Community Report
- N. Kingsley Q1 2013 Community Report

**PRESTON PARK  
2014 STANDARD BUDGET  
CONSOLIDATION & SIGN-OFF**



Description	2014	2013	Variance	Variance %
	Total	Projected		
Physical Occupancy	98.04 %	98.96 %		
Economic Occupancy	97.32 %	96.13 %		
Gross Market Potential	\$5,816,930	\$5,643,882	\$173,048	3.1%
Market Gain/Loss to Lease	\$16,124	(\$111,087)	\$127,210	114.5%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$56,187)	(\$47,422)	(\$8,765)	-18.5%
Rental Concessions	\$0	(\$148)	\$148	100.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$114,328)	(\$57,783)	(\$56,546)	-97.9%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	\$0	\$0	0.0%
Bad Debt Expense	(\$1,750)	(\$2,034)	\$284	14.0%
Other Resident Income	\$36,750	\$33,163	\$3,587	10.8%
Miscellaneous Income	\$8,450	\$10,901	(\$2,451)	-22.5%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
<b>TOTAL INCOME</b>	<b>\$5,705,989</b>	<b>\$5,469,472</b>	<b>\$236,517</b>	<b>4.3%</b>
PAYROLL	\$520,430	\$488,934	(\$31,495)	-6.4%
LANDSCAPING	\$73,836	\$70,790	(\$3,046)	-4.3%
UTILITIES	\$94,359	\$93,918	(\$441)	-0.5%
REDECORATING	\$78,203	\$76,418	(\$1,785)	-2.3%
MAINTENANCE	\$100,785	\$94,468	(\$6,317)	-6.7%
MARKETING	\$15,290	\$15,398	\$108	0.7%
ADMINISTRATIVE	\$85,423	\$59,907	(\$25,516)	-42.6%
RETAIL EXPENSE	\$0	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$142,650	\$136,888	(\$5,762)	-4.2%
INSURANCE	\$194,472	\$190,686	(\$3,786)	-2.0%
AD-VALOREM TAXES	\$105,324	\$105,747	\$423	0.4%
NON ROUTINE MAINTENANCE	\$72,375	\$53,064	(\$19,311)	-36.4%
<b>TOTAL OPERATING EXP</b>	<b>\$1,483,147</b>	<b>\$1,386,219</b>	<b>(\$96,927)</b>	<b>-7.0%</b>
<b>NET OPERATING INCOME</b>	<b>\$4,222,842</b>	<b>\$4,083,253</b>	<b>\$139,589</b>	<b>3.4%</b>
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$324,420	\$355,066	\$30,646	8.6%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$0	\$0	\$0	0.0%
EXTRAORDINARY COST	\$0	\$0	\$0	0.0%
<b>NET INCOME</b>	<b>\$3,898,422</b>	<b>\$3,728,187</b>	<b>\$170,235</b>	<b>4.6%</b>
CAPITAL EXPENDITURES	\$1,229,952	\$4,162,505	\$2,932,553	70.5%
MORTGAGE PRINCIPAL	\$0	\$0	\$0	0.0%
TAX ESCROW	\$0	\$0	\$0	0.0%
INSURANCE ESCROW	\$0	\$0	\$0	0.0%
INTEREST ESCROW	\$0	\$0	\$0	0.0%
REPLACEMENT RESERVE	\$734,976	\$734,976	\$0	0.0%
REPLACEMENT RESERVE REIMBURSE	(\$1,229,952)	(\$4,162,505)	(\$2,932,553)	-70.5%
WIP	\$0	\$0	\$0	0.0%
OWNER DISTRIBUTIONS	\$3,487,866	\$3,348,276	(\$139,590)	-4.2%
DEPRECIATION AND AMORTIZATION	(\$324,420)	(\$355,066)	(\$30,646)	-8.6%
<b>NET CASH FLOW</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$0)</b>	<b>-89.2%</b>

**Approvals**

Owner \_\_\_\_\_ Date \_\_\_\_\_

Asset Manager \_\_\_\_\_ Date \_\_\_\_\_

COO \_\_\_\_\_ Date \_\_\_\_\_

VP \_\_\_\_\_ Date \_\_\_\_\_

Regional Manager \_\_\_\_\_ Date \_\_\_\_\_

Business Manager \_\_\_\_\_ Date \_\_\_\_\_

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

Attachment B to Item 8c  
FORA Board Meeting, 7/12/13

**PRESTON PARK  
2014 STANDARD BUDGET  
CONSOLIDATION & SIGN-OFF**



Description	2014 Total	2013 Projected	Variance	Variance %
Physical Occupancy	98.04 %	98.96 %		
Economic Occupancy	98.30 %	96.13 %		
Gross Market Potential	\$5,699,868	\$5,643,882	\$55,986	1.0%
Market Gain/Loss to Lease	\$72,085	(\$111,087)	\$183,171	164.9%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$54,974)	(\$47,422)	(\$7,552)	-15.9%
Rental Concessions	\$0	(\$148)	\$148	100.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$112,000)	(\$57,783)	(\$54,218)	-93.8%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	\$0	\$0	0.0%
Bad Debt Expense	(\$1,732)	(\$2,034)	\$302	14.9%
Other Resident Income	\$36,750	\$33,163	\$3,587	10.8%
Miscellaneous Income	\$8,450	\$10,901	(\$2,451)	-22.5%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
<b>TOTAL INCOME</b>	<b>\$5,648,447</b>	<b>\$5,469,472</b>	<b>\$178,974</b>	<b>3.3%</b>
PAYROLL	\$520,430	\$488,934	(\$31,495)	-6.4%
LANDSCAPING	\$73,836	\$70,790	(\$3,046)	-4.3%
UTILITIES	\$94,359	\$93,918	(\$441)	-0.5%
REDECORATING	\$78,203	\$76,418	(\$1,785)	-2.3%
MAINTENANCE	\$100,785	\$94,468	(\$6,317)	-6.7%
MARKETING	\$15,290	\$15,398	\$108	0.7%
ADMINISTRATIVE	\$85,423	\$59,907	(\$25,516)	-42.6%
RETAIL EXPENSE	\$0	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$141,211	\$136,888	(\$4,323)	-3.2%
INSURANCE	\$194,472	\$190,686	(\$3,786)	-2.0%
AD-VALOREM TAXES	\$105,324	\$105,747	\$423	0.4%
NON ROUTINE MAINTENANCE	\$72,375	\$53,064	(\$19,311)	-36.4%
<b>TOTAL OPERATING EXP</b>	<b>\$1,481,708</b>	<b>\$1,386,219</b>	<b>(\$95,489)</b>	<b>-6.9%</b>
<b>NET OPERATING INCOME</b>	<b>\$4,166,738</b>	<b>\$4,083,253</b>	<b>\$83,485</b>	<b>2.0%</b>
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$324,420	\$355,066	\$30,646	8.6%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$0	\$0	\$0	0.0%
EXTRAORDINARY COST	\$0	\$0	\$0	0.0%
<b>NET INCOME</b>	<b>\$3,842,318</b>	<b>\$3,728,187</b>	<b>\$114,132</b>	<b>3.1%</b>
CAPITAL EXPENDITURES	\$1,229,952	\$4,162,505	\$2,932,553	70.5%
MORTGAGE PRINCIPAL	\$0	\$0	\$0	0.0%
TAX ESCROW	\$0	\$0	\$0	0.0%
INSURANCE ESCROW	\$0	\$0	\$0	0.0%
INTEREST ESCROW	\$0	\$0	\$0	0.0%
REPLACEMENT RESERVE	\$734,976	\$734,976	\$0	0.0%
REPLACEMENT RESERVE REIMBURSE	(\$1,229,952)	(\$4,162,505)	(\$2,932,553)	-70.5%
WIP	\$0	\$0	\$0	0.0%
OWNER DISTRIBUTIONS	\$3,431,762	\$3,348,276	(\$83,486)	-2.5%
DEPRECIATION AND AMORTIZATION	(\$324,420)	(\$355,066)	(\$30,646)	-8.6%
<b>NET CASH FLOW</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$0)</b>	<b>-42.3%</b>

**Approvals**

Owner	Date
Asset Manager	Date
COO	Date
VP	Date
Regional Manager	Date
Business Manager	Date

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

**Attachment C to Item 8c  
FORA Board Meeting, 7/12/13**

## Preston Park Budget Memo Attachment C – Revenue Summary

### Budget Option 1 – 2.4% Rent Increase Proposed

<u>Revenue</u>	Proposed FY 2013/ 2014	Estimated Actuals FY 2012/ 2013	Variance from FY 2012/2013 Estimated Actuals	%	Comments	Approved Budget FY 2012/ 2013	Variance From 2012/2013 Estimated Actuals	%	Comments	2013/2014 Proposed Budget vs. 2012/2013 Approved Budget	%
GROSS MARKET POTENTIAL	\$5,816,930	\$5,643,882	\$173,048	3.1%	2.4% increase proposed as of 8/1/13.	\$5,376,900	\$266,982	5.0%	Reflects approved rental increase and higher Market Rents achieved.	\$440,030	8.2%
NON-REVENUE APARTMENTS	-\$56,187	-\$47,422	-\$8,765	-18.5%	Difference accounted for in rent increase throughout property.	-\$62,448	\$15,026	24.1%	Reduction due to the split of the Office/Community Center with Abrams Park. Preston Park is charged 60% and Abrams Park is charged 40%.	\$6,261	10.0%
MISCELLANEOUS INCOME	\$8,450	\$10,901	-\$2,451	-22.5%	Anticipating reduction in Interest income as Capital Projects are completed.	\$7,632	\$3,269	42.8%	Additional income derived from recycling appliances through MARS*.	\$818	10.7%
<b>TOTAL INCOME</b>	<b>\$5,705,939</b>	<b>\$5,469,472</b>	<b>\$236,517</b>	<b>4.3%</b>		<b>\$5,368,586</b>	<b>\$100,886</b>	<b>1.9%</b>		<b>\$337,403</b>	<b>6.3%</b>
<b>NET INCOME</b>	<b>\$3,898,422</b>	<b>\$3,728,187</b>	<b>\$170,235</b>	<b>4.6%</b>		<b>\$3,907,035</b>	<b>-\$178,848</b>	<b>-4.6%</b>	Net Income adversely affected by the Depreciation schedule	<b>-\$8,613</b>	<b>-0.2%</b>

- MARS (Major Appliance Recycling Service) is a national service that provides payment for pickup of appliances that can be reused or recycled.

May 29, 2013

Attachment D to Item 8c  
FORA Board Meeting, 7/12/13

## Preston Park Budget Memo Attachment C – Revenue Summary

### Budget Option 2 – No Increase Proposed

<u>Revenue</u>	Proposed FY 2013/ 2014	Estimated Actuals FY 2012/ 2013	Variance from FY 2012/2013 Estimated Actuals	%	Comments	Approved Budget FY 2012/ 2013	Variance From 2012/2013 Estimated Actuals	%	Comments	2013/2014 Proposed Budget vs. 2012/2013 Approved Budget	%
GROSS MARKET POTENTIAL	\$5,699,868	\$5,643,882	\$55,986	1.0%	Increase due to new move-ins at market rate.	\$5,376,900	\$266,982	5.0%	Reflects higher Market Rents achieved.	\$322,968	6.0%
NON-REVENUE APARTMENTS	-\$54,974	-\$47,422	-\$7,552	-15.9%	Slight increase as new move in market rents have increased.	-\$62,448	\$15,026	24.1%	Reduction due to the split of the Office/Community Center with Abrams Park. Preston Park is charged 60% and Abrams Park is charged 40%.	\$7,474	12.0%
MISCELLANEOUS INCOME	\$8,450	\$10,901	-\$2,451	-22.5%	Anticipating reduction in Interest income as Capital Projects are completed.	\$7,632	\$3,269	42.8%	Anticipating additional income derived from recycling appliances through MARS*.	\$818	10.7%
<b>TOTAL INCOME</b>	<b>\$5,648,447</b>	<b>\$5,469,472</b>	<b>\$178,975</b>	<b>3.3%</b>		<b>\$5,368,586</b>	<b>\$100,886</b>	<b>1.9%</b>		<b>\$279,861</b>	<b>5.2%</b>
<b>NET INCOME</b>	<b>\$3,842,318</b>	<b>\$3,728,187</b>	<b>\$114,131</b>	<b>3.1%</b>		<b>\$3,907,035</b>	<b>-\$178,848</b>	<b>-4.6%</b>	Net Income adversely affected by the Depreciation schedule	<b>-\$64,717</b>	<b>-1.7%</b>

May 29, 2013

**Preston Park Budget Memo Attachment C – Highlights of Operating Expenses**

<u>Operating Expenses</u>	Proposed FY 2013/ 2014	Estimated Actuals FY 2012/2013	Variance from FY 2012/2013 Estimated Actuals	%	Comments	Approved Budget FY 2012/ 2013	Variance From 2012/2013 Estimated Actuals	%	Comments	2013/2014 Proposed Budget vs. 2012/2013 Approved Budget	%
SALARIES	\$361,775	\$338,147	\$23,628	7.0%	Increase in salaries due to addition of Project Coordinator position.	\$320,601	\$17,546	5.5%	Overage in salaries due to overtime hours worked by full time associates to cover additional open staff position.	\$41,174	12.8%
PAYROLL TAXES + BURDEN	\$110,270	\$98,511	\$11,759	11.9%	Additional expense with addition of new associates.	\$101,026	-\$2,515	-2.5%	Savings due to 2 site associates not participating in insurance program.	\$9,244	9.2%
NON-STAFF LABOR	\$21,600	\$35,153	-\$13,553	-38.6%	Reduction in non-staff labor due to full office/maint. staff	\$0	\$35,153	---	Temp service utilized to fill-in while replacement staff identified.	\$35,153	---
LANDSCAPING	\$73,836	\$70,790	\$3,046	4.3%	Increase in irrigation repairs.	\$70,700	\$90	0.1%	Negligible variance	\$3,136	4.7%
UTILITIES	\$94,359	\$93,918	\$441	0.5%	Slight increase in Trash removal charges due to higher units turns.	\$96,660	-\$2,742	-2.8%	Decrease due to lower vacancy rate, ie. lower vacant utilities than expected	-\$2,301	-2.4%
REDECORATING	\$78,203	\$76,418	\$1,785	2.3%	Increase to account for higher turnover rate anticipated.	\$81,744	-\$5,326	-6.5%	Multiple units were short term rentals and did not require full service	-\$3,541	-4.3%
MAINTENANCE	\$100,785	\$94,468	\$6,317	6.7%	Increase to account for deteriorating electrical, plumbing, and vehicles.	\$82,332	\$12,136	14.7%	Encountered higher than anticipated plumbing and electrical issues, gas prices and vehicle repairs.	\$18,453	22.4%
MARKETING	\$15,290	\$15,398	-\$108	-0.7%	Negligible difference.	\$13,047	\$2,351	18.0%	Variance caused by addition of pay-per referral service, purchase of new flags and signage for leasing office.	\$2,243	17.2%

May 29, 2013

Attachment E to Item 8c  
FORA Board Meeting, 7/12/13



### Preston Park Budget Memo Attachment C – Highlights of Operating Expenses

<u>Operating Expenses</u>	Proposed FY 2013 / 2014	Estimated Actuals FY 2012/2013	Variance	%	Comments	Approved Budget FY 2012/ 2013	Variance From 2012/2013 Estimated Actuals	%	Comments	2013/2014 Proposed Budget vs. 2012/2013 Approved Budget	%
ADMINISTRATIVE	\$85,423	\$59,907	\$25,516	42.6%	Addition of check scanning equipment and Courtesy Patrol Service	\$57,606	\$2,301	4.0%	Higher than anticipated attorneys fees due to rent collection issues and evictions.	\$27,817	48.3%
INSURANCE	\$194,472	\$190,686	\$3,786	2.0%	Increase in premiums.	\$185,020	\$5,666	3.1%	Increase in premiums.	\$9,452	5.1%
NON-ROUTINE MAINTENANCE	\$72,375	\$53,064	\$19,311	36.4%	Addition of funds for Concrete Grinding throughout community. Other services include one-time gutter cleaning and sealing of oven vents in each home	\$14,000	\$39,064	279%	Difference to account for re-class of Annual Inspection materials from Maintenance category, and used to code exterior rehab projects at 726/728 Landrum, 712/714 Brown, 663 Bailey, and interior repairs at 660 Horn.	\$58,375	417%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,483,147</b>	<b>\$1,386,219</b>	<b>\$96,927</b>	<b>7.0%</b>		<b>\$1,280,463</b>	<b>\$105,756</b>	<b>8.3%</b>		<b>\$202,684</b>	<b>15.8%</b>

May 29, 2013

**PRESTON PARK - REVISED PHYSICAL NEEDS ASSESSMENT (8 Year Look Forward - Alliance Residential Recommendation)**

Updated: 5/29/2013

Project	Detail	Committed Projects	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021
<b>1410</b>										
Comprehensive Property Inspection (PNA)	Physical Needs Assessment		\$ 74,600							
Carbon Monoxide Detectors		\$ 33,060								
Site Lighting Repair / Replacement /Install	*Exterior site upgrades	\$ 265,849						\$ 50,000		
Roof	*Replacement	\$ 1,311,893				\$ 10,000		\$ 10,000		\$ 10,000
Exterior Paint	*Full Paint	\$ 398,008						\$ 283,200		
Exterior Unit Doors and Windows	*Replacement	\$ 1,557,000					\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Building Exterior	*Dryrot Repairs		\$ 20,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 75,000	\$ 2,000	\$ 2,000
Fence Slat Replacement	Replacement	\$ 35,000						\$ 75,000		
Resident Business Center	FF&E	\$ 12,000								
Landscape/ Irrigation	*Replacement / Upgrades			\$ 175,000				\$ 200,000		
Leasing Office / Signage	*Upgrades			\$ 115,000						
Playgrounds	*Replacement			\$ 125,000						
Fire Extinguishers	Add Fire Extinguishers to each home		\$ 13,000							
Termite Remediation	Termite remediation		\$ 50,000							
Building Fascia/Flashing Repairs	Repairs to exterior sheer walls		\$ 800,000							
<b>1415</b>										
New Office Computers	Replace existing old computers	\$ 2,600					\$ 2,600			
<b>1416</b>										
One Maintenance Truck	Needed for hauling etc...	\$ 14,000				\$ 15,000				\$ 15,000
<b>1420</b>										
Seal Coat Streets		\$ 155,787					\$ 155,787			
<b>1425</b>										
Dishwasher	replacement (assume 10 year life)	\$ 10,200	\$ 12,160	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200
Refrigerators	replacement (assume 15 year life)	\$ 14,400	\$ 16,800	\$ 12,650	\$ 12,650	\$ 12,650	\$ 12,650	\$ 12,650	\$ 12,650	\$ 12,650
Range	replacement (assume 15 year life)	\$ 16,524	\$ 18,360	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500
Garbage Disposal	replacement (assume 10 year life)	\$ 2,345	\$ 3,000	\$ 2,345	\$ 2,345	\$ 2,345	\$ 2,345	\$ 2,345	\$ 2,345	\$ 2,345
Hot Water Heaters	replacement (assume 15 year life)	\$ 16,200	\$ 18,000	\$ 17,250	\$ 17,250	\$ 17,250	\$ 17,250	\$ 17,250	\$ 17,250	\$ 17,250
Carpet	replacement (assume 5 year life)	\$ 38,400	\$ 56,532	\$ 113,600	\$ 113,600	\$ 113,600	\$ 113,600	\$ 113,600	\$ 113,600	\$ 113,600
Vinyl	replacement (assume 10 year life)	\$ 66,300	\$ 73,100	\$ 19,250	\$ 19,250	\$ 19,250	\$ 19,250	\$ 19,250	\$ 19,250	\$ 19,250
HVAC Furnace	replacement (assume 20 year life)	\$ 26,400	\$ 26,400	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300
<b>1430</b>										
Applicable Construction Management Expenses	Miscellaneous (see * items)	\$ 211,965	\$ 48,000	\$ 24,900	\$ -	\$ -	\$ -	\$ 25,992	\$ -	\$ -
<b>Annual Reserve Expenses (uninflated)</b>		\$ 4,187,931	\$ 1,229,952	\$ 643,995	\$ 204,095	\$ 229,095	\$ 364,982	\$ 923,787	\$ 206,595	\$ 231,595
<b>Inflation Factor</b>		0.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Annual Reserve Expenses (Inflated)</b>		\$ 4,187,931	\$ 1,254,551	\$ 660,095	\$ 209,197	\$ 234,822	\$ 374,107	\$ 946,882	\$ 211,760	\$ 237,385
<b>Annual Infusion of Replacement Reserve Funds</b>			\$ 1,239,000	\$ 663,750	\$ 442,500	\$ 442,500	\$ 442,500	\$ 442,500	\$ 442,500	\$ 442,500
<b>Reserve Fund BEFORE Annual Expenses and BEFORE Annual Infusion</b>			\$ 52,215	\$ 700,414	\$ 482,819	\$ 716,122	\$ 923,799	\$ 992,193	\$ 487,811	\$ 718,551
<b>Reserve Fund AFTER Annual Expenses and AFTER Annual Infusion</b>			\$ 36,664	\$ 40,319	\$ 273,622	\$ 481,299	\$ 549,693	\$ 45,311	\$ 276,051	\$ 481,166

Designates projected starting balance of Replacement Reserve Fund		
Holdbacks and Reserve Summary	\$/Unit	\$/Unit/Year (Average)
Physical Needs Over the Term:	\$ 8,316,730	\$ 2,937

**Note:** The CIP above represents projects known to Management as current or pending necessary improvements. It does not represent unknown repairs which may present themselves as the property continues to age such as electrical, plumbing or structural occurrences.

Attachment F to Item 8c  
FORA Board Meeting, 7/12/13

## Attachment B – Life/Safety Issues

### Electrical Issues:

3 incidents have occurred within Preston Park relating to Electrical Issues stemming from ungrounded main panel circuitry at the building site, and overload of power from PG&E power sources. At each instance, the Marina Fire Department, PG&E, and Alliance staff worked in conjunction to restore power to each building site, resulting in minimal inconvenience to residents.

Per community inspection, the grounding rods at each building site have been compromised by age and weatherization causing power overloads to become trapped inside internal circuitry. Additionally, internal sub-panel wiring has been found to be loose or fraying. Bids and approval from FORA staff have been received and this project is set to begin in June 2013.

660 Horn Fire – 2/14/13  
677/675 Wahl Incident – 5/6/13  
658/650 Bailey – 5/24/13

### Attic Inspections/Termite Remediation:

In January 2013 an attic inspection of a home in Abrams Park prompted management to conduct Attic Inspections in Preston Park. Inspections revealed roof leaks at multiple locations, and termite activity within a limited number of homes. Fire walls were found to be intact. Roof repairs are scheduled to be made under the approved FY 2012/2013 Capital Project schedule, and Termite Remediation bids have been received and included in the proposed 2013/2014 budget for possible completion in July 2013.

### Oven Vents:

In August 2012, during the non-routine cleaning of a kitchen oven vent by a vendor service, it was discovered that the oven vent was not sealed properly. This prompted staff to immediately inspect 10 other homes of varying floor plans within the community, each with similar results. Documentation was received from the vendor service indicating that within 1 years' time, all of the oven vents within the community would need to be resealed. This service is listed in the budget as a Non-Routine item to be completed in July 2013.

### Fire Extinguishers:

During a routine service request regarding a deceased rodent within the interior walls of a home, a fire started in the water heater closet. Staff promptly shut off gas service and began to douse the fire with water from a garden hose. Consideration was then given to adding a one-time use fire extinguisher to each home. Pricing has been obtained, as has input from the Marina Police Department. This service is listed in the budget as a Capital item for installation in each home beginning in July 2013.

### Exterior Fascia/Flashing Repairs:

After complaints were received by a resident regarding a musty smell in the stairwell, an inspection revealed that the exterior stucco and shear wall had been compromised. Upon further investigation, the neighboring home was also found to be experiencing the same issue. The cause of the water intrusion was determined to be improperly designed/installed flashing at the point that the garage roof meets the exterior wall of the stairwell. The exterior of the building was removed, rotted wood and compromised

installation replaced, and new watertight papering installed within 2 days. After several trial and error attempts, an exterior repair was made and tested to ensure water intrusion was remedied. Three additional homes were identified with the same flaw and repairs made to the exterior of those buildings. A test sample of 30 additional homes revealed 28 addresses where this design flaw is causing moisture intrusion. Estimated costs for community-wide repairs have been included in the 2013/2014 Capital projects budget. Repairs will need to be completed before painting can be performed.




# Marina Fire Department

## MEMORANDUM

**DATE:** May 30, 2013

**TO:** Corey Williams, Business Manager

**CC:** Craig Oliver, Chief Building Official  
File

**FROM:** Harald Kelley, Fire Chief 

**SUBJECT:** Abrams Park and Preston Park Code Compliance Assessment

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Over the last several years the fire department has had calls for service that involved electrical issues and code compliance issues in both Abrams Park and Preston Park. Alliance Management has been notified at the time of the incidents and responded in a timely manner assisting both the fire department and the tenants involved.

I strongly support the Community Code Compliance Assessment that is being proposed by the Alliance Communities Inc. management in their FY 2013/2014 budget for Preston Park. At the regular meeting of the Marina City Council held on May 21, 2013, the Marina City Council approved Resolution No. 2013-61 approving funding for compliance safety review (Physical Needs Assessment) and inspections; provided funding for inspections and related proposals for attic repairs and repairs to electrical grounding as part of the Abrams Park Community Code Compliance Assessment. I strongly encourage the FOR A Board to do the same for Preston Park.

The proposed Assessment would assist Alliance management in prioritizing repairs and also help in indentifying code compliance issues. The Assessment is a proactive action in mitigating an emergency verses waiting until an incident occurs.

If you have any question, please contact me at (831) 884-1210 between the hours of 8:00 am and 5:00 pm Monday through Friday.

COMMUNITY DESCRIPTION	
Street address	682 Wahl Court
City, State, Zip Code	Marina, CA 93933
Telephone	(831) 384-0119
Construction type	Mixed use
Year built	1987
Owner	Fort Ord Reuse Authority
Management	Alliance Residential Company
Total units	352
Physical occupancy	99%

COMMUNITY RATINGS	
Location	B
Visibility	C
Curb appeal	B
Condition	C
Interiors	C
Amenities	D

PAYER OF UTILITIES	
Gas	Resident
Electric	Resident
Water	Res/Meter
Sewer	Resident
Trash	Resident
Cable TV	N A
Internet	Resident
Pest control	Community
Valet trash	N A

FEES, DEPOSITS, AND LEASE TERMS	
Application fee	\$44
Lease terms	MTM and 6 months
Short term premium	N/A
Refundable security deposit	Equal to one months' rent
Administrative fee	\$0
Non refundable pet deposit	N/A
Pet deposit	\$250 covers up to 2 pets
Pet rent	\$0

CONCESSIONS
No concessions. Community is partially Below Market Rent and Section 8.

COMMENTS
All units have an attached garage, in-home laundry room, and gated backyard. \$25 fee for end units.

APARTMENT AMENITIES			
Accent color walls	No	Paneled doors	No
Air conditioning	No	Patio/Balcony	Yes
Appliance color	White	Refrigerator	Frost-Free
Cable TV	No	Roman tubs	No
Ceiling	No	Security system	No
Ceiling fans	No	Self cleaning oven	No
Computer desk	No	Separate shower	No
Crown molding	No	Upgraded counters	No
Fireplace	No	Upgraded flooring	Plush Cpt
Icemaker	No	Upgraded lighting	No
Kitchen pantry	Yes	Vaulted ceiling	No
Linen closets	Yes	Washer/Dryer	No
Microwave	No	W/D connection	Full size
Outside storage	No	Window coverings	1" mini

COMMUNITY AMENITIES			
Access gates	No	Free DVD/movie library	No
Addl rentable storage	No	Laundry room	No
Attached garages	Yes	Movie theater	No
Barbecue grills	No	Parking structure	No
Basketball court	Yes	Pet park	No
Billiard	No	Playground	Yes
Business center	No	Pools	No
Club house	Yes	Racquetball	No
Concierge services	No	Reserved parking	No
Conference room	No	Sauna/Jacuzzi	No
Covered parking	No	Tennis court	No
Detached garages	No	Volleyball	No
Elevators	No	Water features	No
Fitness center	No	WiFi	No

**FLOORPLANS AND RENTS**

Floorplan Type	Unit Description	# of Units	% of Units	Square Feet	Rent per Unit				Concessions		Effective Net Rents	
					Low	High	Average	Avg PSF	Mos Free	Term	Average	Avg PSF
2X1		10	3%	1,150	\$1,610	\$1,610	\$1,610	\$1.40	0.00	0.00	\$1,610	\$1.40
2X1.5		80	23%	1,278	\$1,665	\$1,690	\$1,677	\$1.31	0.00	0.00	\$1,677	\$1.31
2X1.5	1 car attached Renovated	2	1%	1,278	\$2,100	\$2,100	\$2,100	\$1.64	0.00	0.00	\$2,100	\$1.64
2X1.5	1 car attached Renovated	135	38%	1,323	\$1,690	\$1,715	\$1,702	\$1.29	0.00	0.00	\$1,702	\$1.29
3X2.5		124	35%	1,572	\$1,985	\$2,010	\$1,997	\$1.27	0.00	0.00	\$1,997	\$1.27
3X2.5	1 car attached Renovated	1	0%	1,572	\$2,100	\$2,100	\$2,100	\$1.34	0.00	0.00	\$2,100	\$1.34
<b>Total / Weighted Average</b>		<b>352</b>	<b>100%</b>	<b>1,396</b>	<b>\$1,789</b>	<b>\$1,814</b>	<b>\$1,801</b>	<b>\$1.29</b>	<b>0.00</b>	<b>0.00</b>	<b>\$1,801</b>	<b>\$1.29</b>

Attachment D - Unit Matrix

			Utility costs*							Market Survey Data						
Bedrooms	Bathrooms	Square footage	Average Rent per unit	Water	Sewer	Trash	Total Utilities	Total Rent including utilities	Total Rent per square foot BEFORE rent increase	Total Rent per square foot after 2.4% increase	Total Rent per square foot AFTER rent increase	Sunbay Suites rent per square foot	Marina Square rent per square foot	Marina del Sol rent per square foot	Shadow Market rent per square foot	Abrams Park rent per square foot not including utilities
2	1	1150	\$1,367	\$39	\$26	\$18	\$83	\$1,450	\$1.26	\$1,483.00	\$1.29	\$1.88	\$1.31	\$1.50	\$1.39	\$1.35
2	1.5	1278	\$1,367	\$39	\$26	\$18	\$83	\$1,450	\$1.13	\$1,483.00	\$1.16	N/A	N/A	N/A	\$1.33	N/A
2	1.5	1323	\$1,367	\$39	\$26	\$18	\$83	\$1,450	\$1.10	\$1,483.00	\$1.12	N/A	N/A	N/A	\$1.33	N/A
3	2.5	1572	\$1,664	\$50	\$26	\$18	\$94	\$1,758	\$1.12	\$1,799.50	\$1.14	N/A	N/A	N/A	\$1.19	N/A

\* Utility costs for 2 Bedroom Unit derived from 3-person household sample

\* Utility costs for 3 Bedroom Unit derived from 4-person household sample

Note that in addition to the rental amounts paid by in-place residents, Preston Park residents pay for Water, Sewer, and Trash services that the majority of the comparables in the market place pay on behalf of the household. The chart above indicates that in each unit type, Preston Park residents are paying a lower rental amount per square foot of space within the homes (not including garage space).

Households in Abrams Park have not received a rental increase in 3 years and are still averaging roughly \$0.10 cents per square foot higher rental rates than Preston Park households.

**Table 2.**  
**2013 Maximum Monthly Rental Rates**  
**Monterey County**

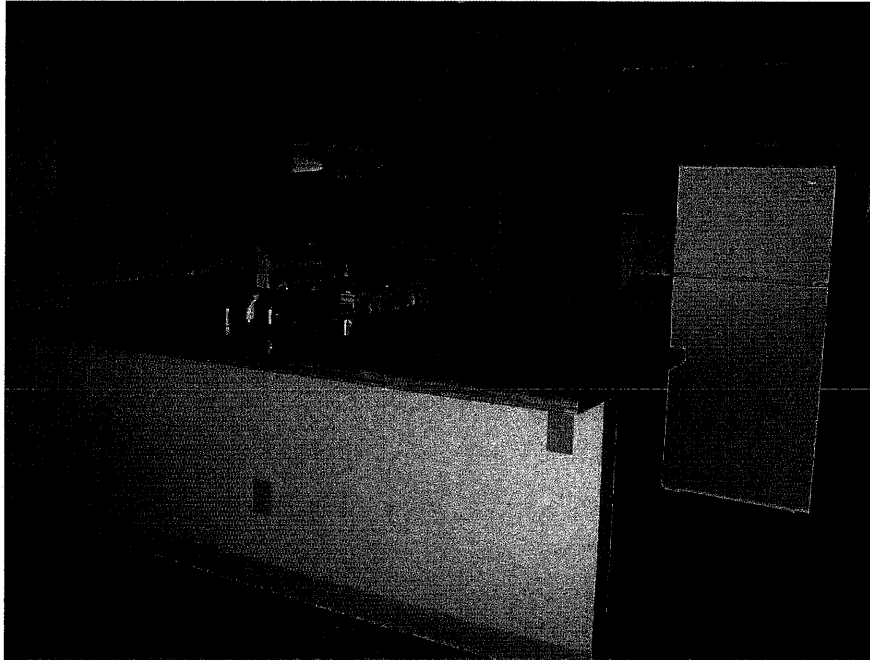
<b>TAX CREDIT PROJECTS</b>				
	<b>Number of Bedrooms in Unit</b>			
	<b>One</b>	<b>Two</b>	<b>Three</b>	<b>Four</b>
<b>Household Size</b>	1.5	3	4.5	6
<b>Very Low Rent (50% of AMI)</b>	\$644	\$773	\$893	\$996
less utilities (2)	-\$82	-\$96	-\$103	-\$120
<b>Monthly Rent net of utilities</b>	<b>\$562</b>	<b>\$677</b>	<b>\$790</b>	<b>\$876</b>
<b>Low Rent (60% of AMI)</b>	\$773	\$928	\$1,072	\$1,196
less utilities	-\$82	-\$96	-\$103	-\$120
<b>Monthly Rent net of utilities</b>	<b>\$691</b>	<b>\$832</b>	<b>\$969</b>	<b>\$1,076</b>
<b>Moderate Rent (110% of AMI)</b>	\$1,417	\$1,701	\$1,965	\$2,192
less utilities	-\$82	-\$96	-\$103	-\$120
<b>Monthly Rent net of utilities</b>	<b>\$1,335</b>	<b>\$1,605</b>	<b>\$1,862</b>	<b>\$2,072</b>
<b>HSC 50053 REGULATIONS FOR PROJECTS W/O TAX CREDITS</b>				
	<b>Number of Bedrooms in Unit</b>			
	<b>One</b>	<b>Two</b>	<b>Three</b>	<b>Four</b>
<b>Household Size</b>	2	3	4	5
<b>Very Low Rent (50% of AMI)</b>	\$687	\$773	\$859	\$928
less utilities (2)	-\$82	-\$96	-\$103	-\$120
<b>Monthly Rent net of utilities</b>	<b>\$605</b>	<b>\$677</b>	<b>\$756</b>	<b>\$808</b>
<b>Low Rent (60% of AMI)</b>	\$824	\$928	\$1,031	\$1,113
less utilities	-\$82	-\$96	-\$103	-\$120
<b>Monthly Rent net of utilities</b>	<b>\$742</b>	<b>\$832</b>	<b>\$928</b>	<b>\$993</b>
<b>Moderate Rent (110% of AMI)</b>	\$1,511	\$1,701	\$1,889	\$2,041
less utilities	-\$82	-\$96	-\$103	-\$120
<b>Monthly Rent net of utilities</b>	<b>\$1,429</b>	<b>\$1,605</b>	<b>\$1,786</b>	<b>\$1,921</b>
(1) Calculations reflect formula per Section 50053 of the California Health and Safety Code.				
(2) Utility allowance assumes gas heat, gas cooking, other electric, gas water heating, water, sewer and trash.				

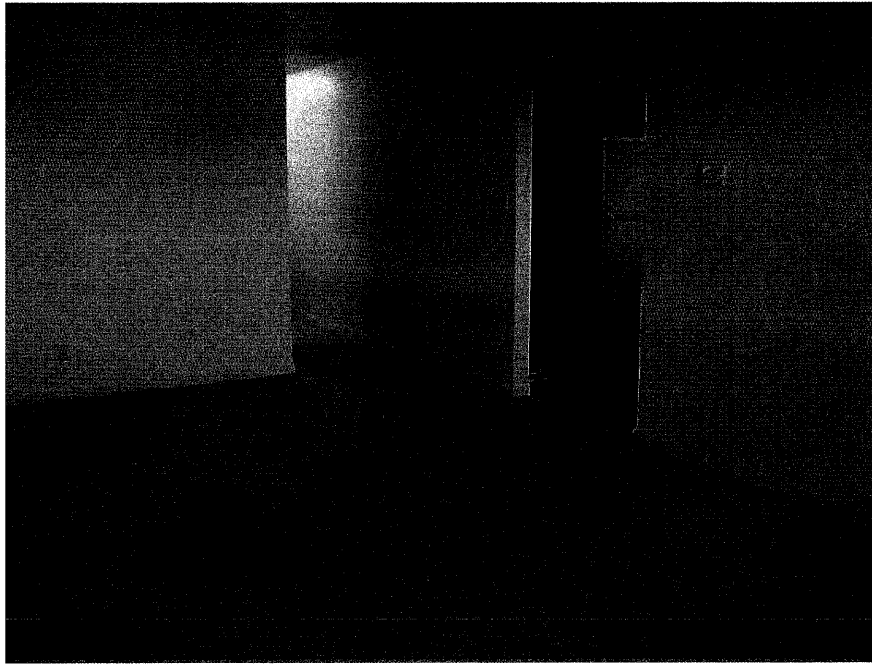
Sources: Median incomes from California Department of Housing and Community Development, 2012. Utility allowances from Housing Authority of the County of Monterey, Effective January 1, 2013 (standard non-energy efficient utility allowance for apts. and townhouses).



### Attachment G – Amenity Analysis

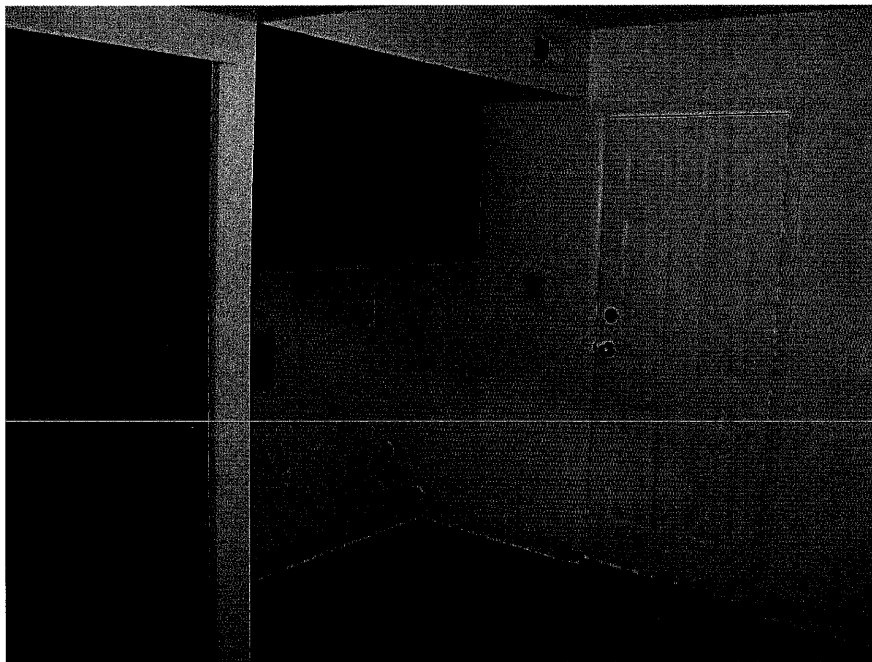
Preston Park residents are treated to Large Eat-In Kitchens with Refrigerators, Dishwashers, and a Gas Stove/Oven. Deep Double Sinks with Garbage Disposal are standard. A dining area roughly the same size as the kitchen is directly adjacent to the kitchen.



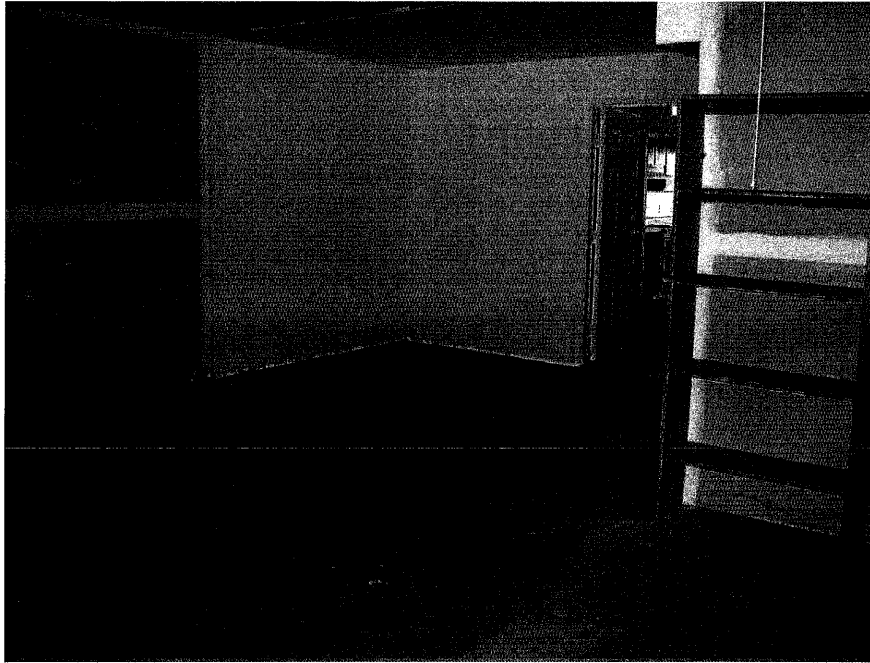


Preston Park offers oversized living spaces. The living room in most homes is an estimated 350 square feet. Many homes have newer plush carpeting in the living room areas, and wood style linoleum in the kitchen, dining, laundry room and bathrooms.

Regardless of Floor Plan, each home in Preston Park has an in-home laundry room with space for full sized washer and dryers, in addition to an added pantry closet and/or shelving unit.



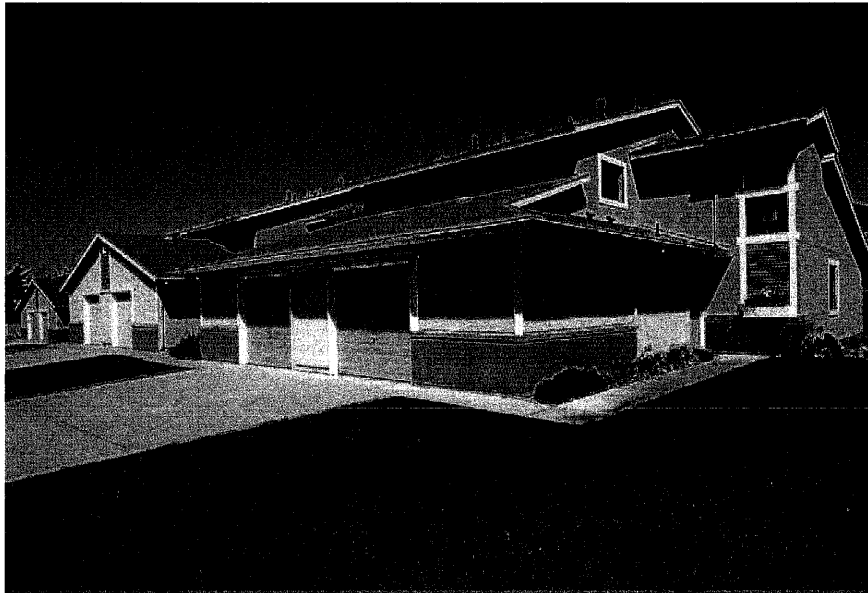
Additional storage space is located within each Single-car direct access attached garage. Storage shelving and an additional raised pad area add an abundance of extra storage area to this space.



Each home comes with an attached gated back yard. A covered patio area is included, as well as outside electrical outlets and a back yard water spigot for easy gardening.



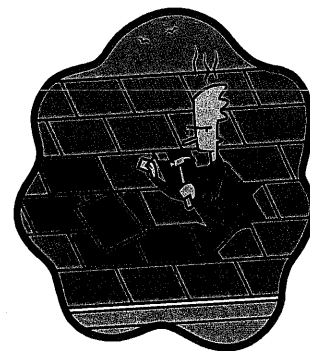
Preston Park boasts spacious front yard and open areas, and townhome style living to the majority of residents. Every residence has at least one dedicated driveway parking space in addition to their garage space. Multiple homes within the community have 2 or 3 car length driveways.



Exterior landscaping is maintained by the property, and multiple outdoor basketball and playground facilities are located within the community.

Our newly updated Community Center is available for all residents to utilize for private parties, free of cost.

We are a Pet Friendly Community and allow cats and dogs up to 50 pounds (Breed Restriction apply) with a maximum of 2 pets per household. Our Maintenance Team is available for emergency requests 24-hours a day.



# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** Base Reuse Plan (BRP) Post-Reassessment Follow-Up

**Meeting Date:** July 12, 2013

**Agenda Number:** 8d

**INFORMATION/ACTION**

### RECOMMENDATION(S):

- i. Receive a report from Post-Reassessment Advisory Committee (PRAC) INFORMATION
- ii. Consider PRAC "Category IV" approach recommendations ACTION

### BACKGROUND:

The PRAC has met six times to discuss how to implement the corrections and edits in Category I and to identify methods for the board to implement policies in Category IV of the 2012 Base Reuse Plan (BRP) Reassessment Report.

### DISCUSSION:

Recognizing the importance of implementing the BRP as soon as possible, the PRAC has identified two near-term recommendations that could accelerate FORA's progress toward that goal.

1. Conduct a colloquium hosted by CSUMB to explore the following topics:
  - Discuss how to identify and attract economic development to the former Fort Ord.
  - Discuss how to complete the BRP design guidelines.
  - Discuss how to complete blight removal.
  - Discuss how to emphasize the National Monument designation in order to serve as an immediate catalyst for tourism and other economic development.
2. Authorize PRAC to coordinate with CSUMB and FORA staff to develop the colloquium program for the Fall of 2013.

### FISCAL IMPACT:

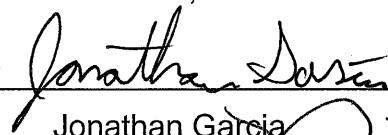
Reviewed by FORA Controller 

Staff time for this item is included in the approved FORA budget. Future costs associated with a post-reassessment colloquium/series would be presented to the Board for authorization.

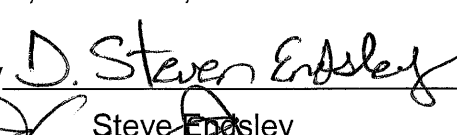
### COORDINATION:

Administrative Committee, Executive Committee, PRAC, CONCUR, Inc.

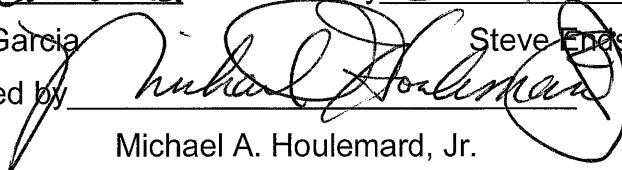
Prepared by

  
Jonathan Garcia

Reviewed by

  
Steve Endisley

Approved by

  
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** FORA Initiatives Status Report and Recommendations  
i. California Central Coast Veterans Cemetery, Open Space Preservation, and Economic Revitalization Initiative  
ii. Protect Fort Ord Open Space Initiative

**Meeting Date:** July 12, 2013

**Agenda Number:** 8e

**INFORMATION/ACTION**

### **RECOMMENDATION(S):**

1. Receive a status report from the Fort Ord Reuse Authority (FORA) Executive Officer/Elections Official regarding certification of the California Central Coast Veterans Cemetery, Open Space Preservation, and Economic Revitalization Initiative and the Protect Fort Ord Open Space Initiative (Initiatives).
2. Review next steps in the initiative process and observe Executive Officer certification.
3. Authorize the Executive Officer to enter into contract to conduct an election in response to certified initiatives.

### **BACKGROUND/DISCUSSION:**

On April 2, 2013, a Notice of Intention (NOI) to circulate the Protect Fort Ord Open Space Access Initiative petition was filed with FORA. On May 1, 2013, a NOI to circulate the California Central Coast Veterans Cemetery, Open Space Preservation and Economic Revitalization Initiative petition was also filed with FORA. On May 29, 2013, FORA adopted a resolution seeking assistance from the Monterey County Registrar of Voters regarding potential elections. Subsequently, the Monterey County Board of Supervisors authorized the Registrar of Voters to provide assistance to FORA, including verification of petition signatures.

#### **i. California Central Coast Veterans Cemetery, Open Space Preservation, and Economic Revitalization Initiative**

On May 17, 2013, The Fort Ord Reuse Authority (FORA) received 26,302 petition signatures from proponents of the California Central Coast Veterans Cemetery, Open Space Preservation, and Economic Revitalization Initiative for the purpose of qualifying the initiative for an election. Employing a random sampling technique as permitted by law, the County Registrar of Voters selected three percent of the petitions (or 790 petitions) for verification. On June 24, 2013, FORA Executive Officer Michael Houlemard was informed by the County that of the 790 signature sample, 650 signatures (82%) were deemed valid. The County Registrar's office has projected the number of valid petition signatures to be 21,568, or 121.5 percent of the signatures required to find the petition sufficient. Since this is more than 110 percent of the signatures required, a "full count" verification of each signature is not necessary. On June 25, 2013, it was announced that FORA's Executive Officer, in his capacity as FORA Elections Official, had reviewed and accepted the County's determination.

**ii. Protect Fort Ord Open Space Initiative**

On June 17, 2013, FORA also received approximately 28,000 petition signatures from proponents of the Protect Fort Ord Open Space Access Initiative for the purpose for qualifying the initiative for the ballot. The County Registrar of Voters is currently engaged in verification of these signatures and, as of the distribution of this report, has not yet released their results. We hope to be able to provide more information by the July 12<sup>th</sup> Board meeting.

Although the Executive Officer has accepted the County's determination that the California Central Coast Veterans Cemetery, Open Space Preservation, and Economic Revitalization Initiative obtained sufficient valid signatures to qualify for placement on the ballot, the Elections Code requires that the results be certified by the Elections Official before the legislative body at its next scheduled meeting. The Executive Officer will perform this certification at the July 12<sup>th</sup> Board meeting. If FORA receives a similar determination from the County prior to July 12<sup>th</sup>, confirming that the Protect Fort Ord Open Space Access Initiative has obtained sufficient valid signatures to qualify for placement on the ballot, and (acting as Elections Official) Mr. Houlemard accepts the County's determination, the Executive Officer will *certify* both findings at the same time.

More information regarding both proposed ballot measures is available on the FORA website at [www.fora.org](http://www.fora.org).

**FISCAL IMPACT:**

Reviewed by FORA Controller 

Staff time for this item is included in the approved FORA budget.

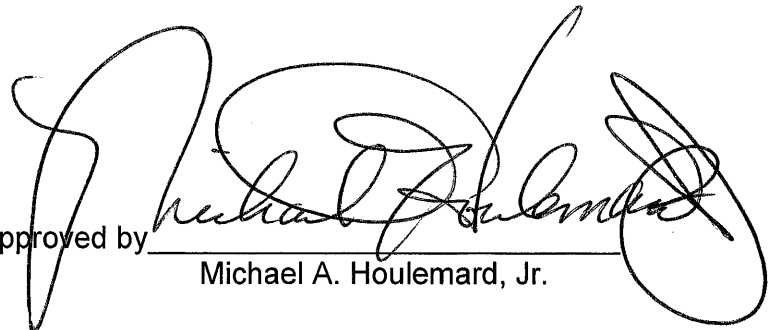
**COORDINATION:**

Authority Counsel, Special Election Law Counsel, Executive Committee.

Prepared by

  
Lena Spilman

Approved by

  
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Outstanding Receivables

**Meeting Date:** July 12, 2013

**Agenda Number:** 10a

**INFORMATION**

### **RECOMMENDATIONS:**

Receive a Fort Ord Reuse Authority (FORA) outstanding receivables update as of June 30, 2013.

### **BACKGROUND/DISCUSSION:**

There remains one outstanding receivable as noted below. The Late Fee policy adopted by the FORA Board requires receivables older than 90 days be reported to the Board.

	Item Description	Amount Owed	Amount Paid	Amount Outstanding
City of Del Rey Oaks	PLL Loan Payment 09-10	182,874	-	182,874
	PLL Loan Payment 10-11	256,023	-	256,023
	PLL Loan Payment 11-12	256,023	-	256,023
	<i>DRO Total</i>			<b>694,920</b>

### **City of Del Rey Oaks (DRO)**

- **PLL insurance annual payments:** In 2009, DRO cancelled agreement with its project developer who made 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 agreed to make interest payments on the balance owed until this obligation is repaid, and they remain current.

Payment status: Chair/Mayor Edelen has informed both the Board and Executive Committee that DRO selected a new development partner who has agreed to meet this obligation once legal issues are resolved with the past firm. The remaining obligation is expected to be repaid this calendar year.

### **FISCAL IMPACT:**

FORA must expend resources or borrow funds until receivables are collected. The majority of FORA revenues come from member/jurisdiction/agencies and developers. FORA's ability to conduct business and finance its capital obligations depends on a timely collection of these revenues.

### **COORDINATION:**

Executive Committee

Prepared by   
Ivana Bednarik

Approved by   
Michael A. Houlemard, Jr.



# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Habitat Conservation Plan Update

**Meeting Date:** July 12, 2013

**Agenda Number:** 10b

**INFORMATION**

### RECOMMENDATION(S):

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

### BACKGROUND/DISCUSSION:

The Fort Ord Reuse Authority (FORA), with the support of its member jurisdictions and ICF International (formerly Jones & Stokes), FORA's HCP consultant, is on a path to receive approval of a completed basewide HCP and 2081 permit in 2014, concluding with US Fish and Wildlife Service (USFWS) and California Department of Fish and Wildlife (CDFW) (formerly known as California Department of Fish and Game) issuing federal and state permits.

Most recently, FORA received comments on the Administrative Draft HCP from USFWS in July 2012 and CDFW staff in August 2012, and held in-person meetings on April 10 and June 19, 2013 to discuss outstanding issues; however, a legal review by these wildlife agencies is not yet complete and several policy-level issues must be resolved between CDFW and BLM, CDFW and State Parks/UC before a public review draft can be issued. **Update: After meeting with CDFW Chief Deputy Director Kevin Hunting on January 30, 2013, FORA was told that CDFW and BLM issues require a Memorandum of Understanding (MOU) between CDFW and BLM, outlining certain assurances between the parties, resulting in additional time. Also, according to CDFW, final approval of an endowment holder no longer rests with CDFW (due to passage of SB 1094 [Kehoe]), which delineates specified rules for wildlife endowments. However, CDFW must review the funding structure and anticipated payout rate of the HCP endowment holder to verify if the assumptions are feasible. CDFW has outlined a process for FORA and the other permit applicants that expedites compliance with endowment funding requirements. FORA has engaged Economic and Planning Systems (EPS) to help in this process. Other policy issues and completion of the screencheck draft HCP should be completed in the next 2 to 3 months. If the current schedule is maintained, FORA staff expects a Public Draft HCP available for public review by the end of the 2013 calendar year. The FORA Administrative Committee will be reviewing draft HCP agreements and policies/ordinances in support of the HCP schedule.**

### FISCAL IMPACT:

Reviewed by FORA Controller 

Staff time for this item is included in the approved FORA budget.

### COORDINATION:

Administrative Committee, Executive Committee, ICF, Denise Duffy and Associates

Prepared by 

Jonathan Garcia

Approved by 

Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Administrative Committee Report

**Meeting Date:** July 12, 2013

**Agenda Number:** 10c

**INFORMATION**

### RECOMMENDATION:

Receive a report from the Administrative Committee.

### BACKGROUND/DISCUSSION:

The approved minutes from the June 5, 2013 and the June 19, 2013 Administrative Committee meetings are attached for your review (**Attachments A and B**).

### FISCAL IMPACT:

Reviewed by the FORA Controller 

Staff time for the Administrative Committee is included in the approved annual budget.

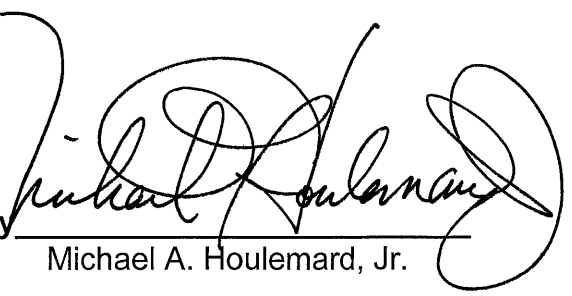
### COORDINATION:

Administrative Committee

Prepared by

  
Lena Spilman

Approved by

  
Michael A. Houlemard, Jr.



# FORT ORD REUSE AUTHORITY

## ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES

8:15 a.m. - Wednesday, June 5, 2013

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933 (FORA Conference Room)

### 1. CALL TO ORDER AND ROLL CALL

Chair Dawson called the meeting to order at 8:20 a.m. The following were present, as indicated by signatures on the roll sheet:

Daniel Dawson, City of Del Rey Oaks\*  
Carl Holm, County of Monterey\*  
Elizabeth Caraker, City of Monterey\*  
Layne Long, City of Marina\*  
John Dunn, City of Seaside\*  
Diana Ingersoll, City of Seaside  
Debby Platt, City of Marina  
Graham Bice, UCSC  
Lyle Shurtleff, BRAC

Anya Spear, CSUMB  
Vicki Nakamura, MPC  
Tim O'Halloran, City of Seaside  
Mike Zeller, TAMC  
Patrick Breen, MCWD  
Doug Yount  
Bob Schaffer  
Sid Williams, UVC  
Scott Hilke, MCP

FORA Staff:  
Steve Endsley  
Jim Arnold  
Crissy Maras  
Jonathan Garcia  
Lena Spilman

\* Voting Members

### 2. PLEDGE OF ALLEGIANCE

Diana Ingersoll led the Pledge of Allegiance.

### 3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

#### a. **Base Reuse Plan Reassessment Report American Planning Association Best Practices Award of Merit**

Deputy Clerk Lena Spilman announced that on May 17, 2013, the Base Reuse Plan Reassessment Report received a Best Practices Award of Merit from the Northern California Section of the American Planning Association.

### 4. PUBLIC COMMENT PERIOD

None.

### 5. APPROVAL OF MEETING MINUTES

#### a. **May 15, 2013 Administrative Committee Minutes**

MOTION: Diana Ingersoll moved, seconded by Layne Long, to accept the May 15, 2013 minutes as presented.

MOTION PASSED: unanimous.

### 6. JUNE 21, 2013 BOARD MEETING AGENDA REVIEW

Assistant Executive Officer Steve Endsley led a review of the draft June 21, 2013 Board packet.

## **7. OLD BUSINESS**

### **a. Recommend Board Approval of FY 2013-14 Capital Improvement Program (CIP)**

Grants and Records Coordinator Crissy Maras provided an overview of the revised FY 2013-14 CIP budget. Staff responded to comments/questions from the Committee and members of the public regarding modifications to the document.

MOTION: John Dunn moved, seconded by Carl Holm, to direct staff to schedule an Administrative Committee review of the FY 2013-14 CIP budget for June 19, 2013, to allow the Committee an opportunity to provide a Board recommendation prior to the June 21, 2013 Board meeting.

MOTION PASSED: unanimous.

Mr. Dunn suggested the Committee commence an educational and exploratory process regarding post-FORA sunset alternatives after the Board adoption of the FY 2013-14 CIP.

### **b. Habitat Conservation Plan (HCP) Update**

- i. Draft Implementing Agreement**
- ii. Draft Implementing Ordinance/Policy**
- iii. Draft JPA Agreement**

Senior Planner Jonathan Garcia provided a brief status report regarding the HCP, noting that the public draft document would soon be available. He stated that the HCP would be discussed in greater detail in July and the Committee requested recirculation of draft HCP documents.

## **8. NEW BUSINESS**

### **a. Consider Cancellation of June 19, 2013 Administrative Committee Meeting**

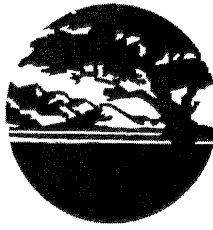
The Committee did not consider this item, due to the previous direction given under item 7a,

## **9. ITEMS FROM MEMBERS**

None.

## **10. ADJOURNMENT**

Chair Dawson adjourned the meeting at 10:18 a.m.



# FORT ORD REUSE AUTHORITY

## ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES

8:15 a.m. - Wednesday, June 19, 2013

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933 (FORA Conference Room)

### 1. CALL TO ORDER AND ROLL CALL

Chair Dawson called the meeting to order at 8:20 a.m. The following were present, as indicated by signatures on the roll sheet:

Daniel Dawson, City of Del Rey Oaks\*  
Carl Holm, County of Monterey\*  
Layne Long, City of Marina\*  
John Dunn, City of Seaside\*  
Diana Ingersoll, City of Seaside  
Lyle Shurtleff, BRAC  
Todd Muck, MST  
Anya Spear, CSUMB  
Vicki Nakamura, MPC  
Tim O'Halloran, City of Seaside

Mike Zeller, TAMC  
Patrick Breen, MCWD  
Kathleen Lee, Sup. Potter's Office  
Doug Yount  
Bob Schaffer  
Sid Williams, UVC  
Scott Hilk, MCP  
Chuck Lande, Marina Heights  
Crisand Giles, BIA

FORA Staff:  
Michael Houlemard  
Jim Arnold  
Crissy Maras  
Jonathan Garcia  
Lena Spilman

\* Voting Members

### 2. PLEDGE OF ALLEGIANCE

John Dunn led the Pledge of Allegiance.

### 3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Executive Officer Houlemard stated that both proposed initiatives had submitted petition signatures to FORA, which were currently being validated by the Monterey County Elections Department. He noted that the Court was scheduled to rule on the Bogan vs. Houlemard case on Friday, June 21, 2013. Mr. Houlemard also discussed the FORA delegation's recent trip to Washington, D.C. for the Annual Federal Legislative Mission and ADC National Summit.

### 4. PUBLIC COMMENT PERIOD

The Committee received comments from members of the public.

### 5. APPROVAL OF MEETING MINUTES

#### a. June 5, 2013 Administrative Committee Minutes

MOTION: John Dunn moved, seconded by Carl Holm, to accept the June 5, 2013 minutes as presented.

MOTION PASSED: unanimous.

## **6. OLD BUSINESS**

### **a. Capital Improvement Program**

- i. Annual Re-programming**
  - . Jurisdiction Forecasts
  - . Indexing
  - . Revenue against Expenditures
- ii. CIP Elements**
- iii. Contingencies**
- iv. Tables and Appendices**
- v. Reimbursement Agreements**
- vi. Post-FORA**

Senior Planner Jonathan Garcia led a review of the Capital Improvement Program elements, as agendaized. The Committee received comments from members of the development community, who requested that the Committee postpone a Board recommendation on the item to allow for further review/discussion.

MOTION: Carl Holm moved, seconded by John Dunn, to recommend that the Board postpone consideration of the FY 2013/14 Capital Improvement Program for one month to allow further Administrative Committee review.

MOTION PASSED: unanimous.

The Committee provided direction to staff regarding areas for further clarification and modification of the item in preparation for the July 2, 2013 Administrative Committee meeting.

## **7. ITEMS FROM MEMBERS**

None.

## **8. ADJOURNMENT**

Chair Dawson adjourned the meeting at 9:36 a.m.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Veterans Issues Advisory Committee

**Meeting Date:** July 12, 2013

**Agenda Number:** 10d

**INFORMATION**

### RECOMMENDATION:

Receive a report from the Veterans Issues Advisory Committee (VIAC).

### BACKGROUND/DISCUSSION:

The VIAC met on June 27, 2013. The draft minutes from that meeting are included as **Attachment A**.

### FISCAL IMPACT:

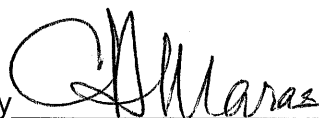
Reviewed by FORA Controller 

Staff time for this item is included in the approved FORA budget.

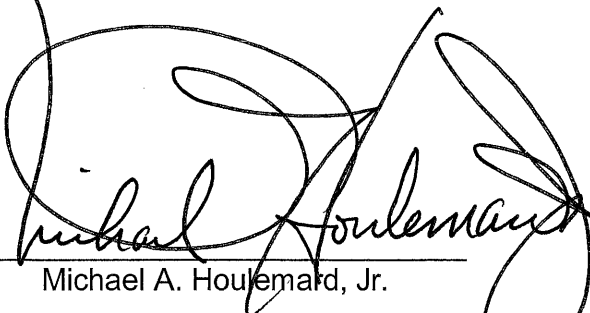
### COORDINATION:

VIAC

Prepared by

  
Crissy Maras

Approved by

  
Michael A. Houlemard, Jr.



## FORT ORD REUSE AUTHORITY VETERANS ISSUES ADVISORY COMMITTEE REGULAR MEETING MINUTES

3:00 p.m., Thursday, June 27, 2013 | FORA Conference Room  
920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

### 1. CALL TO ORDER AND ROLL CALL

Chair Edelen called the meeting to order at 3:00 p.m. A roll call confirmed a quorum. The following were present, as indicated by signatures on the roll sheet:

#### VIAC Members:

Jerry Edelen, FORA Board  
Ian Oglesby, FORA Board  
Command Sgt. Major Wynn, US Army  
James Bogan, United Veterans Council  
Sid Williams, Mo. Co. Military/Vets  
Wes Morrill, Mo. Co. Vets Services  
Edith Johnsen, Vets Families/Fundraising  
Greg Nakanishi, CCVC Foundation  
Jack Stewart, Cemetery Advisory Comm.

#### FORA Staff:

Michael Houlemard  
Robert Norris  
Jonathan Garcia  
Crissy Maras

#### Others:

Candy Ingram  
Nicole Charles (via phone)

### 2. PLEDGE OF ALLEGIANCE

Chair Edelen asked Robert Norris to lead the Pledge of Allegiance.

### 3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

#### a. Legislative Approval of California Central Coast Veterans Cemetery Funding

Nicole Charles announced that Governor Brown signed the FY 2013/14 budget, inclusive of \$1.5M allocation for the California Central Coast Veterans Cemetery (CCCVC). She added that the Governor was expected to consider SB106 within the next several days. VIAC members thanked Ms. Charles and asked her to convey their appreciation to Senator Monning.

### 4. PUBLIC COMMENT PERIOD

None.

### 5. APPROVE VIAC MEETING MINUTES: MAY 30, 2013

MOTION: Edith Johnsen moved, seconded by Jack Stewart, to accept the May 30, 2013 minutes as presented.

MOTION PASSED: Unanimous

### 6. OLD BUSINESS

#### a. Receive report of Fort Ord Reuse Authority meetings with US Department of Veterans Affairs, US Army and CA Department of General Services

FORA staff participated in Sacramento meetings to ensure state agency coordination of tasks that must be accomplished to allow the CCCVC property transfer and acceptance by the state for a subsequent grant application by August 1st.



Additionally, FORA's annual Legislative Mission to Washington DC took place the week of June 10<sup>th</sup> and meetings were held with US Department of Veterans Affairs (USDVA) and the US Army Base Realignment and Closure (BRAC). USDVA representatives indicated that cemetery funding priority had been elevated to Category 1 (as a new cemetery, the CCCVC was previously in Category 2), additionally noting the importance of meeting the August 1<sup>st</sup> deadline for grant application. If that deadline is not met, there is a possibility that funding will not be available in next year's budget. Review of the construction budget to determine federally reimbursable costs is ongoing.

BRAC representatives were receptive to FORA's request for water from the Army's retention to serve the cemetery and veterans clinic needs. Staff is working to refine actual amounts required.

## 7. NEW BUSINESS

### a. **Discussion of Post Reassessment policy issues**

At the June 21<sup>st</sup> FORA Board meeting, the Board did not accept Post Reassessment Advisory Committee (PRAC) recommendations on the structure of a to-be-scheduled colloquium. The PRAC recommended four topics of discussion in a colloquium style setting. The PRAC will revise their recommendations based on Board input following the VIAC meeting.

VIAC members made several suggestions regarding proposed modifications. They indicated concern that land use restrictions around the cemetery could be detrimental to the project.

Staff noted that the colloquium was intended to discuss ideas and ways to implement the three E's of the Base Reuse Plan, not about changing the plan.

MOTION: Ms. Johnsen moved, seconded by James Bogan, that the VIAC advise the FORA Board, when scheduling the colloquium, to promote emphasis on the three E's, strengthening or clarifying the language related to economic recovery and jobs generation, and minimizing the emphasis on the National Monument from being "considered in all aspects" to a supporting role.

MOTION PASSED: Unanimous

## 8. ITEMS FROM MEMBERS

None.

## 9. ADJOURNMENT

Chair Edelen adjourned the meeting at 3:47 p.m.

Minutes prepared by Crissy Maras, Grants and Contracts Coordinator

Approved by: \_\_\_\_\_  
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

<b>Subject:</b>	Administrative Consistency Determination for Entitlement: City of Seaside's Chartwell School Kiln and Clay Storage Shed	
<b>Meeting Date:</b>	July 12, 2013	<b>INFORMATION/ACTION</b>
<b>Agenda Number:</b>	10e	

### RECOMMENDATION(S):

1. Receive a report from the Executive Officer regarding the City of Seaside's Chartwell School Kiln and Clay Storage Shed Project Administrative Consistency Determination per Section 8.02.030 of the Fort Ord Reuse Authority ("FORA") Master Resolution; **OR**
2. Conduct a hearing and consider the Executive Officer's concurrence in Seaside's development entitlement consistency determination if:
  - a. An appeal is received within the 10-day (Master Resolution Section 8.01.050) or 15-day (Master Resolution Section 8.03.070) appeal response terms; **OR**
  - b. A Board member requests that a hearing be conducted on this project within the 35-day response term (Master Resolution Section 8.01.040).

### BACKGROUND:

Seaside submitted the Chartwell School Kiln and Clay Storage Shed project ("project") for consistency determination on June 18, 2013. The project is a 282-square-foot storage building on the campus of Chartwell School, a private school (elementary through high school curriculum) located at 2511 Numa Watson Road. The proposed storage building's use is related to the school's art program. The structure would be placed near the basketball courts on the southwest side of the school; please refer to the plan set and other project-related information in the City of Seaside's submittal package (**Attachment A**). Per the City's zoning regulations for an institutional land use in the Public Institutional zone, the Seaside Planning Commission granted a use permit for the project on May 22, 2013.

Seaside requested Development Entitlement Consistency review of the project in accordance with section 8.02.030 of the FORA Master Resolution, the process for which does not require Board approval. Under state law, as codified in FORA's Master Resolution, consistency determinations for legislative land use decisions (plan level documents such as General Plans, Zoning Codes, Specific Plans, Redevelopment Plans, etc.) differ from development entitlement consistency determinations for projects under approved General Plan and Zoning designations. By law, legislative land use decisions must be scheduled for FORA Board review under strict timeframes. Development entitlements are treated differently by the law; unless appealed to the FORA Board, they are reviewed by staff to determine consistency with the Base Reuse Plan ("BRP"). The legislative framers wrote the law this way in recognition of the high volume of development entitlements expected to be processed by member jurisdictions.

### DISCUSSION:

**Rationale for consistency determinations:** FORA staff finds that there are several defensible rationales for making an affirmative consistency determination. Sometimes additional information is provided to buttress those conclusions. The BRP is a framework for

development, not a precise plan to be mirrored. However, there are thresholds set in the resource-constrained BRP that may not be exceeded without other actions, most notably 6,160 new residential housing units and a finite water allocation. The project's conformance to each of the the specific consistency criteria is discussed below.

**DEVELOPMENT ENTITLEMENT CONSISTENCY (FROM SECTION 8.02.030 OF THE FORA MASTER RESOLUTION)**

(a) In the review, evaluation, and determination of consistency regarding any development entitlement presented to the Authority Board pursuant to Section 8.01.030 of this Resolution, the Authority Board shall withhold a finding of consistency for any development entitlement that:

(1) Provides an intensity of land uses, which is more intense than that provided for in the applicable legislative land use decisions, which the Authority Board has found consistent with the Reuse Plan;

The Chartwell campus is developed with two buildings and two portable modular units which are used to provide the day-to-day school related activities and administrative functions. The project would be located on a previously graded level ground, immediately adjacent to an open space recreation area (Basketball Courts) at the southwest corner of the Chartwell School campus. There are no significant site or infrastructure improvements planned as part of the proposed project, other than physical connections of the shed to the existing school utilities (e.g. water electricity, gas).

The Seaside General Plan Land Use Designation for the project site is PI (Public/ Institutional). The land use classification is intended to provide for land uses that are under public or institutional ownership and/or have public benefit. The proposed project consists of an auxiliary shed to augment the existing school related arts and craft curriculum occurring within the boundaries of the existing campus. As such, the project is not more intense than what is permitted under the current land use designation. The location, size, and operating characteristics of the project would be compatible with the character of the site and the existing land use. The project design will incorporate "Green" building techniques compatible with the Platinum LEED Certification that was awarded to Chartwell School by the U.S Green Building Council for its main school campus.

(2) Is more dense than the density of development permitted in the applicable legislative land use decisions which the Authority Board has found consistent with the Reuse Plan;

The proposed location, size, and operating characteristics of the project would be compatible with the character of the site and the land uses and development intended for the surrounding area by the Seaside General Plan.

(3) Is not conditioned upon providing, performing, funding, or making an agreement guaranteeing the provision, performance, or funding of all programs applicable to the development entitlement as specified in the Reuse Plan and in Section 8.02.020 of this Master Resolution and consistent with local determinations made pursuant to Section 8.02.040 of this Resolution;

The proposed project is the addition of an auxiliary storage building to the site. The project will not substantially alter the site's existing use. The City of Seaside has taken appropriate measures to ensure that the project would not adversely affect the surrounding open space

areas that border the school's campus and would be compatible with the architectural design and operating characteristics of the existing school, as further discussed in the responses to items #4-10 below.

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

The project does not conflict with, and is not incompatible with, the open space, recreational, or habitat management areas within FORA's authority. The project site will be located at the southwestern edge of the main campus adjacent to an existing basketball court/handball recreational area. An open space, oak woodland area that abuts the school's campus to the south is separated from the school campus by a retaining wall with a chain link fence on top of the retaining wall. No portion of the project will negatively affect or encroach into the open space area and all storm water generated from the project will be retained on the Chartwell School campus.

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

Prior to the issuance of a Building Permit, Chartwell School will be required to pay its fair share of the basewide costs through the CFD special tax that will accrue to FORA for construction of the proposed 282-square-foot storage building.

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

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

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

The project is outside of the Highway 1 Scenic Corridor.

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

The jobs/housing balance requirements are not applicable to the project. The project consists of constructing an auxiliary building to supplement the school's existing arts and crafts educational programs. The educational programs will serve to provide a public benefit in terms of core educational needs/services and skills.

**Additional Considerations**

(9) Adoption of required programs from section 8.02.040 of the FORA Master Resolution

The project consists of constructing an auxiliary building to supplement the school’s existing arts and crafts educational programs. The proposed educational use of the project would conform to the built environment of the school, the BRP Development Resource Management Plan, and the FORA Master Resolution.

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

This policy is limited to “First Generation Construction” work, which is defined in §1.01.050 of the Master Resolution. In addition to the exceptions enumerated in the definition of Development Entitlements found in §1.01.050 of the Master Resolution, this policy does not apply to:

- (1) Construction work performed by the Authority or a member jurisdiction with its own workforce;
- (2) Construction improvements following issuance of an occupancy permit;
- (3) Construction of facilities to be used for eleemosynary non-commercial purposes when owned in fee by a non-profit organization operating under §501(c)(3) of the Internal Revenue Code.

The prevailing wage policy would not apply to the project based on fact that the project is for a subsequent addition to the school. “First Generation Construction” related to the development of the main campus’s existing buildings. Sub-categories (2) and (3) listed above also appear to apply to the project.

**Conclusion:** Based on the preceding analysis, the Executive Officer concurs with the City of Seaside that the project is consistent with the BRP and the FORA Master Resolution. Community Facilities District (“CFD”) fees for this project will be required at the FORA CFD Special Tax rate for the “Office” category.

**FISCAL IMPACT:**

Reviewed by FORA Controller 

This consistency review is regulatory in nature and should have no direct fiscal, administrative, or operational impact. Staff time for this item is included in the approved FORA budget. The project is subject to the FORA CFD fee.

**COORDINATION:**

Seaside staff, Executive Committee, Administrative Committee.

Prepared by Jonathan Garcia Reviewed by D. Steven Endsley

Jonathan Garcia

Steve Endsley

Approved by

  
Michael A. Houlemard, Jr.



**RESOURCE MANAGEMENT SERVICES**

440 Harcourt Avenue  
Seaside, CA 93955

Telephone (831) 899-6737  
FAX (831) 899-6211

June 19, 2013

Michael A. Houlemard Jr., Executive Director  
Fort Ord Reuse Authority  
920 2<sup>nd</sup> Avenue, Ste: A  
Marina, CA 93933

RE: Request for Development Entitlement Consistency Determination for the Chartwell School Kiln and Clay Storage Shed Project, 2511 Numa Watson Road, Seaside, CA.

Dear Mr. Houlemard:

The City of Seaside (City) requests that the Fort Ord Reuse Authority (FORA) adopt a finding that the proposed Kiln and Clay Storage Shed project approved by the City of Seaside for Chartwell School in accordance with Use Permit Application No. UP-13-02 is consistent with the Development Entitlement process of the Fort Ord Base Reuse Plan (BRP).

The attached submittal package was prepared in accordance with the instructions received from FORA staff for a Development Entitlement Consistency Determination. The submittal package includes the following documents for FORA's review and determination of consistency for the proposed project:

1. Development Entitlement Consistency Checklist from Section 8.02.030 of the FORA Master Resolution; and
2. May 22, 2013 Seaside Planning Commission Staff Report (Use Permit Application No. UP-13-02); and
3. Legal Notice published in the Monterey Weekly on Thursday, May 9, 2013 for the May 22, 2013 Public Hearing; and
4. Seaside Planning Commission Resolution No. 13-09 (Use Permit Application No. UP-13-02); and
5. Project Plans for the Chartwell School Kiln and Clay Storage Shed project
6. Notice of Exemption from the California Environmental Quality Act

If you have any questions or require additional information, please do not hesitate to contact me at (831) 899-6726 or [rmedina@ci.seaside.ca.us](mailto:rmedina@ci.seaside.ca.us).

Sincerely,

A handwritten signature in cursive script that reads "Rick Medina".

Rick Medina  
Senior Planner

CC: John Dunn, City Manager  
Diana Ingersoll, P.E., Deputy City Manager – Resource Management Services  
Lisa Brinton, Community and Economic Development Services Manager

## CHARTWELL SCHOOL KILN-CLAY STORAGE SHED

### DEVELOPMENT ENTITLEMENT CONSISTENCY FROM SECTION 8.02.030 OF THE FORA MASTER RESOLUTION

(a) In the review, evaluation, and determination of consistency regarding any development entitlement presented to the Authority Board pursuant to Section 8.01.030 of this Resolution, the Authority Board shall withhold a finding of consistency for any development entitlement that:

(1) Provides an intensity of land uses, which is more intense than that provided for in the applicable legislative land use decisions, which the Authority Board has found consistent with the Reuse Plan;

The Chartwell School Kiln-Clay Storage Shed project is located on the campus of Chartwell School in Seaside at 2511 Numa Watson Road. The subject parcel is approximately 28 acres with only a portion of the parcel developed as the existing Chartwell School campus and the remaining portion of the site vegetated with dense tree canopy (see Aerial Images as Exhibit C of project staff report). Chartwell School is a private school serving grades 1-8 (Elementary/Middle School) and 9-12 (High School). The campus is developed with two buildings and two portable modular units which are used to provide the day-to-day school related activities and administrative functions. The proposed kiln and clay storage shed would be located on a previously graded level ground, immediately adjacent to an open space recreation area (Basketball Courts) at the southwest corner of the Chartwell School campus. There are no significant site or infrastructure improvements planned as part of the proposed project, other than physical connections of the shed to the existing school utilities (e.g. water electricity, gas).

The Seaside General Plan Land Use Designation for the project site is PI (Public/Institutional). The land use classification is intended to provide for land uses that are under public or institutional ownership and/or have public benefit. The proposed project will consist of an auxiliary shed to augment the existing school related arts and craft curriculum occurring within the boundaries of the existing campus and, as such, is not more intense than what is permitted under the current land use designation. Furthermore, the location, size, and operating characteristics of the project would be compatible with the character of the site and the existing land use. The project design will also incorporate "Green" building techniques that would be compatible with the Platinum LEED Certification that was awarded to Chartwell School by the U.S Green Building Council for its main school campus. The proposed project is consistent with the following General Plan Goal and Policy of the City of Seaside:

#### Land Use Element

**Goal LU-11: Cooperate with local school districts and other educational organizations to ensure that a level of public education is provided that meets the community's educational needs**

Policy LU-11.1: Consider impacts of proposed projects on school enrollment and facilities.

**Evidence:** Approval of a kiln/clay storage shed on the Chartwell School campus would provide for enhanced and expanded art related activities and programs and would be consistent with the core educational standards of Chartwell School.

(2) Is more dense than the density of development permitted in the applicable legislative land use decisions which the Authority Board has found consistent with the Reuse Plan;

The proposed the location, size, and operating characteristics of the Chartwell Kiln and Clay Storage Shed project would be compatible with the character of the site and the land uses and development intended for the surrounding area by the Seaside General Plan. The project design will incorporate Green strategies that are consistent with the existing LEED Platinum Certification that the existing main campus currently holds.

(3) Is not conditioned upon providing, performing, funding, or making an agreement guaranteeing the provision, performance, or funding of all programs applicable to the development entitlement as specified in the Reuse Plan and in Section 8.02.020 of this Master Resolution and consistent with local determinations made pursuant to Section 8.02.040 of this Resolution;

The City of Seaside has taken the appropriate measures to ensure that the Chartwell School Kiln and Clay Storage Shed project would not negatively and/or adversely affect the surrounding open space areas that border the school's campus and would be compatible with the architectural design and operating characteristics of the existing school as discussed in the responses to #4-#10 of the Development Entitlement Consistency checklist.

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

The Chartwell School Kiln-Clay Storage Shed project does not conflict and is not incompatible with the open space, recreational, or habitat management areas within FORA's authority. The project site will be located at the southwestern edge of the main campus adjacent to an existing basketball court/handball recreational area. An open space, oak woodland area that abuts the school's campus to the south is separated from the school campus by a retaining wall with a chain link fence on top of the retaining wall. No portion of the project will negatively affect or encroach into the open space area and all storm water generated from the project will be retained on the Chartwell School campus.



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

Prior to the issuance of a Building Permit, Chartwell School will be required to pay its fair share of the base wide costs through the developer fee that will accrue to FORA for the construction of the proposed 282 square-foot Kiln-Clay Storage Shed.

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

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

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

The project is outside of the Highway 1 Scenic Corridor.

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

The jobs/housing balance requirements would not be applicable to the project. The proposed Chartwell School Kiln-Clay Storage Shed project will consist of constructing an auxiliary building to supplement the schools existing arts and crafts educational programs. The educational programs will serve to provide a public benefit in terms of core educational needs/services and skills sought by employers.

**Additional Considerations:**

(9) Adoption of required programs from section 8.02.040 of the FORA Master Resolution.

The Chartwell School Kiln-Clay Storage Shed project will consist of constructing an auxiliary building to supplement the schools existing arts and crafts educational programs. The proposed educational use of the project would conform to the as-built environment of the school, the Development Resource Management Plan, and FORA Master Resolution.

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

This policy is limited to "First Generation Construction" work, which is defined in §1.01.050 of this Master Resolution. In addition to the exceptions enumerated in the definition of Development Entitlements found in §1.01.050 of this Master Resolution, this policy does not apply to:

- (1) Construction work performed by the Authority or a member jurisdiction with its own workforce;
- (2) Construction improvements following issuance of an occupancy permit;
- (3) Construction of facilities to be used for eleemosynary non-commercial purposes when owned in fee by a non-profit organization operating under §501(c)(3) of the Internal Revenue Code.

The prevailing wage policy would not apply to the project based on fact that the project is for a subsequent addition to the school. The "First Generation Construction" related to the development of the main campus which is comprised of two buildings. Sub-categories (1), (2), (3) listed above would also apply to the project.

**CITY OF SEASIDE  
PLANNING COMMISSION**

**AGENDA ITEM OVERVIEW**

**MEETING DATE:** May 22, 2013  
**FIRST HEARING DATE:** May 22 2013      **CONTINUED FROM:** N/A  
**DATE DEEMED COMPLETE:** April 12, 2013  
**STREAMLINE PERMITTING ACT DEADLINE:** June 12, 2013  
**APPLICATION NO.:** UP-13-02  
**OWNERS / APPLICANTS:** Chartwell School (Doug Atkins, Executive Director)  
**PROPERTY ADDRESS:** 2511 Numa Watson Road  
**ASSESSOR'S PARCEL NUMBER:** 031-151-022  
**ZONING CLASSIFICATION:** PI (Public/Institutional)  
**GENERAL PLAN DESIGNATION:** PI (Public/Institutional)  
**ENVIRONMENTAL DETERMINATION:** Class 3 Categorical Exemption, Section 15303 (New Construction or Conversion of Small Structures)  
**FLAGGED AND STAKED:** N/A

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**PURPOSE:**

The purpose of this item is to consider a Use Permit application for the construction of a 282 square foot kiln/clay storage building on the existing campus of the Chartwell School on the former Fort Ord Army Base.

**ISSUES:**

- 1) None

**OPTIONS:**

- 1) Approve Use Permit Application No. UP-13-02 with the findings, evidence and conditions of approval provided as Exhibit A.
- 2) Direct staff to prepare findings and evidence for the denial of the project.

**STAFF RECOMMENDATION:**

Approve Use Permit Application No. UP-13-02 to allow the construction of a 240 square foot kiln/clay storage building on the existing campus of the Chartwell School.

**EXHIBITS:**

- A) Draft Resolution No. 13-XX  
Attachment 1: Project Plans
- B) Location Map
- C) Aerial Map
- D) Site Photographs

**STAFF CONTACT:** Rick Medina, Senior Planner (831) 899-6736

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**CITY OF SEASIDE**  
**PLANNING COMMISSION**  
**STAFF REPORT**

**TO:** Planning Commission

**FROM:** Diana Ingersoll, Deputy City Manager – Resource Management Services  
Lisa Brinton, Community and Economic Development Services Manager

**BY:** Rick Medina, Senior Planner

**DATE:** May 22, 2013

**ITEM:** Use Permit Application No. UP-13-02. Chartwell School (Property Owner) and Jerome King (Applicant - Architect) are requesting approval of a Use Permit for the construction of a 282 square foot kiln/clay storage room on the Chartwell School campus at 2511 Numa Watson Road, located in the PI (Public/Institutional) Zoning District.

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**PURPOSE**

The purpose of this item is to consider a Use Permit application for the construction of a 282 square foot kiln and clay storage building on the Chartwell School campus that will be used to facilitate an instructional art program for the school.

**RECOMMENDATION**

Staff recommends approval of Use Permit Application No. UP-13-02, subject to the findings, evidence and conditions of approval in the draft resolution provided as Exhibit A.

**ENVIRONMENTAL REVIEW**

This project is exempt from the California Environmental Quality Act pursuant to a Class 3, Section 15303 (New Construction or Conversion of Small Structures) categorical exemption. Class 3 exemptions consist of construction and location of limited numbers of new, small facilities or structures, including structures not involving the use of significant amounts of hazardous substances, and not exceeding 2,500 square feet in floor area.

*Evidence: The proposed structures would be a total of approximately 240 square feet in floor area, less than the maximum structure floor area of 2,500 square feet as defined under this exemption. The proposed structure would also involve less than significant amounts of hazardous substances as the structures are proposed to be used as kiln and clay storage room that would be used for art instructional activities.*

**SITE LOCATION AND DESCRIPTION**

The subject parcel is approximately 28 acres with only a portion of the parcel developed as the existing Chartwell School campus and the remaining portion of the site vegetated with dense tree canopy (see Aerial Images as Exhibit C). The proposed portable building would be located on previously graded level ground, immediately adjacent to an open space recreation area (Basketball Courts) on the southwest corner of the Chartwell School campus. There are no significant site or infrastructure improvements planned as part of the proposed project, other than physical connections of the building to existing school utilities.

Surrounding land uses are shown on Figure 1 (right), including the Marshall Elementary School to the west, military residential community to the north and undeveloped former Ft. Ord land to the east and south (See also Location Map as Exhibit B).

Figure 1: Project Site Adjacent Land Uses

	NW	N	NE	
	W	Project Site	E	
	SW	S	SE	

**BACKGROUND**

The Chartwell School was approved as a permitted use on July 9, 2003 through the adoption of a Negative Declaration under the California Environmental Quality Act. The original project description in the Negative Declaration anticipated three (3) permanent classroom buildings on the Chartwell School campus. Of three planned classroom buildings, two are currently built. The proposed kiln would serve to enhance and expand art related activities and programs at Chartwell School. The design and construction methods utilized for the campus has received a LEED certification as a “Green Building”.

**PROJECT DESCRIPTION**

**Proposed Use**

The proposed kiln and clay storage room would be constructed using a self adhering waterproof membrane. A galvanized “Hog Wire” Vine grille will be affixed to the exterior to allow for planting materials to establish a complete green wall on the side and front elevation of the building. Along the rear east elevation, the kiln will abut an existing eight-foot tall concrete wall which is used for “Hand Ball” recreational activities in the adjoining recreation area. A new eight-foot tall CMU wall would be constructed for the remaining portion of the structure on the east side. A galvanized “Hog Wire” Vine grille will be affixed to the CMU wall to provide a green wall to match the side and front elevations. A CMU wall has been proposed to minimize vibrations from balls bouncing against this side of the structure which may contain shelving for supplies and ceramics. The roof will consist of a low profile design that is described as a “Cool Roof”. The height of the structure will be 8 feet. Four 2x4 aluminum flat panel skylites are proposed to maximize the use of natural light.

### Site Access

Access to the project site would occur via existing driveways, parking areas and walkways of the Chartwell School campus.

### Parking

Additional parking spaces are not proposed as part of this proposed project. Existing off-street parking is adequate for the existing and future development phases of the School, as approved in 2003, and the proposed project would not increase the required parking spaces for the project site.

## **FINDINGS AND STAFF ANALYSIS**

### Use Permit Findings

In accordance with S.M.C. Section 17.26.020(C), an application for an expansion of an educational facility shall be filed through the Use Permit process, and considered by the Planning Commission to determine whether the following findings can be made concerning the proposed project:

- 1) The proposed use is allowed within the applicable zone and complies with all other applicable provisions of this Zoning Ordinance and the Municipal Code.**

#### *Zoning Ordinance Conformance*

This project is located within the PI (Public/Institutional) Zoning District. The zoning designation is intended to include public and private schools and other public or quasi-public serving uses. The proposed project is consistent with the development standards of the PI Zone under S.M.C. Section 17.26.050 (Special Purpose Zone Site Planning and Building Standards) since the proposed project does not conflict with the City's Public/Institutional Land Use Designation of the Seaside General Plan and Seaside Municipal Code.

- 2) The proposed use is consistent with the General Plan and any applicable specific plan.**

#### *Seaside General Plan Conformance*

The Seaside General Plan Land Use Designation for the project site is PI (Public/Institutional). The land use classification is intended to include public and private schools and other public or public-serving uses. According to the Seaside General Plan, the PI land use designation is intended to provide for land uses that are under public or institutional ownership and/or have public benefit. The proposed project would be utilized in conjunction with the previously approved private Chartwell School campus to enhance and expand the schools art related activities and programs. The proposed project is consistent with the following General Plan Goals and Policy.

Land Use Element

**Goal LU-11: Cooperate with local school districts and other educational organizations to ensure that a level of public education is provided that meets the community's educational needs**

Policy LU-11.1: Consider impacts of proposed projects on school enrollment and facilities.

*Evidence: Approval of a kiln/clay storage building on the Chartwell School campus would provide for enhanced and expanded art related activities and programs and would be consistent with the core educational standards of Chartwell School.*

- 3) The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and planned future land uses in the vicinity.**

*Design*

The proposed design of the kiln/clay storage building would be a modern contemporary style with the incorporation of a "Green Wall" using a galvanized wire mesh to enable the building to blend into the open space areas at the edge of the school. The proposed building would also utilize green building principles in the design to be compatible the LEED certified design of the main school campus building.

*Location*

The proposed building would be located on the existing Chartwell School campus, immediately to the south of the two existing permanent classroom buildings, consistent with the existing outdoor walkway and congregation areas of the Chartwell School.

*Size*

The proposed building would be approximately eight (8) feet in height with a footprint of approximately 282 square feet. The proposed dimensions of the building are consistent with the existing scale, size, and shape of the existing Chartwell School campus hours.

*Operating Characteristics*

The proposed building would be used primarily during normal school business hours. Occasional evening use could occur by school faculty or afterschool activities. These operating characteristics are consistent with the existing Chartwell School campus.

- 4) The site is physically suitable for the type, density and intensity of use being proposed, including access, utilities, and the absence of physical constraints.**

The Chartwell School campus is served by existing water, wastewater, and electrical infrastructure and facilities with adequate capacity to serve the proposed project. As condition of approval, the applicant must receive clearance from the applicable public utility agency to permit the connection of standard utilities for the building.



- 5) **Granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone district in which the property is located.**

The granting of a use permit for the proposed building would not create significant noise, traffic, or other conditions or situations that may be objectionable or detrimental to other existing or future uses in the vicinity or adverse to the public interest, health, safety, convenience, or welfare of the City.

### **CONCLUSION**

Based on the analysis, staff recommends approval of Use Permit Application No. UP-13-02. The proposed Use Permit complies with the goals and policies of the Seaside General Plan and applicable requirements of Title 17 of the Seaside Municipal Code.

### **ATTACHMENTS**

- Exhibit A: Draft Resolution No. 13-XX  
Attachment 1: Reduced Project Plans
- Exhibit B: Location Map
- Exhibit C: Aerial Images
- Exhibit D: Site Photographs

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**RESOLUTION NO. 13-XX**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SEASIDE, STATE OF CALIFORNIA, APPROVING A USE PERMIT TO GRANT APPROVAL FOR THE CONSTRUCTION OF A KILN/CLAY STORAGE BUILDING ON THE CAMPUS OF CHARTWELL SCHOOL AT 2511 NUMA WATSON ROAD, IN THE PI (PUBLIC/INSTITUTIONAL) ZONING DISTRICT.**

**WHEREAS**, Chartwell School (property owner) and Jerome King (Architect) have applied for a Use Permit to construct a kiln/clay storage building on the Chartwell School campus at 2511 Numa Watson Road, located in the PI (Public/Institutional) Zoning District; and

**WHEREAS**, the proposed project requires discretionary approval as an institutional land use in the Public Institutional Special Zoning District, and it is the responsibility of the Planning Commission to consider and weigh the merits of the application and public input in relation to the policies, standards and intent of the Seaside General Plan and Seaside Municipal Code; and

**WHEREAS**, the Seaside Planning Commission considered oral comments and written information concerning the proposed amendment at a duly noticed public hearing at public meeting held on May 22, 2013; and

**WHEREAS**, the project is a Categorically Exempt, Class 3, Section 15303 meeting the following conditions:

- a) *The proposed structures would total approximately 282 square feet in floor area, less than the maximum structure floor area of 2,500 square feet as defined under this exemption. The proposed structures would also involve less than significant amounts of hazardous substances as the structures are proposed to be built using green building techniques and would be approved for occupancy as an accessory building for the school.*

**NOW, THEREFORE, BE IT RESOLVED**, that the Planning Commission adopts the following findings for Use Permit Application No. UP-13-02

- 1. The proposed use is allowed within the applicable zone and complies with all other applicable provisions of this Zoning Ordinance and the Municipal Code.**

*Evidence: This project is located within the PI (Public/Institutional) Zoning District. The Chartwell School was approved in July of 2003 as a permitted use under the previous 2003 Seaside Zoning Ordinance. The proposed project is consistent with the development standards of the PI Zone under S.M.C. Section 17.26.050 (Special Purpose Zone Site Planning and Building Standards) since the proposed project does not conflict with the City's Public/Institutional Land Use Designation of the Seaside General Plan and Seaside Municipal Code..*

*Evidence:* The proposed design of the kiln and clay storage building would be of a modern contemporary style with the incorporation of a “Green Wall” using a galvanized wire mesh to enable the building to blend into the open space areas at the edge of the school. The proposed building would also utilize green building principles in the design to be compatible with the LEED certified design of the main school campus.

*Evidence:* The proposed building would be located on the existing Chartwell School campus, immediately to the south of the two existing permanent classroom buildings, consistent with the existing outdoor walkway and congregation areas of the Chartwell School.

*Evidence:* The proposed building would be approximately eight (8) feet in height with a footprint of approximately 282 square feet. The proposed dimensions of the building are consistent with the scale, size, and shape of the existing Chartwell School campus buildings.

*Evidence:* The proposed building would be used primarily during normal school business hours. Occasional evening use could occur by school faculty or afterschool activities. These operating characteristics are consistent with the existing Chartwell School campus hours.

**2. The proposed use is consistent with the General Plan and any applicable specific plan**

*Evidence:* The proposed use is consistent with the underlying PI (Public/Institutional) land use designation as a private school.

*Evidence:* The proposed use satisfies Policy LU-11.1 of the Seaside General Plan Land Use Element such that approval an accessory building on the Chartwell School campus that would provide for the accommodation of enhanced and expanded art related school activities and programs.

**3. The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and planned future land uses in the vicinity.**

*Evidence:* The location, size, and operating characteristics of the project would be compatible with the character of the site, and the land uses and development intended for the surrounding area by the Seaside General Plan. The project design will also incorporate “Green” building techniques that would be compatible with the LEED Certifications for the main school campus.

**4. The site is physically suitable for the type, density and intensity of use being proposed, including access, utilities, and the absence of physical constraints.**

*Evidence:* The project site is served by existing water, wastewater, and electrical infrastructure and facilities with adequate capacity to serve the proposed project.

- 5. Granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone district in which the property is located.**

*Evidence: The granting of a Use Permit for the proposed building would not create significant noise, traffic, or other conditions or situations that may be objectionable or detrimental to other permitted uses in the vicinity or adverse to the public interest, health, safety, or welfare of the City.*

**NOW, BE IT FURTHER RESOLVED**, that the Planning Commission approves Use Permit Application No. UP-13-02 subject to the following conditions:

**Project Specific**

***Planning:***

1. Except as modified by required conditions of approval, plans submitted for a building permit shall substantially conform to the site plans identified as “Kiln and Clay Storage Shed” stamped as “Received on March 12, 2013, Resource Management Services”, and approved on May 22, 2013. Project site plan is provided as Attachment 1 to Exhibit “A”.
2. Prior to issuance of occupancy by the Building Division, the project shall receive a consistency determination by the Fort Ord Reuse Authority (FORA).

***Building:***

3. The applicant shall receive building permit approval by the Building Division for the construction of the building approved under this Use Permit on the Chartwell School campus.
4. Prior to the issuance of a building permit, applicant must provide manufactures specifications for the kiln furnace.
5. Project plans submitted for building permit must have wet stamp from project architect.

***Public Works:***

6. Plans submitted for a building permit application shall clearly define the direction and flow of stormwater created by new construction and all new impervious surfaces added as a result of new construction. Any new retention basins required to mitigate new stormwater runoff shall be approved by the Public Works Department prior to the issuance of a building permit by the Building Division.

***Fire Department:***

7. The proposed building must be designed to address the following:
  - a. Minimum 1-hour wall separation inside the building; and
  - b. The building shall be fully sprinklered; and
  - c. Provide a 2A10BC fire extinguisher inside the building

The Seaside Fire Marshall shall be responsible for the approval of such improvements.

**Standard:**

8. Use Permit approval is subject to revocation procedures contained in S.M.C.S. 17.69.060 in the event any of the conditions of this approval are violated, this discretionary permit was granted on the basis of false or misleading information, written or oral, given willingly or negligently by the applicant or property owner, and/or there has been a discontinuance of the use, or purposed for which the permit was issued, for a period of 180 days or more.
9. This Use Permit is subject to procedures and requirements of Chapter 17.54 (Permit Implementation, Time Limits, and Extensions), and those related to appeals and revocation in Article 6 (Zoning Ordinance Administration) of Title 17 of the Municipal.
10. The applicant agrees as a condition and in consideration of the approval of this discretionary permit that it will defend, indemnify and hold harmless the City of Seaside or its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul this approval. The applicant will reimburse the City for any court costs and attorney's fees, which the City may be required by a court to pay as a result of such action. City may, at its sole discretion, participate in the defense of such action; but such participation shall not relieve applicant of his obligations under this condition. The City shall promptly notify the applicant of any such claim, action, or proceeding, and the City shall cooperate fully in the defense thereof.
11. Any proposed future development shall comply with the requirements of the Fire, Health, Planning, Code Enforcement, Building and Public Works Departments.
12. The project shall comply with all applicable fees and regulations of the Fort Ord Reuse Authority (FORA) prior to occupancy of approved use.
13. The project shall comply with the requirements and the applicable ordinances of the Marina Coast Water District (MCWD) for the installation of new water and sewer infrastructure.
14. The permit shall have no force or effect unless and until accepted, and the terms thereof agreed to, in writing, by the applicant and property owner within fifteen (15) days from the date of its approval.
15. This Use Permit shall expire and become void 12 months from the date of approval, or upon the expiration of another time limit established by the review authority, unless use has commenced within the required time limit or the Zoning Administrator has granted an extension of time. In accordance with Section 17.54.080.B.1.a of the Zoning Code, the applicant must file request for time extension at least 30 days prior to expiration date in order to receive consideration of time extension by the Commission.

16. For purposes of assuring compliance, the applicant, agents, representatives or their assignees agree not to deny or impede access to the subject property by City employees in the performance of their duties.

**PASSED AND ADOPTED** at the regular meeting of the Planning Commission of the City of Seaside, State of California, on May 22, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Paul Muga, Chairperson

ATTEST:

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Planning Commission Secretary

**USE PERMIT APPLICATION NO. UP-13-02  
RESOLUTION NO. 13-XX**

These permits are hereby accepted upon the express terms and conditions hereof, and shall have no force or effect unless and until agreed to, in writing, by the applicant and property owner(s).

The undersigned hereby acknowledge the approved terms and conditions and agree to fully conform to, and comply with, said terms and conditions within the time frames approved by the City of Seaside Planning Commission.

\_\_\_\_\_  
Applicant's Signature

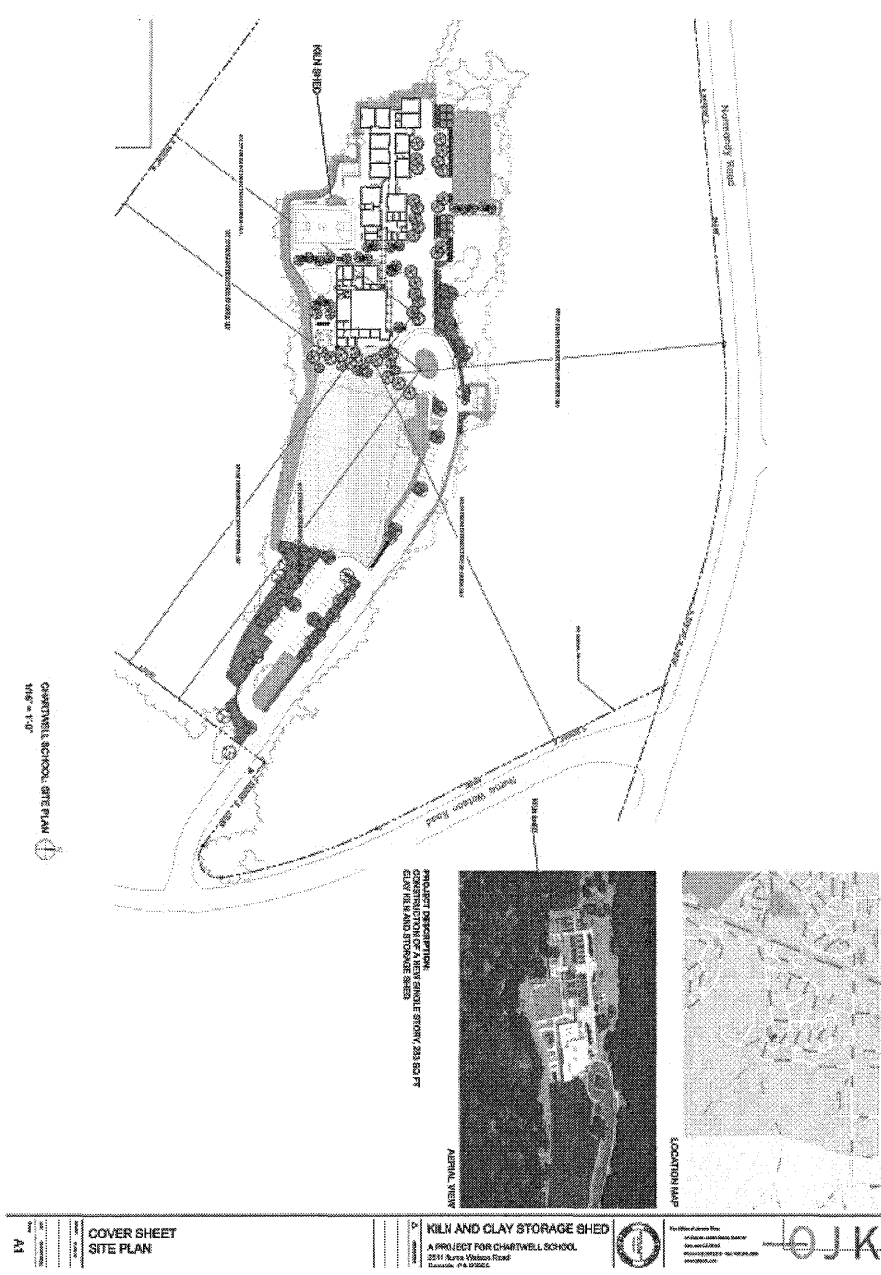
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Date

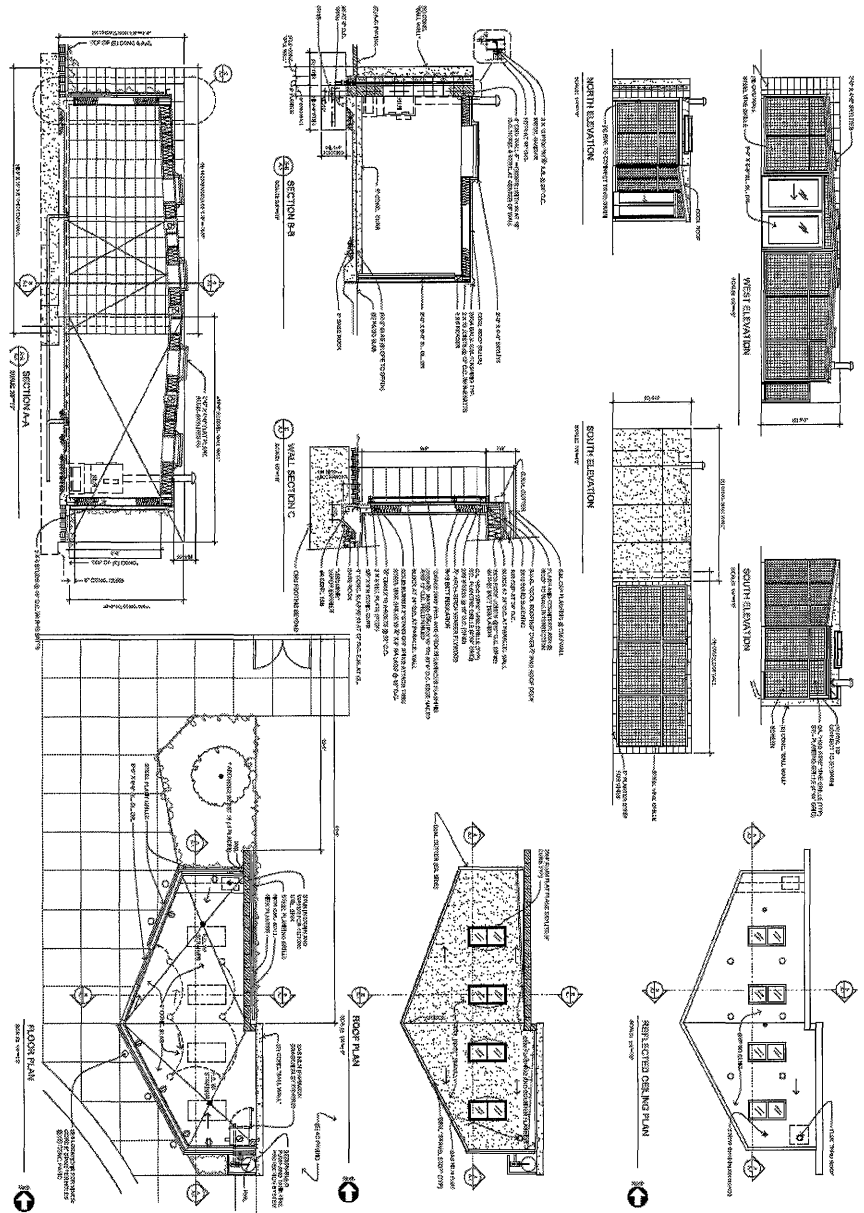
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Property Owner's Signature

\_\_\_\_\_  
Date



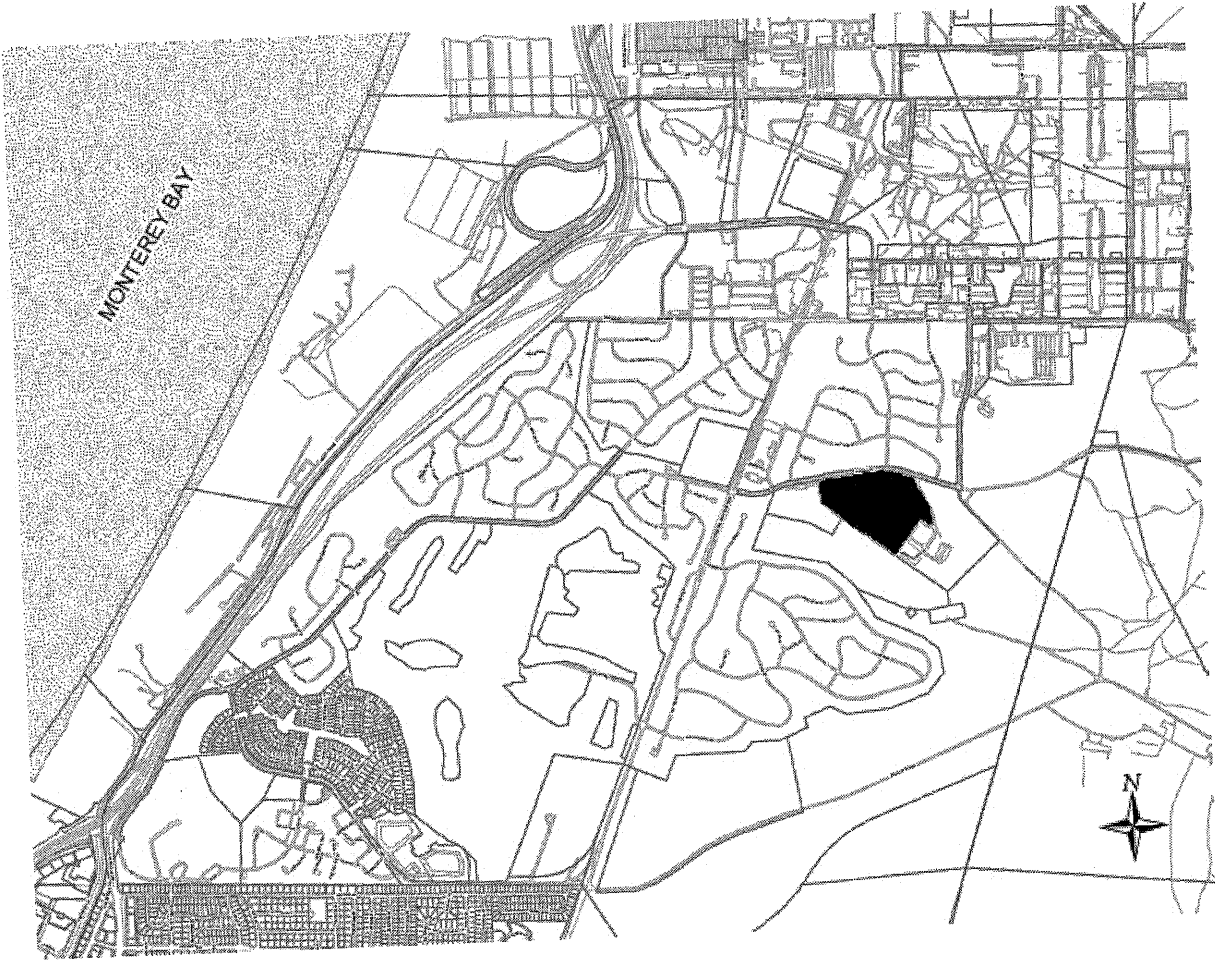
# Reduced Plans





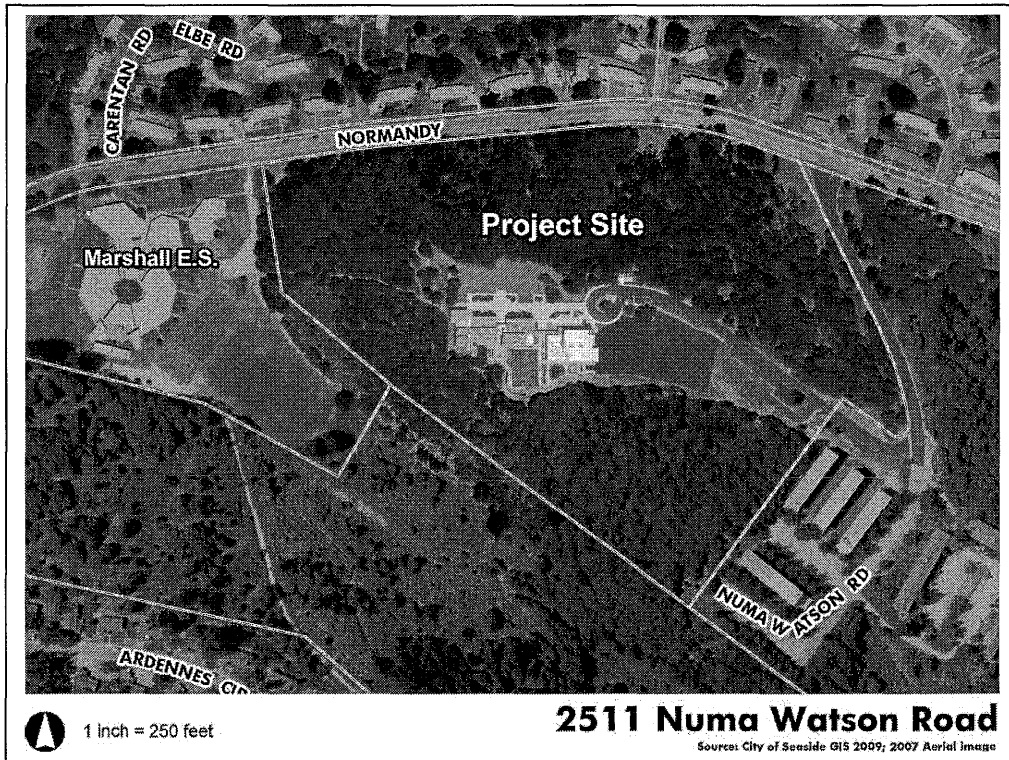
PLAN / SECTIONS / ELEVATIONS A2	KILN AND CLAY STORAGE SHED A PROJECT FOR CHARTWELL SCHOOL	The Office of James Edge 67 King St. James Street, Suite 407 New York, NY 10013 Phone: (212) 693-2100 Fax: (212) 693-2101 www.jamesedge.com	
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### Location Map



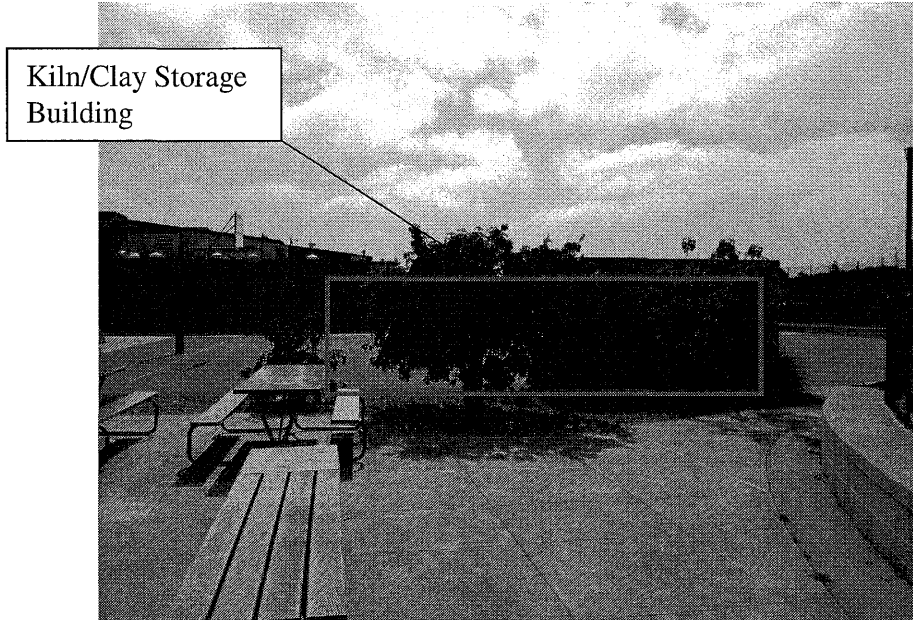
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### Aerial Images



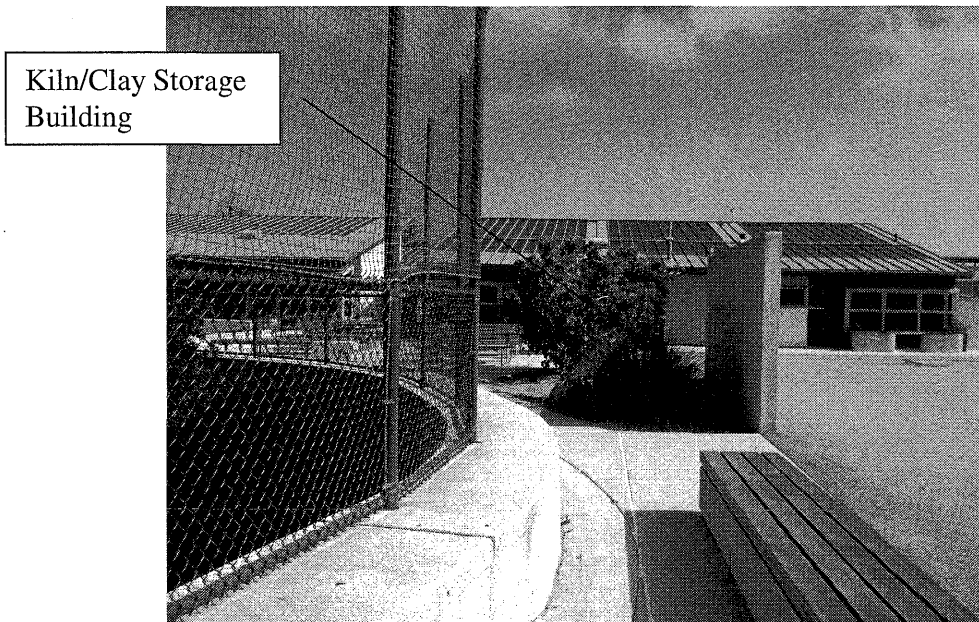
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## Site Photographs



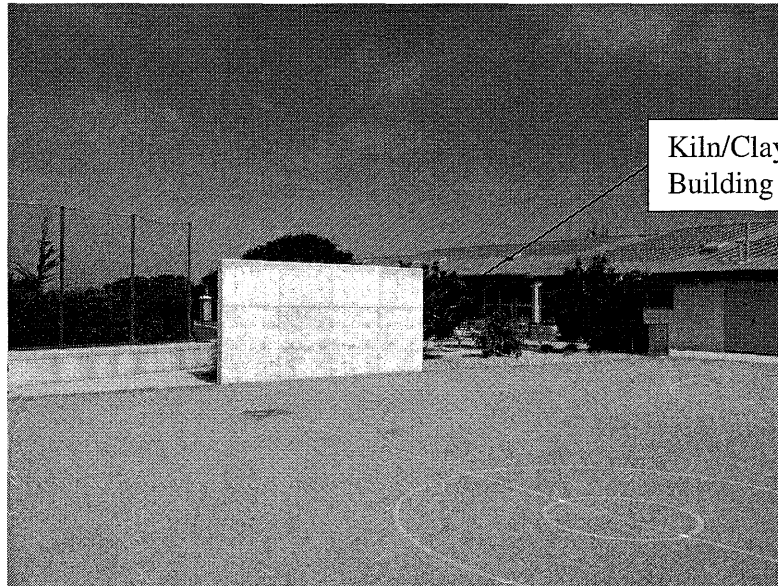
Kiln/Clay Storage Building

Kiln/Clay Storage Building Looking East

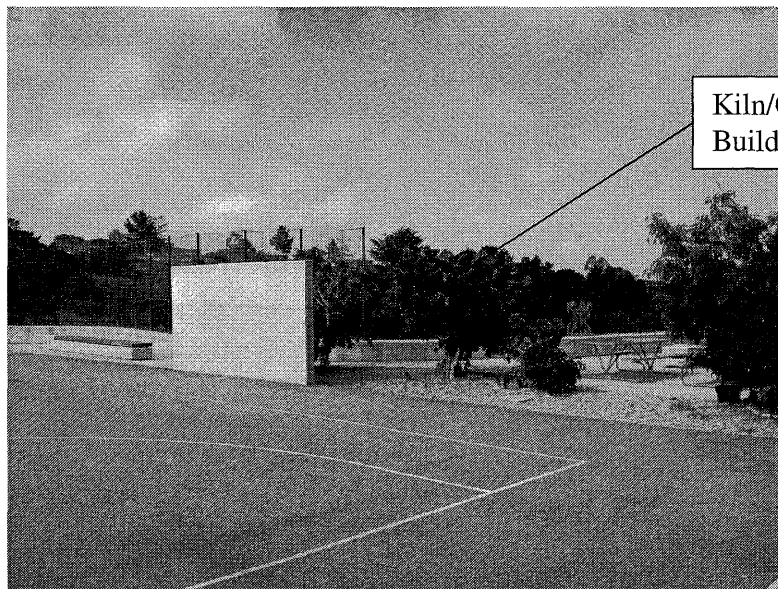


Kiln/Clay Storage Building

Kiln/Clay Storage Building Looking North



Kiln/Clay Storage Building Looking West



Kiln/Clay Storage Building Looking South





**Resource Management Department**  
440 Harcourt Avenue Telephone: (831) 899-6707  
Seaside, CA 93955 Fax: (831) 899-6201

### **PUBLIC HEARING LEGAL NOTICE**

**NOTICE IS HEREBY GIVEN** that the **Planning Commission** of the City of Seaside will conduct a public hearing to consider the following applications:

1. **Minor Use Permit Application No. MUP-13-01:** Ruth Lagrange, property owner, and Kevin Kosick, applicant, are requesting the approval of a minor use permit to grant a parking waiver of one parking space to allow for the establishment of an "Eagle Rider" motorcycle rental business within a commercial building that is currently occupied with a three-bay major motorcycle repair business (**Pinit Motorsports**). The project site is located at 1933 Del Monte Boulevard in the CA (Automotive Regional Commercial) Zoning District. The proposed project is Exempt Class 1, Section 15301(a) from the California Environmental Quality Act Guidelines.
2. **Use Permit Application No. UP-13-02:** Chartwell School, Property Owner and applicant, is requesting use permit approval for the construction of a one-story, 282 square-foot kiln/clay storage building on the premise of the Chartwell School (Grades 1-8) that will be used as part of the schools educational programs. The project site is located at 2511 Numa Watson Road in the PI (Public/Institutional) Zoning District. The proposed project is Exempt Class 3, Section 15303(e) from the California Environmental Quality Act Guidelines.

**NOTICE IS FURTHER GIVEN** that the public hearing will be held on **Wednesday, May 22, 2013 at 7:00 pm** (or as soon thereafter as the Agenda permits) in the City Council Chambers at City Hall, 440 Harcourt Avenue, Seaside, California. Any and all interested persons are welcome to appear at the hearing and be heard concerning the proposed entitlements. You can contact the Planning Division at (831) 899-6737 or visit <http://www.ci.seaside.ca.us/> for additional information on the proposed entitlements and/or the scheduled meeting date.

*/s/*  
**Rick Medina**  
Senior Planner

Publish no later than **Thursday, May 9, 2013**

For questions, contact:  
Rick Medina, Senior Planner  
440 Harcourt Avenue  
Seaside, CA 93955  
Telephone (831) 899-6737  
FAX (831) 899-6201

**RESOLUTION NO. 13-09**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SEASIDE, STATE OF CALIFORNIA, APPROVING A USE PERMIT TO GRANT APPROVAL FOR THE CONSTRUCTION OF A KILN/CLAY STORAGE BUILDING ON THE CAMPUS OF CHARTWELL SCHOOL AT 2511 NUMA WATSON ROAD, IN THE PI (PUBLIC/INSTITUTIONAL) ZONING DISTRICT.**

**WHEREAS**, Chartwell School (property owner) and Jerome King (Architect) have applied for a Use Permit to construct a kiln/clay storage building on the Chartwell School campus at 2511 Numa Watson Road, located in the PI (Public/Institutional) Zoning District; and

**WHEREAS**, the proposed project requires discretionary approval as an institutional land use in the Public Institutional Special Zoning District, and it is the responsibility of the Planning Commission to consider and weigh the merits of the application and public input in relation to the policies, standards and intent of the Seaside General Plan and Seaside Municipal Code; and

**WHEREAS**, the Seaside Planning Commission considered oral comments and written information concerning the proposed amendment at a duly noticed public hearing at public meeting held on May 22, 2013; and

**WHEREAS**, the project is a Categorically Exempt, Class 3, Section 15303 meeting the following conditions:

- a) *The proposed structures would total approximately 282 square feet in floor area, less than the maximum structure floor area of 2,500 square feet as defined under this exemption. The proposed structures would also involve less than significant amounts of hazardous substances as the structures are proposed to be built using green building techniques and would be approved for occupancy as an accessory building for the school.*

**NOW, THEREFORE, BE IT RESOLVED**, that the Planning Commission adopts the following findings for Use Permit Application No. UP-13-02

- 1. The proposed use is allowed within the applicable zone and complies with all other applicable provisions of this Zoning Ordinance and the Municipal Code.**

*Evidence: This project is located within the PI (Public/Institutional) Zoning District. The Chartwell School was approved in July of 2003 as a permitted use under the previous 2003 Seaside Zoning Ordinance. The proposed project is consistent with the development standards of the PI Zone under S.M.C. Section 17.26.050 (Special Purpose Zone Site Planning and Building Standards) since the proposed project does not conflict with the City's Public/Institutional Land Use Designation of the Seaside General Plan and Seaside Municipal Code.*

*Evidence: The proposed design of the kiln and clay storage building would be of a modern contemporary style with the incorporation of a "Green Wall" using a galvanized wire mesh to enable the building to blend into the open space areas at the edge of the school. The*

*proposed building would also utilize green building principles in the design to be compatible with the LEED certified design of the main school campus.*

*Evidence: The proposed building would be located on the existing Chartwell School campus, immediately to the south of the two existing permanent classroom buildings, consistent with the existing outdoor walkway and congregation areas of the Chartwell School.*

*Evidence: The proposed building would be approximately eight (8) feet in height with a footprint of approximately 282 square feet. The proposed dimensions of the building are consistent with the scale, size, and shape of the existing Chartwell School campus buildings.*

*Evidence: The proposed building would be used primarily during normal school business hours. Occasional evening use could occur by school faculty or afterschool activities. These operating characteristics are consistent with the existing Chartwell School campus hours.*

**2. The proposed use is consistent with the General Plan and any applicable specific plan**

*Evidence: The proposed use is consistent with the underlying PI (Public/Institutional) land use designation as a private school.*

*Evidence: The proposed use satisfies Policy LU-11.1 of the Seaside General Plan Land Use Element such that approval an accessory building on the Chartwell School campus that would provide for the accommodation of enhanced and expanded art related school activities and programs.*

**3. The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and planned future land uses in the vicinity.**

*Evidence: The location, size, and operating characteristics of the project would be compatible with the character of the site, and the land uses and development intended for the surrounding area by the Seaside General Plan. The project design will also incorporate "Green" building techniques that would be compatible with the LEED Certifications for the main school campus.*

**4. The site is physically suitable for the type, density and intensity of use being proposed, including access, utilities, and the absence of physical constraints.**

*Evidence: The project site is served by existing water, wastewater, and electrical infrastructure and facilities with adequate capacity to serve the proposed project.*

**5. Granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone district in which the property is located.**

*Evidence: The granting of a Use Permit for the proposed building would not create significant noise, traffic, or other conditions or situations that may be objectionable or detrimental to other permitted uses in the vicinity or adverse to the public interest, health, safety, or welfare of the City.*

**NOW, BE IT FURTHER RESOLVED**, that the Planning Commission approves Use Permit Application No. UP-13-02 subject to the following conditions:

**Project Specific**

***Planning:***

1. Except as modified by required conditions of approval, plans submitted for a building permit shall substantially conform to the site plans identified as "Kiln and Clay Storage Shed" stamped as "Received on March 12, 2013, Resource Management Services", and approved on May 22, 2013. Project site plan is provided as Attachment 1.
2. Prior to issuance of occupancy by the Building Division, the project shall receive a consistency determination by the Fort Ord Reuse Authority (FORA).

***Building:***

3. The applicant shall receive building permit approval by the Building Division for the construction of the building approved under this Use Permit on the Chartwell School campus.
4. Prior to the issuance of a building permit, applicant must provide manufactures specifications for the kiln furnace.
5. Project plans submitted for building permit must have wet stamp from project architect.

***Public Works:***

6. Plans submitted for a building permit application shall clearly define the direction and flow of stormwater created by new construction and all new impervious surfaces added as a result of new construction. Any new retention basins required to mitigate new stormwater runoff shall be approved by the Public Works Department prior to the issuance of a building permit by the Building Division.

***Fire Department:***

7. The proposed building must be designed to address the following:
  - a. Minimum 1-hour wall separation inside the building; and
  - b. The building shall be fully sprinklered; and
  - c. Provide a 2A10BC fire extinguisher inside the buildingThe Seaside Fire Marshall shall be responsible for the approval of such improvements.

**Standard:**

8. Use Permit approval is subject to revocation procedures contained in S.M.C.S. 17.69.060 in the event any of the conditions of this approval are violated, this discretionary permit was granted on the basis of false or misleading information, written or oral, given willingly or negligently by the applicant or property owner, and/or there has been a discontinuance of the use, or purposed for which the permit was issued, for a period of 180 days or more.
9. This Use Permit is subject to procedures and requirements of Chapter 17.54 (Permit Implementation, Time Limits, and Extensions), and those related to appeals and revocation in Article 6 (Zoning Ordinance Administration) of Title 17 of the Municipal.
10. The applicant agrees as a condition and in consideration of the approval of this discretionary permit that it will defend, indemnify and hold harmless the City of Seaside or its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul this approval. The applicant will reimburse the City for any court costs and attorney's fees, which the City may be required by a court to pay as a result of such action. City may, at its sole discretion, participate in the defense of such action; but such participation shall not relieve applicant of his obligations under this condition. The City shall promptly notify the applicant of any such claim, action, or proceeding, and the City shall cooperate fully in the defense thereof.
11. Any proposed future development shall comply with the requirements of the Fire, Health, Planning, Code Enforcement, Building and Public Works Departments.
12. The project shall comply with all applicable fees and regulations of the Fort Ord Reuse Authority (FORA) prior to occupancy of approved use.
13. The project shall comply with the requirements and the applicable ordinances of the Marina Coast Water District (MCWD) for the installation of new water and sewer infrastructure.
14. The permit shall have no force or effect unless and until accepted, and the terms thereof agreed to, in writing, by the applicant and property owner within fifteen (15) days from the date of its approval.
15. This Use Permit shall expire and become void 12 months from the date of approval, or upon the expiration of another time limit established by the review authority, unless use has commenced within the required time limit or the Zoning Administrator has granted an extension of time. In accordance with Section 17.54.080.B.1.a of the Zoning Code, the applicant must file request for time extension at least 30 days prior to expiration date in order to receive consideration of time extension by the Commission.
16. For purposes of assuring compliance, the applicant, agents, representatives or their assignees agree not to deny or impede access to the subject property by City employees in the performance of their duties.


**PASSED AND ADOPTED** at the regular meeting of the Planning Commission of the City of Seaside, State of California, on May 22, 2013, by the following vote:

AYES: K. Dodson, M. Lechman, D. Ross, A. Taketomo

NOES: None

ABSENT: P. Muga, J. Owens, J. Robinson

ABSTAIN: None

  
\_\_\_\_\_  
Amy Taketomo, Vice-Chairperson

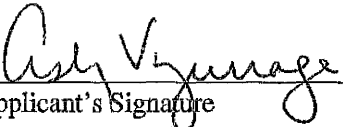
ATTEST:

  
\_\_\_\_\_  
Planning Commission Secretary


**USE PERMIT APPLICATION NO. UP-13-02  
RESOLUTION NO. 13-09**

These permits are hereby accepted upon the express terms and conditions hereof, and shall have no force or effect unless and until agreed to, in writing, by the applicant and property owner(s).

The undersigned hereby acknowledge the approved terms and conditions and agree to fully conform to, and comply with, said terms and conditions within the time frames approved by the City of Seaside Planning Commission.

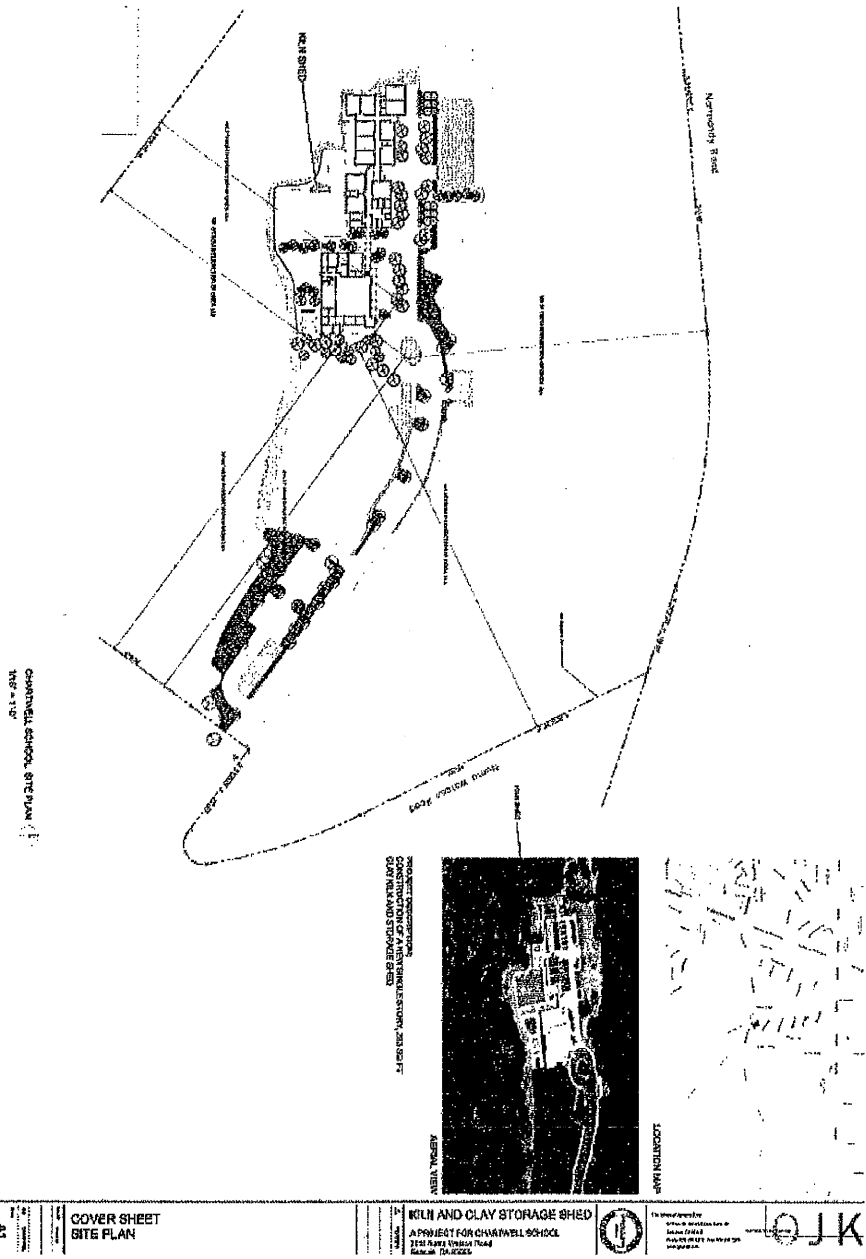
  
\_\_\_\_\_  
Applicant's Signature

6/7/13  
Date

  
\_\_\_\_\_  
Property Owner's Signature

6.7.13  
Date

Reduced Plans

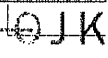


COVER SHEET  
SITE PLAN

KOLI AND CLAY STORAGE SHED  
A PROJECT FOR CHARWELL SCHOOL  
3520 Mary Virginia Road  
Baltimore, MD 21206



10/10/2010  
10/10/2010  
10/10/2010  
10/10/2010





Reduced Plans

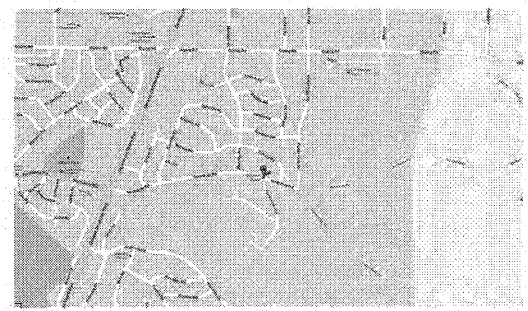
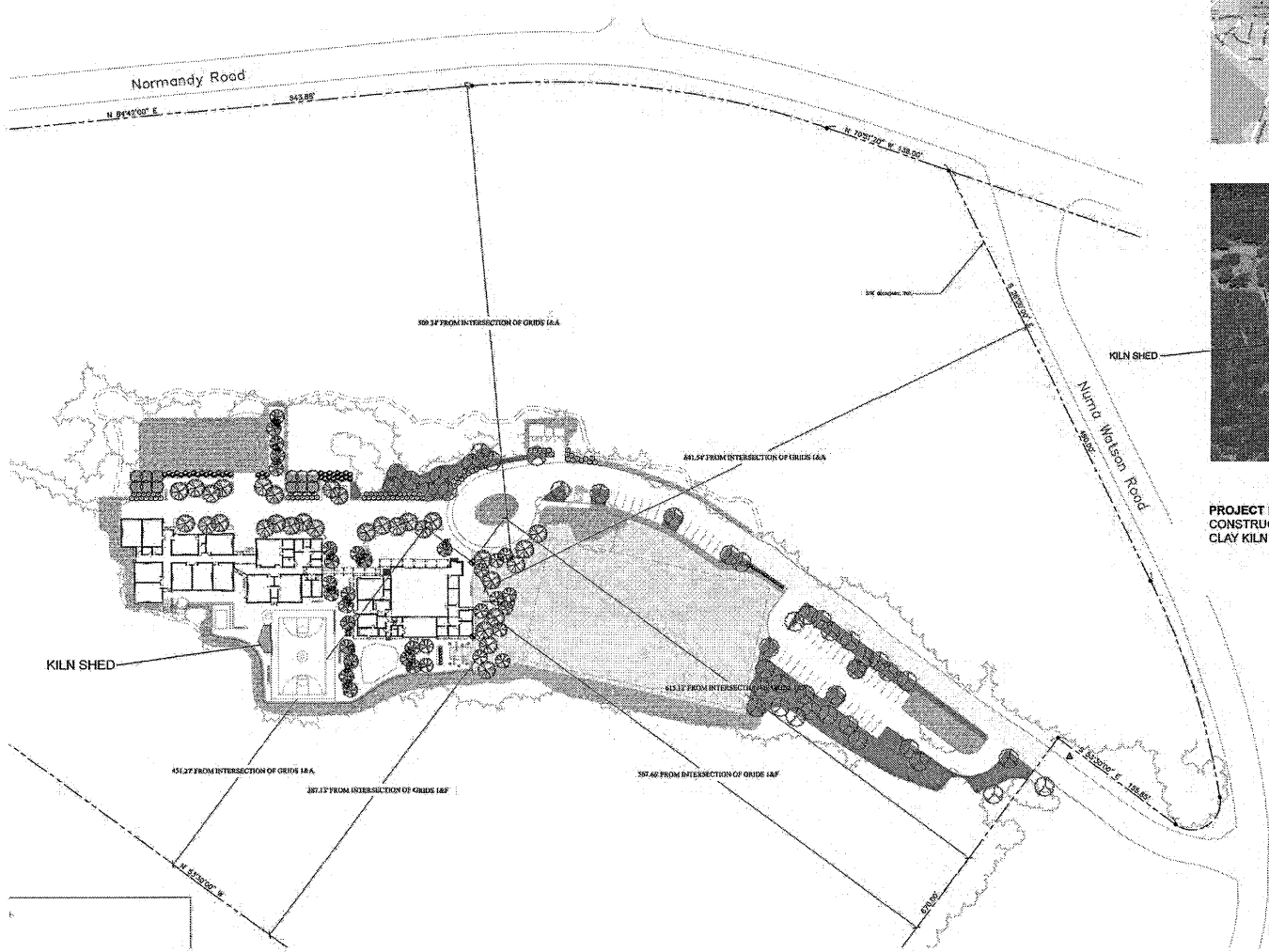
The drawing set includes the following views and details:

- FLOOR PLAN:** Shows the layout of the shed with a grid system. Dimensions include 10'0" and 10'0".
- SECTION A-A:** A vertical section through the structure showing the roof truss system, rafters, and floor joists.
- SECTION B-B:** Another vertical section showing the structural details of the roof and walls.
- WEST ELEVATION:** Shows the exterior wall with a door and a window.
- SOUTH ELEVATION:** Shows the exterior wall with a door and a window.
- DETAILS:** Several small drawings showing specific construction details for the roof, walls, and floor.

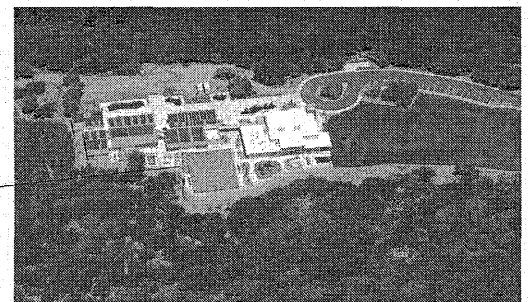
**PLANS / SECTIONS / ELEVATIONS**

**KILN AND CLAY STORAGE SHED**  
A PROJECT FOR CHARTWELL SCHOOL

**LOJK**



LOCATION MAP



AERIAL VIEW

**PROJECT DESCRIPTION:**  
 CONSTRUCTION OF A NEW SINGLE STORY, 283 SQ FT  
 CLAY KILN AND STORAGE SHED

CHARTWELL SCHOOL: SITE PLAN  
 1/16" = 1'-0"



**ojk**  
 The Office of James King  
 2811 Nuric Watson Road  
 San Jose, CA 95132  
 Phone: (408) 291-2310 Fax: (408) 291-2388  
 www.ojk.com

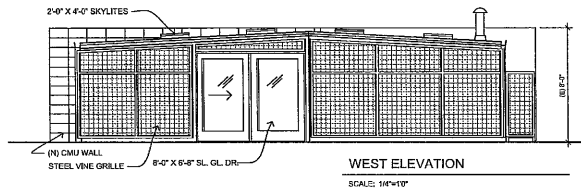


**KILN AND CLAY STORAGE SHED**  
 A PROJECT FOR CHARTWELL SCHOOL  
 2811 Nuric Watson Road  
 San Jose, CA 95132

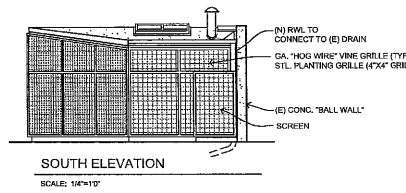
REVISIONS

COVER SHEET  
 SITE PLAN

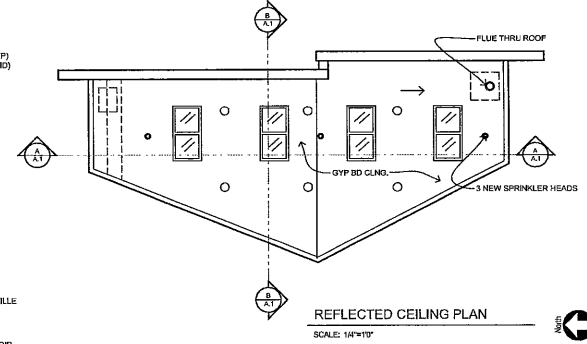
DATE: 11/01/12  
 BY: CHARTWELL  
 SHEET: A1



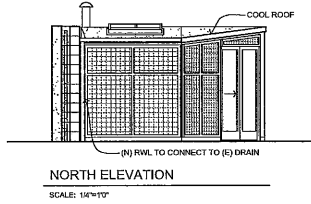
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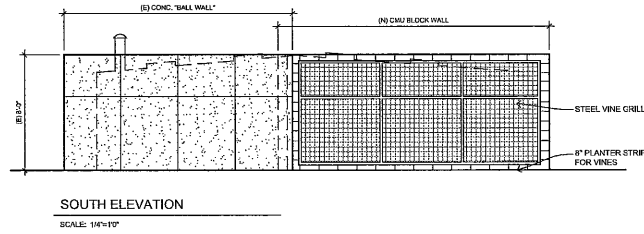
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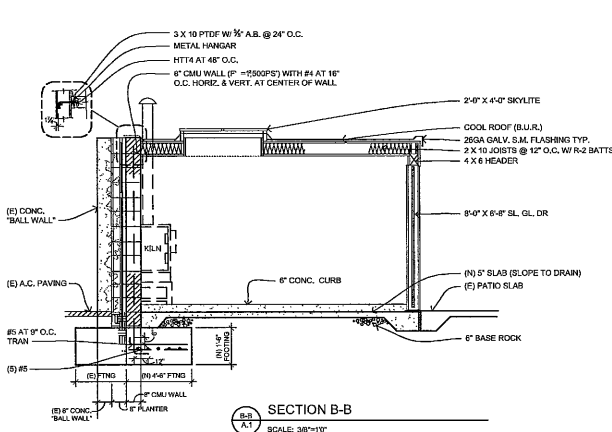
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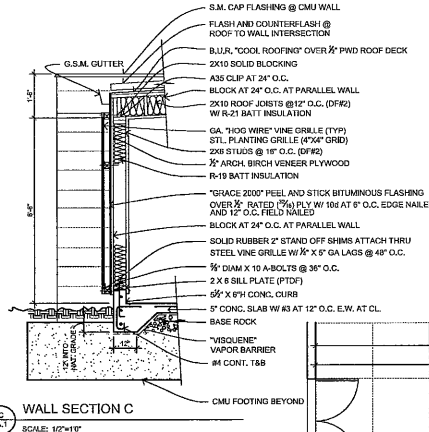
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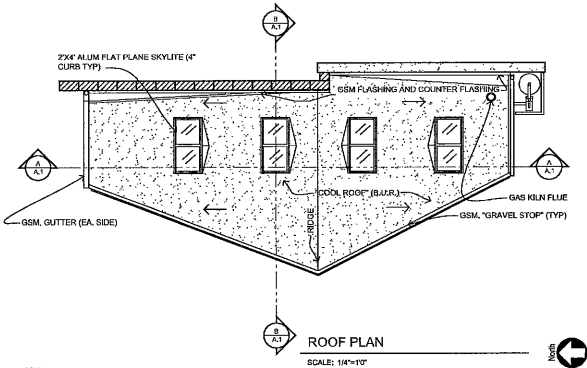
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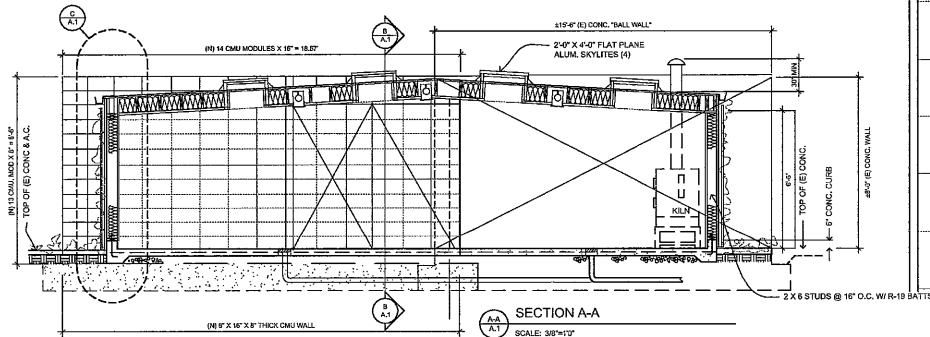
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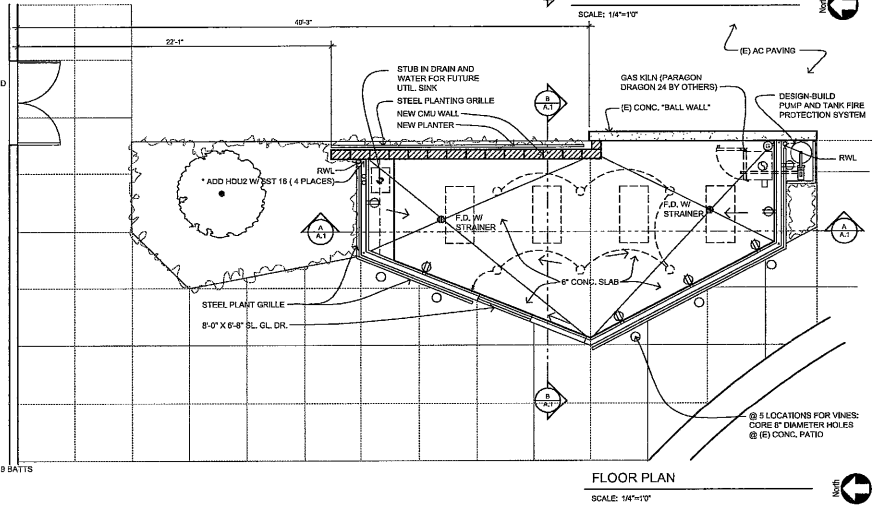
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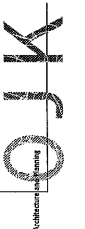
ROOF PLAN  
SCALE: 1/4"=1'-0"



SECTION A-A  
SCALE: 3/8"=1'-0"



FLOOR PLAN  
SCALE: 1/4"=1'-0"



The Office of Jerome King  
97 East St. James Street, Suite 42  
San Jose, CA 95112  
Phone: 408.295.2210 Fax: 408.295.2209  
www.jjk.com

KILN AND CLAY STORAGE SHED  
A PROJECT FOR CHARTWELL SCHOOL

REVISIONS

PLANS / SECTIONS /  
ELEVATIONS

Issue: 02.02.2013

Job: CHARTWELL

Sheet

A2

**Notice of Exemption**

Form D

To:  Office of Planning and Research  
PO Box 3044, 1400 Tenth Street, Room 212  
Sacramento, CA 958123-3044

From: (Public Agency) City of Seaside  
440 Harcourt Avenue  
Seaside, CA 93955  
(Address)

**FILED**

JUN 07 2013

STEPHEN L. VAGNINI  
MONTEREY COUNTY CLERK  
DEPUTY

2013-0084

County Clerk  
County of Monterey  
Monterey County Court House  
240 Church Street  
Salinas, CA 93901

Project Title: Chartwell School Kiln and Clay Storage Building

Applicant: Chartwell School, 2511 Numa Watson Road

Project Location – Specific: Project site is located at 2511 Numa Watson Road on Assessor's Parcel No. 031-151-022.

Project Location – City: Seaside

Project Location – County: Monterey

**Description of Project:** The proposed project will consist of a kiln and clay storage room that would be constructed as 282 square-foot accessory building on the campus of the Chartwell School Elementary School to facilitate its arts and crafts programs. The exterior material will consist of a self adhering waterproof membrane. A galvanized "Hog Wire" Vine grille will be affixed to the exterior to allow for planting materials to establish a complete green wall on the side and front elevation of the building. Along the rear east elevation, the kiln will abut an existing eight-foot tall concrete wall which is used for "Hand Ball" recreational activities in the adjoining recreation area. A new eight-foot tall CMU wall would be constructed for the remaining portion of the structure on the east side. A galvanized "Hog Wire" Vine grille will be affixed to the CMU wall to provide a green wall to match the side and front elevations. A CMU wall has been proposed to minimize vibrations from balls bouncing against this side of the structure which may contain shelving for supplies and ceramics. The roof will consist of a low profile design that is described as a "Cool Roof". The height of the structure will be 8 feet. Four 2x4 aluminum flat panel skylites are proposed to maximize the use of natural light.

Name of Public Agency Approving Project: City of Seaside

Name of Person or Agency Carrying Out Project: City of Seaside

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(11); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15369(b)(c));
- Categorical Exemption. State type and section number: New Construction or Conversion of Small Structures, § 15303(c) of the CEQA Guidelines
- Statutory Exemptions. State code number: \_\_\_\_\_

**Reasons why project is exempt:**

This project is exempt from the California Environmental Quality Act pursuant to a Class 3, Section 15303(c) (New Construction or Conversion of Small Structures) categorical exemption. Class 3 exemptions consist of construction and location of limited numbers of new, small facilities or structures, including structures not involving the use of significant amounts of hazardous substances, and not exceeding 2,500 square feet in floor area.

**Evidence:** *The proposed structure would be approximately 282 square feet in floor area, less than the maximum structure floor area of 2,500 square feet as defined under this exemption. The proposed structure would be used to house a kiln and clay storage for the existing Chartwell School which is an elementary school for grades 1-8. In addition to being less than 2,500 square feet, the proposed structure would also not involve the use or storage of any hazardous substances.*

Chartwell School Kiln/Clay Storage Building – Notice of Exemption

File No. UP-13-02

Page 2 of 2

**Lead Agency**

**Contact Person:** Rick Medina

Area Code/Telephone/Extension: (831) 889-6726

**If filed by applicant:**

1. Attach certified document of exemption finding.

2. Has a Notice of Exemption been filed by the public agency approving the project?  Yes  No

Signature: *Rick Medina* Date: June 6, 2013 Title: Senior Planner

Signed by Lead Agency

Date received for filing at OPR: \_\_\_\_\_

Signed by Applicant

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Capital Improvement Program Review – Phase II Study Final Report

**Meeting Date:** July 12, 2013

**Agenda Number:** 10f

**INFORMATION**

### RECOMMENDATION(S):

Receive the Capital Improvement Program (CIP) Review – Phase II Study Final Report (**Attachment A**) prepared by Economic & Planning Systems (EPS).

### BACKGROUND/DISCUSSION:

At the May 10, 2013 FORA Board meeting, EPS Managing Principal David Zehnder presented the results of the CIP Review – Phase II Study, which included a detailed analysis and PowerPoint. During the meeting, a Board member inquired about the timing of EPS's written report. Mr. Zehnder responded that the report would be completed in the near-term. EPS's final written report is now complete and is included under **Attachment A**.

### FISCAL IMPACT:

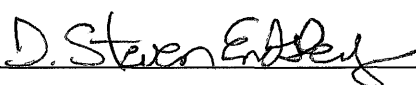
Reviewed by FORA Controller 

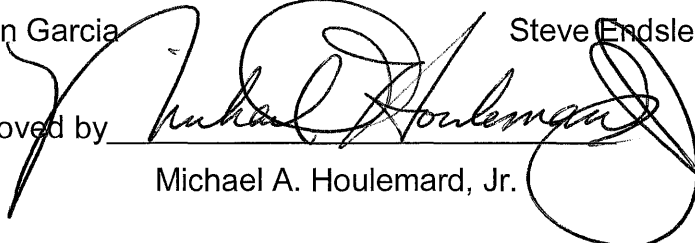
Staff time for this item is included in the approved FORA budget. EPS's funding is derived from the FORA development/CFD Fee.

### COORDINATION:

Administrative Committee, Executive Committee, and EPS.

Prepared by   
Jonathan Garcia

Reviewed by   
Steve Endsley

Approved by   
Michael A. Houlemard, Jr.

## Final Report

# Fort Ord Capital Improvement Program Review—Phase II

*The Economics of Land Use*



Prepared for:

Fort Ord Reuse Authority

Prepared by:

Economic & Planning Systems, Inc.

July 5, 2013

*Economic & Planning Systems, Inc.  
2295 Gateway Oaks Drive, Suite 250  
Sacramento, CA 95833-4210  
916 649 8010 tel  
916 649 2070 fax*

*Berkeley  
Denver  
Los Angeles  
Sacramento*

*[www.epsys.com](http://www.epsys.com)*

EPS #21462

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# ***1. INTRODUCTION AND OVERVIEW***

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This report presents the findings of the Fort Ord Reuse Authority (FORA) Capital Improvement Program (CIP) review – Phase II completed by Economic & Planning Systems, Inc. (EPS).

On May 10, 2013, the FORA Board approved an adjustment to the Basewide Development Fee Schedule and Community Facilities District (CFD) Special Tax (Development Fee and CFD Special Tax). This adjustment was based on the technical analysis completed by EPS over the preceding months as part of the Phase II CIP review process. The primary objective of this report is to document the final results of the technical analysis, providing a comprehensive discussion of key analysis inputs, assumptions, and variables.

## **Phase I CIP Review**

In 2011, FORA retained EPS to conduct a detailed review of the FORA CIP, suggesting immediate actions to implement an interim Development Fee and CFD Special Tax, as well as ongoing strategies and actions to implement an updated basewide financing strategy. The purpose of the initial CIP review was to identify short-term updates or modifications to the CIP and related one-time Development Fee and CFD Special Tax that could be implemented by the FORA Board and would maintain FORA's ability to meet required California Environmental Quality Act (CEQA) mitigation measures, minimize risk to FORA and its member agencies, and facilitate the ability of private developers to proceed with development projects in FORA's member jurisdictions.

## **Phase I CIP Recommendations**

Based on the findings of the Phase I CIP review, EPS concluded that to realize near-term development, three general conditions must be met: (1) ensure basewide reuse plan CEQA mitigations are fully funded, (2) ensure planned development projects are economically feasible, and (3) provide long-term certainty to the development community. EPS recommended a multiphased approach aimed at ensuring the CFD Special Tax, when considered with all other revenue sources, enables FORA to fulfill its reuse obligations at Fort Ord. This approach included recommendations for immediate actions, as well as longer term ongoing financing strategy implementation recommendations.

The FORA Board implemented an immediate 27-percent reduction in the Development Fee and CFD Special Tax through reorganizing, recategorizing, and eliminating certain CIP project contingencies. Applied proportionately across all land use categories, the Development Fee and CFD Special Tax rate on a single-family residential unit was reduced from \$46,205 to \$33,700.

Over the longer term, EPS recommended that FORA should establish a framework to evaluate additional mid- to long-term actions that it may consider implementing over the next few years. Because many outstanding issues are anticipated to be resolved during the next 1 to 3 years, FORA has the opportunity to evaluate overall CIP financing requirements and to prepare a comprehensive financing strategy designed to meet FORA's objectives. Much of this work was anticipated to be conducted as part of this Phase II study, the rationale for which is described below.

## **Rationale for Phase II**

This Phase II CIP effort was intended to provide further consideration of the appropriate CFD Special Tax level, given additional analysis of key variables likely to impact the requisite CFD funding levels. The Phase II effort provides information to assist the FORA Board to determine if further reductions in contingencies or costs would be feasible, while still ensuring FORA's CEQA and operational obligations are met.

The Phase II effort is predicated on the goal of maintaining stability in financing infrastructure, avoiding a major "shock" to the reuse plan financing milieu, and requiring a very stringent litmus test for any proposed upward adjustments. This effort was intended to address uncertainty related to several variable factors, including the following issues:

- Potential FORA sunset or reconstitution into another form in 2020.
- Development forecasts, given national, regional, and local economic conditions.
- State of California dissolution of redevelopment agencies.
- Habitat Conservation Plan and endowment cost.

As the Phase II CIP review process commenced, the building industry raised concerns about the amount of and uncertainty related to the FORA Development Fee and CFD Special Tax and the deleterious impact this has on prospects for future growth. During the legislative process related to the extension of FORA, state legislators indicated this issue should be addressed by FORA at a local level. In response, the FORA Board elected to expand Phase II to incorporate a review of the Development Fee and CFD Special Tax rate and develop a formulaic approach to computing the rates that would mitigate issues associated with risk and uncertainty. This "formulaic approach" was implemented through FORA Board Resolution 12-5 and amendments to the individual implementation agreements with FORA jurisdictions. The primary components of the formula and key elements of the implementation agreement amendments are described below.

## **Updated Development Fee and CFD Special Tax**

At the August 29, 2012, board meeting, FORA adopted a formula to establish the Development Fee and CFD Special Tax rates that take into account all potential revenue sources and costs. Under the formula, authorized CIP improvements are funded by the Development Fee and CFD Special Taxes after applying all available property tax revenues, grant funds, and land sales and lease proceeds. The FORA Board periodically will adjust the Development Fee and CFD Special Tax following a comprehensive review of all potential costs and revenues, with the goal of establishing a process and formula that is defined, predictable, and transparent to all stakeholders.

The rationale behind the Development Fee and CFD Special Tax formulaic approach was that because FORA has achieved cost savings, secured grants and other contributions to the basewide mitigation measures from federal and state sources, and loaned monies to fund required projects that have reduced or deferred the demand for CIP improvements, an approach was needed to match FORA revenue sources to FORA obligations and set an appropriate fee level consistent with the obligations.

Under the updated formulaic approach, improvements authorized for Development Fee and CFD Special Tax funding include the following cost categories:

- Transportation/Transit Improvements.
- Water Augmentation Improvements.
- Habitat Management Endowment Requirements.
- Fire Fighting Equipment (“Rolling Stock”).
- Other Costs and Contingencies:
  - Transportation/Transit Cost Contingency.
  - Utility and Storm Drainage Cost for restoration of storm drainage sites and relocation of utilities on State Parks land.
  - Pollution Legal Liability (PLL) Insurance Costs.
  - CFD Administration Costs.

The updated approach sets forth the following steps to compute adjustments to the Development Fee and CFD Special Tax Rates:

1. Determine total remaining CIP costs.
2. Determine source and amount of funds:
  - a. Fund Balance.
  - b. Grant Money.
  - c. CSU Mitigation Fees.
  - d. Loan Proceeds.
  - e. Land sales revenues/proceeds net of a required credit/offset equal to the amount of monies advanced to construct CIP improvements in excess of remaining building removal program estimated costs and lease revenues not required for other obligations.
  - f. FORA Property Tax Revenues.
3. Subtract these funding sources from CIP costs to determine net costs to be funded by Development Fee and CFD Special Tax.
4. Compute anticipated total Development Fee and CFD Special Tax funding using prior-year rates and current land use assumptions, based on the current FORA CIP.
5. Compare amount needed (under Step #3) to amount generated under Step #4, and calibrate Development Fee and CFD Special Tax Rate accordingly.

**Figure 1-1** provides an illustration of the steps necessary to compute adjustments to the Development Fee and CFD Special Tax Rate.

This Phase II study therefore provides an evaluation of the FORA CIP through the framework of the formulaic approach, culminating in a recommended adjustment to the Development Fee and CFD Special Tax. The remainder of this chapter offers a summary of the results of the Phase II study and application of the formulaic approach, while the following chapters detail the analysis inputs, assumptions, and variables that drive the formula results.

## Phase II CIP Study and Formulaic Approach Results

The Phase II CIP Study resulted in a detailed review of the formulaic approach inputs.

**Table 1-1** summarizes the recommended Development Fee and CFD Special Tax adjustment resulting from the calibration of total CIP costs and projected sources of other revenues that will be available to fund CIP costs. As identified here, the Phase II CIP review resulted in a proposed 23.6-percent downward adjustment of the Development Fee and CFD Special Tax. The current rate for a new residential unit of \$34,610 (reflecting the post-Phase I adjusted rate of \$33,700, plus annual CCI index adjustments) would therefore be reduced to \$26,440.

**Table 1-2** offers additional detail regarding the mechanics of the proposed adjustment. The formula takes into consideration total expenditures eligible to be funded by Development Fee and CFD Special Tax revenues and other estimated sources of funds that may be used to offset CIP costs to determine the total Development Fee and CFD Special Tax revenue required. The total Development Fee and CFD Special Tax revenue requirement then is compared to the estimated total Development Fee and CFD Special Tax revenue generated, based on current land use projections (Fiscal Year [FY] 2012–13 CIP) and the current Development Fee and CFD Special Tax rate (see **Table 1-3**). The adjustment factor is derived based on the relation between the Development Fee and CFD Special Tax revenue requirement and the projected revenue generated, based on the current rate structure. Additional detail on each component is provided below:

- **Remaining CIP and Other Costs.** FORA and EPS estimate remaining CIP costs total approximately \$239 million. In addition, the land sale revenue shall fund repayment of the \$18.2 million loan against the Preston Park property, and the Development Fee and CFD Special Tax shall repay \$7.6 million in funds advanced for FORA loans (Preston Park and line of credit) to construct CIP facilities. The \$7.6 million repayment will help offset FORA operations costs through 2020. Total expenditures therefore are roughly **\$265 million**.
- **Estimated Sources of Funds.** Other revenue sources may be available to offset a portion of the costs described above. Based on the categories of funding identified in the formulaic approach and the estimated revenue generated as detailed in this report, approximately **\$79 million** in other sources of funds will be available to fund CIP and other costs.
- **Development Fee and CFD Special Tax Revenue Required.** Netting the \$79 million in other revenues off of the total \$265 million in CIP and other costs results in approximately **\$186 million** in costs that will be funded by the Development Fee and CFD Special Tax.

- **Maximum Development Fee and CFD Special Tax Revenue.** Based on current land use projections and the existing Development Fee and CFD Special Tax rates, EPS estimates the Development Fee and CFD Special Tax will generate approximately **\$243 million** in revenue.
- **Development Fee and CFD Special Tax Rate Adjustment Factor.** The Development Fee and CFD Special Tax rate adjustment factor is derived by comparing the CFD Special Tax revenue requirement to the estimated Maximum Development Fee and CFD Special Tax Revenue. The actual revenue requirement is approximately **76.4 percent** of the currently projected maximum Development Fee and CFD Special Tax revenue, suggesting the FORA Board could adjust rates downward by 23.6 percent and still meet the Development Fee and CFD Special Tax revenue requirement.

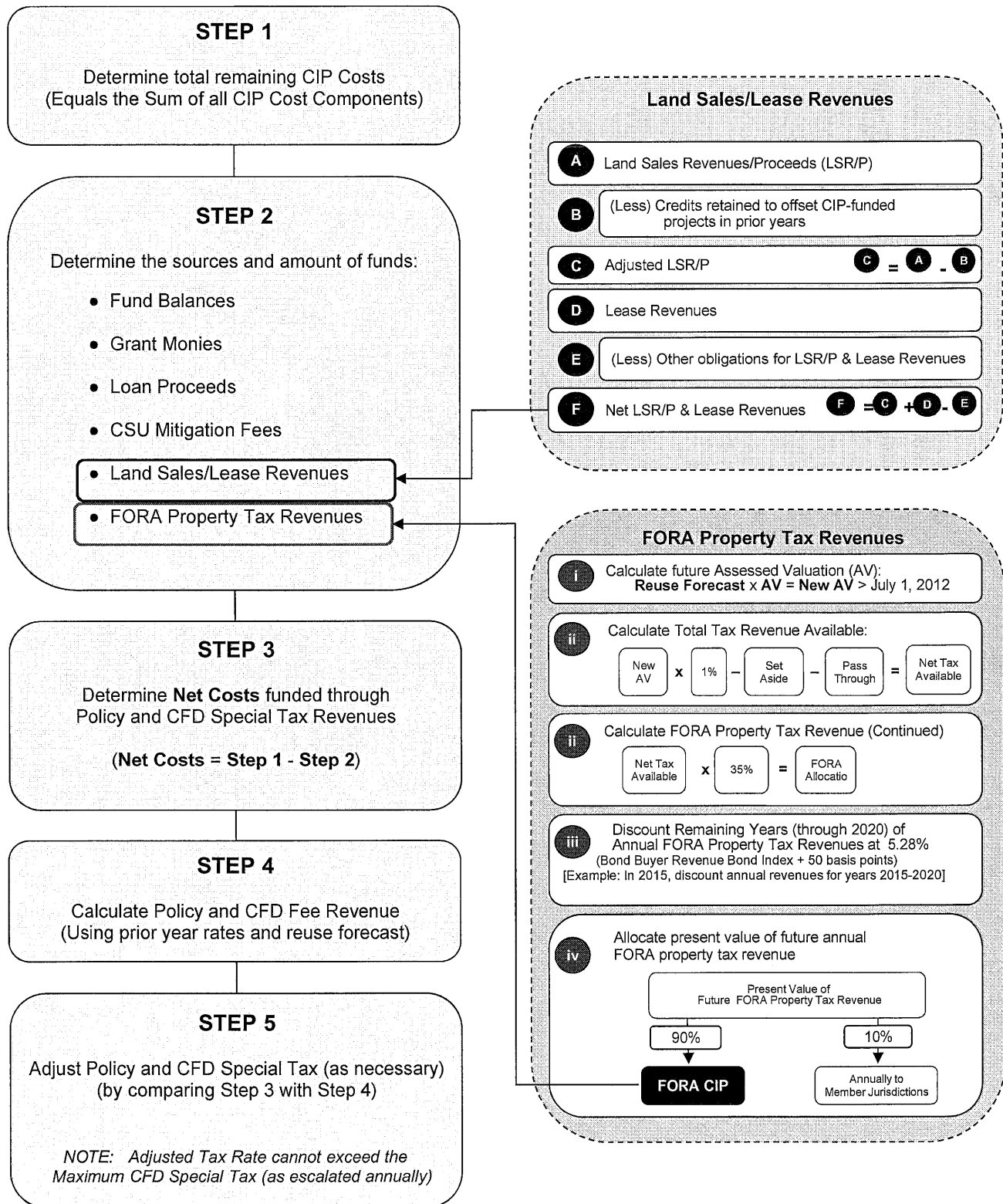
On May 10, 2013, the FORA Board adopted the proposed Development Fee and CFD Special Tax adjustment as described in this section. The remainder of this report offers additional detail regarding the analytical process. In addition to this introductory chapter, this report includes the following chapters:

- **Chapter 2** details the land use and development absorption assumptions used to derive the formulaic approach results.
- **Chapter 3** offers an overview of the CIP costs included in the formulaic approach, including a detailed overview of how EPS derived habitat management costs.
- **Chapter 4** details the methodological basis used to derive each of the sources of other funds available to offset CIP costs, based on the formulaic approach.

In addition, this report includes the following appendices:

- **Appendix A** includes detailed calculations relating to the estimated property tax revenues received by FORA.
- **Appendix B** details the methodology used to derive estimated FORA land sale revenues.
- **Appendix C** contains the detailed Habitat Conservation Plan cash flow analysis.

**Figure 1-1**  
 Periodic Process to Update  
 Basewide Development Fee Schedule  
 and CFD Special Tax



process

Table 1-1  
FORA Phase II CIP Review  
CFD Special Tax Options

<b>FY 2012/13 CIP Development Forecasts</b>
---

Land Use	Basis	Development Fee Policy/CFD Special Tax			
		Existing Rate	Preliminary Adjusted Rate	Difference	Percentage Change
		<i>July 1, 2012</i>	<i>April 30, 2013</i>		
			<i>ROUNDED</i>		
New Residential	per du	<b>\$34,610</b>	<b>\$26,440</b>	(\$8,170)	-23.6%
Existing Residential	per du	<b>\$10,406</b>	<b>\$7,950</b>	(\$2,456)	-23.6%
Office & Industrial	per acre	<b>\$4,536</b>	<b>\$3,470</b>	(\$1,066)	-23.6%
Retail	per acre	<b>\$93,545</b>	<b>\$71,470</b>	(\$22,075)	-23.6%
Hotel	per room	<b>\$7,718</b>	<b>\$5,900</b>	(\$1,818)	-23.6%

*prel\_tax*

Sources: FORA and EPS.



**Table 1-2  
FORA Phase II CIP Review  
Calculation of CFD Special Tax Funding Required**

Item	Calculation	Amount
<b>Remaining Capital Improvement Program and Other Costs</b>		
Transportation/Transit	a	\$112,699,000
Water Augmentation - CEQA mitigation	b	\$23,526,000
Water Augmentation - voluntary contribution	c	\$21,655,000
HCP Endowment [1]	d	\$36,340,000
HCP Endowment Contingency	e	\$18,800,000
Fire Fighting Equipment	f	\$232,000
Contingency (MEC, Soil mgt. plans, insurance retention, etc.)	g	\$16,905,000
Additional Utility and Storm Drainage Costs	h	\$3,500,000
Other Costs (PLL Insurance)	i	\$3,000,000
Other Costs (CFD Administration)	j	\$2,240,000
<b>Subtotal CIP Expenditures</b>	<b>k = sum (a to j)</b>	<b>\$238,897,000</b>
Preston Park Land Sale Loan Repayment [2]	l	\$18,200,000
Developer Fee Repayment to Land Sale Revenue Account [3]	m	\$7,627,000
<b>Total Expenditures</b>	<b>n = k + l + m</b>	<b>\$264,724,000</b>
<b>Estimated Sources of Funds</b>		
Existing Fund Balances [4]	o	\$1,345,000
Existing Fund Balance for HCP Endowment [5]	p	\$4,596,000
Grants	q	\$1,000,000
CSU Mitigation Fees	r	\$327,000
Loan Proceeds	s	\$0
Land Sale Revenues [6]	t	\$55,782,000
FORA Property Tax Revenues [7]	u	\$15,760,000
Other Revenues	v	\$0
<b>Total Other Sources</b>	<b>w = sum (o to v)</b>	<b>\$78,810,000</b>
<b>CFD Special Tax Revenue Required</b>		
CFD Special Tax Revenue	x = n - w	\$185,914,000
<b>FORA CFD Special Tax Revenue Summary</b>		
Estimated Maximum Policy & CFD Special Tax Revenue [8]	y	\$243,200,000
Net Cost Funded by Policy and CFD Special Tax Revenue	z = x	\$185,914,000
<b>CFD Special Tax Required as a % of Maximum</b>	<b>aa = z / y</b>	<b>76.4%</b>
<b>Adjustment Factor Applied to Prior Year CFD Special Tax Rate</b>	<b>(Rounded)</b>	<b>76.4%</b>

cip\_fund\_1

Source: FORA and EPS.

Amounts rounded to the nearest thousand.

[1] Includes existing fund balance for habitat mitigation.

[2] Reflects entire loan amount outstanding against Preston Park property to be paid off by land sale revenues.

[3] Reflects amount borrowed against land sale revenue account to construct CIP improvements. This amount must be repaid by developer fee revenues, and may be used to offset FORA operation costs (see Table B-1).

[4] Existing fund balance provided by FORA as of February 2013.

[5] Equals existing fund balance for habitat mitigation as of February 2013.

[6] Reflects land sale revenue available after building removal obligations are met.

[7] Estimates based on formulaic approach. See Table 4-1.

[8] Based on remaining development subject to Basewide Development Fee Policy & CFD Special Tax.

**Table 1-3  
FORA Phase II CIP Review  
Estimated CFD Tax Revenues**

<b>Land Use</b>	<b>Remaining Development</b>	<b>CFD Tax Rate</b>	<b>Total CFD Revenue</b>
<b>Residential</b>	<i>Units</i>		
New Residential	5,819	\$34,610	\$201,395,008
Employer Based Housing [1]	492	\$1,730	\$851,404
Existing/Replacement Residential	506	\$10,406	\$5,265,215
<b>Total Residential</b>	<b>6,817</b>		<b>\$207,511,627</b>
<b>Nonresidential Revenues</b>	<i>Acres</i>		
Office	122.8	\$4,536	\$557,229
Industrial	115.7	\$4,536	\$524,925
Retail	172.4	\$93,545	\$16,126,045
	<i>Rooms</i>		
Hotel	2,400	\$7,718	\$18,522,972
<b>Total Nonresidential</b>			<b>\$35,731,170</b>
<b>Total Residential and Nonresidential [2]</b>			<b>\$243,242,797</b>

*tax\_rev*

[1] CSUMB North Campus housing anticipated to meet employer based housing requirements and would be charged the associated reduced rate equal to 1/20 of the new residential rate.

[2] Assumes no discount for affordable housing above the minimum requirement.

## 2. LAND USE AND ABSORPTION ASSUMPTIONS

---

According to the process set forth by the formulaic approach, the current FORA CIP buildout assumptions provide the basis for updating the Development Fee and CFD Special Tax. This chapter provides a synopsis of the development assumptions set forth in the current FORA CIP, adopted by the FORA Board on June 8, 2012.

The current CIP identifies development as forecasted to occur by the individual FORA land use jurisdictions. At the time that these forecasts were developed, it was anticipated that FORA would be authorized through 2022. These forecasts assume absorption of all projected development on the former Fort Ord by the legislated sunset of FORA. To remain consistent with the CIP assumptions (which assume completion of all CIP improvements by 2020), EPS accelerated the final 2 years of the CIP absorption schedule to include all projected development by the end of FY 2019-20.

**Table 2-1** summarizes the total new land uses projected to absorb between the beginning of FY 2012-13 and the end of FY 2019-20. As shown in this table, the current CIP estimates the following absorption by land use category:

- 6,325 residential units (includes both affordable and market-rate housing units—excludes 492 California State University Monterey Bay [CSUMB] employer-based housing units).
- 1.9 million square feet of office development.
- 2.0 million square feet of industrial development.
- 1.9 million square feet of retail development.
- 2,400 hotel rooms.

For purposes of the property tax calculations discussed later in this report, **Table 2-2** summarizes the total forecasted development excluding any uses not subject to payment of property tax.

Finally, **Table 2-3** summarizes the projected absorption of land uses on property that has not yet been transferred to private ownership. This table informs the computation of future land sale revenues discussed later in this report.

<b>CIP Development Forecast</b>
-------------------------------------

**Table 2-1**  
**FORA Phase II CIP Review**  
**Jurisdictional Forecasts: Projected Absorption by Land Use [1]**

Item	Residential [2]	Nonresidential			Hotel
		Office	Industrial	Retail	
Year	<i>units</i>	<i>square feet</i>			<i>rooms</i>
2012-13	134	0	40,000	54,000	0
2013-14	225	230,000	294,782	112,500	100
2014-15	758	324,200	443,770	286,000	352
2015-16	1,121	199,200	664,090	206,300	698
2016-17	1,030	388,000	342,270	198,500	430
2017-18	716	167,200	46,270	752,000	0
2018-19	734	194,200	46,270	60,500	250
2019-20+	1,607	370,000	138,810	207,500	570
<b>Total</b>	<b>6,325</b>	<b>1,872,800</b>	<b>2,016,262</b>	<b>1,877,300</b>	<b>2,400</b>

abs

- [1] Applies 100% of the CIP development forecasts. Development projected for Fiscal Years 2020/21 and 2021/22 in the CIP Forecast shown in Fiscal Year 2019/20+ to remain consistent with FORA's legislated sunset in 2020.
- [2] Includes demand for both affordable and market rate housing. Excludes CSUMB Employer Based housing units.

**Table 2-2  
FORA Phase II CIP Financing Strategy  
Summary of Total Annual Forecasted Development - Taxable Uses**

**CIP Development  
Forecast**

Item	Taxable Land Uses				
	Residential [1]	Nonresidential [2]			
		Office	Industrial	Retail	Hotel
<b>Year</b>	<i>units</i>		<i>square feet</i>		<i>rooms</i>
2012-13	114	0	40,000	54,000	-
2013-14	191	210,000	271,647	112,500	100
2014-15	644	304,200	420,635	286,000	352
2015-16	953	179,200	390,955	206,300	698
2016-17	876	318,000	319,135	198,500	430
2017-18	609	147,200	23,135	752,000	-
2018-19	624	174,200	23,135	60,500	250
2019-20+	1,366	310,000	69,405	207,500	570
<b>Total</b>	<b>5,377</b>	<b>1,642,800</b>	<b>1,558,047</b>	<b>1,877,300</b>	<b>2,400</b>

*land\_use*

Source: FORA and EPS.

- [1] Excludes residential non-taxable uses: CSUMB, Portion of Marina Dunes, Preston Park, Abrams B, MOCO Housing Authority, Shelter Outreach Plus, Veterans Transition Center, Army Housing, and Interim Inc.
- [2] Excludes nonresidential non-taxable uses: Veteran's Cemetery, Area, Marina Corp. Yard, Seaside Corp. Yard, Monterey City Corp. Yard, MST Bus Maintenance and Operations Facility. Assumes 50 percent of UC MBEST and Marina Industrial Airport Area office and industrial development will be taxable.

Table 2-3  
 FORA Phase II CIP Review  
 Forecasted Acreage Absorption for Transferrable Land [1]

<b>FY 2012/13 CIP          Development Forecast</b>
---

	Total	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20+
----- Units -----									
<b>New Residential</b>									
Del Rey Oaks	115.2	0.0	0.0	21.7	47.8	45.7	0.0	0.0	0.0
Monterey Horse Park	65.0	0.0	0.0	0.0	0.0	0.0	0.0	13.3	51.7
Seaside Housing (Eastside)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Seaside Affordable Housing Obligation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Subtotal New Residential</b>	<b>180.2</b>	<b>0.0</b>	<b>0.0</b>	<b>21.7</b>	<b>47.8</b>	<b>45.7</b>	<b>0.0</b>	<b>13.3</b>	<b>51.7</b>
----- Sq. Ft. -----									
<b>Office</b>									
Del Rey Oaks	13.1	0.0	0.0	6.6	0.0	6.6	0.0	0.0	0.0
Monterey City	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Monterey Horse Park	3.3	0.0	1.6	1.6	0.0	0.0	0.0	0.0	0.0
Landfill Commercial Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intergarrison Road Office Park	41.7	0.0	0.0	8.3	8.3	8.3	8.3	8.3	0.0
MST Bus Maint and Bus Ops Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Seaside Office (Monterey Blues)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Monterey Peninsula Trade & Conference Center	16.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.4
<b>Subtotal Office</b>	<b>74.5</b>	<b>0.0</b>	<b>1.6</b>	<b>16.5</b>	<b>8.3</b>	<b>14.9</b>	<b>8.3</b>	<b>8.3</b>	<b>16.4</b>
<b>Industrial</b>									
Monterey City Corp Yard	14.3	0.0	0.0	0.0	14.3	0.0	0.0	0.0	0.0
Monterey Industrial - Public/ Private	49.8	0.0	6.8	14.3	14.3	14.3	0.0	0.0	0.0
Monterey Horse Park	7.7	0.0	2.9	2.9	2.0	0.0	0.0	0.0	0.0
Landfill Industrial Park	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Subtotal Industrial</b>	<b>71.9</b>	<b>0.0</b>	<b>9.7</b>	<b>17.2</b>	<b>30.7</b>	<b>14.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Retail</b>									
Del Rey Oaks Retail	1.8	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0.0
Ord Market - Landfill Commercial Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Monterey Horse Park	38.6	0.0	0.0	9.2	9.2	9.2	11.0	0.0	0.0
Seaside Main Gate	55.8	0.0	0.0	0.0	1.5	0.0	51.4	0.7	2.2
South of Lightfighter Drive	0.0								
<b>Subtotal Retail</b>	<b>96.2</b>	<b>0.0</b>	<b>0.0</b>	<b>11.0</b>	<b>10.7</b>	<b>9.2</b>	<b>62.4</b>	<b>0.7</b>	<b>2.2</b>
<b>Hotel</b>									
Del Rey Oaks Hotel	11.9	0.0	0.0	2.7	6.6	2.6	0.0	0.0	0.0
Del Rey Oaks Timeshare	2.5	0.0	0.0	1.3	1.3	0.0	0.0	0.0	0.0
Horse Park (Parker Flat) Hotel	5.3	0.0	0.0	5.3	0.0	0.0	0.0	0.0	0.0
Main Gate Hotel	6.6	0.0	0.0	0.0	0.0	0.0	0.0	6.6	0.0
<b>Subtotal Hotel</b>	<b>26.3</b>	<b>0.0</b>	<b>0.0</b>	<b>9.3</b>	<b>7.8</b>	<b>2.6</b>	<b>0.0</b>	<b>6.6</b>	<b>0.0</b>
<b>Total All Uses</b>	<b>449.1</b>	<b>0.0</b>	<b>11.3</b>	<b>75.7</b>	<b>105.4</b>	<b>86.7</b>	<b>70.7</b>	<b>29.0</b>	<b>70.3</b>

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Source: Fort Ord Reuse Authority.

[1] Long term land sales are uncertain but will be reviewed and updated in the future. At this time, it is anticipated that additional land sale revenues may be generated from the City of Marina Promontory project (175 dormitory units), however no anticipated transaction amount has yet been identified and the CIP development forecast has not been updated to reflect these units.

### 3. FORA CIP

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This chapter summarizes the costs taken into account to update the CFD Special Tax. As an initial step, the formula authorizes FORA to undertake a review of total remaining CIP costs, which include the following improvements authorized for CFD Special Tax funding:

- Transportation/Transit Improvements.
- Water Augmentation Improvements.
- Habitat Management Endowment Requirements.
- Fire Fighting Equipment ("Rolling Stock").
- Other Costs and Contingencies:
  - Transportation/Transit Cost Contingency.
  - Utility and Storm Drainage Cost for restoration of storm drainage sites and relocation of utilities on State Parks land.
  - PLL Insurance Costs.
  - CFD Administration Costs.

**Table 3-1** summarizes the total estimated authorized CIP costs of approximately \$238.9 million. Note that this amount excludes the Preston Park loan repayment requirements, which are detailed in **Table 1-2**. With the exception of the Habitat Management costs of \$36.3 million, these costs are provided by FORA staff and largely detailed in the FY 2012–13 through FY 2021–22 CIP. Habitat management costs were derived by EPS and are discussed in further detail below.

#### **Habitat Management Costs**

Habitat management costs will be funded through an endowment established by the Habitat Conservation Plan (HCP). The HCP establishes the framework for ensuring conservation and enhancement of special status plant and animal species and the natural communities that support them. The HCP provides the basis for issuance of a basewide incidental take permit in accordance with the requirements of the California Department of Fish and Wildlife (CDFW) and the U.S. Fish and Wildlife Service (USFWS), which covers all base reuse activities within the HCP area.

The HCP endowment will be capitalized with revenues from the CFD Special Tax. The endowment funding strategy is illustrated in **Figure 3-1**, and total estimated endowment funding requirements are summarized in **Table 3-2**.

These funding requirements are based on the endowment funding strategy developed by EPS for purposes of discussions between FORA, the USFWS, and the (CDFW. For purposes of the Phase

II formula update, EPS updated the endowment funding strategy to reflect the current CIP development assumptions, updated HCP fund balances, and updated habitat management costs. This section offers a brief synopsis of the HCP endowment strategy, which is fully documented in EPS's memorandum, dated January 23, 2012.

The HCP Endowment funding strategy includes the creation and funding of the following four separate endowments:

- HCP Endowment Fund.
- University of California Fort Ord Natural Reserve Endowment Fund (UC FONR).
- Implementation Assurances Fund (IAF).
- Borderlands Endowment Fund (BL).

The funding strategy recognizes three time periods to be considered, defined as follows:

1. Initial Start-Up.
2. Permit Term (period of the 50-year permit term).
3. Post-Permit Term (annually in perpetuity following expiration of the 50-year permit term).

The funding requirements for HCP-required actions and related costs vary during each distinct time period. As a result, the funding strategy reflects differing annual cash flow requirements for each endowment fund during the respective time periods. In general, the funding strategy relies on existing cash on hand and annual pay-as-you-go funding for initial costs and simultaneously builds each required endowment fund to pay for ongoing costs during the permit term and post-permit term (in perpetuity).

### **Outstanding Issues**

The draft HCP is undergoing CDFW review, which may result in changes to the strategy outlined in this section. Of particular note, there are several endowment management options that could be used to manage the HCP endowment fund. Options include management by CDFW, USFWS, or a third-party endowment holder. Selection of an endowment fund manager will have implications for the associated endowment payout rate assumptions. As the preferred option, this analysis assumes the endowment will be managed by a third-party endowment holder.

### **Endowment Cash Flow Strategy**

During the start-up phase of the endowment, cash on hand and CFD Special Tax revenues are used to cover start-up and initial annual costs and to fund each of the four endowments. Over the long term, the endowment cash flow strategy is structured to fund annual costs during the permit term and develop an adequate funding reserve to cover annual post-permit costs in perpetuity. This approach is carried out through two key mechanisms in the cash flow model:

- Endowment capitalization over time as CFD Special Tax revenue is collected from new development. In each fund, the inflows and outflows of cash are managed to ensure that each fund reaches a level to generate sufficient interest earnings to cover annual costs during the permit (50 years) and post-permit (perpetuity) terms.



- Principal balance drawdown during the permit term. Because the ongoing costs for the UC, HCP, and IAF endowments decline during the post-permit phase, a principal drawdown feature is included, whereby a portion of the endowment principal is used to fund ongoing costs during later years of the permit term. This drawdown occurs until the ending balances reach the amount required to maintain each endowment fund in perpetuity during the post-permit term.

**Figure 3-2** shows the effect of the endowment capitalization and principal drawdown feature over time. The HCP, UC, and IAF funds will experience an annual increase in the endowment fund balance, followed by a gradual decrease in the later permit term years as a result of the principal drawdown. Because the BL endowment fund will experience the same annual costs in the permit and post-permit terms, a principal drawdown feature is not included. Thus, the BL endowment fund balance will remain constant from the permit term through the post-permit term.

### Cash Flow Assumptions

Assumptions used to develop the endowment funding strategy are summarized in **Table 3-3**. The text below summarizes critical assumptions used to prepare the endowment funding strategy:

- The permit term is assumed to begin in FY 2014–15 and end in FY 2063–64. The post-permit term is assumed to begin in FY 2064–65.
- Annual initial start-up costs and ongoing costs were provided by FORA and are shown in **Table 3-4**. Average annual ongoing costs were estimated for the permit and post-permit term.
- Annual endowment funding growth is based on cash on hand, CFD Special Tax revenues from annual development, and interest earnings on annual endowment account balances.
- An annual interest rate of 4.5 percent is assumed for the HCP, IAF, and BL endowments. The UC endowment assumes an annual interest rate of 4.2 percent.
- The targeted endowment return rates are net of inflation.
- According to FORA, \$4,596,000 in cash on hand is available to fund endowment costs. The funding strategy allocates 59 percent of these existing funds to the HCP and the remaining 41 percent to UC to fund start-up costs. This allocation provides coverage for the initial costs assumed to be incurred during the first 3 years of the permit term.
- CFD Special Tax rates are as of FY 2012–13.
- The annual share of total CFD Special Tax revenues allocated to the endowments is assumed to be 25 percent initially, with the share reducing in 2017 to approximately 22 percent, 13 percent, and 8 percent, as shown in **Table 3-2**. This breakdown represents the estimated annual allocation to meet endowment funding needs and accelerate endowment capitalization. Historically, the FORA Board has set aside 25 percent of annual CFD Special Tax revenues for HCP costs. This amount was based on a FORA Board policy decision and is in no way required by the regulatory agencies or otherwise mandated by an outside agency.

*Note: Adjustments made to the CFD Special Tax resulting from application of the formulaic approach will result in changes to the percentage share of CFD Special Tax revenues that must be dedicated to the HCP endowment. For example, if the CFD Special Tax is adjusted downward, the requisite percentage share of CFD Special Tax revenue dedicated to the HCP endowment must be increased to ensure capitalization of the endowments in accordance with the schedule set forth in this document. If the percentage share of CFD Special Tax revenues is not increased, the endowment will take longer to capitalize and will require more CFD Special Tax revenues in total. In this case, an alternative to increasing the percentage share of CFD Special Tax revenues would be to use a portion of the HCP contingency fund to cure the resulting shortfall.*

- Starting in FY 2014–15 and through the post-permit term, the annual allocation of CFD Special Tax revenues to each endowment is based on the following breakdown:

<b>Endowment Fund</b>	<b>Allocation Share</b>
HCP	67%
UC FONR	13%
IAF	9%
BL	11%

These amounts are flexible and can be adjusted in different proportions as necessary, based on existing commitments and other obligations.

- The annual residential and nonresidential development schedule is based on the latest FORA CIP.

**Appendix C** offers the detailed technical analysis computing the HCP endowment funding requirement. Additional discussion regarding the content of this analysis is provided in EPS's memorandum entitled, "Habitat Conservation Plan Endowment Cash Flow Strategy," dated January 23, 2012.

Table 3-1  
 FORA 2010 CIP Review  
 2013 SUMMARY OF CAPITAL IMPROVEMENT PROGRAM (CIP) 2012/13-2021/22

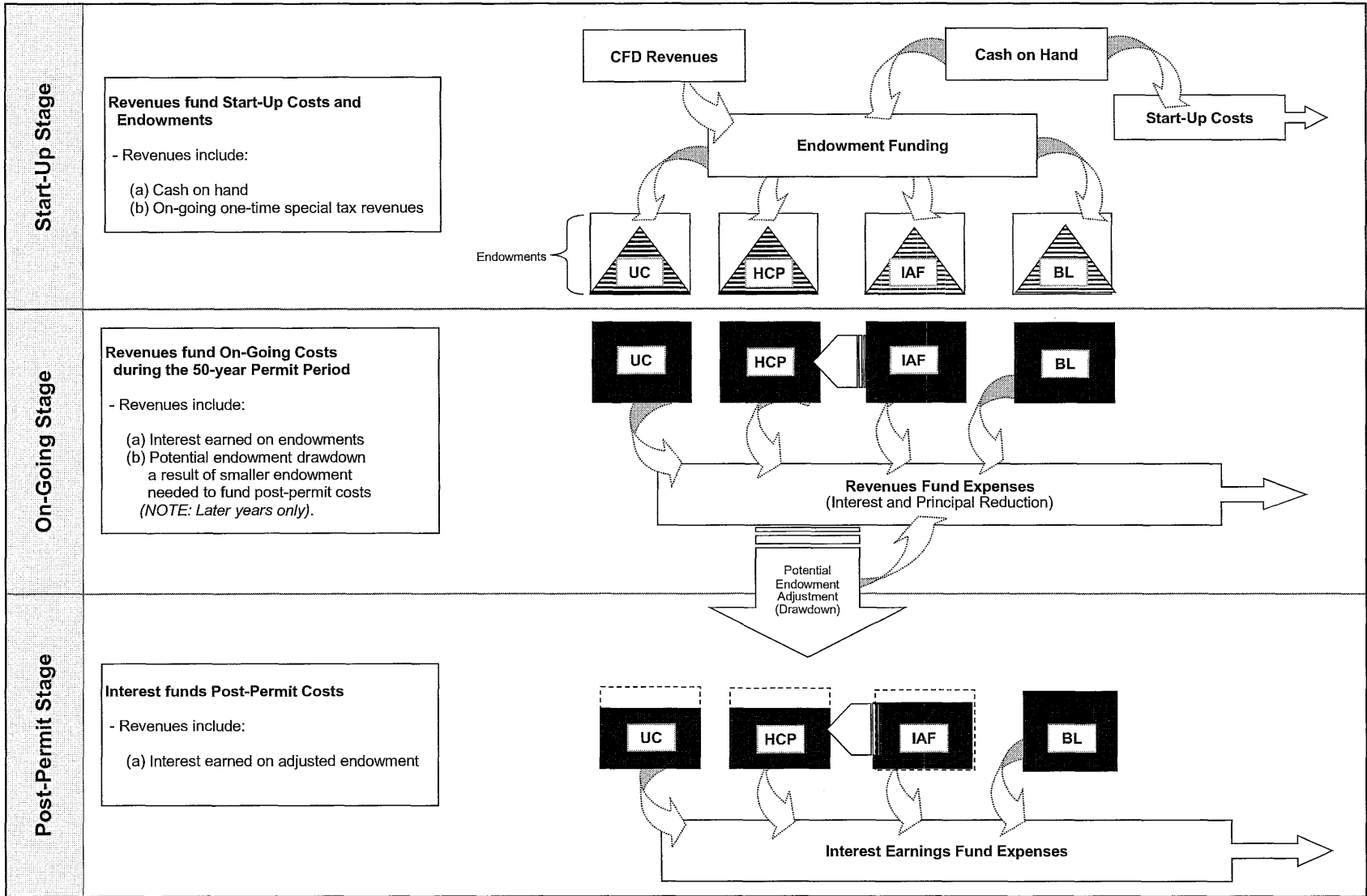
Item	Total 2012/13 to 2021/22	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22+
<b>CIP PROJECTS FUNDED BY CFD DEVELOPMENT FEES</b>											
<u>CIP Projects</u>											
Transportation/Transit	\$112,698,594	\$5,066,087	\$6,032,500	\$18,159,353	\$23,420,844	\$21,147,244	\$29,872,565	\$9,000,000	\$0	\$0	\$0
Water Augmentation - CEQA Mitigation	\$23,526,086	\$0	\$0	\$0	\$10,270,000	\$9,756,500	\$0	\$3,499,586	\$0	\$0	\$0
Water Augmentation - Voluntary Contribution	\$21,655,302	\$0	\$0	\$0	\$0	\$0	\$0	\$13,000,000	\$8,655,302	\$0	\$0
Storm Drainage System [Completed by 2005]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Habitat Management	\$36,339,862	\$5,938,617	\$2,482,537	\$7,969,831	\$11,565,440	\$8,383,437	\$0	\$0	\$0	\$0	\$0
Fire Rolling Stock	<u>\$232,000</u>	<u>\$116,000</u>	<u>\$116,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total CIP Projects</b>	<b>\$194,451,843</b>	<b>\$11,120,704</b>	<b>\$8,631,037</b>	<b>\$26,129,184</b>	<b>\$45,256,284</b>	<b>\$39,287,181</b>	<b>\$29,872,565</b>	<b>\$25,499,586</b>	<b>\$8,655,302</b>	<b>\$0</b>	<b>\$0</b>
<u>Other Costs and Contingencies</u>											
CIP Contingency	\$16,904,789	\$759,913	\$904,875	\$2,723,903	\$3,513,127	\$3,172,087	\$4,480,885	\$1,350,000	\$0	\$0	\$0
HCP Contingency	\$18,800,000	\$3,072,274	\$1,284,311	\$4,123,098	\$5,983,244	\$4,337,073	\$0	\$0	\$0	\$0	\$0
Additional Utility and Storm Drainage Costs	\$3,500,000	\$0	\$0	\$2,000,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0
PLL Insurance	\$3,000,000	\$0	\$0	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CFD Administration	\$2,240,000	<u>\$280,000</u>	<u>\$280,000</u>	<u>\$280,000</u>	<u>\$280,000</u>	<u>\$280,000</u>	<u>\$280,000</u>	<u>\$280,000</u>	<u>\$280,000</u>	<u>\$280,000</u>	<u>\$0</u>
<b>Total Other Costs and Contingencies</b>	<b>\$44,444,789</b>	<b>\$4,112,187</b>	<b>\$2,469,186</b>	<b>\$12,127,001</b>	<b>\$11,276,371</b>	<b>\$7,789,159</b>	<b>\$4,760,885</b>	<b>\$1,630,000</b>	<b>\$280,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Expenditures [1]</b>	<b>\$238,896,632</b>	<b>\$15,232,891</b>	<b>\$11,100,223</b>	<b>\$38,256,185</b>	<b>\$56,532,655</b>	<b>\$47,076,341</b>	<b>\$34,633,450</b>	<b>\$27,129,586</b>	<b>\$8,935,302</b>	<b>\$0</b>	<b>\$0</b>

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Source: FORA.

[1] Excludes Preston Park loan repayment.

**Figure 3-1  
FORA Endowment Funding Strategy**



UC = UC/NRSs Endowment Fund  
HCP = Cooperative HCP Endowment Fund  
IAF = Implementation Assurances Fund  
BL = Borderland Management Cost/Fund

= Period of increased endowment funding  
 = Required endowment  
 = Maximum endowment  
 = Actual current endowment  
 = IAF funds HCP as necessary

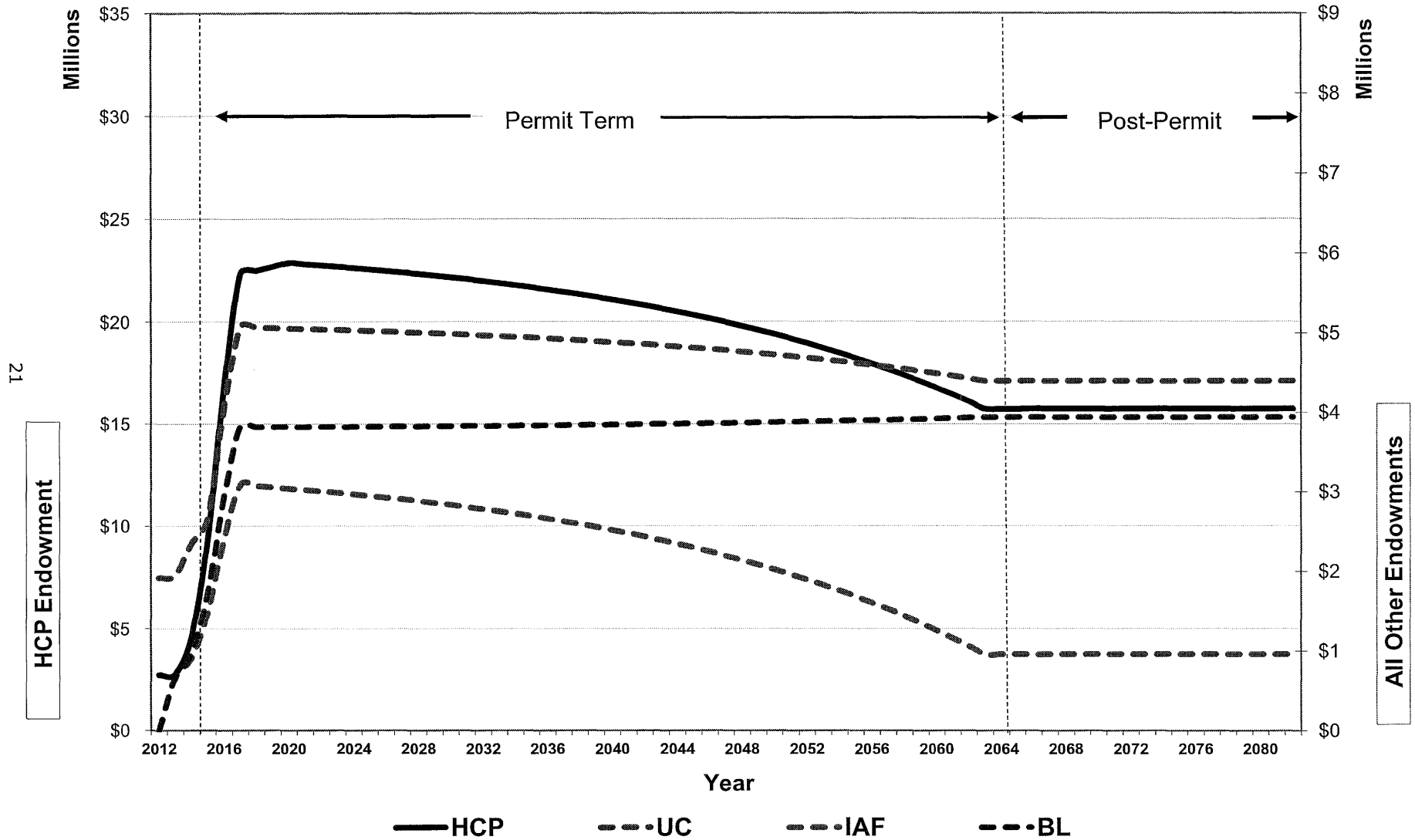
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**Table 3-2  
FORA Endowment Cash Flow Model  
Summary of CFD Tax Revenue Required for HCP Funding**

FY Ending	Total CFD Revenue	Habitat Mgmt. Revenue	
		% of CFD Rev.	Net Revenue
2012	\$0	0.0%	\$0
2013	\$5,371,576	25.0%	\$1,342,894
2014	\$9,930,148	25.0%	\$2,482,537
2015	\$31,879,322	25.0%	\$7,969,831
2016	\$46,261,760	25.0%	\$11,565,440
2017	\$38,456,135	21.8%	\$8,383,437
2018	\$28,881,745	0.0%	\$0
2019	\$25,502,233	0.0%	\$0
2020	\$56,959,879	0.0%	\$0
2021	\$0	0.0%	\$0
2022	\$0	0.0%	\$0
2023	\$0	0.0%	\$0
2024	\$0	0.0%	\$0
2025	\$0	0.0%	\$0
2026	\$0	0.0%	\$0
2027	\$0	0.0%	\$0
2028	\$0	0.0%	\$0
2029	\$0	0.0%	\$0
2030	\$0	0.0%	\$0
2031	\$0	0.0%	\$0
2032	\$0	0.0%	\$0
2033	\$0	0.0%	\$0
2034	\$0	0.0%	\$0
2035	\$0	0.0%	\$0
2036	\$0	0.0%	\$0
2037	\$0	0.0%	\$0
2038	\$0	0.0%	\$0
2039	\$0	0.0%	\$0
2040	\$0	0.0%	\$0
2041	\$0	0.0%	\$0
2042	\$0	0.0%	\$0
2043	\$0	0.0%	\$0
2044	\$0	0.0%	\$0
2045	\$0	0.0%	\$0
2046	\$0	0.0%	\$0
2047	\$0	0.0%	\$0
2048	\$0	0.0%	\$0
2049	\$0	0.0%	\$0
2050	\$0	0.0%	\$0
2051	\$0	0.0%	\$0
2052	\$0	0.0%	\$0
2053	\$0	0.0%	\$0
2054	\$0	0.0%	\$0
2055	\$0	0.0%	\$0
2056	\$0	0.0%	\$0
2057	\$0	0.0%	\$0
2058	\$0	0.0%	\$0
2059	\$0	0.0%	\$0
2060	\$0	0.0%	\$0
2061	\$0	0.0%	\$0
2062	\$0	0.0%	\$0
2063	\$0	0.0%	\$0
2064	\$0	0.0%	\$0
2065	\$0	0.0%	\$0
<b>TOTAL</b>	<b>\$243,242,797</b>		<b>\$31,744,139</b>

*cfid sum*

**Figure 3-2  
FORA Preliminary Endowment Cash Flow**



**Table 3-3  
FORA Endowment Cash Flow Model  
Summary of General Assumptions**

<b>Item</b>			
Permit Term Begins			2014
Post Permit Term Begins			2064
<b>Endowment (2012 \$)</b>	<u>Maximum Needed</u>	<u>Annual Return</u>	<u>Annual Revenue</u>
Habitat Conservation Plan (HCP)	\$24,126,910	4.50%	\$1,085,711
University of California (UC)	\$5,197,158	4.20%	\$218,281
Implementation Assurances Fund (IAF)	\$3,411,235	4.50%	\$153,506
Borderlands Management (BL)	\$3,798,123	4.50%	\$170,916
<b>Total</b>	<b>\$36,533,425</b>		<b>\$1,628,413</b>
<b>Beginning Endowment Balance (2012 \$)</b>			
<b>Initial Balance</b>			<b>\$4,595,723</b>
<b>Initial Balance Uses</b>			
Habitat Conservation Plan (HCP)			\$2,700,000
University of California (UC)			\$1,895,723
Implementation Assurances Fund (IAF)			\$0
Borderlands Management (BL)			\$0
<b>Total</b>			<b>\$4,595,723</b>
<b>Starting Special Tax Rate</b>			
New Residential		\$34,610 per Unit	
Employer Based Housing		\$1,730 per Unit	
Existing/Replacement Residential		\$10,406 per Unit	
Office		\$4,536 per Acre	
Industrial		\$4,536 per Acre	
Retail		\$93,545 per Acre	
Hotel		\$7,718 per Room	
Annual Special Tax Escalation			0.0%

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**Table 3-4**  
**FORA Endowment Cash Flow Model**  
**Summary of Initial and Ongoing Costs - Individual Endowments**

Permit Year	FY Ending	HCP Endowment			UC Endowment			IAF Endowment			Borderlands Endowment		
		Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total
	2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2015	(\$298,502)	(\$501,706)	<b>(\$800,208)</b>	(\$764,852)	(\$46,954)	<b>(\$811,806)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2016	\$0	(\$829,689)	<b>(\$829,689)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2017	\$0	(\$829,689)	<b>(\$829,689)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2018	\$0	(\$829,689)	<b>(\$829,689)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2019	\$0	(\$829,689)	<b>(\$829,689)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2020	\$0	(\$829,689)	<b>(\$829,689)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2021	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2022	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2023	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
10	2024	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2025	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2026	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2027	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2028	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2029	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2030	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2031	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2032	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2033	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
20	2034	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2035	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2036	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2037	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2038	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2039	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2040	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2041	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2042	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2043	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
30	2044	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2045	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2046	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2047	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2048	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>

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**Table 3-4  
FORA Endowment Cash Flow Model  
Summary of Initial and Ongoing Costs - Individual Endowments**

Permit Year	FY Ending	HCP Endowment			UC Endowment			IAF Endowment			Borderlands Endowment		
		Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total	Initial Costs	Ongoing Costs	Total
	2049	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2050	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2051	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2052	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2053	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
40	2054	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2055	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2056	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2057	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2058	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2059	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2060	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2061	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2062	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	2063	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
50	2064	\$0	(\$1,085,711)	<b>(\$1,085,711)</b>	\$0	(\$218,281)	<b>(\$218,281)</b>	\$0	(\$153,506)	<b>(\$153,506)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>
	<b>Post Permit</b>												
	2065 +	\$0	(\$687,677)	<b>(\$687,677)</b>	\$0	(\$182,897)	<b>(\$182,897)</b>	\$0	(\$32,453)	<b>(\$32,453)</b>	\$0	(\$170,916)	<b>(\$170,916)</b>

costs\_indiv

Source: Fort Ord Reuse Authority.

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## 4. SOURCES OF FUNDS AND FORMULA RESULT

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The formulaic approach requires consideration of other sources of funding that may be used to offset CIP expenditures described in the previous chapter. This chapter offers a summary of identified sources of funds, including the following revenue categories:

- Property Tax.
- Land Sale Revenue net of other obligations.
- Existing Fund Balances.
- Grants.
- California State University Mitigation Fees.
- Loan Proceeds.

While the formulaic approach is designed to provide certainty and transparency regarding CFD Special Tax funds required, certain elements of the formula may be variable and dependent on key analytical assumptions. In particular, estimates of other sources of funds rely on the development of methodologies that necessarily include certain assumptions that may vary from year to year. Major variables related to revenue estimates include these:

- Finished real estate values.
- Land values.
- Land use and absorption assumptions.
- Assumed FORA sunset date.

Assumptions related to each of these variables take into consideration the most recent data available and the provisions of the formulaic approach. It is important to note that fluctuations in the local economy and the Fort Ord real estate market may result in changes to these key inputs, which could have a significant impact on the outcome of the formulaic approach. These inputs should be carefully calibrated on an ongoing basis to ensure they continue to reflect the most up-to-date information. The goal of this section therefore is to set forth a transparent, reproducible analysis that offers clarity, is methodologically rigorous, and minimizes variability to the extent possible, while allowing refinement of analysis inputs to remain consistent with ever-changing market conditions.

The sections that follow offer additional information regarding the computation of several variable revenue sources.

### **Property Tax Revenue**

The dissolution of redevelopment agencies may have implications for the amount of property tax (formerly tax increment) revenues collected by FORA. Enabling statutes creating FORA provide for collection of property tax revenue as a basewide funding mechanism. FORA's enabling legislation supersedes recent legislation eliminating redevelopment agencies. Through the implementation agreement amendments, FORA has agreed to share a portion of the property tax revenue it receives with the FORA jurisdictions. This section describes the statutory framework

under which property tax revenues were allocated to FORA and the potential implications of the dissolution of redevelopment agencies and provides an estimate of future FORA property tax revenues for purposes of computing the CFD Special Tax rates.

### **Statutory Framework**

Health and Safety Code Section 33492.70 sets forth the statutory framework for FORA, describing the joint reuse of former Fort Ord lands by FORA and its member jurisdictions. Thirty-five percent of the tax increment (now called “property tax”) received by the redevelopment agency in each member jurisdiction, after affordable housing set asides, was allocated to FORA to finance Fort Ord reuse. This provision was implemented through individual implementation agreements with FORA member agencies.

In June 2011, the California Legislature enacted AB1X 26, which dissolved all redevelopment agencies and transferred their rights, duties, obligations, and assets to “successor agencies,” fundamentally altering the allocation of property taxes in redevelopment areas. AB1X 26 sought to maintain existing redevelopment agency commitments by establishing “enforceable obligations” as payments required by the federal government, preexisting obligations to the state, or obligations imposed by state law and any legally binding and enforceable agreement or contract. Under the legislation, successor agencies would continue to receive property taxes necessary to fulfill these enforceable obligations.

FORA legal counsel concluded the obligation of redevelopment agencies in the former Fort Ord to pay a percentage of tax increment to FORA is an enforceable obligation. Based on conversations with the Monterey County Auditor Controller’s office, EPS and FORA understand that FORA will continue to receive property tax dollars according to the property tax increment formula in place before the passage of AB1X 26. The subsequent section describes EPS’s current estimates of FORA property tax revenues that will be available to offset CIP costs, based on discussions with FORA staff and the Monterey County Auditor Controller’s Office.

### **Future FORA Property Tax Revenues**

EPS estimated FORA’s anticipated property tax revenue stream according to the provisions of the formulaic approach and the methodology used to compute tax increment revenue before the elimination of redevelopment agencies.

The formulaic approach identifies that the net present value (NPV) of 90 percent of the FORA property tax revenue stream for all new assessed value after July 1, 2012, will be allocated to offset CIP costs. Property tax revenues are discounted using a discount rate equal to the annual average Bond Buyer Index, plus 50 basis points using the prior fiscal year end date as published in The Bond Buyer. Under the implementation agreement with the member jurisdictions, the remaining 10 percent of property tax revenues will be allocated to the city or county from which the funds were generated to support the reuse of Fort Ord land.

According to the formula, the term of property tax revenues received by FORA and included in the formula is from “the date of the current CIP (e.g., upcoming fiscal year) through the anticipated end date of FORA (or the proposed FORA extension end date if applicable).” Because

there is no current proposal to extend FORA beyond the currently legislated 2020 sunset date, this analysis takes into consideration estimated FORA property tax revenue received from FY 2013-14 through FY 2019–20.

**Table 4-1** identifies the resulting NPV of projected FORA property tax revenues generated by development occurring after July 1, 2012. As shown, EPS estimates approximately \$15.8 million in property tax revenues will be available to fund CIP costs.

The methodology employed to estimate the future FORA property tax revenue stream is detailed in **Appendix A** and discussed further in the narrative below.

### **Assessed Value Assumptions**

Future FORA property tax revenues are predicated on the estimated assessed value (finished value) of land uses absorbed on the former Fort Ord. Assumptions for residential real estate finished values were developed based on a review of current market conditions and the estimated average cost of new homes on the former Fort Ord. Note that because new home building activity on Fort Ord is very limited, this assumption may require refinement as building activity increases and additional data points are available.

Commercial real estate finished values were estimated using a static pro forma approach to establish the capitalized value of the real estate asset based on prevailing lease rate data, assumed vacancy levels, leasing commission, and replacement/reserve funds. Hotel values were similarly estimated by capitalizing the net operating income stream based on assumptions related to average daily room rates and occupancy factors, resulting gross room revenues, and operating expenses.

The resulting assessed value assumptions by land use type are summarized below.

Residential (Average for All Types)	\$400,000 per unit
Retail	\$255 per building square foot
Office	\$230 per building square foot
Industrial/R&D	\$100 per building square foot
Hotel	\$141,000 per room

### **Property Tax Calculations**

Based on the assessed value assumptions identified above and the land use and absorption assumptions set forth in **Chapter 2**, EPS estimated the total new assessed value resulting from Fort Ord development from 2013 through 2020. EPS identified the resulting property tax revenue generated by the new assessed value. After taking into consideration the affordable housing set-asides and other agency pass-throughs that existed under the previous tax increment financing rubric, EPS identified the total net property tax revenue that would have been received by redevelopment agencies. Under the FORA authorizing legislation, FORA receives 35 percent of this revenue.

EPS therefore estimated the future FORA property tax stream would be roughly \$23 million, 90 percent of which (or \$20.8 million) is retained by FORA. The remaining 10 percent of FORA property tax revenue is allocated to the underlying land use jurisdiction. After applying the appropriate discount factor, according to the terms of the formulaic approach, EPS estimates that approximately \$15.8 million in property tax revenue will be available to offset FORA CIP costs.

## Land Sales

Under the formulaic approach, FORA CIP costs may be offset by land sale revenues, net of other obligations. The formula specifies the inclusion of “Land sales revenues/proceeds net of a required credit/offset equal to the amount of monies advanced to construct CIP improvements (this amount shall ultimately be reduced to zero once the full credit offset has been recognized) in excess of remaining building removal program estimated costs, and lease revenues (not required for other obligations).”

This analysis estimates a total of approximately \$88.4 million in FORA land sale revenues. Future land sale revenues include specific anticipated transactions as reported by FORA staff. Currently, FORA staff anticipates the following land sale transactions:

- Preston Park. At this time, FORA estimates that FORA’s share of the Preston Park transaction, net of the outstanding developer fee obligation and cost of sale, will be \$28 million.
- Rockrose Gardens by Interim, Inc. Estimated FORA share of \$119,000.
- Marina Community Partners. Future transactions related to development of Marina Dunes are estimated to generate \$19.4 million.
- Other Future Transfers. Based on an inventory of other land that may be transferred in the future, this analysis estimates approximately \$33.9 million in additional land sale revenue will accrue to FORA. The methodology to derive this estimate is detailed later in this section.

Approximately \$29 million in FORA funds has been applied to building removal obligations so far. About \$19.4 million in FORA land sale credits for Marina Community Partners will be applied to their remaining \$19.4 million building removal obligation. Net land sale revenues available to offset FORA CIP costs, after FORA remaining building removal obligation of approximately \$6 million, are estimated to be approximately \$55.8 million, shown in **Table 4-2**. The detailed calculations related to this estimate are presented in **Appendix B**.

## Other Future Transfers—Methodological Detail

For purposes of the formulaic approach, EPS developed a methodology to estimate land sale revenues generated by future land that may be transferred. Because these future transactions constitute a very uncertain revenue stream, it is not practical to estimate the ultimate timing or transaction price. To account for this uncertainty, EPS, in concert with FORA staff, developed a methodology that provides a reasonable estimate of future land sale revenue streams, based on revenues that FORA has received from previous land transactions and projected future land transfers. This approach allows the formulaic approach and future revenue estimates to be

updated on a periodic basis, taking into account the most recent land transactions, associated terms, expected future transfers, and resulting FORA revenue stream.

As detailed in **Appendix B**, EPS's estimate of future land sale revenues is based on a review of FORA land transactions to date. EPS derived the average price per acre, per transaction and applied this average land price to lands expected to be transferred into private ownership, as discussed in **Chapter 2**. Note that this average price is reflective of the land value associated with future FORA development projects, as opposed to the finished real estate values. Based on these calculations, EPS estimated future land transfers could result in approximately \$86.2 million in revenues. Based on the implementation agreements with individual FORA jurisdictions, 50 percent of this revenue, or \$43.1 million, will accrue to FORA.

#### Future Land Sale Revenue Adjustments

Future land sale revenues accruing to FORA are subject to several adjustments, based on other identified land sale revenue obligations, as detailed in this section:

- **Caretaker/Property Management Costs.** Land sales revenues required to fund caretaker/property management costs are subtracted from the gross FORA land sale revenues. Caretaker costs refer to the costs incurred by FORA jurisdictions to maintain former Army properties "in a state of repair that maintains safety, security, and health standards" before development and transfer of the property into private ownership. These costs are estimated based on caretaker/property management costs documented by FORA staff and totaling \$660,000 in FY 2012–13. EPS's analysis assumes this base cost increases by 3 percent annually, and annual costs are prorated, based on the estimated remaining acreage maintained by public agencies.
- **FORA Operations Costs.** FORA operations costs in excess of those funded by existing operational revenue sources may be funded by FORA land sale revenues. These costs are offset by the repayment of monies loaned from the land sale revenue account to the developer fee account.
- **Other FORA Obligations (Initiatives, Petitions, etc.).** Based on current trends, FORA staff estimate FORA will incur approximately \$250,000 per year (2012\$) in additional costs related to the costs of special elections related to public initiative, petitions, and other such actions. EPS assumes this cost will escalate by approximately 3 percent annually, and that, to the extent available, FORA land sale revenue received will fund these costs.

Once these adjustments to the future land sale revenues have been taken into consideration and appropriate discount factors have been applied, the estimated net FORA land sale revenues are anticipated to total roughly \$33.9 million.

## **Other Revenue Sources**

Other revenue sources factored into the formulaic approach include existing fund balances available to offset CIP costs, grant revenues, CSU mitigation fees, and loan proceeds. Estimates of these revenues were provided by FORA staff, as detailed below:

- **Existing Fund Balances.** As of February 2013, FORA staff reported that the existing CFD Special Tax and Developer Fee Fund balance was \$1.3 million. An additional \$4.6 million in HCP Fund Balance is available to offset the HCP endowment funding requirement.
- **Grants.** Based on past performance and future anticipated grant opportunities, FORA staff expects approximately \$1.0 million in grant revenues to be available to offset future CIP costs.
- **CSU Mitigation Fees.** CSU fee mitigation payments are expected to total approximately \$327,000.
- **Loan Proceeds.** No loan proceeds are anticipated at this time.

## Formula Results

The other revenue sources detailed in this chapter generate approximately \$79 million in funds available to offset the \$265 million in CIP and other costs described in **Chapter 3**. Based on these calculations, approximately \$186 million in costs remain to be funded by the Development Fee CFD Special Tax (the CFD Special Tax requirement).

To calibrate the Development Fee and CFD Special Tax rate, EPS compared the total Development Fee and CFD Special Tax requirement of \$186 million to the estimated maximum Development Fee and CFD Special Tax revenues that would be generated using current land use assumptions and the Development Fee and CFD Special Tax rates in place for FY 2012-13. Based on these assumptions, EPS estimates the Development Fee and CFD Special Tax will generate approximately \$243 million in revenue.

EPS then derived the Development Fee and CFD Special Tax rate adjustment factor by comparing the Development Fee and CFD Special Tax revenue requirement to the estimated maximum Development Fee and CFD Special Tax revenue. The actual revenue requirement is approximately **76.4 percent** of the currently projected maximum Development Fee and CFD Special Tax revenue, suggesting that the FORA Board could adjust rates downward by 23.6 percent and still meet the Development Fee and CFD Special Tax revenue requirement.

**Table 4-1  
FORA Phase II CIP Financing Strategy  
Net Present Value of FORA Property  
Tax Revenue after July 1, 2012**

<b>Item</b>	<b>FORA Property Tax</b>	<b>90% of FORA Property Tax</b>
Reference	Table A-2	
Factor		90%
<b>Fiscal Year</b>		
2012-13	\$0	\$0
2013-14	\$137,347	\$123,612
2014-15	\$574,636	\$517,172
2015-16	\$1,717,860	\$1,546,074
2016-17	\$3,202,920	\$2,882,628
2017-18	\$4,649,391	\$4,184,452
2018-19	\$5,927,138	\$5,334,424
2019-20	\$6,932,465	\$6,239,218
<b>Total</b>	<b>\$23,141,755</b>	<b>\$20,827,580</b>
<b>Net Present Value</b>		
<b>5.28% Discount Rate [1]</b>		<b>\$15,760,348</b>

*npv*

[1] Based on proposed Bond Buyers Revenue Bond Index annual average as of June 2012 plus 50 basis points.



**Table 4-2  
FORA Phase II CIP Review  
Land Sales Revenue for CIP Projects**

Item	Source/ Reference	Amount
<b>Land Sales Revenues [1]</b>		
Preston Park [2]	FORA	\$28,000,000
Rockrose Gardens by Interim, Inc.	FORA	\$119,000
Marina Community Partners (credits)	FORA	\$19,400,000
Other Future Transfers	<b>Table D-3</b>	<u>\$33,862,876</u>
<b>Total</b>		<b>\$81,381,876</b>
<b>Expenditures</b>		
Marina Community Partners - Dunes	FORA	\$19,400,000
Stockade (Marina)	FORA	\$2,200,000
Surplus II (Seaside)	FORA	\$4,000,000
<b>Total Other Sources</b>		<b>\$25,600,000</b>
<b>Land Sales Revenue for CIP Projects</b>		<b>\$55,781,876</b>

*lsr\_calc*

Source: FORA and EPS.

Amounts rounded to the nearest thousand.

- [1] Long term land sales revenues are uncertain but will be reviewed and updated in the future. At this time, it is anticipated that additional land sale revenues may be generated from the City of Marina Promontory project (175 dormitory units), however no anticipated transaction amount has yet been identified and the CIP development forecast has not been updated to reflect these units.
- [2] Reflects FORA's share of anticipated transaction price net of developer fee obligation and cost of sale. Loan payoff requirement is denoted in Table 1-2.



## APPENDICES:

Appendix A: Property Tax Analysis

Appendix B: Land Sales Revenue Analysis

Appendix C: Detailed HCP Endowment  
Funding Strategy



## APPENDIX A: Property Tax Analysis

Table A-1	Estimated Assessed Value from Total Forecasted Development .....	A-1
Table A-2	Estimated FORA Property Tax Revenue for Development after July 1, 2012.....	A-2
Table A-3	Estimated Retail, Office, Industrial Finished Values .....	A-3
Table A-4	Hotel Development Finished Value .....	A-4

**Table A-1**  
**FORA Phase II CIP Financing Strategy**  
**Estimated Assessed Value from Total Forecasted Development**

Item	Land Uses					Annual Total
	Residential	Office	Industrial	Retail	Hotel	
<b>Estimated Finished Value [1]</b>	<i>per unit</i> \$400,000		<i>per sq. ft.</i> \$100		<i>per room</i> \$141,000	
<b>Year [2]</b>						
2012-13	\$0	\$0	\$0	\$0	\$0	\$0
2013-14	\$46,968,000	\$0	\$4,120,000	\$14,183,100	\$0	\$65,271,100
2014-15	\$81,052,760	\$51,241,470	\$28,819,030	\$30,434,569	\$14,958,690	\$206,506,519
2015-16	\$281,486,475	\$76,453,737	\$45,963,922	\$79,692,580	\$54,234,226	\$537,830,941
2016-17	\$429,043,958	\$46,388,971	\$44,002,330	\$59,209,079	\$110,770,326	\$689,414,664
2017-18	\$406,209,636	\$84,789,306	\$36,996,493	\$58,679,555	\$70,286,787	\$656,961,777
2018-19	\$290,871,139	\$40,425,835	\$2,762,440	\$228,971,468	\$0	\$563,030,882
2019-20	\$306,976,517	\$49,276,126	\$2,845,313	\$18,973,879	\$43,353,054	\$421,424,889
<b>Total</b>	<b>\$1,842,608,485</b>	<b>\$348,575,445</b>	<b>\$165,509,528</b>	<b>\$490,144,231</b>	<b>\$293,603,083</b>	<b>\$3,140,440,773</b>

av

Source: EPS.

[1] See Table A-3 & Table A-4 for commercial finished value assumptions. Assumes an annual market appreciation rate of 3.0%.

Estimated finished values amounts for nonresidential building square feet rounded to nearest \$5.

[2] For purposes of this analysis, the absorption schedule has a one year lag to reflect when the estimated assessed value would be reflected on the assessor's tax roll.

**Table A-2**  
**FORA Phase II CIP Financing Strategy**  
**Estimated FORA Property Tax Revenue for Development After July 1, 2012**

Item	Beginning AV	Annual 2% Growth	New AV Added to Roll [1]	Ending AV	Property Tax (Formerly T.I.) 1%	Less: Other Agency Pass-Throughs [2]					Annual Net Property Tax	FORA Property Tax (35% of Annual Net Tax) [3]	
						Less: Housing Set Aside 20%	Property Tax Net of Housing Set Aside	Tier 1 Years 1-45 13.5%	Tier 2 Years 11-45 11.3%	Tier 3 Years 31-45 7.6%		Annual	Cumulative
Formula					a	b	c = a + b	d	e	f	e = c + d		
Base AV	\$0								\$0	N/A			35%
2012-13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013-14	\$0	\$0	\$65,271,100	\$65,271,100	\$652,711	(\$130,542)	\$522,169	(\$70,516)	(\$59,233)	\$0	\$392,420	\$137,347	\$137,347
2014-15	\$65,271,100	\$1,305,422	\$206,506,519	\$273,083,041	\$2,730,830	(\$546,166)	\$2,184,664	(\$295,026)	(\$247,822)	\$0	\$1,641,816	\$574,636	\$711,982
2015-16	\$273,083,041	\$5,461,661	\$537,830,941	\$816,375,643	\$8,163,756	(\$1,632,751)	\$6,531,005	(\$881,975)	(\$740,859)	\$0	\$4,908,172	\$1,717,860	\$2,429,842
2016-17	\$816,375,643	\$16,327,513	\$689,414,664	\$1,522,117,820	\$15,221,178	(\$3,044,236)	\$12,176,943	(\$1,644,426)	(\$1,381,318)	\$0	\$9,151,199	\$3,202,920	\$5,632,762
2017-18	\$1,522,117,820	\$30,442,356	\$656,961,777	\$2,209,521,954	\$22,095,220	(\$4,419,044)	\$17,676,176	(\$2,387,066)	(\$2,005,135)	\$0	\$13,283,974	\$4,649,391	\$10,282,153
2018-19	\$2,209,521,954	\$44,190,439	\$563,030,882	\$2,816,743,275	\$28,167,433	(\$5,633,487)	\$22,533,946	(\$3,043,080)	(\$2,556,187)	\$0	\$16,934,679	\$5,927,138	\$16,209,291
2019-20	\$2,816,743,275	\$56,334,866	\$421,424,889	\$3,294,503,030	\$32,945,030	(\$6,589,006)	\$26,356,024	(\$3,559,230)	(\$2,989,753)	\$0	\$19,807,042	\$6,932,465	\$23,141,755

Source: Monterey County and EPS.

[1] See Table A-1. Assumes an annual market appreciation rate of 3.0%.

[2] Pass-Through based on calculation below. Model assumes RDA commenced in FY 1997-98.

	Tier 1	Tier 2	Tier 3
Pass-through	25.0%	21.0%	14.0%
Share	54.0%	54.0%	54.0%
Derived Rate	13.5%	11.3%	7.6%

[3] This analysis estimates net new TI to FORA based upon estimates of new development.

**Table A-3**  
**FORA Phase II CIP Review**  
**Estimated Retail, Office, Industrial Finished Values**

**Retail, Office, Industrial/R&D**

Item	Retail		Office		Industrial/ R&D	
	Assumption	Amount	Assumption	Amount	Assumption	Amount
<b>DEVELOPMENT PROGRAM ASSUMPTIONS</b>						
Site Area (Acres)		10.00		10.00		10.00
Land Square Feet		435,600		435,600		435,600
Assumed FAR		0.25		0.35		0.40
Gross Building Square Feet		108,900		152,460		174,240
Net Leasable Area (Sq. Ft.)		87,120		121,968		139,392
Rent per Sq. Ft.		\$30.00		\$27.00		\$12.00
<b>REVENUE ASSUMPTIONS</b>						
Gross Lease Revenue (Weighted Average)	\$30.00 /NLA sq. ft./year	\$2,613,600	\$27.00 /NLA sq. ft./year	\$3,293,136	\$12.00 /NLA sq. ft./year	\$1,672,704
(less) Vacancy	5.0%	(\$130,680)	5.0%	(\$164,657)	5.0%	(\$83,635)
(less) Leasing Commissions	3.0% 5 years' rent	(\$372,438)	3.0% 5 years' rent	(\$469,272)	3.0% 5 years' rent	(\$238,360)
(less) Replacement/Reserve	5.0%	(\$130,680)	5.0%	(\$164,657)	5.0%	(\$83,635)
<b>Subtotal, Annual Net Operating Income</b>		<b>\$1,979,802</b>		<b>\$2,494,551</b>		<b>\$1,267,073</b>
<b>Capitalized Value</b>	7.10% cap rate	<b>\$27,884,535</b>	7.10% cap rate	<b>\$35,134,514</b>	7.10% cap rate	<b>\$17,846,103</b>
<b>Finished Value per Gross Bldg. Sq. Ft.</b>		<b>\$256</b>		<b>\$230</b>		<b>\$102</b>

comm\_val

Source: CoStar and EPS.

A-3

**Table A-4  
FORA Phase II CIP Review  
Hotel Development Finished Value**

Hotel
-------

Item	Assumption	Total
<b>DEVELOPMENT PROGRAM ASSUMPTIONS</b>		
Number of Rooms	100	
Average Room Rate	\$150	
Square Footage Per Room	375	37,500
Efficiency Ratio	70%	
Gross Building Sq. Ft. (Rounded)		55,000
Occupancy Rate	70%	
<b>REVENUE ASSUMPTIONS</b>		
Gross Room Revenue		\$3,832,500
Other Operating Revenue [1]	25%	\$958,125
<b>Total Revenue</b>		<b>\$4,790,625</b>
<b>Less Operating Expenses [2]</b>	<b>75%</b>	<b>\$3,592,969</b>
<b>Annual Net Operating Income</b>		<b>\$1,197,656</b>
<b>Capitalized Value</b>	8.50% cap rate	<b>\$14,090,074</b>
<b>Value per Room (Rounded)</b>		<b>\$141,000</b>

*hotel*

Sources: STR Hospitality, PKF Consulting, and EPS.

[1] Includes F & B, telecommunications, and other.

[2] Includes departmental, overhead, management fee, and fixed expenses.



## APPENDIX B: Land Sales Revenue Analysis

Table B-1	Estimated Land Sales Revenues to FORA .....	B-1
Table B-2	FORA Land Transactions to Date.....	B-2



**Table B-1**  
**FORA Phase II CIP Review**  
**Estimated Land Sale Revenues to FORA**

Item	Residential [1]		Nonresidential [1]						Total Land Value	FORA Share - 50%	Est. Caretaker/ Property Management Costs	FORA Costs	Other Obligations (Initiatives, Petitions, Etc.)	Net FORA Land Sale Proceeds			
	Office		Industrial		Retail		Hotel										
	Acres	Value	Acres	Value	Acres	Value	Acres	Value							Acres	Value	
<b>Year [2]</b>											[3]	[4]	[5]	[6]			
2012-13	21.7	\$3,900,000	18.2	\$3,272,727	26.9	\$4,840,000	11.0	\$1,983,471	9.3	\$1,667,368	\$15,663,567	\$7,831,783	(\$660,000)	\$0	(\$250,000)	\$6,921,783	
2013-14	47.8	\$8,868,300	8.3	\$1,546,824	30.7	\$5,692,665	10.7	\$1,979,983	7.8	\$1,453,926	\$19,541,699	\$9,770,850	(\$548,090)	\$0	(\$257,500)	\$8,965,259	
2014-15	45.7	\$8,720,598	14.9	\$2,843,262	14.3	\$2,739,928	9.2	\$1,753,554	2.6	\$502,532	\$16,559,873	\$8,279,937	(\$400,213)	\$0	(\$265,225)	\$7,614,499	
2015-16	0.0	\$0	8.3	\$1,641,026	0.0	\$0	62.4	\$12,272,859	0.0	\$0	\$13,913,885	\$6,956,943	(\$272,973)	\$0	(\$273,182)	\$6,410,788	
2016-17	13.3	\$2,701,221	8.3	\$1,690,256	0.0	\$0	0.7	\$148,828	6.6	\$1,332,839	\$5,873,145	\$2,936,572	(\$164,164)	\$0	(\$281,377)	\$2,491,031	
2017-18	51.7	\$10,781,249	16.4	\$3,421,706	0.0	\$0	2.2	\$459,877	0.0	\$0	\$14,662,832	\$7,331,416	(\$119,704)	\$0	(\$289,819)	\$6,921,894	
2018-19	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	\$0	\$0	(\$35,462)	(\$298,513)	(\$333,975)	\$0	
2019-20	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	\$0	\$0	(\$1,229,874)	(\$307,468)	(\$1,537,342)	\$0	
<b>Total</b>	<b>180.2</b>	<b>\$34,971,368</b>	<b>74.5</b>	<b>\$14,415,802</b>	<b>71.9</b>	<b>\$13,272,593</b>	<b>96.2</b>	<b>\$18,598,573</b>	<b>26.3</b>	<b>\$4,956,666</b>	<b>\$86,215,001</b>	<b>\$43,107,501</b>				<b>\$37,453,937</b>	
<b>Net Present Value</b>																	
<b>5.3% Discount Rate</b>		<b>\$30,725,767</b>		<b>\$12,734,875</b>		<b>\$12,719,161</b>		<b>\$16,440,327</b>		<b>\$4,586,679</b>	<b>\$77,206,809</b>	<b>\$38,603,404</b>					<b>\$33,862,876</b>

land\$

[1] Assumes per acre value of \$180,000 and that values escalate by 3% percent annually.

[2] For purposes of land sale revenue analysis, the absorption schedule is accelerated 2 years to reflect when the land transaction would actually occur. Land sale revenues for projected 2012-13 and 2013-14 absorption shown in Year 2012-2013.

[3] Caretaker costs in FY 2012-13 estimated based on FORA memorandum to Administrative Committee dated July 26, 2012. Costs assumed to escalate 3.0% annually and are prorated based on the estimated remaining acreage maintained by public agencies.

[4] Operations costs offset by repayment of \$7.6 million of borrowed funds from the CFD. FY 2012/13 costs provided by FORA and assumed to escalate by 3.0% annually. See detailed calculation below.

Year	Operations Cost	Developer Fee Repayment	Net Operations Cost
2012-13	(\$1,000,000)	\$1,000,000	\$0
2013-14	(\$1,030,000)	\$1,030,000	\$0
2014-15	(\$1,060,900)	\$1,060,900	\$0
2015-16	(\$1,092,727)	\$1,092,727	\$0
2016-17	(\$1,125,509)	\$1,125,509	\$0
2017-18	(\$1,159,274)	\$1,159,274	\$0
2018-19	(\$1,194,052)	\$1,158,590	(\$35,462)
2019-20	(\$1,229,874)	\$0	(\$1,229,874)
<b>Total</b>	<b>(\$8,892,336)</b>	<b>\$7,627,000</b>	<b>(\$1,265,336)</b>

[5] Estimates provided by FORA reflect anticipated special election and other costs related to legislative initiatives, petitions, etc.

[6] Reflects land sale proceeds available to offset infrastructure costs.

**Table B-2**  
**FORA Phase II CIP Review**  
**FORA Land Transactions to Date**

<b>Property [1]</b>	<b>Acreage</b>	<b>Transaction Price</b>	<b>Price per Acre</b>
		[2]	
Marina Heights	248.0	\$10,620,000	\$42,823
Imjin Office Park	4.6	\$1,616,947	\$348,480
Monterey County/ East Garrison	244.0	\$3,673,270	\$15,054
Young Nak Church	1.5	\$298,000	\$205,517
Salinas Valley Memorial Healthcare System	5.6	\$2,400,000	\$431,655
Interim #2	3.3	\$240,000	\$72,072
Dunes on Monterey Bay	290.0	\$48,000,000	\$165,517
<b>Total</b>	<b>797.0</b>	<b>\$66,848,217</b>	<b>\$83,877</b>
<b>Average Price per Acre per Transaction</b>			<b>\$183,017</b>

*Isr*

Source: FORA.

[1] Some of the identified transactions anticipate future FORA participation in profits.

[2] Reflects total transaction price, not just amount accruing to FORA.



## APPENDIX C: Detailed HCP Endowment Funding Strategy

Table C-1	Special Tax Revenue Generated for Habitat Management by Year .....	C-1
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Table C-1  
 FORA Endowment Cash Flow Model  
 Special Tax Revenue Generated for Habitat Management by Year

FY Ending	New Residential	Employer Based Housing	Exist./Replac. Residential	Office	Industrial	Retail	Hotel	Total CFD Revenue	Habitat Mgmt. Revenue	
									% of CFD Rev. [1]	Net Revenue
Special Tax Rate [2]	\$34,610 <i>Per Unit</i>	\$1,730 <i>Per Unit</i>	\$10,406 <i>Per Unit</i>	\$4,536 <i>Per Acre</i>	\$4,536 <i>Per Acre</i>	\$93,545 <i>Per Acre</i>	\$7,718 <i>Per Room</i>			See Table C-2
2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2013	\$4,637,727	\$259,574	\$0	\$0	\$10,414	\$463,861	\$0	\$5,371,576	25.0%	\$1,342,894
2014	\$7,787,228	\$259,574	\$0	\$68,434	\$76,745	\$966,377	\$771,791	\$9,930,148	25.0%	\$2,482,537
2015	\$26,234,304	\$259,574	\$0	\$96,462	\$115,533	\$2,456,746	\$2,716,703	\$31,879,322	25.0%	\$7,969,831
2016	\$38,797,698	\$72,681	\$0	\$59,269	\$172,893	\$1,772,121	\$5,387,098	\$46,261,760	25.0%	\$11,565,440
2017	\$32,187,207	\$0	\$1,040,556	\$115,445	\$89,108	\$1,705,119	\$3,318,699	\$38,456,135	21.8%	\$8,383,437
2018	\$21,319,698	\$0	\$1,040,556	\$49,748	\$12,046	\$6,459,695	\$0	\$28,881,745	0.0%	\$0
2019	\$21,942,677	\$0	\$1,040,556	\$57,782	\$12,046	\$519,696	\$1,929,476	\$25,502,233	0.0%	\$0
2020	\$48,488,470	\$0	\$2,143,546	\$110,089	\$36,139	\$1,782,429	\$4,399,206	\$56,959,879	0.0%	\$0
2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2035	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2036	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2037	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2039	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2040	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2041	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2042	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2043	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2044	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2045	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2046	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2047	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2048	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2049	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2051	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2052	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2053	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2054	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2055	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2056	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2057	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2058	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2059	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2060	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2061	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2062	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2063	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2064	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
2065	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0
<b>TOTAL</b>	<b>\$201,395,008</b>	<b>\$851,404</b>	<b>\$5,265,215</b>	<b>\$557,229</b>	<b>\$524,925</b>	<b>\$16,126,045</b>	<b>\$18,522,972</b>	<b>\$243,242,797</b>		<b>\$31,744,139</b>

tax\_rev

[1] Represents the estimated annual percentage to meet endowment funding needs and accelerate capitalization.

[2] Assumes 0.0% annual escalation per year.

**Table C-2**  
**FORA Endowment Cash Flow Model**  
**Summary of Assumptions Varying by Year**

FY Ending	Share of CFD Special Tax Allocated to FORA Habitat Mgmt [1]	Special Tax Revenues Available for Habitat Management Allocation			
		HCP	UC	IAF	BL Mgmt
2012	0%	0%	0%	50%	50%
2013	25%	0%	0%	50%	50%
2014	25%	67%	13%	9%	11%
2015	25%	67%	13%	9%	11%
2016	25%	67%	13%	9%	11%
2017	22%	67%	13%	9%	11%
2018	0%	67%	13%	9%	11%
2019	0%	67%	13%	9%	11%
2020	0%	67%	13%	9%	11%
2021	0%	67%	13%	9%	11%
2022	0%	67%	13%	9%	11%
2023	0%	67%	13%	9%	11%
2024	0%	67%	13%	9%	11%
2025	0%	67%	13%	9%	11%
2026	0%	67%	13%	9%	11%
2027	0%	67%	13%	9%	11%
2028	0%	67%	13%	9%	11%
2029	0%	67%	13%	9%	11%
2030	0%	67%	13%	9%	11%
2031	0%	67%	13%	9%	11%
2032	0%	67%	13%	9%	11%
2033	0%	67%	13%	9%	11%
2065 +	0%	0%	0%	0%	0%

*assump1*

[1] Represents the estimated annual percentage to meet endowment funding needs and accelerate capitalization.

**Table C-3  
FORA Endowment Cash Flow Model  
Endowment Requirements**

Item	Permit Term			Post-Permit Term		
	2012\$	Assumed Payout	Annual Revenue	2012\$	Assumed Payout	Annual Revenue
<b>HCP Endowment Fund</b>	\$24,126,910	4.50%	\$1,085,711	\$15,281,711	4.50%	\$687,677
<b>UC/NRS Endowment Fund</b>	\$5,197,158	4.20%	\$218,281	\$4,354,701	4.20%	\$182,897
<b>Implementation Assurances Fund</b>						
Remedial Measures	\$2,514,980	4.50%	\$113,174	\$0		\$0
BLM and State Parks	\$721,177	4.50%	\$32,453	\$721,177	4.50%	\$32,453
Contingency (5%)	\$175,077	4.50%	\$7,878	\$0		\$0
<b>Subtotal</b>	<b>\$3,411,235</b>	<b>4.50%</b>	<b>\$153,506</b>	<b>\$721,177</b>	<b>4.50%</b>	<b>\$32,453</b>
<b>Borderlands Management Cost</b>	\$3,798,123	4.50%	\$170,916	\$3,798,123	4.50%	\$170,916
<b>TOTAL ENDOWMENTS</b>	<b>\$36,533,425</b>		<b>\$1,628,413</b>	<b>\$24,155,712</b>		<b>\$1,073,943</b>

cost

Source: FORA

**Table C-4  
FORA Endowment Cash Flow Model  
Planned Land Use Summary by Year**

<b>FY Ending</b>	<b>New Residential</b>	<b>Employer Based Housing</b>	<b>Existing/Replac. Residential</b>	<b>Office</b>	<b>Industrial</b>	<b>Retail</b>	<b>Hotel</b>
	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Rooms</i>
2012	0		0	0.0	0.0	0.0	0
2013	134	150	0	0.0	2.3	5.0	0
2014	225	150	0	15.1	16.9	10.3	100
2015	758	150	0	21.3	25.5	26.3	352
2016	1,121	42	0	13.1	38.1	18.9	698
2017	930		100	25.4	19.6	18.2	430
2018	616		100	11.0	2.7	69.1	0
2019	634		100	12.7	2.7	5.6	250
2020	1,401		206	24.3	8.0	19.1	570
<b>TOTAL</b>	<b>5,819</b>	<b>492</b>	<b>506</b>	<b>122.8</b>	<b>115.7</b>	<b>172.4</b>	<b>2,400</b>

*LU\_planned*

**Table C-5**  
**FORA Endowment Cash Flow Model**  
**Tax Revenues Allocated by Endowment**

FY Ending	Special Tax Revenue		HCP		UC		IAF		BL Mgmt	
	Annual [1]	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	\$1,342,894	\$1,342,894	\$0	\$0	\$0	\$0	\$671,447	\$671,447	\$671,447	\$671,447
2014	\$2,482,537	\$3,825,431	\$1,672,982	\$1,672,982	\$319,254	\$319,254	\$214,739	\$886,186	\$275,562	\$947,009
2015	\$7,969,831	\$11,795,262	\$5,370,869	\$7,043,851	\$1,024,920	\$1,344,174	\$689,390	\$1,575,577	\$884,651	\$1,831,660
2016	\$11,565,440	\$23,360,702	\$7,793,950	\$14,837,801	\$1,487,316	\$2,831,490	\$1,000,411	\$2,575,987	\$1,283,764	\$3,115,424
2017	\$8,383,437	\$31,744,139	\$5,649,598	\$20,487,399	\$1,078,110	\$3,909,600	\$725,167	\$3,301,155	\$930,562	\$4,045,985
2018	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2019	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2020	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2021	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2022	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2023	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2024	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2025	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2026	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2027	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2028	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2029	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2030	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2031	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2032	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2033	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2034	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2035	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2036	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2037	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2038	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2039	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2040	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2041	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2042	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2043	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2044	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2045	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2046	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985

C-5



**Table C-5  
FORA Endowment Cash Flow Model  
Tax Revenues Allocated by Endowment**

FY Ending	Special Tax Revenue		HCP		UC		IAF		BL Mgmt	
	Annual [1]	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2047	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2048	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2049	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2050	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2051	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2052	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2053	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2054	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2055	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2056	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2057	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2058	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2059	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2060	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2061	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2062	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2063	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2064	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
2065 +	\$0	\$31,744,139	\$0	\$20,487,399	\$0	\$3,909,600	\$0	\$3,301,155	\$0	\$4,045,985
<b>TOTAL</b>	<b>\$31,744,139</b>		<b>\$20,487,399</b>		<b>\$3,909,600</b>		<b>\$3,301,155</b>		<b>\$4,045,985</b>	

rev\_alloc

[1] See net revenue projected in Table C-1.

C-6

Table C-6  
 FORA Endowment Cash Flow Model  
 Preliminary Endowment Cash Flow - All Endowments

All Endowments

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
	2012	\$4,595,723	\$68,936	\$0	\$0	\$4,664,659	\$0	\$0	\$4,664,659
	2013	\$4,664,659	\$69,970	\$1,342,894	\$0	\$6,077,523	\$0	\$0	\$6,077,523
	2014	\$6,077,523	\$267,629	\$2,482,537	\$0	\$8,827,689	\$0	\$0	\$8,827,689
1	2015	\$8,827,689	\$390,183	\$7,969,831	\$0	\$17,187,703	(\$1,936,435)	\$0	\$15,251,268
	2016	\$15,251,268	\$678,308	\$11,565,440	\$0	\$27,495,016	(\$1,372,390)	\$0	\$26,122,626
	2017	\$26,122,626	\$1,163,376	\$8,383,437	\$0	\$35,669,439	(\$1,372,390)	\$0	\$34,297,049
	2018	\$34,297,049	\$1,528,136	\$0	\$0	\$35,825,185	(\$1,372,390)	\$0	\$34,452,794
	2019	\$34,452,794	\$1,535,159	\$0	\$0	\$35,987,954	(\$1,372,390)	\$0	\$34,615,563
	2020	\$34,615,563	\$1,542,500	\$0	\$0	\$36,158,063	(\$1,372,390)	\$0	\$34,785,673
	2021	\$34,785,673	\$1,550,171	\$0	\$0	\$36,335,844	(\$1,628,413)	\$0	\$34,707,431
	2022	\$34,707,431	\$1,546,667	\$0	\$0	\$36,254,099	(\$1,628,413)	\$0	\$34,625,686
	2023	\$34,625,686	\$1,543,007	\$0	\$0	\$36,168,693	(\$1,628,413)	\$0	\$34,540,280
10	2024	\$34,540,280	\$1,539,182	\$0	\$0	\$36,079,462	(\$1,628,413)	\$0	\$34,451,050
	2025	\$34,451,050	\$1,535,186	\$0	\$0	\$35,986,236	(\$1,628,413)	\$0	\$34,357,823
	2026	\$34,357,823	\$1,531,011	\$0	\$0	\$35,888,834	(\$1,628,413)	\$0	\$34,260,421
	2027	\$34,260,421	\$1,526,649	\$0	\$0	\$35,787,070	(\$1,628,413)	\$0	\$34,158,657
	2028	\$34,158,657	\$1,522,091	\$0	\$0	\$35,680,749	(\$1,628,413)	\$0	\$34,052,336
	2029	\$34,052,336	\$1,517,330	\$0	\$0	\$35,569,666	(\$1,628,413)	\$0	\$33,941,253
	2030	\$33,941,253	\$1,512,355	\$0	\$0	\$35,453,608	(\$1,628,413)	\$0	\$33,825,196
	2031	\$33,825,196	\$1,507,157	\$0	\$0	\$35,332,353	(\$1,628,413)	\$0	\$33,703,940
	2032	\$33,703,940	\$1,501,726	\$0	\$0	\$35,205,666	(\$1,628,413)	\$0	\$33,577,254
	2033	\$33,577,254	\$1,496,052	\$0	\$0	\$35,073,306	(\$1,628,413)	\$0	\$33,444,893
20	2034	\$33,444,893	\$1,490,124	\$0	\$0	\$34,935,018	(\$1,628,413)	\$0	\$33,306,605
	2035	\$33,306,605	\$1,483,930	\$0	\$0	\$34,790,535	(\$1,628,413)	\$0	\$33,162,123
	2036	\$33,162,123	\$1,477,459	\$0	\$0	\$34,639,582	(\$1,628,413)	\$0	\$33,011,169
	2037	\$33,011,169	\$1,470,698	\$0	\$0	\$34,481,867	(\$1,628,413)	\$0	\$32,853,455
	2038	\$32,853,455	\$1,463,634	\$0	\$0	\$34,317,088	(\$1,628,413)	\$0	\$32,688,676
	2039	\$32,688,676	\$1,456,253	\$0	\$0	\$34,144,929	(\$1,628,413)	\$0	\$32,516,516
	2040	\$32,516,516	\$1,448,542	\$0	\$0	\$33,965,058	(\$1,628,413)	\$0	\$32,336,646
	2041	\$32,336,646	\$1,440,485	\$0	\$0	\$33,777,131	(\$1,628,413)	\$0	\$32,148,718
	2042	\$32,148,718	\$1,432,067	\$0	\$0	\$33,580,786	(\$1,628,413)	\$0	\$31,952,373
	2043	\$31,952,373	\$1,423,272	\$0	\$0	\$33,375,645	(\$1,628,413)	\$0	\$31,747,233
30	2044	\$31,747,233	\$1,414,083	\$0	\$0	\$33,161,316	(\$1,628,413)	\$0	\$31,532,904
	2045	\$31,532,904	\$1,404,483	\$0	\$0	\$32,937,386	(\$1,628,413)	\$0	\$31,308,974
	2046	\$31,308,974	\$1,394,452	\$0	\$0	\$32,703,425	(\$1,628,413)	\$0	\$31,075,013
	2047	\$31,075,013	\$1,383,971	\$0	\$0	\$32,458,984	(\$1,628,413)	\$0	\$30,830,571
	2048	\$30,830,571	\$1,373,021	\$0	\$0	\$32,203,593	(\$1,628,413)	\$0	\$30,575,180
	2049	\$30,575,180	\$1,361,581	\$0	\$0	\$31,936,761	(\$1,628,413)	\$0	\$30,308,348
	2050	\$30,308,348	\$1,349,627	\$0	\$0	\$31,657,976	(\$1,628,413)	\$0	\$30,029,563
	2051	\$30,029,563	\$1,337,139	\$0	\$0	\$31,366,702	(\$1,628,413)	\$0	\$29,738,289
	2052	\$29,738,289	\$1,324,090	\$0	\$0	\$31,062,379	(\$1,628,413)	\$0	\$29,433,966
	2053	\$29,433,966	\$1,310,457	\$0	\$0	\$30,744,423	(\$1,628,413)	\$0	\$29,116,010
40	2054	\$29,116,010	\$1,296,213	\$0	\$0	\$30,412,223	(\$1,628,413)	\$0	\$28,783,810
	2055	\$28,783,810	\$1,281,330	\$0	\$0	\$30,065,140	(\$1,628,413)	\$0	\$28,436,728
	2056	\$28,436,728	\$1,265,781	\$0	\$0	\$29,702,508	(\$1,628,413)	\$0	\$28,074,096
	2057	\$28,074,096	\$1,249,534	\$0	\$0	\$29,323,630	(\$1,628,413)	\$0	\$27,695,217
	2058	\$27,695,217	\$1,232,560	\$0	\$0	\$28,927,778	(\$1,628,413)	\$0	\$27,299,365
	2059	\$27,299,365	\$1,214,825	\$0	\$0	\$28,514,190	(\$1,628,413)	\$0	\$26,885,777
	2060	\$26,885,777	\$1,196,295	\$0	\$0	\$28,082,073	(\$1,628,413)	\$0	\$26,453,660
	2061	\$26,453,660	\$1,176,935	\$0	\$0	\$27,630,595	(\$1,628,413)	\$0	\$26,002,183
	2062	\$26,002,183	\$1,156,708	\$0	\$0	\$27,158,890	(\$1,628,413)	\$0	\$25,530,478
	2063	\$25,530,478	\$1,135,573	\$0	\$0	\$26,666,051	(\$1,628,413)	\$0	\$25,037,638
50	2064	\$25,037,638	\$1,113,492	\$0	\$0	\$26,151,130	(\$1,628,413)	\$0	\$24,522,717
	<b>Post Permit</b>								
	2065 +	\$24,522,717	\$1,090,421	\$0	\$0	\$25,613,138	(\$1,073,943)	\$0	\$24,539,195

CF\_all

**Table C-7  
FORA Endowment Cash Flow Model  
Preliminary Endowment Cash Flow - Habitat Conservation Plan**

HCP Endowment

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
<i>Source</i>			<i>Table 3-3</i>	<i>Table C-5</i>			<i>Table 3-4</i>		
<i>Annual Return Starting in FY 2014</i>			<i>4.50%</i>						
	2012	\$2,700,000	\$40,500	\$0	\$0	\$2,740,500	\$0	\$0	\$2,740,500
	2013	\$2,740,500	\$41,108	\$0	\$0	\$2,781,608	\$0	\$0	\$2,781,608
	2014	\$2,781,608	\$125,172	\$1,672,982	\$0	\$4,579,762	\$0	\$0	\$4,579,762
1	2015	\$4,579,762	\$206,089	\$5,370,869	\$0	\$10,156,720	(\$800,208)	\$0	\$9,356,512
	2016	\$9,356,512	\$421,043	\$7,793,950	\$0	\$17,571,505	(\$829,689)	\$0	\$16,741,816
	2017	\$16,741,816	\$753,382	\$5,649,598	\$0	\$23,144,796	(\$829,689)	\$0	\$22,315,108
	2018	\$22,315,108	\$1,004,180	\$0	\$0	\$23,319,288	(\$829,689)	\$0	\$22,489,599
	2019	\$22,489,599	\$1,012,032	\$0	\$0	\$23,501,631	(\$829,689)	\$0	\$22,671,942
	2020	\$22,671,942	\$1,020,237	\$0	\$0	\$23,692,180	(\$829,689)	\$0	\$22,862,491
	2021	\$22,862,491	\$1,028,812	\$0	\$0	\$23,891,303	(\$1,085,711)	\$0	\$22,805,592
	2022	\$22,805,592	\$1,026,252	\$0	\$0	\$23,831,844	(\$1,085,711)	\$0	\$22,746,133
	2023	\$22,746,133	\$1,023,576	\$0	\$0	\$23,769,709	(\$1,085,711)	\$0	\$22,683,998
10	2024	\$22,683,998	\$1,020,780	\$0	\$0	\$23,704,778	(\$1,085,711)	\$0	\$22,619,067
	2025	\$22,619,067	\$1,017,858	\$0	\$0	\$23,636,925	(\$1,085,711)	\$0	\$22,551,214
	2026	\$22,551,214	\$1,014,805	\$0	\$0	\$23,566,018	(\$1,085,711)	\$0	\$22,480,307
	2027	\$22,480,307	\$1,011,614	\$0	\$0	\$23,491,921	(\$1,085,711)	\$0	\$22,406,210
	2028	\$22,406,210	\$1,008,279	\$0	\$0	\$23,414,490	(\$1,085,711)	\$0	\$22,328,779
	2029	\$22,328,779	\$1,004,795	\$0	\$0	\$23,333,574	(\$1,085,711)	\$0	\$22,247,863
	2030	\$22,247,863	\$1,001,154	\$0	\$0	\$23,249,017	(\$1,085,711)	\$0	\$22,163,306
	2031	\$22,163,306	\$997,349	\$0	\$0	\$23,160,655	(\$1,085,711)	\$0	\$22,074,944
	2032	\$22,074,944	\$993,372	\$0	\$0	\$23,068,316	(\$1,085,711)	\$0	\$21,982,605
	2033	\$21,982,605	\$989,217	\$0	\$0	\$22,971,822	(\$1,085,711)	\$0	\$21,886,111
20	2034	\$21,886,111	\$984,875	\$0	\$0	\$22,870,986	(\$1,085,711)	\$0	\$21,785,275
	2035	\$21,785,275	\$980,337	\$0	\$0	\$22,765,613	(\$1,085,711)	\$0	\$21,679,902
	2036	\$21,679,902	\$975,596	\$0	\$0	\$22,655,497	(\$1,085,711)	\$0	\$21,569,786
	2037	\$21,569,786	\$970,640	\$0	\$0	\$22,540,427	(\$1,085,711)	\$0	\$21,454,716
	2038	\$21,454,716	\$965,462	\$0	\$0	\$22,420,178	(\$1,085,711)	\$0	\$21,334,467
	2039	\$21,334,467	\$960,051	\$0	\$0	\$22,294,518	(\$1,085,711)	\$0	\$21,208,807
	2040	\$21,208,807	\$954,396	\$0	\$0	\$22,163,204	(\$1,085,711)	\$0	\$21,077,493
	2041	\$21,077,493	\$948,487	\$0	\$0	\$22,025,980	(\$1,085,711)	\$0	\$20,940,269
	2042	\$20,940,269	\$942,312	\$0	\$0	\$21,882,581	(\$1,085,711)	\$0	\$20,796,870
	2043	\$20,796,870	\$935,859	\$0	\$0	\$21,732,729	(\$1,085,711)	\$0	\$20,647,018
30	2044	\$20,647,018	\$929,116	\$0	\$0	\$21,576,134	(\$1,085,711)	\$0	\$20,490,423
	2045	\$20,490,423	\$922,069	\$0	\$0	\$21,412,492	(\$1,085,711)	\$0	\$20,326,781
	2046	\$20,326,781	\$914,705	\$0	\$0	\$21,241,486	(\$1,085,711)	\$0	\$20,155,775
	2047	\$20,155,775	\$907,010	\$0	\$0	\$21,062,785	(\$1,085,711)	\$0	\$19,977,074
	2048	\$19,977,074	\$898,968	\$0	\$0	\$20,876,043	(\$1,085,711)	\$0	\$19,790,332
	2049	\$19,790,332	\$890,565	\$0	\$0	\$20,680,897	(\$1,085,711)	\$0	\$19,595,186
	2050	\$19,595,186	\$881,783	\$0	\$0	\$20,476,969	(\$1,085,711)	\$0	\$19,391,258
	2051	\$19,391,258	\$872,607	\$0	\$0	\$20,263,865	(\$1,085,711)	\$0	\$19,178,154
	2052	\$19,178,154	\$863,017	\$0	\$0	\$20,041,171	(\$1,085,711)	\$0	\$18,955,460
	2053	\$18,955,460	\$852,996	\$0	\$0	\$19,808,455	(\$1,085,711)	\$0	\$18,722,744
40	2054	\$18,722,744	\$842,524	\$0	\$0	\$19,565,268	(\$1,085,711)	\$0	\$18,479,557
	2055	\$18,479,557	\$831,580	\$0	\$0	\$19,311,137	(\$1,085,711)	\$0	\$18,225,426
	2056	\$18,225,426	\$820,144	\$0	\$0	\$19,045,570	(\$1,085,711)	\$0	\$17,959,859
	2057	\$17,959,859	\$808,194	\$0	\$0	\$18,768,053	(\$1,085,711)	\$0	\$17,682,342
	2058	\$17,682,342	\$795,705	\$0	\$0	\$18,478,047	(\$1,085,711)	\$0	\$17,392,337
	2059	\$17,392,337	\$782,655	\$0	\$0	\$18,174,992	(\$1,085,711)	\$0	\$17,089,281
	2060	\$17,089,281	\$769,018	\$0	\$0	\$17,858,298	(\$1,085,711)	\$0	\$16,772,587
	2061	\$16,772,587	\$754,766	\$0	\$0	\$17,527,354	(\$1,085,711)	\$0	\$16,441,643
	2062	\$16,441,643	\$739,874	\$0	\$0	\$17,181,517	(\$1,085,711)	\$0	\$16,095,806
	2063	\$16,095,806	\$724,311	\$0	\$0	\$16,820,117	(\$1,085,711)	\$0	\$15,734,406
50	2064	\$15,734,406	\$708,048	\$0	\$0	\$16,442,454	(\$1,085,711)	\$0	\$15,356,744
<b>Post Permit</b>									
	2065 +	\$15,356,744	\$691,053	\$0	\$0	\$16,047,797	(\$687,677)	\$0	\$15,360,120

CF\_HCP

**Table C-8**  
**FORA Endowment Cash Flow Model**  
**Preliminary Endowment Cash Flow - University of California**

UC Endowment
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Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
Source		Table 3-3		Table C-5		Table 3-4			
Annual Return Starting in FY 2014		4.20%							
	2012	\$1,895,723	\$28,436	\$0	\$0	\$1,924,159	\$0	\$0	\$1,924,159
	2013	\$1,924,159	\$28,862	\$0	\$0	\$1,953,021	\$0	\$0	\$1,953,021
	2014	\$1,953,021	\$82,027	\$319,254	\$0	\$2,354,302	\$0	\$0	\$2,354,302
1	2015	\$2,354,302	\$98,881	\$1,024,920	\$0	\$3,478,103	(\$811,806)	\$0	\$2,666,297
	2016	\$2,666,297	\$111,984	\$1,487,316	\$0	\$4,265,597	(\$218,281)	\$0	\$4,047,317
	2017	\$4,047,317	\$169,987	\$1,078,110	\$0	\$5,295,414	(\$218,281)	\$0	\$5,077,133
	2018	\$5,077,133	\$213,240	\$0	\$0	\$5,290,373	(\$218,281)	\$0	\$5,072,092
	2019	\$5,072,092	\$213,028	\$0	\$0	\$5,285,120	(\$218,281)	\$0	\$5,066,840
	2020	\$5,066,840	\$212,807	\$0	\$0	\$5,279,647	(\$218,281)	\$0	\$5,061,366
	2021	\$5,061,366	\$212,577	\$0	\$0	\$5,273,944	(\$218,281)	\$0	\$5,055,663
	2022	\$5,055,663	\$212,338	\$0	\$0	\$5,268,001	(\$218,281)	\$0	\$5,049,720
	2023	\$5,049,720	\$212,088	\$0	\$0	\$5,261,808	(\$218,281)	\$0	\$5,043,528
10	2024	\$5,043,528	\$211,828	\$0	\$0	\$5,255,356	(\$218,281)	\$0	\$5,037,075
	2025	\$5,037,075	\$211,557	\$0	\$0	\$5,248,632	(\$218,281)	\$0	\$5,030,352
	2026	\$5,030,352	\$211,275	\$0	\$0	\$5,241,627	(\$218,281)	\$0	\$5,023,346
	2027	\$5,023,346	\$210,981	\$0	\$0	\$5,234,327	(\$218,281)	\$0	\$5,016,046
	2028	\$5,016,046	\$210,674	\$0	\$0	\$5,226,720	(\$218,281)	\$0	\$5,008,439
	2029	\$5,008,439	\$210,354	\$0	\$0	\$5,218,794	(\$218,281)	\$0	\$5,000,513
	2030	\$5,000,513	\$210,022	\$0	\$0	\$5,210,535	(\$218,281)	\$0	\$4,992,254
	2031	\$4,992,254	\$209,675	\$0	\$0	\$5,201,929	(\$218,281)	\$0	\$4,983,648
	2032	\$4,983,648	\$209,313	\$0	\$0	\$5,192,961	(\$218,281)	\$0	\$4,974,681
	2033	\$4,974,681	\$208,937	\$0	\$0	\$5,183,617	(\$218,281)	\$0	\$4,965,337
20	2034	\$4,965,337	\$208,544	\$0	\$0	\$5,173,881	(\$218,281)	\$0	\$4,955,600
	2035	\$4,955,600	\$208,135	\$0	\$0	\$5,163,735	(\$218,281)	\$0	\$4,945,455
	2036	\$4,945,455	\$207,709	\$0	\$0	\$5,153,164	(\$218,281)	\$0	\$4,934,883
	2037	\$4,934,883	\$207,265	\$0	\$0	\$5,142,148	(\$218,281)	\$0	\$4,923,868
	2038	\$4,923,868	\$206,802	\$0	\$0	\$5,130,670	(\$218,281)	\$0	\$4,912,390
	2039	\$4,912,390	\$206,320	\$0	\$0	\$5,118,710	(\$218,281)	\$0	\$4,900,429
	2040	\$4,900,429	\$205,818	\$0	\$0	\$5,106,247	(\$218,281)	\$0	\$4,887,967
	2041	\$4,887,967	\$205,295	\$0	\$0	\$5,093,261	(\$218,281)	\$0	\$4,874,981
	2042	\$4,874,981	\$204,749	\$0	\$0	\$5,079,730	(\$218,281)	\$0	\$4,861,449
	2043	\$4,861,449	\$204,181	\$0	\$0	\$5,065,630	(\$218,281)	\$0	\$4,847,349
30	2044	\$4,847,349	\$203,589	\$0	\$0	\$5,050,938	(\$218,281)	\$0	\$4,832,658
	2045	\$4,832,658	\$202,972	\$0	\$0	\$5,035,629	(\$218,281)	\$0	\$4,817,349
	2046	\$4,817,349	\$202,329	\$0	\$0	\$5,019,677	(\$218,281)	\$0	\$4,801,397
	2047	\$4,801,397	\$201,659	\$0	\$0	\$5,003,055	(\$218,281)	\$0	\$4,784,775
	2048	\$4,784,775	\$200,961	\$0	\$0	\$4,985,735	(\$218,281)	\$0	\$4,767,454
	2049	\$4,767,454	\$200,233	\$0	\$0	\$4,967,688	(\$218,281)	\$0	\$4,749,407
	2050	\$4,749,407	\$199,475	\$0	\$0	\$4,948,882	(\$218,281)	\$0	\$4,730,601
	2051	\$4,730,601	\$198,685	\$0	\$0	\$4,929,287	(\$218,281)	\$0	\$4,711,006
	2052	\$4,711,006	\$197,862	\$0	\$0	\$4,908,868	(\$218,281)	\$0	\$4,690,588
	2053	\$4,690,588	\$197,005	\$0	\$0	\$4,887,592	(\$218,281)	\$0	\$4,669,312
40	2054	\$4,669,312	\$196,111	\$0	\$0	\$4,865,423	(\$218,281)	\$0	\$4,647,142
	2055	\$4,647,142	\$195,180	\$0	\$0	\$4,842,322	(\$218,281)	\$0	\$4,624,042
	2056	\$4,624,042	\$194,210	\$0	\$0	\$4,818,251	(\$218,281)	\$0	\$4,599,971
	2057	\$4,599,971	\$193,199	\$0	\$0	\$4,793,170	(\$218,281)	\$0	\$4,574,889
	2058	\$4,574,889	\$192,145	\$0	\$0	\$4,767,034	(\$218,281)	\$0	\$4,548,754
	2059	\$4,548,754	\$191,048	\$0	\$0	\$4,739,801	(\$218,281)	\$0	\$4,521,521
	2060	\$4,521,521	\$189,904	\$0	\$0	\$4,711,425	(\$218,281)	\$0	\$4,493,144
	2061	\$4,493,144	\$188,712	\$0	\$0	\$4,681,856	(\$218,281)	\$0	\$4,463,575
	2062	\$4,463,575	\$187,470	\$0	\$0	\$4,651,045	(\$218,281)	\$0	\$4,432,765
	2063	\$4,432,765	\$186,176	\$0	\$0	\$4,618,941	(\$218,281)	\$0	\$4,400,660
50	2064	\$4,400,660	\$184,828	\$0	\$0	\$4,585,488	(\$218,281)	\$0	\$4,367,207
<b>Post Permit</b>									
	2065 +	\$4,367,207	\$183,423	\$0	\$0	\$4,550,630	(\$182,897)	\$0	\$4,367,733

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**Table C-9  
FORA Endowment Cash Flow Model  
Preliminary Endowment Cash Flow - Implementation Assurances Fund**

IAF Endowment

Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
<i>Source</i>			<i>Table 3-3</i>	<i>Table C-5</i>			<i>Table 3-4</i>		
<i>Annual Return Starting in FY 2014</i>			<i>4.50%</i>						
	2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2013	\$0	\$0	\$671,447	\$0	\$671,447	\$0	\$0	\$671,447
	2014	\$671,447	\$30,215	\$214,739	\$0	\$916,402	\$0	\$0	\$916,402
1	2015	\$916,402	\$41,238	\$689,390	\$0	\$1,647,030	(\$153,506)	\$0	\$1,493,524
	2016	\$1,493,524	\$67,209	\$1,000,411	\$0	\$2,561,144	(\$153,506)	\$0	\$2,407,638
	2017	\$2,407,638	\$108,344	\$725,167	\$0	\$3,241,149	(\$153,506)	\$0	\$3,087,643
	2018	\$3,087,643	\$138,944	\$0	\$0	\$3,226,587	(\$153,506)	\$0	\$3,073,082
	2019	\$3,073,082	\$138,289	\$0	\$0	\$3,211,371	(\$153,506)	\$0	\$3,057,865
	2020	\$3,057,865	\$137,604	\$0	\$0	\$3,195,469	(\$153,506)	\$0	\$3,041,963
	2021	\$3,041,963	\$136,888	\$0	\$0	\$3,178,852	(\$153,506)	\$0	\$3,025,346
	2022	\$3,025,346	\$136,141	\$0	\$0	\$3,161,487	(\$153,506)	\$0	\$3,007,981
	2023	\$3,007,981	\$135,359	\$0	\$0	\$3,143,340	(\$153,506)	\$0	\$2,989,835
10	2024	\$2,989,835	\$134,543	\$0	\$0	\$3,124,377	(\$153,506)	\$0	\$2,970,872
	2025	\$2,970,872	\$133,689	\$0	\$0	\$3,104,561	(\$153,506)	\$0	\$2,951,055
	2026	\$2,951,055	\$132,797	\$0	\$0	\$3,083,853	(\$153,506)	\$0	\$2,930,347
	2027	\$2,930,347	\$131,866	\$0	\$0	\$3,062,213	(\$153,506)	\$0	\$2,908,707
	2028	\$2,908,707	\$130,892	\$0	\$0	\$3,039,599	(\$153,506)	\$0	\$2,886,094
	2029	\$2,886,094	\$129,874	\$0	\$0	\$3,015,968	(\$153,506)	\$0	\$2,862,462
	2030	\$2,862,462	\$128,811	\$0	\$0	\$2,991,273	(\$153,506)	\$0	\$2,837,768
	2031	\$2,837,768	\$127,700	\$0	\$0	\$2,965,467	(\$153,506)	\$0	\$2,811,962
	2032	\$2,811,962	\$126,538	\$0	\$0	\$2,938,500	(\$153,506)	\$0	\$2,784,994
	2033	\$2,784,994	\$125,325	\$0	\$0	\$2,910,319	(\$153,506)	\$0	\$2,756,813
20	2034	\$2,756,813	\$124,057	\$0	\$0	\$2,880,870	(\$153,506)	\$0	\$2,727,365
	2035	\$2,727,365	\$122,731	\$0	\$0	\$2,850,096	(\$153,506)	\$0	\$2,696,590
	2036	\$2,696,590	\$121,347	\$0	\$0	\$2,817,937	(\$153,506)	\$0	\$2,664,431
	2037	\$2,664,431	\$119,899	\$0	\$0	\$2,784,331	(\$153,506)	\$0	\$2,630,825
	2038	\$2,630,825	\$118,387	\$0	\$0	\$2,749,212	(\$153,506)	\$0	\$2,595,707
	2039	\$2,595,707	\$116,807	\$0	\$0	\$2,712,514	(\$153,506)	\$0	\$2,559,008
	2040	\$2,559,008	\$115,155	\$0	\$0	\$2,674,163	(\$153,506)	\$0	\$2,520,658
	2041	\$2,520,658	\$113,430	\$0	\$0	\$2,634,087	(\$153,506)	\$0	\$2,480,582
	2042	\$2,480,582	\$111,626	\$0	\$0	\$2,592,208	(\$153,506)	\$0	\$2,438,703
	2043	\$2,438,703	\$109,742	\$0	\$0	\$2,548,444	(\$153,506)	\$0	\$2,394,939
30	2044	\$2,394,939	\$107,772	\$0	\$0	\$2,502,711	(\$153,506)	\$0	\$2,349,205
	2045	\$2,349,205	\$105,714	\$0	\$0	\$2,454,920	(\$153,506)	\$0	\$2,301,414
	2046	\$2,301,414	\$103,564	\$0	\$0	\$2,404,978	(\$153,506)	\$0	\$2,251,472
	2047	\$2,251,472	\$101,316	\$0	\$0	\$2,352,788	(\$153,506)	\$0	\$2,199,283
	2048	\$2,199,283	\$98,968	\$0	\$0	\$2,298,250	(\$153,506)	\$0	\$2,144,745
	2049	\$2,144,745	\$96,514	\$0	\$0	\$2,241,258	(\$153,506)	\$0	\$2,087,753
	2050	\$2,087,753	\$93,949	\$0	\$0	\$2,181,702	(\$153,506)	\$0	\$2,028,196
	2051	\$2,028,196	\$91,269	\$0	\$0	\$2,119,465	(\$153,506)	\$0	\$1,965,959
	2052	\$1,965,959	\$88,468	\$0	\$0	\$2,054,428	(\$153,506)	\$0	\$1,900,922
	2053	\$1,900,922	\$85,541	\$0	\$0	\$1,986,464	(\$153,506)	\$0	\$1,832,958
40	2054	\$1,832,958	\$82,483	\$0	\$0	\$1,915,441	(\$153,506)	\$0	\$1,761,935
	2055	\$1,761,935	\$79,287	\$0	\$0	\$1,841,223	(\$153,506)	\$0	\$1,687,717
	2056	\$1,687,717	\$75,947	\$0	\$0	\$1,763,664	(\$153,506)	\$0	\$1,610,159
	2057	\$1,610,159	\$72,457	\$0	\$0	\$1,682,616	(\$153,506)	\$0	\$1,529,110
	2058	\$1,529,110	\$68,810	\$0	\$0	\$1,597,920	(\$153,506)	\$0	\$1,444,415
	2059	\$1,444,415	\$64,999	\$0	\$0	\$1,509,413	(\$153,506)	\$0	\$1,355,908
	2060	\$1,355,908	\$61,016	\$0	\$0	\$1,416,924	(\$153,506)	\$0	\$1,263,418
	2061	\$1,263,418	\$56,854	\$0	\$0	\$1,320,272	(\$153,506)	\$0	\$1,166,766
	2062	\$1,166,766	\$52,504	\$0	\$0	\$1,219,271	(\$153,506)	\$0	\$1,065,765
	2063	\$1,065,765	\$47,959	\$0	\$0	\$1,113,725	(\$153,506)	\$0	\$960,219
50	2064	\$960,219	\$43,210	\$0	\$0	\$1,003,429	(\$153,506)	\$0	\$849,923
<b>Post Permit</b>									
	2065 +	\$849,923	\$38,247	\$0	\$0	\$888,170	(\$32,453)	\$0	\$855,717

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**Table C-10**  
**FORA Endowment Cash Flow Model**  
**Preliminary Endowment Cash Flow - Borderlands Management**

<b>Borderlands Endowment</b>
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Permit Year	FY Ending	Beginning Balance	Interest Earnings (+)	Deposits (+)	Transfer In (+)	Subtotal	Annual Costs (-)	Transfer Out (-)	Ending Balance
<i>Source</i>		<i>Table 3-3</i>		<i>Table C-5</i>		<i>Table 3-4</i>			
<i>Annual Return Starting in FY 2014</i>		<i>4.50%</i>							
	2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2013	\$0	\$0	\$671,447	\$0	\$671,447	\$0	\$0	\$671,447
	2014	\$671,447	\$30,215	\$275,562	\$0	\$977,224	\$0	\$0	\$977,224
1	2015	\$977,224	\$43,975	\$884,651	\$0	\$1,905,850	(\$170,916)	\$0	\$1,734,934
	2016	\$1,734,934	\$78,072	\$1,283,764	\$0	\$3,096,770	(\$170,916)	\$0	\$2,925,855
	2017	\$2,925,855	\$131,663	\$930,562	\$0	\$3,988,080	(\$170,916)	\$0	\$3,817,164
	2018	\$3,817,164	\$171,772	\$0	\$0	\$3,988,937	(\$170,916)	\$0	\$3,818,021
	2019	\$3,818,021	\$171,811	\$0	\$0	\$3,989,832	(\$170,916)	\$0	\$3,818,917
	2020	\$3,818,917	\$171,851	\$0	\$0	\$3,990,768	(\$170,916)	\$0	\$3,819,852
	2021	\$3,819,852	\$171,893	\$0	\$0	\$3,991,746	(\$170,916)	\$0	\$3,820,830
	2022	\$3,820,830	\$171,937	\$0	\$0	\$3,992,768	(\$170,916)	\$0	\$3,821,852
	2023	\$3,821,852	\$171,983	\$0	\$0	\$3,993,835	(\$170,916)	\$0	\$3,822,920
10	2024	\$3,822,920	\$172,031	\$0	\$0	\$3,994,951	(\$170,916)	\$0	\$3,824,036
	2025	\$3,824,036	\$172,082	\$0	\$0	\$3,996,117	(\$170,916)	\$0	\$3,825,202
	2026	\$3,825,202	\$172,134	\$0	\$0	\$3,997,336	(\$170,916)	\$0	\$3,826,420
	2027	\$3,826,420	\$172,189	\$0	\$0	\$3,998,609	(\$170,916)	\$0	\$3,827,694
	2028	\$3,827,694	\$172,246	\$0	\$0	\$3,999,940	(\$170,916)	\$0	\$3,829,024
	2029	\$3,829,024	\$172,306	\$0	\$0	\$4,001,331	(\$170,916)	\$0	\$3,830,415
	2030	\$3,830,415	\$172,369	\$0	\$0	\$4,002,784	(\$170,916)	\$0	\$3,831,868
	2031	\$3,831,868	\$172,434	\$0	\$0	\$4,004,302	(\$170,916)	\$0	\$3,833,387
	2032	\$3,833,387	\$172,502	\$0	\$0	\$4,005,889	(\$170,916)	\$0	\$3,834,974
	2033	\$3,834,974	\$172,574	\$0	\$0	\$4,007,548	(\$170,916)	\$0	\$3,836,632
20	2034	\$3,836,632	\$172,648	\$0	\$0	\$4,009,280	(\$170,916)	\$0	\$3,838,365
	2035	\$3,838,365	\$172,726	\$0	\$0	\$4,011,091	(\$170,916)	\$0	\$3,840,176
	2036	\$3,840,176	\$172,808	\$0	\$0	\$4,012,984	(\$170,916)	\$0	\$3,842,068
	2037	\$3,842,068	\$172,893	\$0	\$0	\$4,014,961	(\$170,916)	\$0	\$3,844,046
	2038	\$3,844,046	\$172,982	\$0	\$0	\$4,017,028	(\$170,916)	\$0	\$3,846,112
	2039	\$3,846,112	\$173,075	\$0	\$0	\$4,019,187	(\$170,916)	\$0	\$3,848,272
	2040	\$3,848,272	\$173,172	\$0	\$0	\$4,021,444	(\$170,916)	\$0	\$3,850,529
	2041	\$3,850,529	\$173,274	\$0	\$0	\$4,023,802	(\$170,916)	\$0	\$3,852,887
	2042	\$3,852,887	\$173,380	\$0	\$0	\$4,026,267	(\$170,916)	\$0	\$3,855,351
	2043	\$3,855,351	\$173,491	\$0	\$0	\$4,028,842	(\$170,916)	\$0	\$3,857,927
30	2044	\$3,857,927	\$173,607	\$0	\$0	\$4,031,533	(\$170,916)	\$0	\$3,860,618
	2045	\$3,860,618	\$173,728	\$0	\$0	\$4,034,345	(\$170,916)	\$0	\$3,863,430
	2046	\$3,863,430	\$173,854	\$0	\$0	\$4,037,284	(\$170,916)	\$0	\$3,866,369
	2047	\$3,866,369	\$173,987	\$0	\$0	\$4,040,355	(\$170,916)	\$0	\$3,869,440
	2048	\$3,869,440	\$174,125	\$0	\$0	\$4,043,565	(\$170,916)	\$0	\$3,872,649
	2049	\$3,872,649	\$174,269	\$0	\$0	\$4,046,918	(\$170,916)	\$0	\$3,876,003
	2050	\$3,876,003	\$174,420	\$0	\$0	\$4,050,423	(\$170,916)	\$0	\$3,879,507
	2051	\$3,879,507	\$174,578	\$0	\$0	\$4,054,085	(\$170,916)	\$0	\$3,883,170
	2052	\$3,883,170	\$174,743	\$0	\$0	\$4,057,912	(\$170,916)	\$0	\$3,886,997
	2053	\$3,886,997	\$174,915	\$0	\$0	\$4,061,912	(\$170,916)	\$0	\$3,890,996
40	2054	\$3,890,996	\$175,095	\$0	\$0	\$4,066,091	(\$170,916)	\$0	\$3,895,176
	2055	\$3,895,176	\$175,283	\$0	\$0	\$4,070,458	(\$170,916)	\$0	\$3,899,543
	2056	\$3,899,543	\$175,479	\$0	\$0	\$4,075,022	(\$170,916)	\$0	\$3,904,107
	2057	\$3,904,107	\$175,685	\$0	\$0	\$4,079,792	(\$170,916)	\$0	\$3,908,876
	2058	\$3,908,876	\$175,899	\$0	\$0	\$4,084,776	(\$170,916)	\$0	\$3,913,860
	2059	\$3,913,860	\$176,124	\$0	\$0	\$4,089,984	(\$170,916)	\$0	\$3,919,068
	2060	\$3,919,068	\$176,358	\$0	\$0	\$4,095,426	(\$170,916)	\$0	\$3,924,511
	2061	\$3,924,511	\$176,603	\$0	\$0	\$4,101,114	(\$170,916)	\$0	\$3,930,198
	2062	\$3,930,198	\$176,859	\$0	\$0	\$4,107,057	(\$170,916)	\$0	\$3,936,142
	2063	\$3,936,142	\$177,126	\$0	\$0	\$4,113,268	(\$170,916)	\$0	\$3,942,353
50	2064	\$3,942,353	\$177,406	\$0	\$0	\$4,119,758	(\$170,916)	\$0	\$3,948,843
<b>Post Permit</b>									
	2065 +	\$3,948,843	\$177,698	\$0	\$0	\$4,126,541	(\$170,916)	\$0	\$3,955,625

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**Table C-11**  
**FORA Endowment Cash Flow Model**  
**Comparison of Annual Interest Earnings and Costs**

Permit Year	Year	HCP Endowment			UC Endowment			IAF Endowment			Borderlands Endowment		
		Interest Earnings	Annual Costs	Difference	Interest Earnings	Annual Costs	Difference	Interest Earnings	Annual Costs	Surplus/ (Deficit)	Interest Earnings	Annual Costs	Surplus/ (Deficit)
Source		Table C-7	Table C-7		Table C-8	Table C-8		Table C-9	Table C-9		Table C-10	Table C-10	
	2012	\$40,500	\$0	<b>\$40,500</b>	\$28,436	\$0	<b>\$28,436</b>	\$0	\$0	<b>\$0</b>	\$0	\$0	<b>\$0</b>
	2013	\$41,108	\$0	<b>\$41,108</b>	\$28,862	\$0	<b>\$28,862</b>	\$0	\$0	<b>\$0</b>	\$0	\$0	<b>\$0</b>
	2014	\$125,172	\$0	<b>\$125,172</b>	\$82,027	\$0	<b>\$82,027</b>	\$30,215	\$0	<b>\$30,215</b>	\$30,215	\$0	<b>\$30,215</b>
1	2015	\$206,089	(\$800,208)	<b>(\$594,118)</b>	\$98,881	(\$811,806)	<b>(\$712,925)</b>	\$41,238	(\$153,506)	<b>(\$112,267)</b>	\$43,975	(\$170,916)	<b>(\$126,940)</b>
	2016	\$421,043	(\$829,689)	<b>(\$408,646)</b>	\$111,984	(\$218,281)	<b>(\$106,296)</b>	\$67,209	(\$153,506)	<b>(\$86,297)</b>	\$78,072	(\$170,916)	<b>(\$92,843)</b>
	2017	\$753,382	(\$829,689)	<b>(\$76,307)</b>	\$169,987	(\$218,281)	<b>(\$48,293)</b>	\$108,344	(\$153,506)	<b>(\$45,162)</b>	\$131,663	(\$170,916)	<b>(\$39,252)</b>
	2018	\$1,004,180	(\$829,689)	<b>\$174,491</b>	\$213,240	(\$218,281)	<b>(\$5,041)</b>	\$138,944	(\$153,506)	<b>(\$14,562)</b>	\$171,772	(\$170,916)	<b>\$857</b>
	2019	\$1,012,032	(\$829,689)	<b>\$182,343</b>	\$213,028	(\$218,281)	<b>(\$5,253)</b>	\$138,289	(\$153,506)	<b>(\$15,217)</b>	\$171,811	(\$170,916)	<b>\$895</b>
	2020	\$1,020,237	(\$829,689)	<b>\$190,549</b>	\$212,807	(\$218,281)	<b>(\$5,473)</b>	\$137,604	(\$153,506)	<b>(\$15,902)</b>	\$171,851	(\$170,916)	<b>\$936</b>
	2021	\$1,028,812	(\$1,085,711)	<b>(\$56,899)</b>	\$212,577	(\$218,281)	<b>(\$5,703)</b>	\$136,888	(\$153,506)	<b>(\$16,617)</b>	\$171,893	(\$170,916)	<b>\$978</b>
	2022	\$1,026,252	(\$1,085,711)	<b>(\$59,459)</b>	\$212,338	(\$218,281)	<b>(\$5,943)</b>	\$136,141	(\$153,506)	<b>(\$17,365)</b>	\$171,937	(\$170,916)	<b>\$1,022</b>
	2023	\$1,023,576	(\$1,085,711)	<b>(\$62,135)</b>	\$212,088	(\$218,281)	<b>(\$6,192)</b>	\$135,359	(\$153,506)	<b>(\$18,146)</b>	\$171,983	(\$170,916)	<b>\$1,068</b>
10	2024	\$1,020,780	(\$1,085,711)	<b>(\$64,931)</b>	\$211,828	(\$218,281)	<b>(\$6,452)</b>	\$134,543	(\$153,506)	<b>(\$18,963)</b>	\$172,031	(\$170,916)	<b>\$1,116</b>
	2025	\$1,017,858	(\$1,085,711)	<b>(\$67,853)</b>	\$211,557	(\$218,281)	<b>(\$6,723)</b>	\$133,689	(\$153,506)	<b>(\$19,816)</b>	\$172,082	(\$170,916)	<b>\$1,166</b>
	2026	\$1,014,805	(\$1,085,711)	<b>(\$70,906)</b>	\$211,275	(\$218,281)	<b>(\$7,006)</b>	\$132,797	(\$153,506)	<b>(\$20,708)</b>	\$172,134	(\$170,916)	<b>\$1,219</b>
	2027	\$1,011,614	(\$1,085,711)	<b>(\$74,097)</b>	\$210,981	(\$218,281)	<b>(\$7,300)</b>	\$131,866	(\$153,506)	<b>(\$21,640)</b>	\$172,189	(\$170,916)	<b>\$1,273</b>
	2028	\$1,008,279	(\$1,085,711)	<b>(\$77,431)</b>	\$210,674	(\$218,281)	<b>(\$7,607)</b>	\$130,892	(\$153,506)	<b>(\$22,614)</b>	\$172,246	(\$170,916)	<b>\$1,331</b>
	2029	\$1,004,795	(\$1,085,711)	<b>(\$80,916)</b>	\$210,354	(\$218,281)	<b>(\$7,926)</b>	\$129,874	(\$153,506)	<b>(\$23,631)</b>	\$172,306	(\$170,916)	<b>\$1,391</b>
	2030	\$1,001,154	(\$1,085,711)	<b>(\$84,557)</b>	\$210,022	(\$218,281)	<b>(\$8,259)</b>	\$128,811	(\$153,506)	<b>(\$24,695)</b>	\$172,369	(\$170,916)	<b>\$1,453</b>
	2031	\$997,349	(\$1,085,711)	<b>(\$88,362)</b>	\$209,675	(\$218,281)	<b>(\$8,606)</b>	\$127,700	(\$153,506)	<b>(\$25,806)</b>	\$172,434	(\$170,916)	<b>\$1,519</b>
	2032	\$993,372	(\$1,085,711)	<b>(\$92,338)</b>	\$209,313	(\$218,281)	<b>(\$8,967)</b>	\$126,538	(\$153,506)	<b>(\$26,967)</b>	\$172,502	(\$170,916)	<b>\$1,587</b>
	2033	\$989,217	(\$1,085,711)	<b>(\$96,494)</b>	\$208,937	(\$218,281)	<b>(\$9,344)</b>	\$125,325	(\$153,506)	<b>(\$28,181)</b>	\$172,574	(\$170,916)	<b>\$1,658</b>
20	2034	\$984,875	(\$1,085,711)	<b>(\$100,836)</b>	\$208,544	(\$218,281)	<b>(\$9,736)</b>	\$124,057	(\$153,506)	<b>(\$29,449)</b>	\$172,648	(\$170,916)	<b>\$1,733</b>
	2035	\$980,337	(\$1,085,711)	<b>(\$105,374)</b>	\$208,135	(\$218,281)	<b>(\$10,145)</b>	\$122,731	(\$153,506)	<b>(\$30,774)</b>	\$172,726	(\$170,916)	<b>\$1,811</b>
	2036	\$975,596	(\$1,085,711)	<b>(\$110,115)</b>	\$207,709	(\$218,281)	<b>(\$10,572)</b>	\$121,347	(\$153,506)	<b>(\$32,159)</b>	\$172,808	(\$170,916)	<b>\$1,892</b>
	2037	\$970,640	(\$1,085,711)	<b>(\$115,071)</b>	\$207,265	(\$218,281)	<b>(\$11,016)</b>	\$119,899	(\$153,506)	<b>(\$33,606)</b>	\$172,893	(\$170,916)	<b>\$1,978</b>
	2038	\$965,462	(\$1,085,711)	<b>(\$120,249)</b>	\$206,802	(\$218,281)	<b>(\$11,478)</b>	\$118,387	(\$153,506)	<b>(\$35,118)</b>	\$172,982	(\$170,916)	<b>\$2,067</b>
	2039	\$960,051	(\$1,085,711)	<b>(\$125,660)</b>	\$206,320	(\$218,281)	<b>(\$11,960)</b>	\$116,807	(\$153,506)	<b>(\$36,699)</b>	\$173,075	(\$170,916)	<b>\$2,160</b>
	2040	\$954,396	(\$1,085,711)	<b>(\$131,315)</b>	\$205,818	(\$218,281)	<b>(\$12,463)</b>	\$115,155	(\$153,506)	<b>(\$38,350)</b>	\$173,172	(\$170,916)	<b>\$2,257</b>
	2041	\$948,487	(\$1,085,711)	<b>(\$137,224)</b>	\$205,295	(\$218,281)	<b>(\$12,986)</b>	\$113,430	(\$153,506)	<b>(\$40,076)</b>	\$173,274	(\$170,916)	<b>\$2,358</b>
	2042	\$942,312	(\$1,085,711)	<b>(\$143,399)</b>	\$204,749	(\$218,281)	<b>(\$13,531)</b>	\$111,626	(\$153,506)	<b>(\$41,879)</b>	\$173,380	(\$170,916)	<b>\$2,464</b>
	2043	\$935,859	(\$1,085,711)	<b>(\$149,852)</b>	\$204,181	(\$218,281)	<b>(\$14,100)</b>	\$109,742	(\$153,506)	<b>(\$43,764)</b>	\$173,491	(\$170,916)	<b>\$2,575</b>
30	2044	\$929,116	(\$1,085,711)	<b>(\$156,595)</b>	\$203,589	(\$218,281)	<b>(\$14,692)</b>	\$107,772	(\$153,506)	<b>(\$45,733)</b>	\$173,607	(\$170,916)	<b>\$2,691</b>
	2045	\$922,069	(\$1,085,711)	<b>(\$163,642)</b>	\$202,972	(\$218,281)	<b>(\$15,309)</b>	\$105,714	(\$153,506)	<b>(\$47,791)</b>	\$173,728	(\$170,916)	<b>\$2,812</b>
	2046	\$914,705	(\$1,085,711)	<b>(\$171,006)</b>	\$202,329	(\$218,281)	<b>(\$15,952)</b>	\$103,564	(\$153,506)	<b>(\$49,942)</b>	\$173,854	(\$170,916)	<b>\$2,939</b>
	2047	\$907,010	(\$1,085,711)	<b>(\$178,701)</b>	\$201,659	(\$218,281)	<b>(\$16,622)</b>	\$101,316	(\$153,506)	<b>(\$52,189)</b>	\$173,987	(\$170,916)	<b>\$3,071</b>
	2048	\$898,968	(\$1,085,711)	<b>(\$186,743)</b>	\$200,961	(\$218,281)	<b>(\$17,320)</b>	\$98,968	(\$153,506)	<b>(\$54,538)</b>	\$174,125	(\$170,916)	<b>\$3,209</b>
	2049	\$890,565	(\$1,085,711)	<b>(\$195,146)</b>	\$200,233	(\$218,281)	<b>(\$18,048)</b>	\$96,514	(\$153,506)	<b>(\$56,992)</b>	\$174,269	(\$170,916)	<b>\$3,354</b>
	2050	\$881,783	(\$1,085,711)	<b>(\$203,928)</b>	\$199,475	(\$218,281)	<b>(\$18,806)</b>	\$93,949	(\$153,506)	<b>(\$59,557)</b>	\$174,420	(\$170,916)	<b>\$3,505</b>
	2051	\$872,607	(\$1,085,711)	<b>(\$213,104)</b>	\$198,685	(\$218,281)	<b>(\$19,595)</b>	\$91,269	(\$153,506)	<b>(\$62,237)</b>	\$174,578	(\$170,916)	<b>\$3,662</b>
	2052	\$863,017	(\$1,085,711)	<b>(\$222,694)</b>	\$197,862	(\$218,281)	<b>(\$20,418)</b>	\$88,468	(\$153,506)	<b>(\$65,037)</b>	\$174,743	(\$170,916)	<b>\$3,827</b>

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**Table C-11**  
**FORA Endowment Cash Flow Model**  
**Comparison of Annual Interest Earnings and Costs**

Permit Year	Year	HCP Endowment			UC Endowment			IAF Endowment			Borderlands Endowment		
		Interest Earnings	Annual Costs	Difference	Interest Earnings	Annual Costs	Difference	Interest Earnings	Annual Costs	Surplus/ (Deficit)	Interest Earnings	Annual Costs	Surplus/ (Deficit)
<i>Source</i>		<i>Table C-7</i>	<i>Table C-7</i>		<i>Table C-8</i>	<i>Table C-8</i>		<i>Table C-9</i>	<i>Table C-9</i>		<i>Table C-10</i>	<i>Table C-10</i>	
	2053	\$852,996	(\$1,085,711)	<b>(\$232,715)</b>	\$197,005	(\$218,281)	<b>(\$21,276)</b>	\$85,541	(\$153,506)	<b>(\$67,964)</b>	\$174,915	(\$170,916)	<b>\$3,999</b>
40	2054	\$842,524	(\$1,085,711)	<b>(\$243,187)</b>	\$196,111	(\$218,281)	<b>(\$22,170)</b>	\$82,483	(\$153,506)	<b>(\$71,022)</b>	\$175,095	(\$170,916)	<b>\$4,179</b>
	2055	\$831,580	(\$1,085,711)	<b>(\$254,131)</b>	\$195,180	(\$218,281)	<b>(\$23,101)</b>	\$79,287	(\$153,506)	<b>(\$74,218)</b>	\$175,283	(\$170,916)	<b>\$4,367</b>
	2056	\$820,144	(\$1,085,711)	<b>(\$265,567)</b>	\$194,210	(\$218,281)	<b>(\$24,071)</b>	\$75,947	(\$153,506)	<b>(\$77,558)</b>	\$175,479	(\$170,916)	<b>\$4,564</b>
	2057	\$808,194	(\$1,085,711)	<b>(\$277,517)</b>	\$193,199	(\$218,281)	<b>(\$25,082)</b>	\$72,457	(\$153,506)	<b>(\$81,048)</b>	\$175,685	(\$170,916)	<b>\$4,769</b>
	2058	\$795,705	(\$1,085,711)	<b>(\$290,006)</b>	\$192,145	(\$218,281)	<b>(\$26,135)</b>	\$68,810	(\$153,506)	<b>(\$84,696)</b>	\$175,899	(\$170,916)	<b>\$4,984</b>
	2059	\$782,655	(\$1,085,711)	<b>(\$303,056)</b>	\$191,048	(\$218,281)	<b>(\$27,233)</b>	\$64,999	(\$153,506)	<b>(\$88,507)</b>	\$176,124	(\$170,916)	<b>\$5,208</b>
	2060	\$769,018	(\$1,085,711)	<b>(\$316,693)</b>	\$189,904	(\$218,281)	<b>(\$28,377)</b>	\$61,016	(\$153,506)	<b>(\$92,490)</b>	\$176,358	(\$170,916)	<b>\$5,443</b>
	2061	\$754,766	(\$1,085,711)	<b>(\$330,945)</b>	\$188,712	(\$218,281)	<b>(\$29,569)</b>	\$56,854	(\$153,506)	<b>(\$96,652)</b>	\$176,603	(\$170,916)	<b>\$5,687</b>
	2062	\$739,874	(\$1,085,711)	<b>(\$345,837)</b>	\$187,470	(\$218,281)	<b>(\$30,810)</b>	\$52,504	(\$153,506)	<b>(\$101,001)</b>	\$176,859	(\$170,916)	<b>\$5,943</b>
	2063	\$724,311	(\$1,085,711)	<b>(\$361,400)</b>	\$186,176	(\$218,281)	<b>(\$32,104)</b>	\$47,959	(\$153,506)	<b>(\$105,546)</b>	\$177,126	(\$170,916)	<b>\$6,211</b>
50	2064	\$708,048	(\$1,085,711)	<b>(\$377,663)</b>	\$184,828	(\$218,281)	<b>(\$33,453)</b>	\$43,210	(\$153,506)	<b>(\$110,296)</b>	\$177,406	(\$170,916)	<b>\$6,490</b>
	<b>Post Permit</b>												
	2065 +	\$691,053	(\$687,677)	<b>\$3,376</b>	\$183,423	(\$182,897)	<b>\$525</b>	\$38,247	(\$32,453)	<b>\$5,794</b>	\$177,698	(\$170,916)	<b>\$6,782</b>

performance

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# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

<b>Subject:</b>	Base Reuse Plan California Environmental Quality Act and Land Use Memorandum Summary	
<b>Meeting Date:</b>	July 12, 2013	<b>INFORMATION</b>
<b>Agenda Number:</b>	10g	

### RECOMMENDATION(S):

Receive Base Reuse Plan California Environmental Quality Act and Land Use Memorandum Summary.

### BACKGROUND/DISCUSSION:

At the January FORA Board workshop, the Board directed FORA staff to obtain Counsel to provide advice on post-reassessment actions as they pertain to CEQA. To accomplish this goal, Authority Counsel, in coordination with FORA staff, recommended hiring Alan Waltner, who completed a review of the CEQA implications and land use related issues of potential post-reassessment actions. Attached is a summary of Mr. Waltner's opinion (**Attachment A**). A more detailed opinion is available on the FORA website at <http://www.fora.org/BRP.html>

### FISCAL IMPACT:

Reviewed by FORA Controller 

Staff time for this item is included in the approved FORA budget.

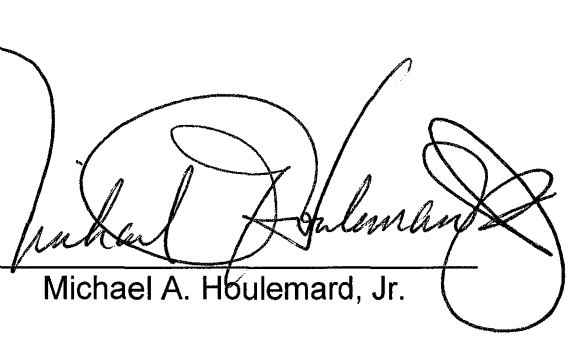
### COORDINATION:

FORA Board, Authority Counsel

Prepared by

  
Jon Siffen

Approved by

  
Michael A. Houlemard, Jr.

## **CEQA Compliance and Land Use Considerations Related to Upcoming Base Reuse Plan Activities, Including Potential BRP Revisions**

**BACKGROUND.** The December 2012 BRP Reassessment Report evaluated potential revisions to the BRP in five categories. Category I includes minor corrections and updates to the 1997 BRP; Category II would conform the BRP to previous Board actions (such as consistency determinations) and regional plans; Category III evaluates member jurisdiction compliance with various 1997 BRP policies and programs; Category IV includes a range of potential substantive modifications to BRP policies and programs; and Category V considers various potential changes to FORA's governance.

These five categories present a broad range of potential actions regarding the BRP, ranging from actions with little or no potential effect on environmental impacts, to actions that might have substantial impacts, some of which might differ from those evaluated in the 1997 Environmental Impact Report (EIR) that supported adoption of the BRP. Currently, the Board is considering a colloquium and workshop process to obtain additional public input before determining a direction for potential BRP revisions.

**DISCUSSION.** Where a program EIR such as the 1997 BRP EIR has been adopted, CEQA only requires additional environmental analysis in the following circumstances:

There is a future "discretionary" action of the agency; **and**

There have been changes in the program, changed circumstances, and/or new information; **and**

Those changes result in new or substantially increased significant environmental impacts not adequately analyzed in the previous EIR.

There is a range of potential CEQA documentation that could be applicable to future BRP-related activities, including:

Planning and feasibility study exemption. Planning activities that do not have a legally binding effect are exempt from additional CEQA analysis. This exemption likely applies to any near-term colloquium and workshop process, and ongoing staff evaluations.

Categorical exemption 20. Changes in the organization of local governmental agencies are categorically exempt from CEQA. This exemption would be potentially applicable to the Category V changes to FORA's governance.

Negative declaration. A negative declaration could be the appropriate document to support BRP revisions if substantial evidence supports the conclusion that no new or substantially increased significant environmental impacts would result from the BRP revisions, changed circumstances, and/or new information.

Supplemental EIR. If a negative declaration cannot be supported, a supplement to the 1997 BRP EIR could be adopted, but only if minor additions or changes would be necessary to make the EIR adequate to support the revised BRP in the current situation.

Subsequent EIR. If more than minor additions or changes would be needed to make the 1997 EIR adequate, a new EIR would need to be prepared.

Addendum. Conversely, an addendum could be the appropriate CEQA document if only minor technical changes would be needed. An addendum would not involve public review or comment.

The appropriate CEQA document would therefore depend on the nature and scope of the actual BRP revisions. To help determine the appropriate document, an “initial study” could be prepared to evaluate the environmental effects of potential changes to the BRP identified in the Reassessment Report, potential changes developed through ongoing staff analysis and public outreach efforts, changed circumstances (such as changes in economic or population projections), and/or new information. The initial study would evaluate these changes in relation to the analysis in the 1997 EIR to determine whether substantial changes have occurred, or whether the 1997 EIR remains adequate. The conclusion could differ according to the impact (for example, traffic impacts may have changed, but the aesthetic impacts of redevelopment could be the same). The initial study could also help focus any future CEQA document.

Generally, the land use considerations applicable to future BRP revisions are the same as for the 1997 BRP. Specifically, requirements of the Authority Act that governed the original BRP generally apply to any revisions.

**RECOMMENDATION:** Task a CEQA consultant with the preparation of an initial study as described above. This work could take place in parallel with the colloquium and workshop process anticipated in upcoming months, and could help support and inform that process. Preparation of an initial study is likely on the “critical path” for the ultimate CEQA documentation required to support significant BRP revisions, so prompt commencement is advised. Given the novelty and complexity of many of the issues presented, close coordination with staff and counsel will be needed to help guide preparation of the initial study in a timely, effective, and cost-efficient manner.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

<b>Subject:</b>	Public Correspondence to the Board	
<b>Meeting Date:</b>	July 12, 2013	<b>INFORMATION</b>
<b>Agenda Number:</b>	10h	

The FORA Board did not receive any substantive email correspondence for the month of June.

Correspondence may be submitted to the Board via email to [board@fora.org](mailto:board@fora.org) or mailed to the address below:

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