Fort Ord Reuse Authority

Capital Improvement Program

May 12, 2017 Board Presentation

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Overview

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- Review CIP
- 2017 FORA Fee Reallocation Study
- Biennial Fee Review Report
  - Background
  - Summary
  - Recommendation
- Consider recommendations

Capital Improvement Program (CIP) Coordination

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- Administrative Committee held 9 meetings in 2017 to coordinate the FORA CIP
- Confirmed development forecasts on February 15, 2017
- Other CIP coordination items
  - Transportation priority ranking
  - Building removal program status
  - Caretaker cost reimbursement policy
  - Draft CIP tables/budget

Capital Improvement Program (CIP) Remaining Obligations

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a) **Transportation/Transit ($130 M)**
b) **Water Augmentation ($24 M)**
c) Storm Drainage ($2.7 M retired)
d) **Habitat Management ($35.3 M)**
e) Wildfire Mitigation ($1.4 M retired)
f) **Building Removal ($7.7 M)**
g) Water and Wastewater (transferred to MCWD)
h) **Caretaker Costs ($500 K annual)**

CIP Funding

- Community Facilities District (CFD)/ Development Fee fund:
  - ***30% of collections to Habitat Conservation***
  - ***Remainder funds base-wide impact mitigations (Transportation/Transit and Water Augmentation)***
- Land Sales proceeds fund:
  - ***Building removal according to prior FORA Board direction***
- Property Tax funds:
  - ***Operations, Prevailing Wage Coordination, Caretaker Costs***
- Grants fund:
  - ***Specific projects, i.e. transportation projects***

FORA CFD/Development Fee Reductions and Increases

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- 2011 - Lowered CFD rates **-27%** across the board ($33,700 per new residential dwelling unit)
- 2013 – Lowered CFD by **-23.6%** ($26,440 per unit)
- 2014 – Lowered CFD by **-17%** after review of contingencies, transportation and other costs ($22,560 per unit)
- 2015 – Construction Cost Index (CCI) increase of **3.2%** ($23,279 per unit)
- 2016 – CCI increase of **1.6%** ($23,655 per unit)
- 2017 – Biennial FORA Fee Formulaic Review indicates raising CFD rates by **2.5%** (CCI 1.4% + 1.1%) ($24,242 per unit)

FY 17/18 Changes

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- Planning horizon to 2027-28 to facilitate FORA transition planning
- Incorporation of 2017 FORA Fee Reallocation Study
- Appendix A: Clarify CIP transportation/transit funding prioritization: Administrative Committee recommends funding priorities and Board makes final prioritization decisions
- Caretaker Costs: funding increased to $500K per year and reimbursement process begins August 31st instead of January 31st
- Preliminary discussions with City of Marina staff to shift building removal obligation of stockade to another location

Prioritization Criteria

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- Project mitigates 1997 Base Reuse Plan (BRP)
- Project environmental/design complete
- Project can be completed prior to 2020 transition
- FORA funding can be used to leverage grant dollars
- Project coordinated with other agencies projects
- Project furthers inter-jurisdictional equity
- Supports jurisdictions ‘flagship’ project
- Project link to jurisdictional development programs

Remaining Roadway Improvements

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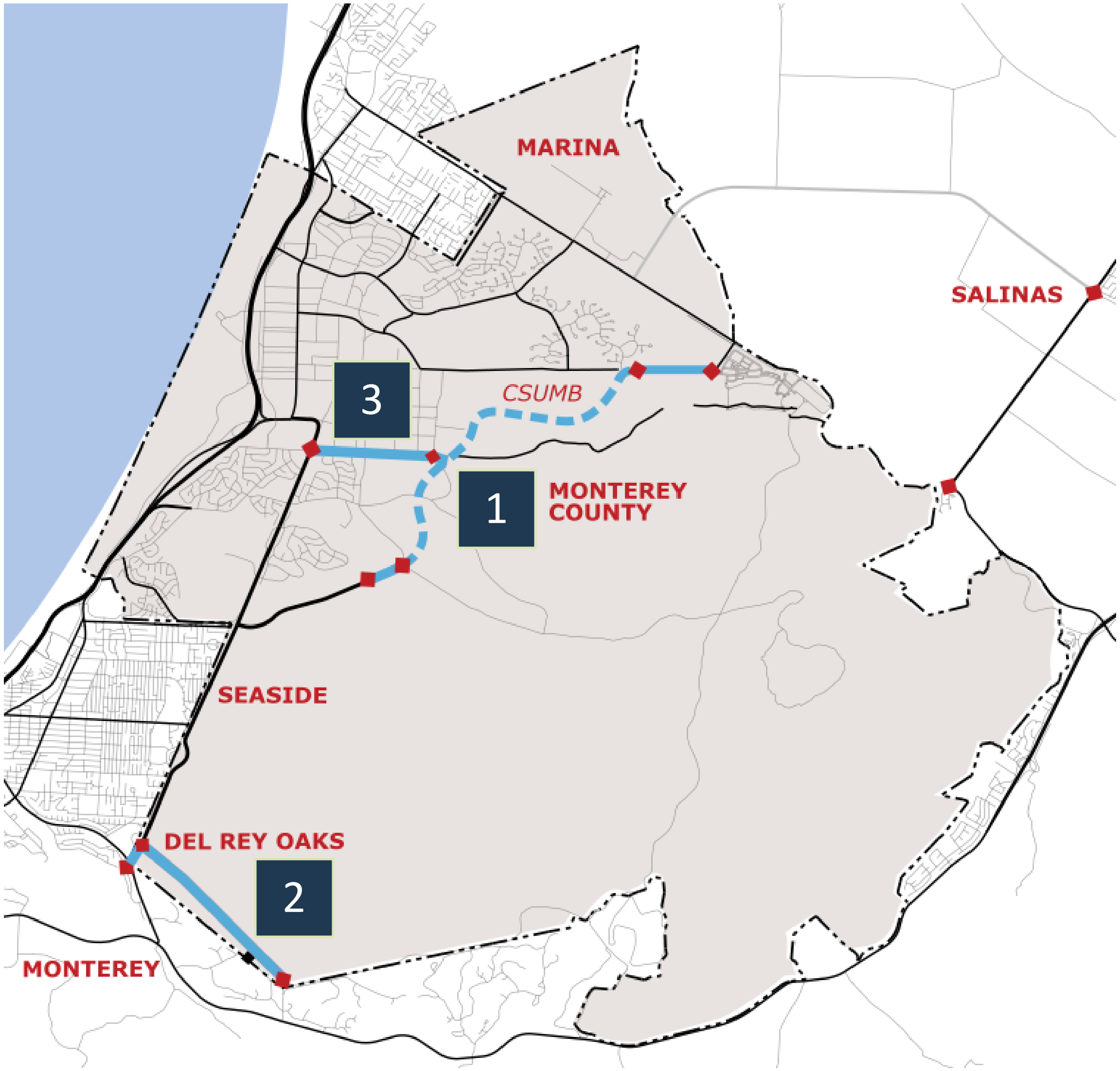

Remaining FORA Lead Improvements

1. Eastside Parkway
2. South Boundary Rd.
3. Gigling Rd.

All others are Reimbursements

Transportation Action Plan

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1 Eastside Parkway:

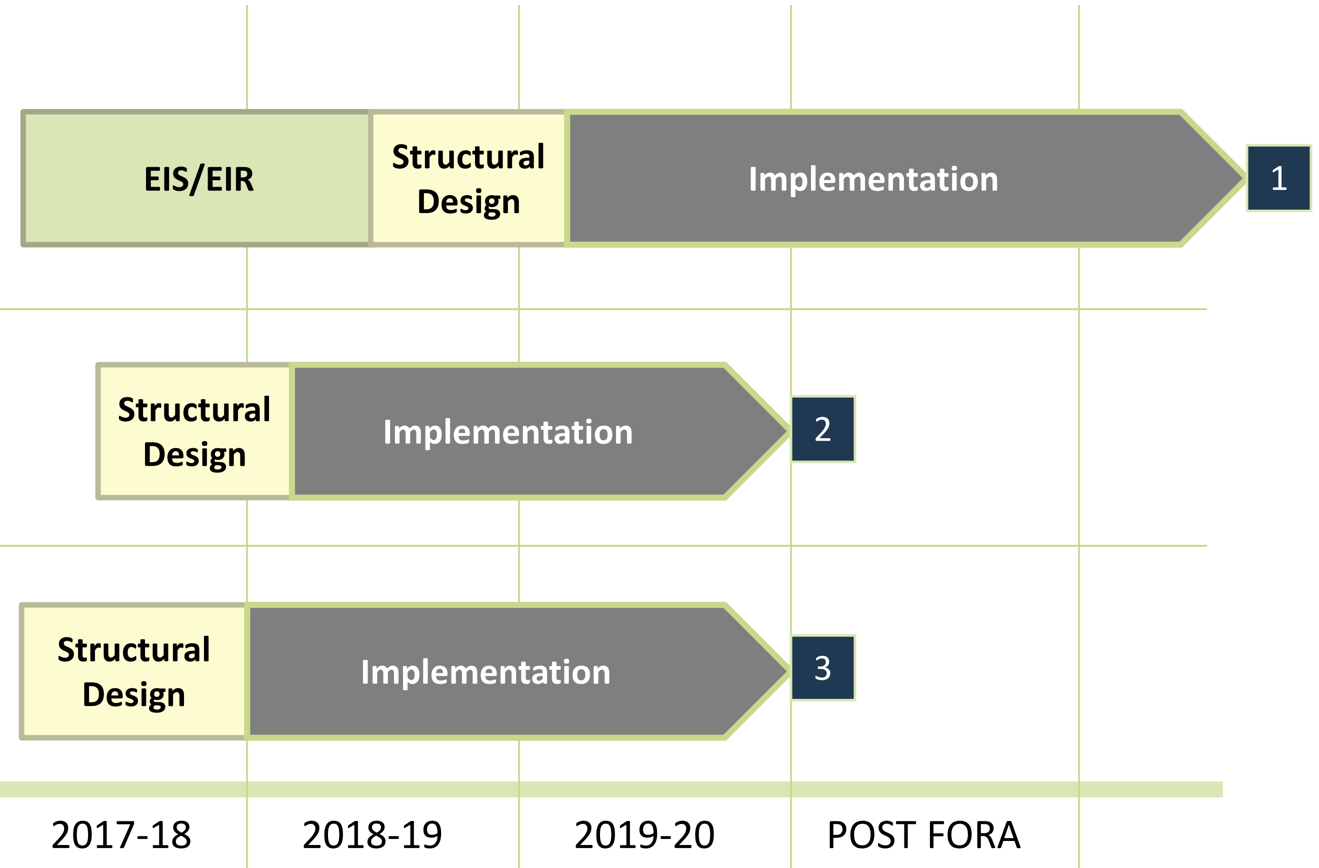
New roadway
Reduces Congestion on Hwy 1, CSUMB, and Hwy 68

2 South Boundary Rd.

NEPA/CEQA completed, Supports DRO Flagship Project & Interjurisdictional equity

3 Gigling Road

NEPA/CEQA completed, Moves Traffic around CSUMB, Supports Army and Seaside Developments



Remaining CIP Roadways are Reimbursement Projects

Building Removal Obligation

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- East Garrison project ($2.1 M complete)
- Dunes on Monterey Bay FORA cash contribution complete ($22 M) and FORA land sale credit complete ($4.6 M) and to be realized ($19.4 M)
- Seaside Surplus II ($5 M cash obligation remaining and $500 K complete)
- Marina Stockade (estimated $2.1 M cash obligation remaining and $100 K complete)

Building Removal Action Plan

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	2017-18	2018-19
Completed Building Removal: - Pilot Project - East Garrison - Dunes Building Removal (half of buildings removed) - 12th Street / Imjin Parkway - 2nd Avenue		
SURPLUS II Area (27 buildings) *$ Obligation = $**5.4M*** *Remove as much as possible with dollar amount*	**Design & Bid Documents** → **Bid** → **Implementation**	**Implementation**
Marina Stockade *Obligation to Remove Building* ***$2.2M** Estimated cost*	**Design & Bid Documents** → **Bid** → **Implementation**	**Implementation**

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2017 FORA Fee Reallocation Study

Jonathan Brinkmann
Principal Planner

Background

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1997 Fort Ord Reuse Plan established a "Fair Share Financing Program" (Volume 1 pg. 195):

> "FORA shall fund its "Fair Share" of "on-site," "off-site," and "regional" roadway and transit capital improvements based on the nexus analysis of the TAMC regional transportation model."

Background

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1997 Fort Ord Transportation Study

- Based on May 1996 Draft Reuse Plan/subset of TAMC Regional Projects

2005 FORA Fee Reallocation Study

- Identified need for FORA transportation obligations to be reviewed in context with regional and local planning

2012 FORA-Jurisdictions Implementation Agreements Amendments

- $112.7 M FORA Transportation/Transit Obligation fixed (except for CCI indexing)

Background

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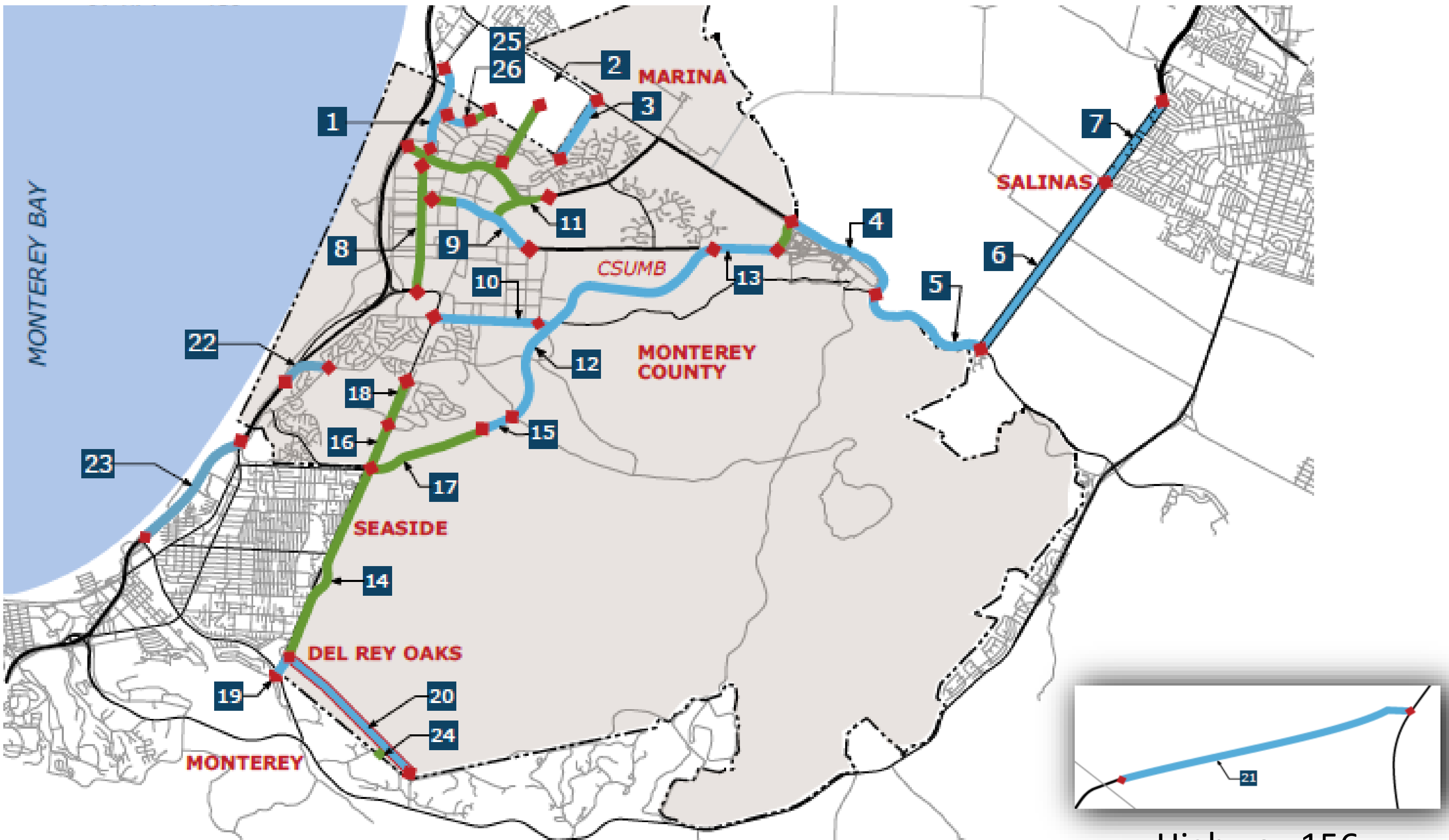
- 2005 Fee Reallocation Study
- 2014 Capital Improvement Program Biennial Fee Review
- FORA – TAMC Coordinated Work Effort
- Re-analyze FORA capital improvement obligations

FORA Transportation Network



Highway 156

Land Use Update

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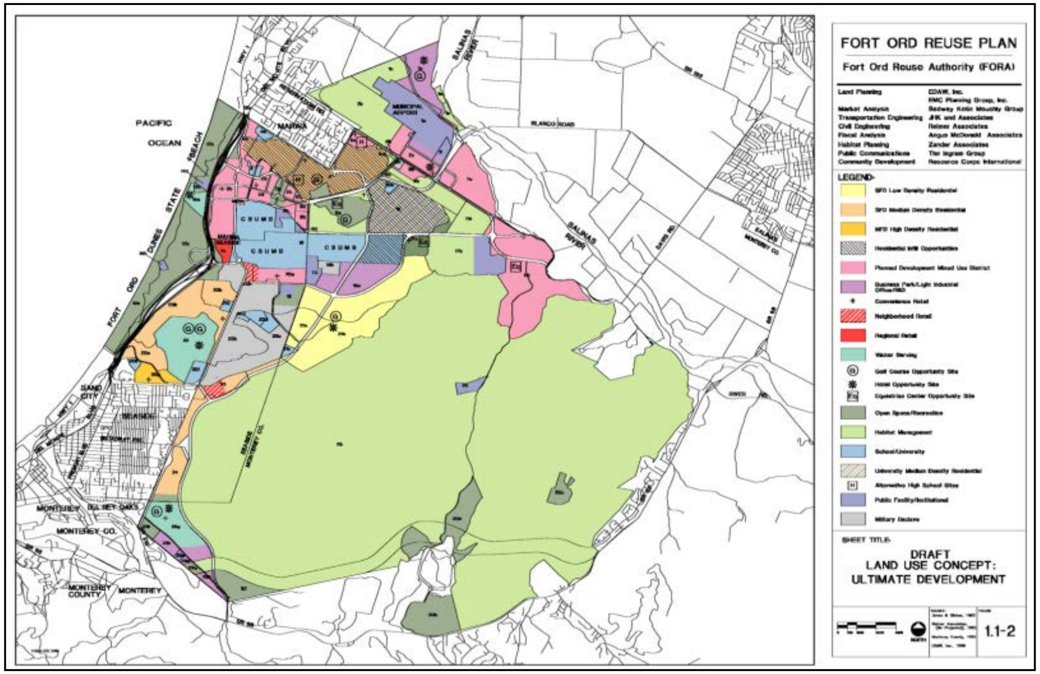
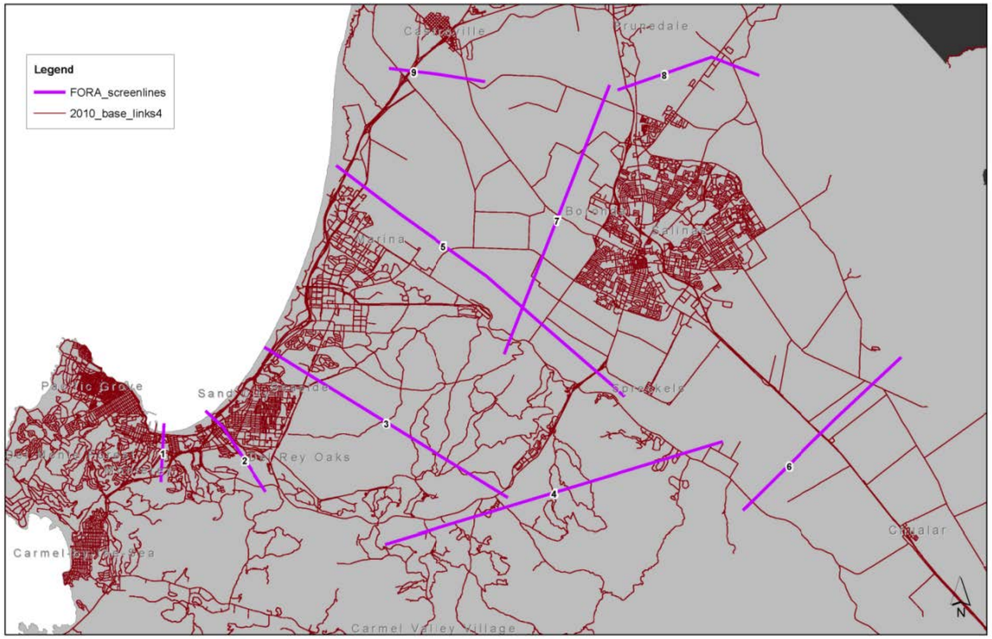
- Preliminary Model Review
- Latest Version of AMBAG Model
- Land Use Assumptions



Model Validation

- Model-wide Validation
- Roadway Classification
- Screenline
- Individual Link



Deficiency Analysis

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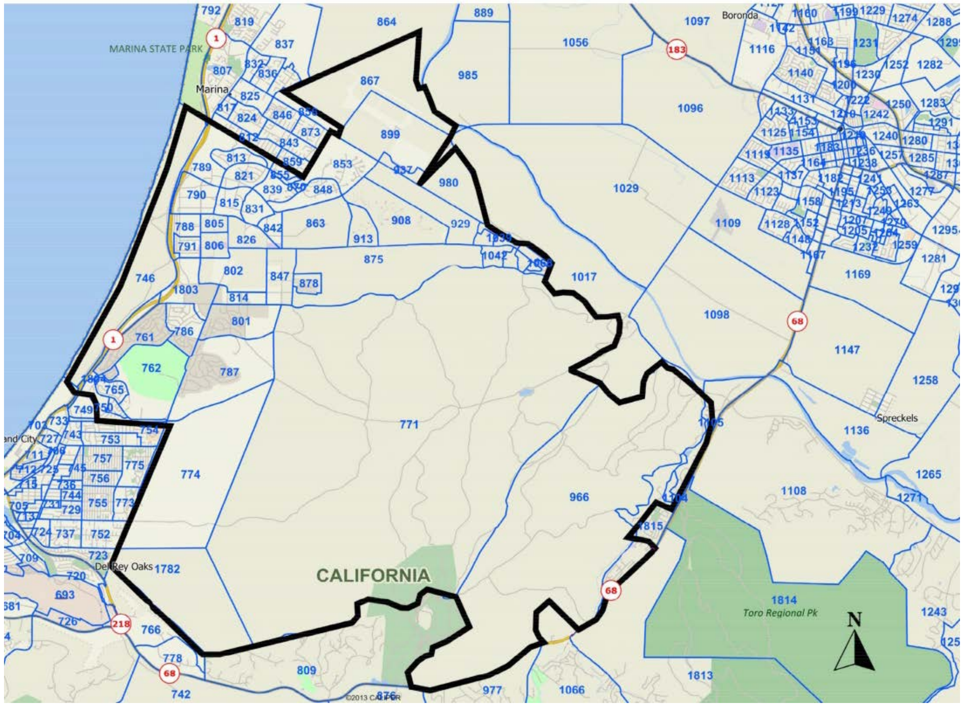
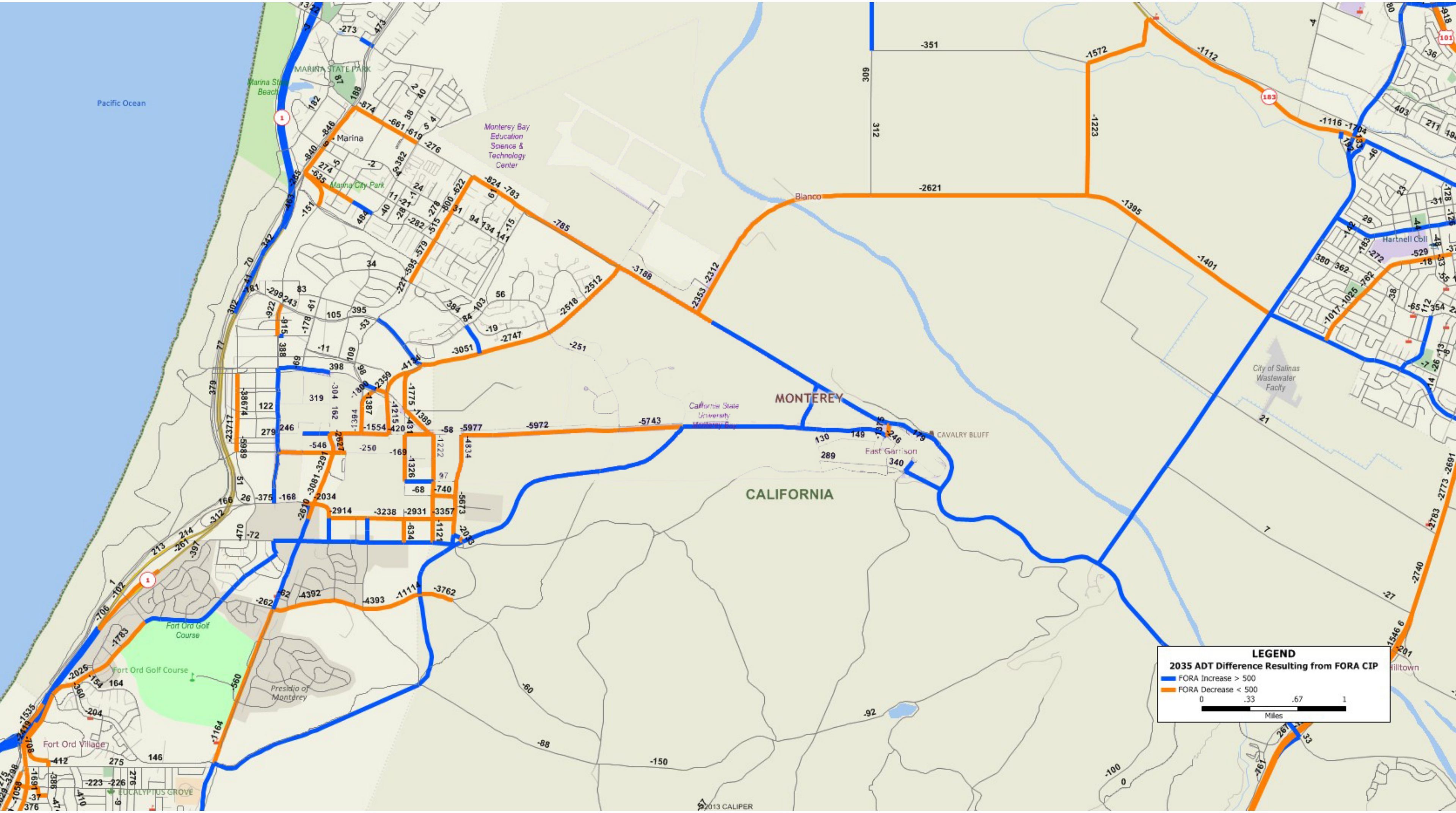
- Identify Base Year Conditions
- Forecast Future Development Impacts
- Determine Transportation Improvements



Scenario Analysis

- Build Current Capital Improvement Program
- Build Alternative Capital Improvement Program
  - Highway 1 Corridor
  - 2nd Avenue Extension (aka Del Monte Blvd. Ext.)

Effect of Improvements



Fee Reallocation

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- Mello-Roos Tax
- Implementation Agreement Amendment: $114.2 Million
- Two Options:
  - Nexus Approach
  - Local Projects First
- FORA Board Policy Decision

Study Results

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- Both Scenarios Improve Conditions
- Highway 1 Corridor Improvements
- Del Monte Blvd. Extension
- Revised FORA Obligations

Reallocation Comparison

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Option Comparison					
Total Transportation Obligation (Fixed by Implementation Agreement, Indexed to 2016 Dollars) - $114,195,961.00					
Project No.	**Description**	BRP Designation	**2016-2017 FORA CIP**	**Option A: Cap Adjusted Nexus**	**Option B: Local First Distribution**
	Option Totals		**$ 106,904,495.00**	**114,195,961**	**114,195,961**
In-Progress Obligations / Fixed Amount			**$ 14,028,367**	**$ 8,034,475**	**$ 14,349,922**
2B	Davis Rd s/o Blanco	Off-Site	$ 12,447,987.00	$ 7,129,343	$ 12,733,317
FO9C	GJM Blvd-to 218	On-Site	$ 1,059,490.00	$ 606,802	$ 1,083,775
FO12	Eucalyptus Rd	On-Site	$ 520,890.00	$ 298,330	$ 532,830
Local Improvements			**$ 46,423,123**	**$ 23,280,600**	**$ 50,594,256**
8	Crescent Ave extend to Abrams	Off-Site	$ 1,359,239.00	$ 98,005	$ 399,475
FO2	Abrams	On-Site	$ 1,138,362.00	$ 555,615	$ 1,127,673
FO5	8th Street	On-Site	$ 5,392,321.00	$ 3,607,562	$ 6,443,262
FO6	Intergarrison	On-Site	$ 4,380,385.00	$ 2,797,440	$ 6,324,492
FO7	Gigling	On-Site	$ 8,097,846.00	$ 4,566,587	$ 8,495,961
FO11	Salinas Ave	On-Site	$ 4,553,449.00	$ 2,525,523	$ 4,510,693
FO13B	Eastside Pkwy (New alignment)	On-Site	$ 18,198,908.00	$ 6,565,026	$ 18,611,779
FO14	S Boundary Road Upgrade	On-Site	$ 3,302,613.00	$ 2,090,610	$ 3,733,921
FO20	2nd Ave Extention	Off-Site	$ -	$ 474,233	$ 947,000
Regional Improvements			**$ 46,453,004**	**$ 82,880,886**	**$ 49,251,783**
R3	Hwy 1-Seaside Sand City	Regional	$ 22,903,427.00	$ 37,405,598	$ 13,565,097
R10	Hwy 1-Monterey Rd. Interchange	Regional	$ 3,741,714.00	$ 4,363,369	$ 3,604,250
R11	Hwy 156-Freeway Upgrade	Regional	$ 10,629,001.00	$ 29,475,611	$ 16,993,507
R12	Hwy 68 Operational Improvements	Regional	$ -	-	$ -
1	Davis Rd n/o Blanco	Off-Site	$ 759,776.00	$ 811,959	$ 720,208
4D	Widen Reservation-4 lanes to WG	Off-Site	$ 5,097,496.00	$ 7,304,066	$ 9,390,281
4E	Widen Reservation, WG to Davis	Off-Site	$ 3,321,590.00	$ 3,520,282	$ 4,978,440

Options Comparison

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Option A

- Nexus approach
- $114 million allocation
- Regional/Off-site (79%) and On-site (21%),
- Partially funds Regional/Off-site
- Partially funds On-site

Option B

- Fund local first approach
- $114 million allocation
- Regional/Off-site (54%) and On-site (46%)
- Partially funds Regional/Off-site to lesser extent than Option A
- Funds 100% On-site

2017 Biennial Formulaic Fee Review

Jonathan Brinkmann
Principal Planner

Biennial Fee Calculation

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- On August 29, 2012, the FORA Board adopted a formulaic approach to establish the FORA Development Fee and CFD special tax rates

- FORA conducts CFD/Development Fee reviews every two years or when a material change to the FORA CIP occurs
  - 2013 CFD/Development Fee review resulted in a 23.6% fee decrease
  - 2014 CFD/Development Fee review resulted in a 17% fee decrease

Background - Process

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STEP 1

Determine total remaining CIP Costs
(Equals the Sum of all CIP Cost Components)

STEP 2

Determine the sources and amount of funds:

- Fund Balances
- Grant Monies
- Loan Proceeds
- CSU Mitigation Fees
- Land Sales / Lease Revenues
- FORA Property Tax Revenues

STEP 3

Determine **Net Costs** funded through Policy and CFD Special Tax Revenues

(**Net Costs** = **Step 1** - **Step 2**)

STEP 4

Calculate Policy and CFD Fee Revenue
(Using prior year rates and current reuse forecast)

STEP 5

Adjust Policy and CFD Special Tax (as necessary)
(by comparing Step 3 with Step 4)

Preliminary Result

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Land Use	Basis	Development Fee Policy/CFD Special Tax			
		Existing Rate [1]	Preliminary Adjusted Rate	Difference	Percentage Change
		July 1, 2016	*May 5, 2017*		
New Residential	per du	$23,655	$24,242	$587	2.50%
Existing Residential	per du	$7,108	$7,284	$176	2.50%
Office & Industrial	per acre	$3,103	$3,180	$77	2.50%
Retail	per acre	$63,939	$65,525	$1,586	2.50%
Hotel	per room	$5,274	$5,405	$131	2.50%

prel_tax

Sources: FORA and EPS.

[1] Special Tax Rate current as of July 1, 2016.

Recommendations

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- 2017 FORA Fee Reallocation Study
  - Approve Option B “fund local transportation projects first” as the updated CIP transportation baseline
  - Accept the 2017 FORA Fee Reallocation Study as submitted by TAMC
- Biennial Fee Review Report
  - Receive report and provide direction regarding draft Biennial Formulaic Fee Review prepared by EPS
- CIP adoption
  - Receive report and provide direction regarding adoption of FY 17/18 CIP