



# FORT ORD REUSE AUTHORITY

## REGULAR MEETING

### FORT ORD REUSE AUTHORITY (FORA) BOARD OF DIRECTORS

Friday, May 11, 2018 at 2:00 p.m. | 910 2<sup>nd</sup> Avenue, Marina, CA 93933 (Carpenters Union Hall)

## AGENDA

**ALL ARE ENCOURAGED TO SUBMIT QUESTIONS/CONCERNS BY NOON MAY 10, 2018.**

### 1. CALL TO ORDER

### 2. PLEDGE OF ALLEGIANCE *(If able, please stand)*

### 3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

### 4. ROLL CALL

*FORA is governed by 13 voting members: (a) 1 member appointed by the City of Carmel; (b) 1 member appointed by the City of Del Rey Oaks; (c) 2 members appointed by the City of Marina; (d) 1 member appointed by Sand City; (e) 1 member appointed by the City of Monterey; (f) 1 member appointed by the City of Pacific Grove; (g) 1 member appointed by the City of Salinas; (h) 2 members appointed by the City of Seaside; and (i) 3 members appointed by Monterey County. The Board also includes 12 ex-officio non-voting members.*

### 5. 2018 Legislative Session

- a. Report from 17<sup>th</sup> State Senate District (Senator Bill Monning)
- b. Report from 29<sup>th</sup> State Assembly District (Assembly Member Mark Stone)
- c. Report from 20<sup>th</sup> Congressional District (Congressman Jimmy Panetta)
- d. Report from 30<sup>th</sup> State Assembly District (Assembly Member Anna Caballero)
- e. Report from 12<sup>th</sup> State Senate District (Senator Anthony Cannella)

### 6. CONSENT AGENDA

### INFORMATION/ACTION

*CONSENT AGENDA consists of routine information or action items accompanied by staff recommendation. Information has been provided to the FORA Board on all Consent Agenda matters. The Consent Agenda items are normally approved by one motion unless a Board member or the public request discussion or a separate vote. Prior to a motion, any member of the public or the Board may ask a question or make comment about an agenda item and staff will provide a response. If discussion is requested, that item will be removed from the Consent Agenda and be considered separately at the end of the Consent Agenda.*

- a. April 13, 2018 Meeting Minutes ([p. 1](#))  
**Recommendation:** Approve the April 13, 2018 Board meeting minutes.
- b. Administrative Committee ([p. 5](#))  
**Recommendation:** Receive a report from the Administrative Committee.
- c. Veterans Issues Advisory Committee ([p. 8](#))  
**Recommendation:** Receive a report from the Veterans Issues Advisory Committee.
- d. Water/Wastewater Oversight Committee ([p. 12](#))  
**Recommendation:** Receive a report from the Water/Wastewater Oversight Committee.
- e. Transition Planning Update ([p. 13](#))  
**Recommendation:** Receive a transition planning issue update.
- f. Prevailing Wage Status Report ([p. 14](#))  
**Recommendation:** Receive a prevailing wage status report. Review draft suggested contract language for use by jurisdiction in their contracts with Developers of Fort Ord property.
- g. Legislative Committee ([p. 17](#))  
**Recommendation:** Receive a report from the Legislative Committee.
- h. Public Correspondence to the Board ([p. 30](#))

**7. BUSINESS ITEMS****INFORMATION/ACTION**

*BUSINESS ITEMS are for Board discussion, debate, direction to staff, and/or action. Comments from the public are **not to exceed 3 minutes** or as otherwise determined by the Chair.*

- a. Resolution Approving the Adoption of the Public Agencies Post-Employment Benefits Trust administered by Public Agency Services – 2d Vote (p. 31)  
**Recommendation:** It is recommended that the Board adopt the attached resolution authorizing participation in the Public Agencies Post-employment Benefits Trust administered by Public Agency Retirement Services (PARS) authorizing Executive Officer to execute the PARS administrative documents and to take necessary actions to maintain the Authority's participation in the Program and maintain compliance of any relevant regulation issued or may be issued.
- b. ARCADIS Pre-construction, Munitions Related Mapping and Construction Support Plan Preparation for the FORA CIP (p. 46)  
**Recommendation:** Authorize Executive Officer to execute Work Authorization AUS-FORA-2018-051118 to the Environmental Services Cooperative Agreement Remedial Services Agreement Contract Change Order #5, Master Services Agreement with the ARCADIS US, Inc. for an amount not to exceed \$73,800 to provide supplemental Unexploded Ordnance Construction Support for the Fort Ord Reuse Authority Capital Improvement Program.
- c. Consider Adoption of FORA FY 2018-19 Annual Budget (p. 51)  
**Recommendation:**
  - i. Adopt fiscal year 2018-19 Annual Budget
  - ii. Consider approval of staff proposed compensation and benefits adjustments
- d. FY 2018-19 Capital Improvement Program (CIP) (p. 59)  
**Recommendation:**
  - i. Receive a report on the Fort Ord Reuse Authority Fiscal Year 2018-19 CIP.
  - ii. Consider Fiscal Year 2018-19 CIP Adoption.
- e. Water Augmentation 3 Party Planning Agreement Amendment (p. 102)  
**Recommendation:** Authorize Executive Officer to execute Amendment #1 to the Three-Party Water Augmentation Study Agreement
- f. FY 2018-19 Marina Coast Water District Budget (p. 107)  
**Recommendation:** Consider Resolution No. 18-XX and 18-XX adopting a Compensation Plan for Base-wide Water and Sewer Services on the Former Fort Ord.

**8. PUBLIC COMMENT PERIOD****INFORMATION**

*Members of the public wishing to address the Board on matters within its jurisdiction, but **not on this agenda**, may do so for up to 3 minutes or as otherwise determined by the Chair and will not receive Board action. Whenever possible, written correspondence should be submitted to the Board in advance of the meeting, to provide adequate time for its consideration.*

**9. ITEMS FROM MEMBERS****INFORMATION**

*Receive communication from Board members as it pertains to future agenda items.*

**10. ADJOURNMENT**

**NEXT REGULAR MEETING: June 8, 2018 AT 2:00 P.M.**

Persons seeking disability related accommodations should contact FORA 48 hours prior to the meeting. This meeting is recorded by Access Monterey Peninsula and televised Sundays at 9 a.m. and 1 p.m. on Marina/Peninsula Channel 25. The video and meeting materials are available online at [www.fora.org](http://www.fora.org).



**FORT ORD REUSE AUTHORITY**  
**BOARD OF DIRECTORS REGULAR MEETING MINUTES**  
**2:00 p.m., Friday, April 13, 2018 | Carpenters Union Hall**  
910 2<sup>nd</sup> Avenue, Marina, CA 93933

**1. CALL TO ORDER**

Chair Rubio called the meeting to order at 2:00 p.m.

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by California State University Monterey Bay Associate Vice President for University Affairs Andre Lewis.

**3. CLOSED SESSION**

- a. Conference with Legal Counsel – Gov. Code 54956.9(a): Marina Community Partners, LLC v. Fort Ord Reuse Authority, Monterey County Superior Court, Case No.: 18CV000871
- b. Conference with Legal Counsel – Gov. Code 54956.9(a): Keep Fort Ord Wild v. Fort Ord Reuse Authority, Monterey County Superior Court, Case No.: 17CV004540
- c. Conference with Legal Counsel – Gov. Code 54956.9(d): one matter of significant exposure to litigation.

The Board entered closed session at 2:05 p.m. and resumed open session at 2:45 p.m.

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

Authority Counsel, Jon Giffen announced there was no action to report.

**5. ROLL CALL**

**Voting Members Present:**

Mayor Ralph Rubio (City of Seaside), Supervisor Mary Adams (Monterey County), Supervisor John Philips (Monterey County), Councilmember Dennis Alexander (City of Seaside), Mayor Mary Ann Carbone (City of Sand City), Mayor Jerry Edelen (City of Del Rey Oaks), Mayor Joe Gunter (City of Salinas), Councilmember Frank O'Connell (City of Marina), Councilmember Cynthia Garfield (City of Pacific Grove), Councilmember Gail Morton (City of Marina), Councilmember Jan Reimers (City of Carmel-by-the-sea), Councilmember Alan Haffa (City of Monterey), Supervisor Luis Alejo (Monterey County) arrived at 3:37 p.m.

**Ex-officio (Non-Voting) Board Members Present:**

Steve Matarazzo (UCSC), Andre Lewis (CSUMB), Bill Collins (Ft Ord BRAC Office), Lisa Rheinheimer (MST), Dr. Thomas Moore (MCWD), Hugh Hardin (US Army), Nicole Hollingsworth (17th State District Senator Monning), Erica Parker (29th State Assembly member Stone), Dr. Walter Tribley (MPC), Kathleen Lee (20<sup>th</sup> Congressional District)

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

Executive Officer Michael Houlemard announced the following:

- MPC Job & Career Fair 2018 on April 18, 2018 at MPC Student Center
- Infrastructure Summit on April 30 at Embassy Suites Hotel in Seaside
- 4<sup>th</sup> Annual Regional Economic Summit on May 3 at Mello Center in Watsonville
- Guided nature walks in impact areas of National Monument on May 5

**7. CONSENT AGENDA**

- a. Approve March 7, 2018 Special Meeting Minutes
- b. Approve March 9, 2018 Meeting Minutes
- c. Administrative Committee
- d. Veterans Issues Advisory Committee
- e. Water/Wastewater Oversight Committee
- f. Building Removal Quarterly Report
- g. Environmental Services Cooperative Agreement Quarterly Report
- h. Public Correspondence to the Board

Motion: On motion by Board member Phillips and second by Board member Gunter and carried by the following vote, the Board moved to approve the consent agenda.

There were no comments received from the public.

**MOTION PASSED UNANIMOUSLY**

**8. BUSINESS ITEM**

- a. Fiscal Year 2017-2018 Mid-Year Budget/Section 115 Trust – 2d Vote  
Mr. Houlemard introduced the item and restated the motion. Staff responded to questions and comments received from the Board.

Motion: On motion by Board member Gunter and second by Board member Edelen and carried by the following vote, the Board moved to approve the Finance Committee recommendation to approve the FORA fiscal year 2017-18 mid-year budget adjustments and authorize the Executive Officer to negotiate associated contract documents for Board review/approval at a future meeting for FORA to participate in Public Agencies Post-Employment Benefits Section 115 Trust program administered by Public Agency Retirement Services, information showing each one of the various areas to be invested, each year (how much was made or lost) to see what the potential liability is; and to review or adopt an adjusted investment policy change to bring back to the Board at a future meeting.

There were no comments received from the public.

Ayes: Phillips, Adams, Edelen, Haffa, Rubio, Alexander, Carbone, Gunter, Garfield, Reimers

Noes: O'Connell, Morton

### **MOTION PASSED**

- b. Resolution Approving the Adoption of the Public Agencies Post-Employment Benefits Trust administered by Public Agency Services

Mr. Houlemard reviewed the item and responded to questions and comments from the Board. There was no public comment received

Motion: On motion by Board member Edelen and second by Board member Haffa and carried by the following vote, the Board moved to adopt the resolution authorizing participating in the Public Agencies Post-employment Benefits Trust administered by Public Agency Services (PARS) authorizing the Executive Officer to execute the PARS administrative documents and to take necessary actions to maintain the Authority's participation in the program and maintain compliance with any relevant regulation issued or that may be issued; to bring back to the Board the potential loss and gain information for each of the investments and make a final decision on next steps.

Ayes: Phillips, Adams, Edelen, Haffa, Rubio, Alexander, Carbone, Gunter, Garfield, Reimers

Noes: O'Connell, Morton

Due to lack of unanimous vote a second (2d) vote will be taken at the May 11, 2018 Board meeting.

- c. Regional Urban Water Augmentation Project & 3 Party Planning Water Augmentation Study Report

Project Manager Peter Said presented the item. There were no questions or comments from the Board or public.

This item was for information only.

- d. Transition Planning Update

Prevailing Wage/Risk Coordinator Sheri Damon presented the item and responded to questions and comments from the Board. Public comment was received.

This item was for information only.

- e. Executive Committee Report

Mr Houlemard reviewed the item and the staff recommendation. Board members provided comments on the item. There was no public comment received.

MOTION: On motion by Board member Gunter and second by Board member Alejo and carried by the following vote, the Board moved to approve the process for Board members requesting a non-emergency item to be placed on the agenda by submitting it in writing, to the Executive Officer, at least three (3) weeks prior to the upcoming regular Board meeting. Such requests should describe the issue to be addressed and provide alternatives for Board deliberation; and adopt a statement on inclusiveness with an intent to increase representation on the Executive Committee (EC) and establish general guidance statements for the Chair relating to the composition of a Nominating Committee of EC and non-EC members; and that a 2-year rotation of officers be established that is inclusive of non-landowner and landowner jurisdictions to participate on the EC.

**MOTION PASSED UNANIMOUSLY**

f. Affordable Housing Update/ Monterey Bay Economic Partnership Presentation  
Mr. Houlemard introduced the item and provided background and information regarding FORA's role in affordable housing. The Board members were provided with a memorandum and an updated summary of former Fort Ord housing projects and outcomes.

Monterey Bay Economic Partnership President Kate Roberts and Housing Program Manager Matt Huerta provided a presentation on its housing policy report and responded to questions and comments from the Board. Public comment was received.

This item was for information only.

**9. PUBLIC COMMENT**

There were no public comments received.

**10. ITEMS FROM MEMBERS**

There were no items from members.

**11. ADJOURNMENT** at 4:45 p.m.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

**Subject:** Administrative Committee

**Meeting Date:** May 11, 2018

**Agenda Number:** 6b

**INFORMATION/ACTION**

### RECOMMENDATION:

Receive a report from the Administrative Committee.

### BACKGROUND/DISCUSSION:

The Administrative Committee met on April 18, 2018. The approved minutes for this meeting are provided as **Attachment A**.

### FISCAL IMPACT:

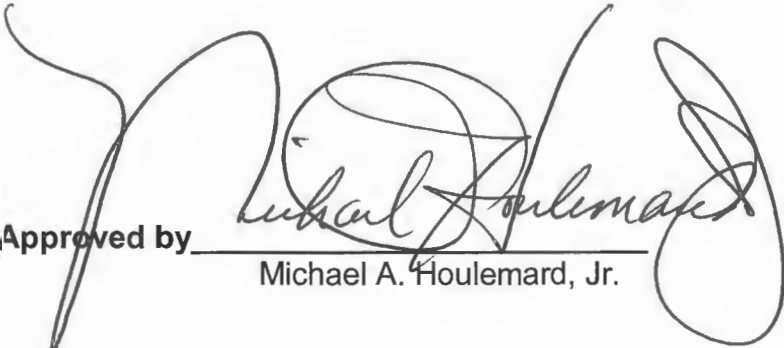
Reviewed by the FORA Controller 

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

### COORDINATION:

Administrative Committee

Prepared by   
Dominique L. Jones

Approved by   
Michael A. Houlemard, Jr.



APPROVED

**FORT ORD REUSE AUTHORITY**  
**ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES**  
**8:30 a.m., Wednesday, April 18, 2018 | FORA Conference Room**  
920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

**1. CALL TO ORDER**

Co-Chair Seaside City Manager Craig Malin called the meeting to order at 8:30 a.m.

The following members were present:

- |                                    |                              |
|------------------------------------|------------------------------|
| Craig Malin* (City of Seaside)     | Lisa Rheinheimer (MST)       |
| Layne Long* (City of Marina)       | Anya Spear (CSUMB)           |
| Hans Uslar* (City of Monterey)     | Vicki Nakamaura (MPC)        |
| Melanie Beretti* (Monterey County) | Patrick Breen (MCWD)         |
| Dino Pick* (City of Del Rey Oaks)  | Carl Holm* (Monterey County) |
| Steve Matarazzo (UCSC)             |                              |

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mr. Malin.

**3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

Executive Officer Michael Houlemard announced the guided nature walks inside the Army’s historic impact areas of the Fort Ord National Monument scheduled for May 5, 2018 at 9:00 a.m. More information available at [www.fora.org](http://www.fora.org).

**4. PUBLIC COMMENT PERIOD**

*Members of the public wishing to address the Administrative Committee on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes.*

There were no public comments received.

**5. APPROVAL OF MEETING MINUTES**

**ACTION**

- a. April 4, 2018 Meeting Minutes

MOTION: On motion by Committee member Pick and second by Committee member Uslar and carried by the following vote, the Administrative Committee moved to approve the April 4, 2018 meeting minutes with corrections.

**MOTION PASSED UNANIMOUSLY**

**6. APRIL 13, 2018 BOARD MEETING FOLLOW-UP**

**INFORMATION**

Mr. Houlemard and FORA staff led the discussion regarding the April 13 Board meeting and reported action taken by the Board. Staff responded to questions and comments from the Committee and the public.

This item was for information only.



- 7. BUSINESS ITEM** **INFORMATION/ACTION**
- a. Capital Improvement Program (CIP) Review and Recommendations
    - i. Building Removal Program
    - ii. Water Augmentation Program
    - iii. Transportation and Transit
    - iv. Draft CIP Document

Principal Planner Jonathan Brinkmann provided a presentation on draft FY 2018-2019 CIP and its components of building removal, water augmentation, transportation and transit. Staff responded to questions and comments from the Committee and public.

Building Removal and Water Augmentation Program:

**MOTION:** On motion by Committee member Beretti and second by Committee member Pick and carried by the following vote, the Administrative Committee moved to approve the CIP without any changes to the current CIP and would review any recommendations changes during the CIP Taskforce meeting that was to follow.

**MOTION PASSED UNANIMOUSLY**

Transportation and Transit:

**MOTION:** On motion by Committee member Beretti and second by Committee member Pick and carried by the following vote, the Administrative Committee moved to approve transportation ranking as presented.

Ayes: Pick, Uslar, Malin, Beretti

Noes: Long

**MOTION PASSED**

- 8. ITEMS FROM MEMBERS**  
There were no items from members.
- 9. ADJOURNMENT** at 9:56 a.m.

Minutes Prepared By:  
Dominique Jones  
Deputy Clerk

# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

**Subject:** Veterans Issues Advisory Committee

**Meeting Date:** May 11, 2018

**Agenda Number:** 6c

**INFORMATION/ACTION**

### RECOMMENDATION:

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

### BACKGROUND/DISCUSSION:

The Veterans Issues Advisory Committee met on March 22, 2018. The approved minutes for this meeting are provided as **Attachment A**.

### FISCAL IMPACT:

Reviewed by FORA Controller 

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

### COORDINATION:

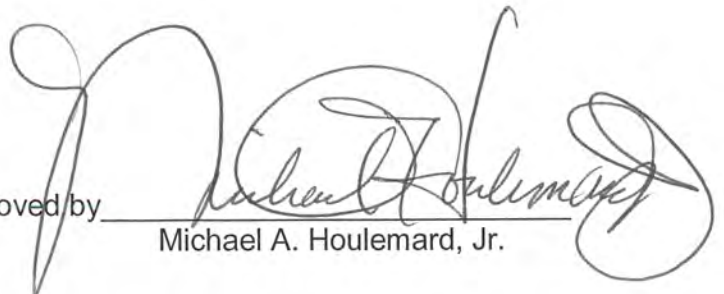
VIAC

Prepared by



Heidi L. Lizarbe

Approved by



Michael A. Houlemard, Jr.



**APPROVED**

**FORT ORD REUSE AUTHORITY  
VETERANS ISSUES ADVISORY COMMITTEE (VIAC) MEETING MINUTES  
3:00 P.M. March 22, 2018 | FORA Conference Room  
920 2<sup>nd</sup> Avenue, Suite A., Marina CA 93933**

**1. CALL TO ORDER**

Edith Johnson called the meeting to order at 3:00 P.M.

**Committee Members Present:**

Edith Johnson, Veterans Families/Fund Raising (*Acting Chair*)  
Sid Williams, Monterey County Military & Veterans Affairs Commission (MCM/VAC)  
Mary Estrada, United Veterans Council (UVC)  
Joe Ferotte, Monterey County Office of Military & Veterans Advisory Commission  
Richard Garza, Central Coast Veterans Cemetery Foundation (CCVCF)  
James Bogan, Disabled American Veterans (DAV)  
Jack Stewart, Monterey County California Central Coast Veterans Cemetery Advisory Committee  
Ian Oglesby, US Army Veteran

**2. PLEDGE OF ALLEGIANCE** led by Jack Stewart.

**3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

None.

**4. PUBLIC COMMENT PERIOD**

There were no comments from the public.

**5. APPROVAL OF MEETING MINUTES**

a. February 22, 2018 Regular Meeting Minutes

MOTION: On motion by Committee member Sid Williams and second by Committee member James Bogan and carried by the following vote, the VIAC moved to approve the February 22, 2018 meeting minutes as corrected

**MOTION: PASSED UNANIMOUSLY**

**6. BUSINESS ITEMS**

a. **California Central Coast Veterans Cemetery (CCCVC) Status Report**

i. *Cemetery Administrator's Status*

Principal Analyst Robert Norris reported on behalf of Erica Chaney. The CCCVC interment scheduling has increased in the last month. There is no waiting list currently, therefore the CCCVC is able to accommodate family's needs without



much advanced planning. The CCCVC has been working with Bugles Across America and depending on availability they will provide an in-person "live" bugler to perform Taps during the Military Honors portion of a veteran's service.

The small bronze niche vases that attach to lower left corner of the niche cover will soon be available for purchase at a cost of \$125.00. Once they are available letters will be mailed to decedent households within the next month.

The cemetery is in the process of securing several new and existing contracts, that include Fire Alarm Monitoring, HVAC Routine Maintenance, Pest & Weed control services, and Security Services. In addition, the annual backflow testing will be completed in the next couple of weeks.

*ii. Veterans Cemetery Land Use Status*

Still waiting on Monterey County staff to elevate the Memorandum of Understanding (MOU) and the Oak Woodlands Mitigation to their active agenda. They have published the meeting schedule; however, the item continues to be delayed.

*iii. Fort Ord Committee Verbal Report: Oak Woodlands Mitigation & Endowment MOU*

Robert Norris provided a update on the Oak Woodlands Mitigation that has to be performed in order to begin the next phase. We continue to track the MOU as it possibly involves taking away some of the land that was designated to the Cemetery, for Oak Woodlands Mitigation.

**b. Fundraising Status**

*i. CCVCF Status Report*

No Report.

**c. Veterans Transition Center (VTC) Housing Construction**

Mr. Norris reported the water deed has been signed and recorded with Monterey County.

**d. VA-DOD Clinic**

Jack Stewart advised he recently attended the Veteran Town Hall meeting on March 21, 2018 at the Major General William H. Gurlery, VA – DOD Outpatient Clinic. The veterans were able to voice their concerns about the pharmacy being closed. Staff was directed to draft a letter requesting support from the FORA Board regarding the pharmacy being closed at the VA-DOD Clinic. The draft letter will be distributed at the next scheduled VIAC meeting for the committee to review.

**e. Historical Preservation Project**

Cliff Guin advised he is currently still accepting artifacts and donations. Mr. Guin has written several letters for possible grants and funding raising.

**f. Calendar of Events**

- The Retirement Appreciation Day (RAD) on June 9, 2018.

- The change in command on the Presidio of Monterey for Col. Brown at 1300 hours and Col. Bedford at 1600 hours will take place on June 12, 2018.
- National Vietnam Veterans Day is on March 29, 2018. The Ord Community Commissary and the Military Exchange PX will recognize Vietnam Veterans by giving out Vietnam War Commemorative pins and other memorabilia.
- March 26, 2018, Marina Coast Water District(MCWD) will be doing construction on General Jim Moore Blvd between Lightfighter and Normandy; resulting in only one lane open during the construction. The estimated time of completion is mid-July.

#### **7. ITEMS FROM MEMBERS**

Religious services are being consolidated, the Ord Chapel will consolidate into the Presidio effective April 15, 2018. Anyone currently attends religious service at the Ord Chapel and is a member of the Church will be given access to attend religious services on the Presidio.

#### **8. ADJOURNMENT at 3:55 P.M.**

Minutes Prepared by:  
Heidi Lizarbe  
Administrative Assistant

FORT ORD REUSE AUTHORITY BOARD REPORT		
CONSENT AGENDA		
<b>Subject:</b>	Water/Wastewater Oversight Committee	
<b>Meeting Date:</b>	May 11, 2018	<b>INFORMATION/ACTION</b>
<b>Agenda Number:</b>	6d	

**RECOMMENDATION:**

Receive a report from the Water/Wastewater Oversight Committee (WWOC).

**BACKGROUND/DISCUSSION:**

The WWOC met on April 11, 2018. A quorum was not established and a “meeting of the whole” was held. The committee again reviewed the 2018-19 Ord Community Draft Budget, and the status of the Three-Party Planning Water Augmentation Study. The WWOC found the rate study and the budget to be in order, and in conformance with standard practices. At its April 25<sup>th</sup> meeting, the WWOC voted 4-0 to recommend the following:

Adopt the proposed compensation plan for base-wide water and sewer services on the Fort Ord Community and the 5-year CIP with no change to the capacity fees. Due to the size, the proposed budget and its revisions (**Exhibit A**) are available online at the following address:

<http://fora.org/wwoc-review.html>

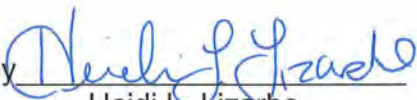
**FISCAL IMPACT:**


Reviewed by FORA Controller 

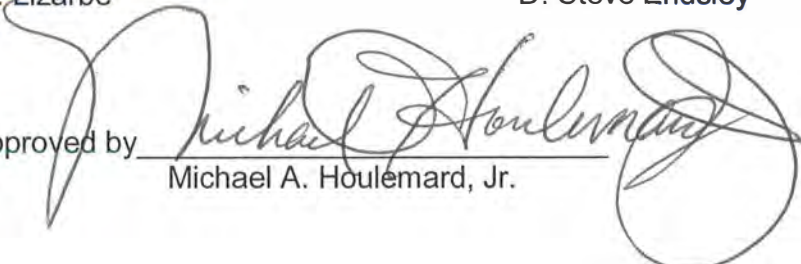
Staff time for this item is included in the approved FORA budget.

**COORDINATION:**

WWOC, Marina Coast Water District

Prepared by   
Heidi L. Lizarbe

Reviewed by   
D. Steve Endsley

Approved by   
Michael A. Houlemard, Jr.



# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

<b>Subject:</b>	Transition Planning Update	
<b>Meeting Date:</b>	May 11, 2018	<b>INFORMATION/ACTION</b>
<b>Agenda Number:</b>	6e	

### RECOMMENDATION

Receive a transition planning issue update

### BACKGROUND/DISCUSSION

The Transition Ad Hoc Committee (TAC) met on April 18, 2018 and decided to increase their meeting schedule in order to review the individual chapters of the draft Transition Plan. They met again on April 25, 2018 and reviewed the Environmental Services chapter. The Transition Plan chapters have been presented in draft form to the Board each month since January. There are two chapters remaining on the topics of CEQA and Transition staffing.

The TAC will be meeting at the following dates and times during the month of May with the ultimate goal of completing its review by May 30, 2018:

May 9, 2018 3:00 p.m.

May 16, 2018 1:00 p.m.-4:00 p.m.

May 23, 2018 12:00 p.m.– 2:00 p.m.


May 30, 2018 12:30 p.m.

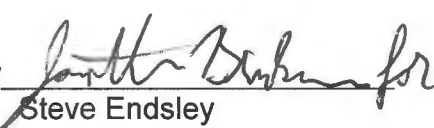
It is anticipated that a draft Transition Plan will be presented to the TAC at the May 30, 2018 meeting. On April 25, 2018, the TAC recommended an all day Board workshop. One of the suggestions was to have an “all-day” workshop at the June board meeting or on the Saturday after. The Executive Committee concurred that June 8, 2018, prior to the Board meeting, would be an appropriate day for the Transition Plan workshop. It is anticipated that the meeting will start at 8:00 a.m. and go through most of the day, concluding with the regular meeting for the FORA Board meeting on that day.

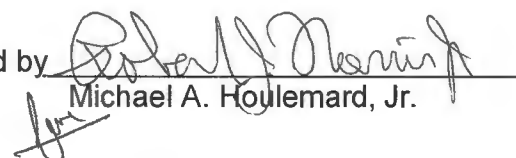
### FISCAL IMPACT

Reviewed by FORA Controller 

Staff time/legal are generally within the approved annual budget, and have been added to current staff workload. Staff anticipates presenting future transition plan budget items for Board consideration.

Prepared by   
Sheri L. Damon

Reviewed by   
Steve Endsley

Approved by   
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

<b>Subject:</b>	Prevailing Wage Status Report	
<b>Meeting Date:</b>	May 11, 2018	<b>INFORMATION/ACTION</b>
<b>Agenda Number:</b>	6f	

### RECOMMENDATION(S):

Receive a Prevailing Wage (PW) Status Report. Review draft suggested contract language for use by jurisdiction in their contracts with Developers of Fort Ord property.

### DISCUSSION:

From January 1, 2018 through March 31, 2018, multiple construction workers were employed on Fort Ord projects. From reported information, California State University (CSU) and Seahaven-Layia/Villosa, approximately 41,805 worker hours were utilized and approximately 844 workers employed. An average of 65% of those workers were from the tri-County area. (Santa Cruz, Monterey and San Benito Counties). Due to staffing changes, these numbers do not include the County of Monterey's East Garrison project. In addition, Marina Coast Water District (MCWD) is continuing RUWAP project construction. In speaking with MCWD staff, they indicated that the bulk of the RUWAP project has been focused on off-base work. Nonetheless, certified payroll records filed with the state, indicate a variety of trades employed on the RUWAP project from laborers, mixer truck drivers, and engineers by six registered contractors, at least one of which appears to be locally based in Santa Cruz county. The percentage of those workers from the tri-County area was unable to be determined from DIR records. These numbers do not include Dunes on Monterey Bay (Dunes).

Since early 2015, the FORA Board has been wrestling with the application and enforcement of the Master Resolution PW requirements. The Board has heard complaints from labor representatives, and contractors about the program. In pursuit of clarity for all stakeholders, FORA met with the Department of Industrial Relations (DIR) to seek interpretation and clarification of California Labor Laws and legislative adjustments as it may pertain to FORA. In order to assist the jurisdictions, the FORA Board elected to enhance its PW program by hiring a PW Coordinator and setting aside funding for training and PW monitoring software. The PW Coordinator has 1) actively responded to information requests, 2) acquired software for creating a regional uniform platform to collect, monitor and enforce prevailing wage obligations, and 3) responded to numerous inquiries from the public, developers, and jurisdictions. However, the regional software platform has not been fully utilized by the jurisdictions and most inquiries have resulted in referrals to the DIR.

The focus of the new position was to provide support and assistance to the jurisdictions. Since that time, she has worked to meet with the jurisdictions to obtain information about how best to provide support and craft a program to monitor and assist in meeting prevailing



wage requirements on Fort Ord. The PW Coordinator has set up, local training and in conjunction with upper management has coordinated with the legislative offices to address ongoing issues and concerns. As the statutory transition of FORA nears, there is increasing interest in assuring that the prevailing wage provisions of the Master Resolution and the public works laws are adequately monitored and enforced on Fort Ord projects.

At the last training in September 2017, it was evident that there were many unanswered questions about enforcement and application of public works laws on the Fort Ord projects which left the labor community, builder community and the jurisdictions seeking PW clarity. Legislative assistance was requested in obtaining answers from DIR. To that end, Senator Monning intervened requesting interpretation and clarification from the DIR as to its enforcement of prevailing wages on Fort Ord projects. The DIR responded to Senator Monning on February 12, 2018 clarifying that to the extent projects on Fort Ord qualify as public works projects the DIR intended to enforce the public works laws, but to the extent there was no public money in a project, it intended to enforce the prevailing wage obligations as ones of private contract arising out of the Master Resolution provisions and the deed transfers to the cities and the County. **The letter opined that both the deed recipients and their contractors were required to enforce the prevailing wage provisions.** Nonetheless, questions remain. In early April, Senator Monning convened a stakeholder meeting with union representatives, city/county representatives and key lawyers and policy advisors from the Department of Industrial Relations.

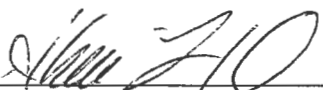
The DIR representatives provided a general overview of the agency's PW enforcement but requested additional time to review and respond to questions regarding specific interpretations of law and the FORA Master Resolution, and the obligations of local jurisdictions to monitor and enforce Prevailing Wage obligations Imposed by Contract. The DIR representatives were to provide this additional clarification by the end of April.

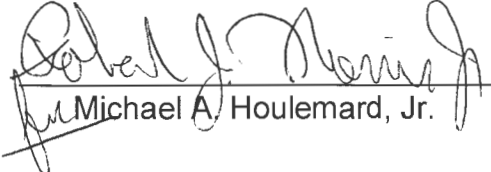
As a part of those discussions, some jurisdictions requested that DIR be given enforcement power over their private contracts. In its role to assist the jurisdictions, FORA prevailing wage staff offered to draft some model language for inclusion in Development and other contracts to aid in clarifying and enforcing the Master Resolution provisions along with contractually indicating the intent that DIR would enforce the PW provisions. The attached draft language was circulated to the DIR, jurisdictional attorneys and the Monterey/Santa Cruz Building Trades and incorporates some of their comments. **[Attachment A]** At this point staff is not recommending formal action by the Board, until such time as the DIR provides its additional response requested at the April 2 meeting. Some future actions the Board might consider is mandating use of the proposed language in contracts submitted for future consistency determinations or possible amendment(s) of the Master Resolution.

**FISCAL IMPACT:**

Reviewed by FORA Controller 

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

Prepared by   
Sheri Damon

Approved by   
Michael A. Houlemard, Jr.

Prevailing Wages.

Developer X, all associated successors and assigns and their prime contractors or sub-contractors, shall comply with the FORA Master Resolution section 3.03.090, as that section may be amended from time to time, mandating the payment of prevailing wages on First Generation construction, including but not limited to the requirement that all contractors and subcontractors prior to performing work on the property shall be registered with the Department of Industrial Relations. To the extent the project or any part thereof, is considered a public works project pursuant to Labor Code section 1720 and following, all parties, including but not limited to Developer, his successors and assigns shall comply with the State's labor code requirements in all respects.

Developer, specifically agrees and shall cause any successor or assign, and their respective contractors and subcontractors, to keep certified payroll records and make un-redacted copies of such records in an electronic format, readable by Elation or other compliance tracking software, available to City or its agents for purposes of monitoring and ensuring compliance with all provisions of this section. Copies shall be made available at no cost within \_\_\_ days of a written request for said documents. Finally, Developer for himself, his successors and assigns hereby agrees that the Department of Industrial Relations may enforce the provisions of this Paragraph as though the Project was subject to the public works requirements of the Labor Code. Developer, its successors and assigns, shall cause the provisions of these paragraphs relating to prevailing wage compliance to be inserted in every subsequent contract affecting any portion of the property or project covered by this Agreement.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

<b>Subject:</b>	Legislative Committee	
<b>Meeting Date:</b>	May 11, 2018	<b>INFORMATION/ACTION</b>
<b>Agenda Number:</b>	6g	

### RECOMMENDATION:

Receive a report from the Legislative Committee.

### BACKGROUND/DISCUSSION:

The Legislative Committee met on April 23, 2018 and approved the September 28, 2017 meeting minutes (**Attachment A**).

The Committee received reports from legislative office representatives Erica Parker (29<sup>th</sup> State Assembly District) and Nicole Hollingsworth (17<sup>th</sup> State Senate District) at the meeting and via correspondence that was provided in advance.

The Committee also reviewed the 2018 FORA Legislative Agenda (**Attachment B**) which was approved by the Board on October 13, 2017; and received a report on proposed positions on State Legislation (**Attachment C** shown with track changes).

The Committee discussed recommending the 2018 legislative session be held at the May 11, 2018 Board meeting, received a report on the Transition Legislative Session and scheduled another Legislative Committee meeting for May 23, 2018 at 3:30 p.m.

### FISCAL IMPACT:


Reviewed by the FORA Controller 

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

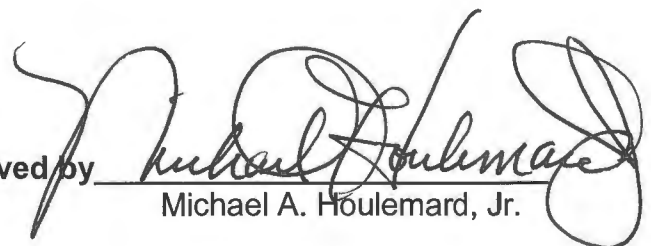
### COORDINATION:

Legislative Committee

Prepared by

  
Dominique L. Jones

Approved by

  
Michael A. Houlemard, Jr.



APPROVED

## FORT ORD REUSE AUTHORITY (FORA) LEGISLATIVE COMMITTEE MEETING MINUTES

3:30 p.m., Thursday, September 28, 2017  
920 2<sup>nd</sup> Avenue, Suite A, Marina CA 93933

### 1. CALL TO ORDER

Chair John Phillips called the meeting to order at 3:00 p.m.

#### Voting Members Present:

Supervisor John Phillips (Chair)  
Mayor Jerry Edelen (City of Del Rey Oaks)  
Council member Frank O'Connell (City of Marina)  
Mayor Mary Ann Carbone (City of Sand City)

### 2. PLEDGE OF ALLEGIANCE

Pledge of allegiance was led by Prevailing Wage/ Risk Coordinator Sheri Damon.

### 3. ACKNOWLEDGMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

There were no acknowledgements, announcements or correspondence.

### 4. PUBLIC COMMENT PERIOD

There were no verbal comments received from the public.

### 5. APPROVAL OF MEETING MINUTES

a. April 20, 2017 Legislative Committee Minutes

*MOTION: On motion by Committee member O'Connell and second by Committee member Phillips and carried by the following vote, the Legislative Committee moved to approve the regular meeting minutes for April 20, 2017.*

*ABSTAIN: Carbone*

#### **MOTION PASSED**

### 6. REPORTS FROM LEGISLATIVE OFFICES

a. 20<sup>th</sup> U.S. Congressional District – Kathleen Lee  
No Report

b. 17<sup>th</sup> State Senate District – Nicole Charles  
No Report

c. 29<sup>th</sup> State Assembly District – Erica Parker  
Ms. Parker provided a summary of 2017 bills sent to the Governor.

## **7. BUSINESS ITEMS**

- a. FORA Transition Task Force (TTF) Recommendation  
Prevailing Wage/Risk Coordinator Sheri Damon provided an overview of the work conducted by the TTF and the recommendation being taken to the Board. The Committee was asked to consider modifying the Legislative Agenda to incorporate modifications to the FORA extension to address the TTF recommendation/concerns. During this item the Committee also reviewed items from 7b below.

*MOTION: On motion by Committee member Edelen and second by Committee member Carbone and carried by the following vote, the Legislative Committee moved to recommend that the FORA Board approve the 2018 Legislative Agenda and accept the TTF recommendation to modify item B – “Legislative Coordination Regarding FORA Transition Issues” that carries over language from the 2016/2017 Legislative Agenda.*

### **MOTION PASSED UNANIMOUSLY**

- b. Review 2018 Annual Fort Ord Reuse Authority Legislative Agenda  
Executive Officer Michael Houlemard reviewed each item on the 2018 Legislative Agenda. Staff responded to questions and comments from the Committee. This item was for information only. There were no comments from the public.
- c. Report on 2017 Positions on State Legislation  
JEA & Associates President John Arriaga provided a report on the 2017 positions on State legislation and a legislative track that provided information on the measures, authors, topic, location [in the legislative process], a brief summary, and [FORA] position. This item was for information only. There were no comments from the public.

## **8. ITEMS FROM MEMBERS**

There were no items from members.

## **9. ADJOURNMENT**

The meeting was adjourned at 4:32 p.m.



## **Fort Ord Reuse Authority 2018 LEGISLATIVE AGENDA**

This report outlines the 2018 Fort Ord Reuse Authority (FORA) legislative program, which defines Board policy, sets legislative, regulatory, or federal/state resource allocation/direction, and supports the 1997 Base Reuse Plan's (BRP) and the 2012 BRP Reassessment Report guidance. The Legislative Agenda is meant to assist state and federal agencies/legislative offices regarding property transfer, economic recovery/reuse, environmental remediation, habitat management/conservation, and infrastructure and mitigation funding. The order in which the tasks are presented herein does not imply ranking as each item is considered a "priority" in achieving FORA's objectives.

### **A. HABITAT CONSERVATION PLAN (HCP). Continue/enhance ongoing coordination with federal and state legislative representatives to secure/expedite HCP issuance.**

#### **Issue:**

HCP approval remains critical to former Fort Ord reuse. Alternatives to a base wide HCP, such as project by project permitting, are costly and time consuming and are not as effective in managing or protecting endangered species.

#### **Benefits:**

HCP approval both protects valuable habitat, enables/permits effective regional economic recovery, and provides important amenities to area residents.

#### **Challenges:**

HCP processing over the past decade has been difficult and costly. Insufficient federal and state agency resources and overlapping regulatory barriers have thwarted the HCP process. Multiple agency coordination requires communication and encouraging cooperation.

#### **Proposed Position:**

- Support legislative and regulatory coordination, state and federal resources, and strong advocacy to enable speedy reviews and processing.
- Coordinate with U.S. Fish and Wildlife Service, U.S. Department of Interior/ Bureau of Land Management (BLM), California Department of Fish and Wildlife (CDFW), the 20th Congressional District, the 17th State Senate District and the 29th State Assembly District to finalize agreements regarding habitat management on BLM's Fort Ord National Monument, UC Natural Reserve and CA State Parks land in order to complete/implement the HCP.

## **B. LEGISLATIVE COORDINATION REGARDING FORA TRANSITION ISSUES**

### **Issue:**

FORA's legislative sunset in 2020 calls for coordination of many items. Specifically, a report to the State Legislature, Local Agency Formation Commission (LAFCO) coordination, jurisdiction interface, and risk analysis. Working with local agencies is crucial. Coordination is beneficial/essential in traversing the long list of issues and reporting requirements.

### **Benefits:**

Collaborative efforts will assure effective transition decisions or potential legislative extension prior to 2020 sunset or possible legislative extension.

### **Challenges:**

State law requirements, contractual obligations, and inter-agency agreements will require intensive legislative multi-agency negotiations. One of FORA's funding mechanisms (Mello Roos/Community Facilities District/developer fee) is not within LAFCO's jurisdiction and terminates upon FORA dissolution. Replacement funding processes may have a lengthy implementation timeline.

### **Proposed Position:**

- Coordinate and seek support from State Legislature (17<sup>th</sup> State Senate District and 29<sup>th</sup> State Assembly District) to assure post-FORA funding for jurisdictions if FORA sunsets on June 30, 2020 in compliance with Title 7.85 of the Government Code entitled Fort Ord Reuse Authority Act.

## **C. ECONOMIC RECOVERY SUPPORT. Support statewide and regional efforts to create local jurisdiction economic recovery, base reuse financing and consider/support innovative building removal funding.**

### **Issue:**

The loss of "redevelopment financing" and other refinancing tools to assist in implementing base closure recovery programs was a heavy blow to FORA's member jurisdictions. Jurisdictional funding has dropped and substitute financial tools to support economic reuse/recovery initiatives do not match past vehicles set up to support the replacement infrastructure and mitigations. FORA provided an initial two years of funding for an economic development program including staffing, engaging with regional partnerships and local agency program support. Additional programs are still required for building removal.

### **Benefits:**

Sufficient funding resources for the reuse and recovery from former Fort Ord closure and other military bases. Funding support for economic development programs, habitat management protection, building removal, or other infrastructure demands associated with the reuse programs. Removal of buildings that create a "ghost town" effect are a disincentive to investment.

### **Challenges:**

- 1) Obtaining agreement to use tax or special district funds to create special financing districts to support targeted economic recovery, affordable housing and/or infrastructure in the climate of limited resources.
- 2) State funding sources remain unclear and federal budgets have slashed economic development funds.



**Proposed Position:**

Support legislation, activating local agency processes for economic development.

- Support establishment of Military Base Reuse “Recovery Zones.”
- Support legislation for incentive based mechanisms to strengthen jurisdictions’ ability to enable/implement base closure recovery programs.
- Consider the addition of newly adopted financing mechanisms for jurisdictional support.
- Continue funding and resource development for economic recovery.

**D. VETERANS CEMETERY. Continue support/expansion of the California Central Coast Veterans Cemetery (CCCVC) expansion on the former Fort Ord.**

**Issue:**

Burial space for California Central Coast veterans is inadequate. The former Fort Ord is both ideally suited and centrally located and an appropriate facility has now been opened to serve the veteran community. A site was set aside/designated in the 1990s for a veterans’ cemetery and the FORA Board of Directors gave support through previous actions of the establishment of the California Central Coast Veterans Cemetery (CCCVC). After multiple actions over 20 years the CCCVC was opened by the CA Department of Veterans Affairs (CDVA) for above ground columbaria, administration and maintenance buildings, a committal shelter, landscaping, and infrastructure for initial operation in October 2016. Future expansion requires additional design, planning, and review and includes in-ground gravesites and additional columbaria, as well as other potential ancillary uses and would complete the project anticipated in the Base Reuse Plan.

**Benefits:**

The CCCVC offers final resting places for the region’s 50,000 (approx.) veterans. Burial plots would enable an option for those who for religious or other reasons prefer such an option.

**Challenges:**

Cemetery expansion will require significant coordination between FORA, the CCCVC Foundation, the California Department of General Services (DGS), CDVA, US Department of Veterans Affairs (USDVA), the City of Seaside, the County of Monterey, and other state/federal agencies.

**Proposed Position:**

- Support DGS and CDVA construction expansion efforts.
- Support efforts to sustain priority standing for the CCCVC with CDVA and USDVA.
- Promote continued vigilance and cooperation among the regulatory agencies.
- Coordinate with federal agencies, the City of Seaside, the County of Monterey, the 20th Congressional District, the 17th State Senate District, and the 29th State Assembly District to sustain efforts to generate federal funding and/or status for future CCCVC expansion.

**E. AUGMENTED WATER SUPPLY. Work with local, regional and federal agencies to secure State and Federal funding and/or resources to augment FORA’s water supply needs.**

**Issue:**

The FORA Capital Improvement Program includes approximately \$24M to fund Regional Water Augmentation necessary to implement the Base Reuse Plan. Six million (\$6M) has been



committed to the Pure Water Project to support use of reclaimed resources in the region. Securing outside funds to assist with augmented supply options help the timely implementation of conservation, recycled water and/or desalination water facilities and smooth out upfront costs of infrastructure. Monitor implementation of Ground Water Sustainability Act as it relates to contractual amounts of water to support the implementation of Base Reuse Plan.

**Benefits:**

Development projected under the Base Reuse Plan depends on an augmented water supply. Additional grant funding reduces FORA and Marina Coast Water District (MCWD) costs to secure water resources and reduces required capital charges.

**Challenges:**

Scarce funding and competing water projects throughout the region and state. No current federal/state program exists for this funding.

**Proposed Position:**

- Continue to work with MCWD to enable them to fulfill their contractual obligation to FORA for water resource augmentation.
- Support and coordinate efforts with MCWD, Monterey County Water Resources Agency, Monterey Regional Water Pollution Control Agency, other agencies, and FORA jurisdictions to secure funding and/or support other funding mechanisms proposed for this purpose.
- Coordinate potential water bond funding for Monterey Bay region and FORA augmentation needs.
- Coordinate with the Department of Defense to acquire additional water rights that might become available.

**F. LEGISLATIVE COOPERATION WITH MONTEREY BAY AGENCY LEGISLATIVE ISSUES.**

**Issue:**

Monterey-Salinas Transit, Transportation Agency for Monterey County, and the County of Monterey have adopted legislative programs that may have Fort Ord reuse impacts.

**Benefits:**

Collaborative funding efforts by agencies involved in the same or interdependent projects increase the chances to obtain critical funding and enhanced partnering for matching funds.

**Challenges:**

State and federal funding is limited, legislative actions that benefit/impact multiple parties requires coordination, and competition for available funds will be keen.

**Proposed Position:**

- Coordinate and support other legislative programs in the Monterey Bay area when they interface with former Fort Ord reuse programs.

**G. ASSURING LONG TERM STEWARDSHIP OF MUNITIONS CLEANUP AREAS.**

Coordinate with Federal, State and local agencies on post-cleanup stewardship of munitions and explosives ordnance issues/areas. Seek additional funds from federal resources and pursue optimizing review processes to complete property transfers

**Issue:**

FORA is scheduled to sunset June 30, 2020 and certain munitions funding terminates in 2019. There will be significant post FORA property management and post-remediation issues that will need to be managed. Those issues require resources, coordination and cooperation which are still being defined.

**Benefits:**

Collaborative partnering for resources by agencies involved in the same or interdependent projects increase the chances to obtain critical funding. Some long term stewardship issues are unfunded but defined as remedies in federal documents.

**Challenges:**

State and federal funding resources are limited. Federal and State agencies have not funded long term stewardship in many cases. In addition local jurisdictions have limited funding for long-term stewardship.

**Proposed Position:**

- Seek federal and state cooperation to assure responsiveness, document completion, and crucial funding for long-term stewardship for munitions response areas.
- 

**H. PREVAILING WAGES COORDINATION**

Coordinate with 17<sup>th</sup> State Senate Districts and 29<sup>th</sup> State Assembly District to clarify the implementation of the FORA Prevailing Wage Policy and the enforcement provisions of SB 854, and the newly added regulatory and legislative adjustments of SB96 with the State Department of Industrial Relations.

**Issue:**

Ongoing confusion continues related to various interpretations of how the FORA Prevailing Wage Policy interfaces with the registration, reporting and enforcement provisions of state public works laws amended in state law in recent years.

**Benefits:**

Collaborative efforts between the designated military base Reuse Authority and Department of Industrial Relations is needed to promote, coordinate and harmonize state public works laws with state laws requiring speedy transition of military bases to civilian use.

**Challenges:**

SB 854 is in the third year of implementation and there is little experience within DIR of working with Base Reuse Programs.

**Proposed Position:**

Support legislative and regulatory coordination, state and federal resources, and strong advocacy to enable speedy reviews, compliance, enforcement and coordinated decisions.

## FORA LEGISLATIVE TRACK AS OF APRIL 19, 2018

MEASURE	AUTHOR	TOPIC	STATUS	BRIEF SUMMARY	NOTES /POSITION
<a href="#">AB 1804</a>	<a href="#">Berman D</a>	California Environmental Quality Act: categorical exemption: infill development.	4/18/2018-In committee: Set, first hearing. Referred to APPR. <del>suspense</del> Suspense file.	CEQA requires the Office of Planning and Research to prepare and develop, and the Secretary of the Natural Resources Agency to certify and adopt, guidelines for the implementation of CEQA. CEQA requires the guidelines to include a list of classes of projects that have been determined not to have a significant effect on the environment and that are required to be exempt from CEQA (categorical exemption). Current guidelines for the implementation of CEQA exempts from the requirements of CEQA infill development meeting certain requirements, including the requirement that the proposed development occurs within city limits. This bill would revise the above-described categorical exemption to include proposed residential and mixed-use housing projects occurring within an unincorporated area of a county.	Support - However, list needs revision for it to apply to Ford Ord.
<a href="#">AB 1901</a>	<a href="#">Oberholte R</a>	California Environmental Quality Act: exemption: roadway projects.	4/18/2018-Read second time and amended.	CEQA, until January 1, 2020, exempts a project or an activity to repair, maintain, or make minor alterations to an existing roadway, as defined, if the project or activity is carried out by a city or county with a population of less than 100,000 persons to improve public safety and meets other specified requirements, including a requirement that the project involves negligible or no expansion of an existing use beyond that existing at the time of the lead agency's determination. This bill would extend the above exemption to January 1, 2023. The bill would revise the requirement described above to specify that the exemption applies if, among other things, the project involves negligible or no expansion of an existing vehicular use beyond that existing at the time of the lead agency's determination.	Support Unless <u>Amend to revise to</u> apply to military base reuse community.
<a href="#">AB 2035</a>	<a href="#">Mullin D</a>	Affordable housing authorities.	4/17/2018-Re-referred to Com. on H. & C.D.	Current law authorizes a city, county, or city and county to adopt a resolution creating an affordable housing authority with powers limited to providing low- and moderate-income housing and affordable workforce housing, as provided, by means of tax increment financing. Current law defines various terms for these purposes. This bill would additionally define the terms "authorizing resolution" and "property tax increment" for these purposes.	Strong Support
<a href="#">AB 2065</a>	<a href="#">Ting D</a>	Local agencies: surplus land.	4/17/2018-Re-referred to Com. on APPR.	Current law prescribes requirements for the disposal of surplus land by a local agency. Current law defines "local agency" for these purposes as every city, county, city and county, and district, including school districts of any kind or class, empowered to acquire and hold real property. This bill would expand the definition of "local agency" to include sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state and any instrumentality thereof that is empowered to acquire and hold real property, thereby requiring these entities to comply with these requirements for the disposal of surplus land.	Watch/Oppose?

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AB 2225	Limón D	State government: storing and recording electronic media.	4/18/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (April 17). Re-referred to Com. on APPR.	Would require the Secretary of State, in consultation with the Department of Technology, to approve and adopt appropriate uniform statewide standards for the purpose of storing and recording permanent and nonpermanent documents in electronic media, and would require “cloud computing” to be defined by the Department of Technology based on industry-recognized standards, consistent with the intent of the state law.	
AB 2249	Cooley D	Public contracts: local agencies: alternative procedure.	4/16/2018-Read second time. Ordered to Consent Calendar.	Would authorize public projects of \$60,000 or less to be performed by the employees of a public agency, authorize public projects of \$200,000 or less to be let to contract by informal procedures, and require public projects of more than \$200,000 to be let to contract by formal bidding procedures.	Support?/Watch
<del>AB 2258</del>	<del>Caballero D</del>	<del>Local agency formation commissions: grant program.</del>	<del>4/18/2018 Action- From L. GOV.: Do pass. To APPR..</del>	<del>Current law establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities. This bill would require the Strategic Growth Council, until January 1, 2024, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of inactive districts, the payment of costs associated with a study of the services provided within a county by a public agency, and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission.</del>	<del>Support</del>
AB 2383	Voepel R	Veterans.	2/15/2018-From printer. May be heard in committee March 17.	Current law authorizes the board of supervisors of any county to grant financial assistance, relief, and support to indigent veterans, administered through and by organizations created to aid veterans, as specified. Current law requires any organization desiring to assist veterans in this way to first file specified information with the board of supervisors of the county in which it is operating or intending to operate. This bill would require the board of supervisors to set a day for the consideration of this filing not more than 15 days after the date of filing.	Watch
AB 2434	Bloom D	Strategic Growth Council: Health in All Policies Program.	4/4/2018-From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 14. Noes 0.) (April 3). Re-referred to Com. on NAT. RES.	Current law establishes the Strategic Growth Council, prescribes the membership of the council, and requires the council to, among other things, recommend policies and investment strategies and priorities, as specified, to encourage the development of sustainable communities. This bill would establish the Health in All Policies Program, to be administered by the council, for the purposes of incorporating health, equity, and sustainability considerations into decision-making across sectors and policy areas, as specified.	Watch
AB 2447	Reyes D	California Environmental Quality Act: land use: environmental justice.	4/17/2018-From committee: Do pass and re-refer to Com. on E.S. & T.M. (Ayes 7. Noes 3.) (April 16). Re-referred to Com.	CEQA requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA prohibits a lead agency from approving or carrying out a project for which a certified EIR identifies one or more significant effects on the environment unless the lead agency makes	<del>Look at expansion</del> Support

			on E.S. & T.M.	certain findings. This bill would require the Office of Environmental Health Hazard Assessment, by June 30, 2019, to publish a list of subject land uses, as specified, and a map that identifies disadvantaged communities and areas within 1/2 mile radius of the disadvantaged communities.	
<a href="#">AB 2528</a>	<a href="#">Bloom D</a>	Climate adaptation.	4/16/2018-VOTE: Do pass as amended and be re-referred to the Committee on [Appropriations]	Current law requires the Natural Resources Agency, by July 1, 2017, and every 3 years thereafter, to update the state's climate adaptation strategy to identify vulnerabilities to climate change by sectors, including the biodiversity and habitat sector, and priority actions needed to reduce the risks in those sectors. This bill would specify that the biodiversity and habitat sector includes habitat resilience areas, as defined. The bill would also require state agencies to maximize the objective of protecting and enhancing habitat resilience areas.	<a href="#">Watch</a>
<a href="#">AB 2553</a>	<a href="#">Friedman D</a>	Vertical housing districts.	4/18/2018-Re-referred to Com. on H. & C.D.	Would authorize a city or county to designate a high-transit area as a vertical housing zone by adopting a resolution to that effect that contains specified information. The bill would authorize a taxing entity to agree to participate in an existing vertical housing zone by adopting a resolution to that effect. The bill would authorize the developer of a multifamily housing project that meets specified requirements located within that zone to submit an application for a housing zone project designation to the city or county or participating taxing entity. The bill would require the city or county to approve any application for designation so submitted if the project meets certain requirements, including that the project has obtained necessary entitlements and that it is not located within specified areas.	Watch
<a href="#">AB 3160</a>	<a href="#">Grayson D</a>	Federal public lands: conveyances: defense base closure and realignment.	4/18/2018-Read second time and amended.	Current law generally establishes a policy of the state to discourage conveyances of federal public lands in California from the federal government. Current law specifies that these conveyances are void ab initio unless the State Lands Commission was provided with the right of first refusal or the right to arrange for the transfer of the federal public land to another entity. Under current law, if the commission was provided with the right of first refusal or the right to arrange for the transfer of the federal public lands to another entity, the commission is required to issue a certificate affirming certain compliance before the conveyance of federal public lands in California. This bill would authorize the executive officer of the commission to issue these certifications of compliance.	<a href="#">Support with Clarification</a>
<a href="#">SB 827</a>	<a href="#">Wiener D</a>	Planning and zoning: transit-rich housing bonus.	4/18/2018-April 17 set for first hearing. Failed passage in committee. (Ayes 4. Noes 6.) Reconsideration granted.	Would require a local government to, if requested, grant a development proponent of a transit-rich housing project a transit-rich housing bonus if that development at the time of submittal meets specified planning standards, including complying with demolition permit requirements, complying with any local inclusionary housing ordinance or, if the local government has not adopted an inclusionary housing ordinance, agreeing to provide a specified percentage of awarded units as onsite affordable housing, preparing a relocation benefits and assistance plan, complying with any locally adopted objective zoning standards, complying with any locally adopted minimum unit mix requirements, and if the development includes specified types of parcels, agreeing to replace those units and to offer units at one of 2 specified	Watch

				affordable rates.	
<a href="#">SB 914</a>	<a href="#">Dodd D</a>	Local agency contracts.	4/12/2018-Read second time. Ordered to third reading.	Current law authorizes a county, until January 1, 2023, with approval of the board of supervisors, to utilize construction manager at-risk construction contracts for the erection, construction, alteration, repair, or improvement of any building owned or leased by the county, subject to certain requirements, including that the method may only be used for projects that are in excess of \$1,000,000. This bill would authorize the use of this method of contracting for the erection, construction, alteration, repair, or improvement of any infrastructure, excluding roads.	Watch
<a href="#">SB 1043</a>	<a href="#">Newman D</a>	Department of Veterans Affairs: veterans' services.	3/23/2018-Set for hearing April 24.	Current law requires the Department of Veterans Affairs to disburse funds, appropriated to the department for the purpose of supporting county veterans service officers pursuant to the annual Budget Act, on a pro rata basis, to counties that have established and maintain a county veterans service officer in accordance with the staffing level and workload of each county veterans service officer under a formula based upon performance developed by the department. This bill would define a workload unit for purposes of these provisions to mean a specific claim activity that is used to allocate subvention funds to counties, which is approved by the department, and performed by county veterans' service officers.	<del>Support</del> Watch
<a href="#">SB 1049</a>	<a href="#">Moorlach R</a>	Public contracts: local public entities: project labor agreements.	4/10/2018-Set for hearing April 25.	Current law sets forth the requirements for the solicitation and evaluation of bids and the awarding of contracts by public entities and requires a project labor agreement for a construction project used or entered into by a public entity, or required of contractors by the public entity, to include specified provisions. This bill would delete all of the specified prohibitions. This bill contains other current laws.	Watch
<a href="#">SB 1178</a>	<a href="#">Newman D</a>	California Disabled Veteran Business Enterprise Program.	4/2/2018-From committee with author's amendments. Read second time and amended. Re-referred to Com. on V.A. April 10 set for first hearing canceled at the request of author.	Would prohibit a business that is not a small business or microbusiness from being a DVBE if it has 10 or more participation years, as defined, in the program	Watch/Oppose
<a href="#">SB 1179</a>	<a href="#">Newman D</a>	Public contracts: Disabled Veteran Business Enterprise Program.	4/17/2018-From committee with author's amendments. Read second time and amended. Re-referred to Com. on V.A.	Current law makes it a crime to, among other things, knowingly and with intent to defraud, fraudulently represent participation of a disabled veteran business enterprise in order to obtain or retain a bid preference or a state contract. Current law requires the Department of General Services to suspend, for a specified period, any person who violates these provisions from bidding on, or participating as either a contractor, subcontractor, or supplier in, any state contract or project, as specified. This bill would require an awarding department to give a prime contractor that fails to comply with the certification requirements described above reasonable opportunity to cure the failure.	Watch
<a href="#">SB 1180</a>	<a href="#">Newman D</a>	California Disabled	4/12/2018-Set for	Current law requires an awarding department, upon completion of an awarded	Watch

		Veteran Business Enterprise Program.	hearing April 24.	contract for which a commitment to achieve a DVBE goal was made, to require the prime contractor that entered into a subcontract with a DVBE to certify to the awarding department specified information relating to amounts paid under the contract. This bill would require an awarding department to maintain all records of the information provided by the prime contractor pursuant to those provisions and to retain the records for a minimum of 6 years after collection. The bill would require the awarding department to maintain those records in a manner that facilitates access and review by external auditors.	
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Total Measures: 20

Total Tracking Forms: 20

<b>FORT ORD REUSE AUTHORITY BOARD REPORT</b>	
<b>CONSENT AGENDA</b>	
<b>Subject:</b>	Public Correspondence to the Board
<b>Meeting Date:</b>	May 11,2018
<b>Agenda Number:</b>	6h
	<b>INFORMATION/ACTION</b>

Public correspondence submitted to the Board is posted to FORA’s website on a monthly basis and is available to view at <http://www.fora.org/board.html>

Correspondence may be submitted to the Board via email to [board@fora.org](mailto:board@fora.org) or mailed to the address below:

FORA Board of Directors  
 920 2<sup>nd</sup> Avenue, Suite A  
 Marina, CA 93933



# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

<b>Subject:</b>	Resolution Approving the Adoption of the Public Agencies Post-Employment Benefits Trust Administered by Public Agency Retirement Services – 2 <sup>nd</sup> Vote	
<b>Meeting Date:</b>	May 11, 2018	<b>INFORMATION/ACTION</b>
<b>Agenda Number:</b>	7a	

### RECOMMENDATION:

It is recommended that the Board adopt the attached resolution authorizing participation in the Public Agencies Post-employment Benefits Trust administered by Public Agency Retirement Services (PARS) authorizing Executive Officer to execute the PARS administrative documents and to take necessary actions to maintain the Authority's participation in the Program and maintain compliance with any relevant regulation issued or that may be issued. (**Attachment A**).

### BACKGROUND/DISCUSSION:

As a result of the proposed FY 17-18 mid-year budget adjustments, Staff recommended \$5.7M be invested with PARS to irrevocably set aside funds for Pension and Other Post-Employment Benefits (OPEB), and b) adjust FORA Investment Policy for Board review/adoption at a future Board meeting. Establishment of the trust requires the Board to adopt the attached resolution. On April 13, the Board voted 11 Ayes to 2 Nays requiring a second vote. Additionally, Board member Edelen requested additional information regarding the performance of prospective investments. Attached (**Attachment B**) is a letter from Randall Yurchak, Vice President/Portfolio Manager of HighMark Capital Management briefly outlining the features and characteristics of the proposed PARS custom fixed income portfolio and proposed investment policy (**Attachment C**). The proposed investment policy does not alter the current Board investment policy.

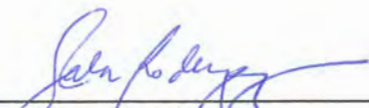
### FISCAL IMPACT:

This does not add cost obligation or alter existing approved budget. This restriction specifically and irrevocably sets aside funds for CalPERS retirement obligations. \$5.7M will be invested in the trust.

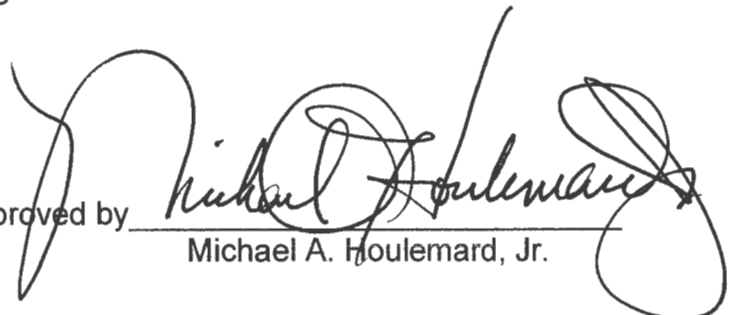
### COORDINATION:

Executive Committee and Finance Committee

Prepared by

  
Helen Rodriguez

Approved by

  
Michael A. Houlemard, Jr.

**RESOLUTION NO. 18-XX**

**A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY  
APPROVING THE ADOPTION OF THE PUBLIC AGENCIES POST-EMPLOYMENT  
BENEFITS TRUST ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES**

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

WHEREAS PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding pension obligations and/or OPEB obligations; and

WHEREAS the Fort Ord Reuse Authority ("Authority") is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS the Authority's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS the Authority's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS the Authority reserves the right to make contributions, if any, to the Program.

NOW THEREFORE the Board hereby resolves that:

1. The Governing Board hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective \_\_\_\_\_; and
2. The Governing Board hereby appoints the \_\_\_\_\_ (*POSITION OR TITLE*), or his/her successor or his/her designee as the Authority's Plan Administrator for the Program; and
3. The Authority's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the Authority and to take whatever additional actions are necessary to maintain the Authority's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the Authority's Program.

Upon motion by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, the foregoing Resolution was passed on this \_\_\_ day of \_\_\_, 2018, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

ATTEST:

\_\_\_\_\_  
Michael A. Houlemard, Jr.  
Clerk

\_\_\_\_\_  
Ralph Rubio  
Chair



May 5, 2018

Mayor Ralph Rubio, Chair  
Board of Directors  
Fort Ord Reuse Authority

Attn: Executive Officer Michael A. Houlemard, Jr.

### **FORA PARS/HighMark Custom Fixed Income Portfolio**

Below, we present a brief outline of the features and characteristics of the proposed PARS custom fixed income portfolio for FORA. From an investment perspective, the custom portfolio will the plan to capture today's higher yields while reducing exposure to interest rate risk.

- 1) The FORA PARS 115 trust portfolio will be a custom portfolio meaning that it will be designed for FORA's specific investment needs. The performance of the attached investment strategies serve as a guide to HighMark's investment ability rather than a specific expectation for the portfolio.
- 2) The portfolio will hold bonds (and no stocks) that will target the maturity date of mid-2020 – the expected termination of FORA. The characteristics of the portfolio are as follows:
  - a. The portfolio will own all high quality investment-grade bonds with minimum credit rating BBB that we believe have a high probability of returning principal and generating income over the two year time frame.
  - b. Presently, the custom portfolio is expected to yield more than LAIF as 2-year bonds (government t-year bonds yield 2.5% currently) have higher yields than the shorter-term LAIF portfolio maturity of six months.
  - c. By investing using this strategy, you will have visibility on your return expectation in comparison to LAIF where the investments would be subject to a variety of market risks that could occur.
  - d. LAIF yields may rise to equal or even exceed the PARS custom portfolio at some point over the next 2 years, however, we expect over the aggregate 2-year time period, PARS custom portfolio will compare very well against LAIF.

By leveraging HighMark's fixed income investing expertise, the Plan should generate an attractive return versus risk profile over the two-year investment period. Feel free to reach out with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Yurchak", written in a cursive style.

Randy Yurchak, CFA



HighMark Capital Management, Inc.  
 Composite Performance Presentation  
 Core Fixed Income Composite  
 January 1, 2008 through December 31, 2017

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2017	3.94	3.42	3.55	2.77	2.78	n/a	<6	95.08	14.00
2016	4.45	3.93	2.66	2.97	2.98	n/a	<6	672.23	15.25
2015	0.60	0.10	0.57	2.75	2.88	n/a	<6	620.30	15.10
2014	5.63	5.10	5.97	2.64	2.67	n/a	7	750.46	15.27
2013	-0.66	-1.16	-2.02	2.66	2.75	0.27	7	420.72	14.53
2012	7.32	6.79	4.21	2.40	2.42	0.65	8	511.10	17.50
2011	7.60	7.07	7.84	2.73	2.82	n/a	11	574.65	15.65
2010	8.28	7.74	6.54			n/a	<6	448.69	16.68
2009	11.72	11.16	5.93			n/a	<6	361.62	16.82
2008	2.30	1.79	5.24			n/a	<6	359.21	17.01

HighMark Capital Management, Inc. ("HighMark") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. HighMark has been independently verified for the period January 1, 2003 through December 31, 2016. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

HighMark, a wholly owned subsidiary of MUFG Union Bank, N.A., is a registered investment adviser. The firm's list of composite descriptions is available upon request. All returns are expressed in U.S. dollars.

The Core Fixed Income Composite includes all institutional portfolios invested in a diversified portfolio of investment grade U.S. fixed income securities. The composite contained the following percentage of non-fee-paying portfolios as of December 31: 2008: 4%; 2009: 4%; 2010-2012: 3%; 2013: 2%. The composite was created in January 2000.

The benchmark is the Bloomberg Barclays U.S. Aggregate Bond Index. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.

Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. Net returns are net of model investment management fees in effect for the respective time period and are derived using the maximum fixed fee rate. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Fees charged are at the discretion of HighMark and MUFG Union Bank, N.A.; investment advisory fees are described in Part 2 of HighMark's Form ADV, which is available upon request.

The standard management fee schedule is 0.50% on the first \$10m, 0.35% on the next \$15m, 0.30% on the next \$25m, 0.25% on the next \$50m, and 0.20% on amounts over \$100m. Standard management fees do not include any platform, administration, or other distribution fees that client may pay in addition to the management fees. The minimum portfolio size for inclusion in the composite is \$3 million.

The internal dispersion of annual returns is measured by the equal-weighted standard deviation of portfolio returns included in the composite for the full year. For those years with less than or equal to 5 portfolios, the calculation of internal dispersion is not a meaningful statistical measure. The three year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark returns over the preceding 36 month period. The standard deviation is not shown for periods prior to 2011 because it is not required. HighMark's policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

**Past performance does not guarantee future results. Securities investments involve risk, including the possible loss of the principal amount invested. Investments are not deposits of the adviser's parent or any of the adviser's affiliates, and are NOT FDIC insured.**



## Core Fixed Income Fact Sheet

Q4 2017

### PRODUCT OVERVIEW

The Core Fixed Income strategy seeks to capture market inefficiencies predominantly through sector allocation and security selection decisions in the context of robust risk management controls. We seek to minimize volatility through strict limits on relative sector exposures and duration decisions and manage idiosyncratic risk through individual issuer limits. Through our consistently applied philosophy and process, we seek to generate above market returns over market cycles with volatility of performance at or below our primary index.

Asset Class	U.S. Fixed Income	Strategy Assets	\$2,868 mm
Investment Style	Core	Holdings Range	75 – 100
Primary Index	Barclays U.S. Aggregate Bond Index	Max Position Size	5%
Inception Date	January 1994	Duration	+/- 25% vs. Index

### INVESTMENT PHILOSOPHY

#### Income Advantage

Seek to maintain a durable income advantage as compounding interest is an essential component of value-added fixed income investment returns.

#### Fundamental Research & Mean Reversion

Independent, in-depth fundamental research helps us capture an income advantage and have confidence in our investment decisions during periods of volatility. Mean reversion is a critical component in developing investment ideas and maintaining a sell discipline.

#### Avoid Asymmetric Risk

Fixed income instruments provide limited upside and maximum downside which is difficult to overcome.

#### Emphasize Risk Management

Control risk by using a consistent, disciplined investment process as well as maintenance of strict limits on individual issuer exposure, sector allocation, and duration positioning.

#### Long-Term Orientation

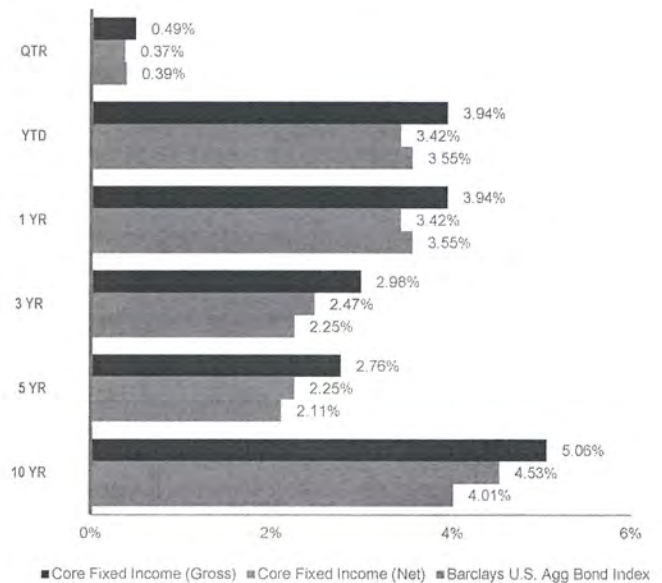
Focusing on long-term investment horizon enables us to capture market inefficiencies.

### CHARACTERISTICS

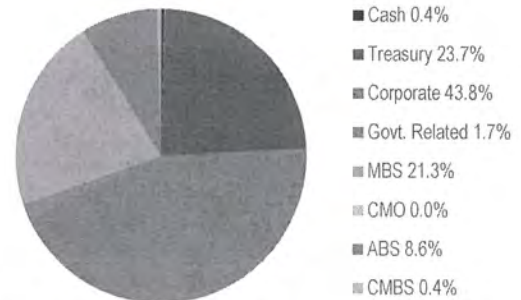
	Portfolio	Benchmark
Average Maturity	6.52 yrs	7.77yrs
Effective Duration	5.18 yrs	5.80 yrs
Yield To Maturity	2.68%	2.66%
Average Coupon	3.18%	3.06%

### COMPOSITE PERFORMANCE

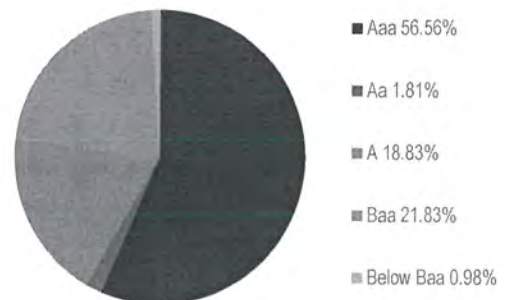
(periods under one year are not annualized)



### SECTOR WEIGHTINGS



### QUALITY



## FIXED INCOME TEAM\*

David Wines, CFA  
Chief Fixed Income Officer

- Investment experience since 1985
- Tenure with HighMark since 2004
- BS - Finance, University of Oregon
- MBA – Management, Golden Gate University

E. Jack Montgomery, CFA  
Director, Taxable Fixed Income

- Investment experience since 1979
- Tenure with HighMark since 1994
- BA - Finance, University of Oklahoma
- MBA - Finance, University of Oregon, Eugene

Robert L. Bigelow  
Director, Tax-Free Fixed Income

- Investment experience since 1986
- Tenure with HighMark since 1994
- BA – Economics, Pepperdine University
- MBA – Business Administration, Pepperdine University

Cori Farwell  
Senior Portfolio Manager

- Investment experience since 1992
- Tenure with HighMark since 2002
- BA – Business Administration, California State University, San Francisco
- MBA – Finance, St. Mary's College

Dorothy Cooney  
Senior Portfolio Manager

- Investment experience since 1987
- Tenure with HighMark since 1997
- BA – Political Science, University of Colorado
- MBA – Marketing Management, University of San Francisco

Philip B. Levy, CFA, CPA  
Senior Fixed Income Analyst

- Investment experience since 1991
- Tenure with HighMark since 2008
- BA - University of California, Santa Barbara

\*As of January 16, 2018

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

Information presented under Characteristics, Sectors and Quality is based on a representative account within the Core Fixed Income Composite, and on a trade date basis. As of December 31, 2017, the composite consists of equal to or less than ten accounts, and represents 0.68% of the total firm assets. The minimum portfolio size for inclusion in the composite is \$3 million. The benchmark for this composite is the Barclays U.S. Aggregate Bond Index. The benchmark is used for comparative purposes only and is provided to represent the market conditions during the period shown. The Barclays U.S. Aggregate Bond Index is a benchmark index composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors. All securities included in the index are of investment-grade quality, have at least one year to maturity, and have an outstanding par value of at least \$250 million. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other investment expenses. The benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an unmanaged index. Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of interest and other income. Client's return will be reduced by the advisory fees and other expenses it may incur as a client. Fees charged are at the discretion of HighMark and MUB; investment advisory fees are described in HighMark's Form ADV Part 2, which is available upon request. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives.

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## HIGHMARK CAPITAL MANAGEMENT

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#### Fred Hurst

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Jefferey Nevares  
Portfolio Manager

- Investment experience since 2001
- Tenure with HighMark since 2001
- BS – Business Administration, California State University, Hayward
- MS – Financial Analysis, University of San Francisco

Michael Stevens, CFA

Assistant Portfolio Manager

- Investment experience since 2008
- Tenure with HighMark since 2011
- BS – Biology, University of San Francisco





HighMark Capital Management, Inc.  
 Composite Performance Presentation  
 PARS Short-to-Intermediate Fixed Income Composite  
 January 1, 2008 through December 31, 2017

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Internal Dispersion (%)	As of December 31		
							Number of Portfolios	Composite Assets (\$M)	Firm Assets (\$B)
2017	1.50	1.42	0.43	0.32	0.74	n/a	<6	140.62	14.00
2016	1.29	1.22	0.88	0.30	0.75	n/a	<6	140.60	15.25
2015	0.47	0.40	0.53	0.23	0.56	n/a	<6	141.40	15.10
2014	0.52	0.45	0.61	0.34	0.44	n/a	<6	147.06	15.27
2013	0.73	0.66	0.34	0.40	0.52	n/a	<6	152.10	14.53
2012	1.72	1.65	0.42	0.43	0.75	n/a	<6	153.38	17.50
2011	0.83	0.75	1.57	0.98	1.04	n/a	<6	151.66	15.65
2010	1.69	1.61	2.35			n/a	<6	154.90	16.68
2009	5.39	5.32	0.77			n/a	<6	153.23	16.82
2008	1.06	0.99	6.61			n/a	<6	145.95	17.01

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The PARS Short-to-Intermediate Fixed Income Composite includes all institutional portfolios that invest in U.S. short-term to intermediate-term securities that offer liquidity, stability of principal, and competitive yields. Portfolios in this composite are diversified with security maturities less than 8 years and primarily a weighted average maturity of between 1.5 and 3 years. The composite was created in April 2009.

The benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.

Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. Net returns are net of model investment management fees in effect for the respective time period and are derived using the maximum fixed fee rate. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Fees charged are at the discretion of HighMark and U.S. Bank, N.A.; investment advisory fees are described in Part 2 of HighMark's Form ADV, which is available upon request.

The standard management fee is 0.072%. Standard management fees do not include any platform, administration, or other distribution fees that client may pay in addition to the management fees.

The internal dispersion of annual returns is measured by the equal-weighted standard deviation of portfolio returns included in the composite for the full year. For those years with less than or equal to 5 portfolios, the calculation of internal dispersion is not a meaningful statistical measure. The three year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark returns over the preceding 36 month period. The standard deviation is not shown for periods prior to 2011 because it is not required. HighMark's policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

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**PARS DIVERSIFIED PORTFOLIOS**  
**SHORT-TO-INTERMEDIATE FIXED INCOME**

Q4 2017

**WHY THE PARS DIVERSIFIED  
SHORT-TO-INTERMEDIATE PORTFOLIO?**

**Fundamental Economic Analysis**

Our Asset Allocation Committee, composed of our most senior investment professionals, conducts fundamental analysis of global economic indicators and fiscal and monetary policy. A strategic focus is placed on the leading indicators that have historically provided insight into the business cycle and potential changes in Federal Reserve policy. Our goal is to ensure that your portfolio is carefully positioned within a macroeconomic framework.

**Market and Credit Analysis**

We identify the most attractive issues among diverse asset classes and market sectors to enhance portfolio diversification and yield. Yield curve analysis identifies pricing opportunities that give us the chance to reposition a portfolio and take advantage of changes in the slope of the yield curve. Sector analysis allows us to identify areas that offer the most attractive yields on a risk-adjusted basis. Our team evaluates historical spread volatility and excess return trends, in addition to expected relative performance of each sector. Finally, our in-house research staff analyzes the creditworthiness of new security candidates and existing securities on an ongoing basis.

**Portfolio Construction**

In building a diversified and customized portfolio tailored to clients stated objectives and liquidity needs, our team seeks to diversify across multiple industries and security types. Portfolios are periodically repositioned to seek opportunities arising from changes in interest rates, the yield curve, and sector spreads.

**Risk Management**

Our overarching goal is to ensure risk is managed and minimized through portfolio diversification, the monitoring of portfolio holdings, and interest rate sensitivity analysis. Comprehensive performance measurement, compliance tools, and constant adherence to investment guidelines allow us to manage risk consistent with expectations.

**PHILOSOPHY**

We believe that safety, liquidity, and yield are the most important drivers of our short-to-intermediate strategy. We seek to maximize after-tax income while preserving principal and maintaining liquidity.

**PROCESS**



**ANNUALIZED TOTAL RETURNS  
(GROSS OF INVESTMENT MANAGEMENT FEES)**

	4Q17*	YTD	1 YR	3 YR	5 YR	10 YR
PARS Short-to-Intermediate Composite	0.20	1.50	1.50	1.09	0.90	1.51
ICE BofA ML 1-3 Year U.S. Treasury Index	-0.25	0.43	0.43	0.61	0.56	1.43

\* Returns less than one year are not annualized

**ANNUAL RETURNS**

2008	1.06%	2013	0.73%
2009	5.39%	2014	0.52%
2010	1.69%	2015	0.47%
2011	0.83%	2016	1.29%
2012	1.72%	2017	1.50%

**PORTFOLIO MATURITY**

	Weight
UNDER 30 DAYS	28.63%
31 – 60 DAYS	5.54%
61 – 90 DAYS	18.59%
91 – 180 DAYS	4.12%
181 – 365 DAYS	22.83%
365+ DAYS	20.29%
<b>TOTAL</b>	<b>100.00%</b>

**SECTOR WEIGHTINGS**

	Weight
CORPORATE BONDS	67.91%
COMMERCIAL PAPER	32.01%
MONEY MARKET	0.08%
<b>TOTAL</b>	<b>100.00%</b>



# HighMark® Capital Management Perspectives and Commentary

## Overview

A host of positive circumstances fed bullish sentiment steadily throughout the year. The carrot that led the way came from tax reform legislation, which finally came to fruition as the year closed out. The GOP's determined efforts to roll back regulations also kept equity investors optimistic. A friendly political climate for business, coinciding with a corporate earnings recovery, low interest rates and strengthening global economic growth, helped to sustain enthusiasm. This put concerns that more typically would have dampened market appetite—climbing equity valuations, a hawkish central bank and geopolitical tensions—on the back burner.

Fixed income credit spreads narrowed in line with the overarching risk on atmosphere in global financial markets. Despite a robust supply of new corporate bond issuance, option-adjusted spreads on investment grade corporate debt fell 30 basis points, while non-investment grade or high yield bonds declined by 66 basis points. Emblematic of just how thirsty investors have become for yield, Argentina, a serial defaulter on its sovereign debt, saw heavy demand for its \$2.75 billion 100-year U.S. dollar denominated bonds issued in June.

## Tax Reform Arrives

Ever since Republicans attained their majorities in both houses of Congress in addition to securing control of the executive branch in the 2016 election, corporations and individuals alike eagerly awaited the passage of major tax reform legislation. Investors had reason to be skeptical amid swirling controversy in Washington and failure to repeal the Affordable Care Act, but ultimately kept the faith that fiscal stimulus would be delivered in the form of tax reform. As the end of the year drew near, the \$1.5 trillion "Tax Cut and Jobs Act" was pushed across the finish line with last-minute compromises reached between the House and Senate versions of the legislation.

A reconciliation of the two bills was by no means a simple task. With so many interests in play and a defined ceiling for cuts, the devil lay in the details. When all was said and done, the final version of the legislation secured meaningful tax cuts for most businesses and individuals, while fixing some of the more arcane aspects of our nation's tax laws. Now investors are left to ponder the financial market implications of the most significant rewrite of the U.S. tax code in over 30 years.

For many individuals, the new tax code will simplify the filing process by raising the standard deduction, thereby eliminating the need to itemize deductions. Lowering marginal tax rates and raising the alternative minimum tax (AMT) exemption were also among the key provisions that most positively impact American taxpayers. However, changes in allowable income deductions offset some of these benefits, in particular the limiting of deductibility for state and local income tax (or "SALT"). This results in a disproportionately negative impact on residents of higher tax states like California and New York. On balance, however, the vast majority of Americans will find themselves sending less money to Uncle Sam until most of the new provisions expire after 2025.

Corporations, meanwhile, saw their top marginal rate drop from 35% to 21% permanently, putting the U.S. more in line with other developed nations. A territorial tax system for foreign profits will replace a worldwide system that allowed for tax deferral pending repatriation of income. Any current unrepatriated earnings will be subject to a one-time tax of either 8% or 15.5%, depending on liquidity. Additionally, for the next five years, businesses will be able to deduct 100% of capital expenditures in the first year.

As a result of the new provisions, after-tax corporate profits are expected to increase by an additional 10% to 12% next year. Correspondingly, we have raised our 2018 estimate for S&P 500 earnings to \$150-\$155 per share from \$131-\$139. While an earnings increase relieves some concerns over valuations, U.S. stocks are nowhere near cheap.

Altogether, tax cuts for next year are estimated to be \$205 billion or more than 1% of GDP. The variable that will determine the true cost of the tax cuts is how much faster the economy will grow because of the income that will stay in private hands. Increased business and consumer spending is estimated to raise U.S. economic output by an additional 0.3% to 0.8% next year. If tax cuts can't pay for themselves through economic growth, then federal debt as a percentage of GDP will grow more rapidly than originally projected. The non-partisan Tax Policy Center expects the new tax regime will add an incremental 5.5% to the nation's debt-to-GDP ratio over the next 10 years.

Perhaps the most unusual aspect of this legislation is its timing. The last two major rewrites of the tax code, under Presidents Reagan and Kennedy, occurred when the economy was in much worse shape. Today, the U.S. economy is growing, albeit modestly, and unemployment sits at a cyclical low. In other words, injecting such a significant fiscal stimulus late in an expansionary cycle has no precedent.

Ultimately, how consumers and businesses spend their newfound wealth will be the key determinant for the economy's ability to sustainably break out from sub-par growth. Investments by businesses that drive productivity improvements and wage gains will serve to achieve that objective, while more financial engineering (M&A and stock buybacks) are likely to deliver only short-term benefits.

## Conclusion

At its core, the tranquility and prosperity of financial markets in 2017 was a manifestation of a market friendly policy acting as a tailwind to building momentum in the global economy. Entering 2018, the impact of outgoing monetary stimulus and incoming fiscal stimulus will remain in focus domestically. While no equivalent historical comparisons exist for this type of environment, we expect that a slow moving Fed, combined with tax cuts, will further extend what is already one of the longest expansion cycles in modern economic history. Meanwhile, many foreign economies find themselves in less mature stages of an expansion cycle, leaving even more room to grow, as accommodative monetary policy is perpetuated.

## HIGHMARK CAPITAL MANAGEMENT

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## ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$14.0 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

## ABOUT THE PORTFOLIO MANAGEMENT TEAM

### David B. Wines, CFA®

CEO & Chief Fixed Income Officer  
Investment Experience: since 1985  
HighMark Tenure: since 2004  
Education: BS, Finance, University of Oregon;  
MBA, Management, Golden Gate University

### Dorothy Cooney

Sr. Fixed Income Funds Manager  
Investment Experience: since 1987  
HighMark Tenure: since 1997  
Education: BA, Political Science, University of Colorado; MBA, Marketing Management, University of San Francisco

### Cori Farwell

Sr. Fixed Income Funds Manager  
Investment Experience: since 1992  
HighMark Tenure: since 2002  
Education: BS, Business Administration, California State University, San Francisco; MBA, Finance, St. Mary's College

### Jefferey Nevares

Portfolio Manager  
Investment Experience: since 2001  
HighMark Tenure: since 2001  
Education: BS, Business Administration, California State University, Hayward; MS, Financial Analysis, University of San Francisco

### Michael Stevens, CFA®

Assistant Portfolio Manager  
Investment Experience: since 2008  
HighMark Tenure: since 2011  
Education: BS, Biology, University of San Francisco

The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS—Short-to-Intermediate Fixed Income objective.

Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. Client's return will be reduced by the advisory fees and other expenses it may incur as a client.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank charges clients a 0.12% annual management fee, and pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 7 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.07% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.72 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. An investor cannot invest directly in the unmanaged index stated above. The ICE Bank of America (BoFA) Merrill Lynch (ML) 1-3 Year U.S. Treasury Index is an unmanaged index consisting of all public U.S. Treasury obligations having maturities from 1 year to 2.99 years. Total returns assume the reinvestment of dividends and other earnings. Results for periods greater than one year are annualized.

All expressions of opinion are subject to change without notice in reaction to shifting market, economic or political conditions.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.



# Investment Guidelines Document

Fort Ord Reuse Authority

Employee Benefits Fund Pension Plan

April 2018

**DRAFT**



# Investment Guidelines Document

## Scope and Purpose

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The purpose of this Investment Guidelines Document is to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's short- and long-term needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Affirm that the account will terminate sometime from the first to the thirtieth of June 2020.

### Key Plan Sponsor Account Information as of April 2018

<b>Plan Sponsor:</b>	Fort Ord Reuse Authority
<b>Governance:</b>	Board of Directors for the Fort Ord Reuse Authority
<b>Plan Name ("Plan"):</b>	Ford Ord Reuse Authority - Employment Benefits Pension Plan
<b>Trustee:</b>	US Bank Contact: Susan Hughes, 949-224-7209 susan.hughes@usbank.com
<b>Type of Account:</b>	Pension Plan
<b>ERISA Status:</b>	Not subject to ERISA
<b>Investment Manager:</b>	US Bank, as discretionary trustee, has delegated investment management responsibilities to HighMark Capital Management, Inc. ("Investment Manager"), an SEC-registered investment adviser Contact: Randall Yurchak, CFA, 415-705-7605 Randall.yurchak@highmarkcapital.com

**Investment Authority:** Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account's investment objectives, without prior approval or subsequent approval of any other party(ies).

**Investment Objectives and Constraints**

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The goal of the Plan's investment program is to provide a reasonable return that will result in sufficient assets to pay the future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to maximize the return and return of principal over the life of the account.
- The Plan's assets will be managed with the following objectives: safety of principal foremost, maintain liquidity sufficient to meet the company's projected cash requirements, and maximize total after-tax return (net of fees) consistent with safety of principal and liquidity objectives.

**Investment Time Horizon:** Short-Term with projected end date June 2020

**Anticipated Cash Flows:** Assets in the Plan will be used for disbursement to CalPERS Trust at the termination month (June 2020) of the Plan.

**Investment Objective:** The primary objective is to preserve principal and generate a return commensurate with the risk level. The assets in this Plan will eventually be used to fund Pension Plan obligations for assets managed in the CalPERS Trust.

**Risk Tolerance:** *Conservative*  
 The account's risk tolerance has been rated conservative, which demonstrates that the account can accept only minor price fluctuations to pursue its investment objectives.

**Security Guidelines:**

Fixed Income

The account will only invest in Fixed Income and cash securities. The Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income and Cash	100%
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If individual fixed income securities are purchased for the Plan, the following guidelines will be adhered to in the management of the fixed income segment:

### **Eligible Investments**

- Debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises
- Mortgage-Backed Securities (MBS)
- Asset Backed Securities (ABS)
- Collateralized Mortgage Obligations (CMO)
- Commercial Mortgage-Backed Securities (CMBS)
- Corporate debt securities issued by U.S. or foreign entities including, but not limited to, limited partnerships, equipment trust certificates and enhanced equipment trust certificates

With the exception of Debt obligations of the U.S. Government, its agencies, Government Sponsored Enterprises and US TIPS, the total investment in any fixed income security issuer shall not exceed 5% of total plan assets. These restrictions do not apply to fixed income funds or ETFs.

### **Quality Rating**

The portfolio will maintain a minimum weighted average quality of A- at all times. Individual securities shall have a minimum quality rating of Baa3 by Moody's or BBB- by Standard & Poor's (S&P).

### **Maturity Restrictions**

- Weighted average maturity of the portfolio will gradually decline over time and generally reflect the time frame ending June 15, 2020.
- Maximum maturity of any individual issue shall not exceed 2 years (from settlement date). For floating rate notes and securities with puts, like variable rate demand notes, the reset date will be used for calculating the maturity profile.

### **Diversification**

- No more than 5% of the portfolio assets may be invested in any individual issuer, with the exception of securities issued or guaranteed by the U.S. Government, its agencies, and Government Sponsored Enterprises.

### **Security Selection**

Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub-adviser.

## **Approved Rating Agencies**

Standard & Poor's, Moody's, Fitch

## **Exception Management**

In the event a security is downgraded by any of the NRSRO's after being purchased, thereby falling below the minimum rating established within the "Quality Rating" section of the investment

policy, a course of action should be determined within a reasonable period of time. It is not mandatory that the security necessarily be sold, particularly if at a loss, if the credit risk of the issuer is deemed reasonably acceptable. Any exceptions to this policy, such as exceeding investment limits on approved securities, must be approved in writing by an authorized individual.

## **Duties and Responsibilities**

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### ***Responsibilities of Plan Sponsor***

The Board of Directors is responsible for:

- Confirming the accuracy of this Investment Guidelines Document, in writing.
- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.
- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.

### ***Responsibilities of Trustee***

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

### ***Responsibilities of Investment Manager***

The Investment Manager is responsible for:

- Assisting the Board of Directors with the development and maintenance of this Investment Policy Guideline document.
- Meeting with the Board of Directors to review portfolio structure, holdings, and performance.
- Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- Researching and monitoring investment advisers and investment vehicles.
- Purchasing, selling, and reinvesting in securities held in the account.
- Monitoring the performance of all selected assets.
- Voting proxies, if applicable.
- Recommending changes to any of the above.
- Periodically reviewing the suitability of the investments, being available to meet with the committee at least once each year, and being available at such other times within reason at your request.
- Preparing and presenting appropriate reports.
- Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

## Acknowledgement and Acceptance

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I/We being the Plan Sponsor with responsibility for the account(s) held on behalf of the Plan Sponsor specified below, designate Investment Manager as having the investment discretion and management responsibility indicated in relation to all assets of the Plan or specified Account. If such designation is set forth in the Plan/trust, I/We hereby confirm such designation as Investment Manager.

I have read the Investment Guidelines Document, and confirm the accuracy of it, including the terms and conditions under which the assets in this account are to be held, managed, and disposed of by Investment Manager. This Investment Guidelines Document supersedes all previous versions of an Investment Guidelines Document or investment objective instructions that may have been executed for this account.

\_\_\_\_\_ Date: \_\_\_\_\_  
Plan Sponsor: Fort Ord Reuse Authority

\_\_\_\_\_ Date: \_\_\_\_\_  
Investment Manager: Randall Yurchak, CFA, Portfolio Manager, (415) 705-7605



<b>FORT ORD REUSE AUTHORITY BOARD REPORT</b>		
<b>BUSINESS ITEMS</b>		
<b>Subject:</b>	ARCADIS Pre-construction, munitions related, mapping and Construction Support Plan preparation in support of the FORA CIP	
<b>Meeting Date:</b>	May 11, 2018	<b>ACTION</b>
<b>Agenda Number:</b>	7b	

**RECOMMENDATION(S):**

Authorize Executive Officer to execute Work Authorization AUS-FORA-2018-051118 (**Attachment A**) to the Environmental Services Cooperative Agreement (ESCA) Remedial Services Agreement (RSA) Contract Change Order (CCO) #5, Master Services Agreement (MSA) with the ARCADIS US, Inc. for an amount not to exceed \$73,800 to provide supplemental Unexploded Ordnance (UXO) Construction Support for the Fort Ord Reuse Authority (FORA) Capital Improvement Program (CIP).

**BACKGROUND:**

Many of the FORA CIP project sites occupy land historically used for military training on the former Fort Ord Army Base. Because of former military training uses at these project sites, munitions response actions are employed to remove detected Munitions and Explosives of Concern (MEC). Even with completion of munitions response actions, there is potential for MEC to be encountered.

For the intrusive activities associated with FORA CIP transportation projects, MEC recognition training and appropriate levels of construction support, implemented by Unexploded Ordnance (UXO) qualified personnel, are mandatory. These requirements are requisite to fulfill the conditions of the "digging and excavation ordinances" as passed by each land use jurisdiction to address MEC impacted lands on the former Fort Ord. To ensure these requirements are met and establish a basis for state and federal regulatory review and coordination, preconstruction mapping and MEC documentation in the form of Construction Support Plans (CSP) are essential. The FORA CIP has two active project areas requiring CSP's and one upcoming project. The two active projects are:

1. **Eucalyptus Road and General Jim Moore Boulevard Road Infiltrator Repair** in Seaside Munitions Response Area (MRA) 1-4 (Parcels E23.1, E23.2, E24, AND E34)
2. **South Boundary Road (SBR)**

FORA is responsible for all CIP project permitting and construction for these projects. In 2007, the FORA Board contracted with ARCADIS US, Inc. to form the ESCA RP Team. In reviewing the two project areas, staff determined early action addressing the MEC related permits and regulatory approvals was warranted. As well, staff concluded that ARCADIS' applicable site and project experience make them uniquely qualified to provide the most efficient and cost-effective munitions-related FORA CIP project documentation and mapping support.



In March 2018, FORA staff tasked Reimer Associates Consulting, Inc. (RAC) to coordinate cost estimates and scope of work with ARCADIS. On April 10th, 2018, FORA transmitted to ARCADIS US, Inc, a request for cost estimate for the two project areas. ARCADIS's response was received as required on April 18, 2018, with clarifications as requested by FORA submitted on April 26, 2019. The ARCADIS US, Inc. response to the request for cost estimates was reviewed by Staff and found to be complete and cost-effective, meeting schedule requirements. Staff negotiated a Work Authorization Agreement (**Attachment A**) for on-call professional services with two Service Work Orders (SWO) as follows:

**SWO-E1 - Seaside MRA 1-4** **\$32,940**

- Task 1 – Seaside MRA Roadway and Utility Installation and Maintenance CSP
- Task 2 – Mapping and Information Deliverable
- Task 3 – Estimates for UXO Construction Support and After-Action Reporting Services

**SWO-E2 – South Boundary Road Corridor** **\$40,860**

- Task 1 –MEC Mapping and Data Compilation
- Task 2 – SBR Corridor Roadway and Utility Installation and Maintenance CSP
- Task 3 – Estimates for UXO Construction Support and After-Action Reporting Services

**Eucalyptus Road and General Jim Moore Boulevard**

FORA in coordination with, and with approvals from, the City of Seaside designed and built General Jim Moore Boulevard (GJMB) and Eucalyptus Road on Parcels E23.1, E23.2, E24, AND E34. As part of the work, a Storm Water Pollution and Prevention Plan (SWPPP) was approved by the State Regional Water Quality Control (SRWQCB) and issued a General Permit (GP) for the construction of the storm water elements of the roadway. The Engineering Design and the SWPPP detailed on-site storage for environmental protection ensuring ground water recharge. Infiltrators (underground cisterns filled with drain rock) were designated as the solution.

During Eucalyptus Road construction, rainwater entering the infiltrators created a high-water pressure condition breaching the dirt covering the infiltrators, causing a partial road slope failure. In 2014, the City of Seaside notified FORA that an infiltrator/slope failure root cause analysis was needed prior to their accepting GJMB/Eucalyptus ownership (transfer of Parcels E23.1, E23.2, E24, AND E34 estimated 2019).

In 2016, FORA underwent a procurement process to identify an engineer and geotechnical team to design a repair. In 2017, FORA contracted with BKF and Harris and Associates (H&A) to complete the root cause analysis. In March 2018, staff gave H&A notice to proceed on preparing engineering designs to resolve the infiltrator/slope failures. In the same month, staff also directed Reimer Associates Consulting to coordinate the munitions response prior to construction and oversee the contractor development of a CSP.

**South Boundary Road**

South Boundary Road (project number FO14) is the FORA Board's second CIP transportation priority in support of the Del Rey Oaks Flagship Project and extends from General Jim Moore Boulevard east, 200 feet past Rancho Saucito Road. In November 2017, the Board approved replacing one engineer with another. - awarding a contract to Whitson Engineers (FC-20171117). This action also assigned Service Work Order W1 (to

review and prepare a workplan), and the associated documents, for the engineering evaluation and estimation of South Boundary Road construction costs in preparation of a prospective construction contract negotiation. In January 2018, the Board approved Reimer Associates Consulting, Inc. to coordinate the munitions response required for preparation of the CSP's. To prepare the CSP, consultants will gather data required to obtain Department of Toxic Substance Control approval for permits for road construction which set the scope for an updated workplan.

**Recommendation:**

Approve Executive Officer to execute Work Authorization AUS-FORA-2018-051118 (**Attachment A**) to the ESCA RSA CCO #5, MSA with the ARCADIS US, Inc. for an amount not to exceed \$73,800 to provide supplemental UXO Construction Support for the FORA CIP.

**FISCAL IMPACT:**

Reviewed by FORA Controller 

Staff time for this item is included in the approved annual budget. The contract budget authority is included in FY 2017-2018 CIP.

**COORDINATION:**

Administrative Committee, Executive Committee, Reimer Associates Consulting, ARCADIS US, Inc., City of Del Rey Oaks

Prepared by

  
Peter Said

Reviewed by

  
Jonathan Brinkman

Approved by

  
Michael A. Houlemard, Jr.

**EXHIBIT E**  
**Work Authorization**  
**AUS-FORA-2018-051118**

**Fort Ord Reuse Authority (FORA)**  
**Capital Improvement Program (CIP) projects**

This Work Authorization is under the Remedial Services Agreement (RSA) Contract Change Order #5 (CCO#5), Master Services Agreement, entered into by and between LFR Inc., now ARCADIS US, Inc. (“ARCADIS”) and Fort Ord Reuse Authority (“FORA”).

This Work Authorization is for technical and site Service Work Orders (SWO) as requested by FORA in support of its Capital Improvement Program (CIP) projects.

## **1. SCOPE OF SERVICES**

For the intrusive activities associated with FORA CIP projects, MEC recognition training and appropriate levels of construction support implemented by UXO-qualified personnel are mandatory. These requirements are requisite to fulfill the conditions of the “digging and excavation ordinances” as passed by each land use jurisdiction to address historic munitions and explosives of concern (MEC) impacted lands on the former Fort Ord. To ensure that these requirements are met as well as establishing a basis for state and federal regulatory review and coordination, preconstruction MEC documentation and mapping in the form of construction support plans are essential. The ARCADIS Team will draw from their extensive site knowledge and applicable experience in support of these efforts.

The following Service Work Orders (SWO) describe the project areas and needed scopes of work:

**SWO-E1: Seaside 1-4** **Not to Exceed \$32,940**  
(Parcels E23.1, E23.2, E24, AND E34) Munitions Response Area (MRA) Roadway and Utility Installation and Maintenance Construction Support Plan (CSP)

### **Task 1 - Seaside MRA Roadway and Utility Installation and Maintenance CSP**

Provision of all technical resources and support services to complete a comprehensive CSP that will address future construction, upgrades, and maintenance activities to be completed by FORA, local jurisdictions and utility companies within the Seaside MRA Roadway Alignment and Utility Corridor. The CSP will comply with appropriate permitting and regulatory requirements. This document is envisioned to be used for multiple future roadway installation, repair and maintenance projects. The document is to be structured for US Army, EPA, and CA DTSC annual review and re-approval. Latest FORA approved CSP format, requirement and reporting forms will be incorporated.

### **Task2 - Mapping and Information Deliverable**

All data and mapping used, compiled and created in Task A.1 will be provided for FORA's future use in electronic, readable GIS mapping and data layers, as well as summary data tables in spreadsheet format.

**Task 3 - Estimates for UXO Construction Support and After-Action Reporting Services**

Based on FORA project-specific information, provision of level of effort (LOE) descriptions and estimates for appropriate levels of UXO Construction Support and After-Action Reporting services.

**SWO-E2: South Boundary Road (SBR) Corridor**

**Not to Exceed \$40,860**

Roadway and Utility Installation and Maintenance CSP

**Task 1 - Munitions and Explosives of Concern (MEC) Mapping and Data Compilation**

Provision of all technical resources and support services to compile, map and evaluate munitions data reported on and adjacent to SBR Corridor. Information needs to be accurately defined in a format that succinctly conveys information for review and permitting purposes. All data and mapping used, compiled and created in this will be provided for FORA's future use in electronic, readable GIS mapping and data layers, as well as summary data tables in spreadsheet format.

**Task 2 - SBR Corridor Construction Roadway and Utility Installation and Maintenance CSP**

Provision of all technical resources and support services to complete a comprehensive CSP that will address construction and maintenance activities within the SBR Corridor Roadway Alignment and Utility Corridor. The CSP will be based on information collected in task B.1 and will comply with appropriate permitting and regulatory requirements. This document is envisioned to be used for multiple future roadway installation, repair and maintenance projects. The document is to be structured for US Army, EPA, and CA DTSC annual review and re-approval. Latest FORA approved CSP format, requirement and reporting forms will be incorporated.

**Task 3 - Estimates for UXO Construction Support and After-Action Reporting Services**

Based on FORA project-specific information, provision of level of effort (LOE) descriptions and estimates for appropriate levels of UXO Construction Support and After-Action Reporting services.

ARCADIS and its subcontractors will conduct the services outlined above (SWO-E1 and SWO-E2) on a time and materials basis **not to exceed \$73,800**.

The FORA Board may add future Service Work Orders under this Work Authorization upon mutual agreement of both parties.

FORA	ARCADIS
Michael Houlemard	Christopher Spill, P.G.
Title: Executive Officer	Title: Certified Project Manager 2
Date:	Date:

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

<b>Subject:</b>	Consider Adoption of FORA FY 2018-19 Annual Budget	
<b>Meeting Date:</b>	May 11, 2018	<b>INFORMATION/ACTION</b>
<b>Agenda Number:</b>	7c	

### RECOMMENDATION:

- i. Adopt fiscal year 2018-19 (FY 18-19) Annual Budget ACTION
- ii. Consider approval of staff proposed compensation and benefit adjustments ACTION

### BACKGROUND:

The FORA Annual Budget is typically presented to the Board in May of each year. Prior to the budget being presented to the Board, the budget is first reviewed by the Finance Committee (FC). After completing their deliberations, the FC makes recommendations to the Board regarding budget matters, including the presentation format and fund availability for programmed projects, staffing, consultant support and obligations. Prior to Board consideration of those recommendations, the Executive Committee (EC), who is charged to provide Board recommendation regarding employment and personnel matters, considers staff proposed adjustments specific to staffing and/or benefit. On May 2, the FC reviewed the draft budget and the EC reviewed the compensation adjustment recommendations.

### DISCUSSION:

This fiscal year budget was prepared in conjunction with the FY 18-19 CIP Budget. The CIP Budget will be presented in Business Item 7d – FY 2018-19 Capital Improvement Program.

The proposed budget charts with fund balance notes as directed by the FC are:

**Attachment A** - depicts the budget by individual funds

**Attachment B** - illustrates the combined funds overall budget as compared to FY 17-18 projected Budget.

**Attachment C** - itemizes expenditures and compares to projected FY 17-18 expenditures.

**Attachment D** - provides background/analysis of proposed Salary/Benefits adjustment

Significant budget impacts areas are discussed below:

The following summarizes the FY 18-19 (**Attachment A**) draft annual budget figures:

### **REVENUES**

- **\$310,928 MEMBERSHIP DUES**

In addition to State law stipulated fixed membership dues of \$224,000, FORA collects dues from Marina Coast Water District (MCWD) under contract terms.



- \$721,557 FRANCHISE FEES

This amount represents MCWD's projected FY 18-19 payments to FORA from water and sewer operations on Fort Ord and associated fees.

- \$1,129,167 ENVIRONMENTAL SERVICES COOPERATIVE AGREEMENT

FORA retains funds for ESCA remediation program completion, including remaining Economic Development Conveyance (EDC) property transfers. The draft annual budget includes the FY 18-19 ESCA regulatory response and management/related expenses.

- \$10,734,756 DEVELOPMENT FEES

This reflects jurisdictional forecasts included in the CIP FY 18-19 budget.

- \$0 LAND SALE PROCEEDS

There are no land sale revenue anticipated in the FY 18-19 CIP budget.

- \$50,000 RENTAL PROCEEDS

Rental payments from leasing projects on the Former Fort Ord, including Ord Market, Las Animas Concrete, etc.

- \$2,974,613 PROPERTY TAX

Projected property tax revenue exceeding \$1.3 million is committed to funding the CIP.

- \$161,490 INVESTMENT/INTEREST INCOME

Anticipated income from FORA bank accounts and certificates of deposit (CD) including the Habitat Management CD.

## **EXPENDITURES**

- \$2,902,432 SALARIES AND BENEFITS (Attachments C, D show breakdown)

Of the \$2.9M in salaries and benefits, \$519,825 is funded by ESCA. Proposed budget amount includes:

- 1) 3.0% COLA for eligible personnel. Fiscal impact up to \$69,000.  
*Eligibility: Must be full time, employed with FORA for the past 12 months.*
- 2) Retention benefit - In light of FORA's nearing sunset date, staff recommends a pool of funds to provide for employee retention, special assignments, and coverage for employee losses.
- 3) Staff Health Insurance Benefit. No change from approved FY 17-18 Budget.  
Staff recommends extension of these benefit for FY18-19.
- 4) Staffing. Fiscal impact up to \$100,000 in wages and benefits.  
Staff recommends the addition an additional staff position and a reclassification.

*\*FC acknowledges funding availability for all items and EC recommends item 1*

- **\$536,025 SUPPLIES AND SERVICES (Attachment C)**

This expense category is increased \$60,725 from prior year. Significant increases are:

- 1) \$28,600 – Vehicle Expenses – Staff has budgeted purchase of a used 4-wheel vehicle for use on construction sites: Surplus II, South Boundary Road, Eucalyptus Road, General Jim Moore Boulevard, and Stockade.
- 2) \$6,000 – IT/Computer Support – field computer, off-site internet, and AutoCAD
- 3) \$10,000 – Record Archiving – archiving of engineering drawings and documents.
- 4) \$6,000 – Training & Seminars – training and employee transitions.
- 5) \$6,700 – Insurance – general liability and property insurance increases.

- **\$2,112,350 IN CONTRACTUAL SERVICES (Attachment C)**

Contractual services increased \$656,800 from the previous FY. In addition to FORA's recurring consulting expenses such as the Annual Auditor, Public Information, Human Resources, and Legislative consultants, the budget includes increased and or significant costs for:

- 1) \$475,000 – FORA Sunset/Transition for Local Agency Formation Commission application and indemnification set aside fund, consultant fees (e.g. CEQA, financial, employee transition and legal).
- 2) \$50,000 – Authority Counsel – Review of contracts, bid documents, and procurement process.
- 3) \$110,000 – Legal/Litigation Fees and Special Practice – Easements, Right of Way, Permitting and legal advice.
- 4) \$20,000 – Economic Development – consist of \$5K for local support and an increase of \$15K toward CSUMB and related sponsorship.

- **\$29,701,327 IN CAPITAL PROJECTS (Attachments B, C)**

The upcoming budget includes \$9.6 for the completion of the FORA building removal obligations and includes \$2M increase in the engineer's estimate for Marina Stockage removal. The budget includes mandated/obligatory expenditures such as habitat management and UC Natural Reserve annual cost. Other capital projects are development fee collection dependent. The FY 18-19 CIP budget provides itemization and timing of capital projects.

<b>OTHER/ACCOUNTING ENTRIES/FUND DESIGNATIONS</b>
---

- 1) Maintain \$6.7 million Reserve - \$5.7M to be invested in an irrevocable Section 115 Trust and \$1.0M in reserve.
- 2) Maintain \$4.7 million Reserve for operating funds.
- 3) Transfer of funds \$1,325,00 from Lease and Land Sale to CFD/Tax Developer Fee Fund (\$1,050,000) and General Fund (\$275,000).



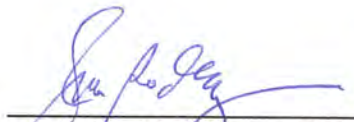
**ENDING BALANCE/FORA RESERVE**

It is anticipated that the combined fund balance at the end of the FY 18-19 will be more than \$28.7 million. To address the FORA sunset financial obligations, the Board has designated \$6.7 million for CalPERS pension liabilities, \$4.7 million balance for operating obligations through FORA 2020 sunset; specific future designations/ spending of this \$4.7 million balance must be approved by the FORA Board. The set aside of \$17.1 million for Habitat Conservation reflects FORA Board policy of reserving 30.2 percent of the CFD fee collections for this purpose.

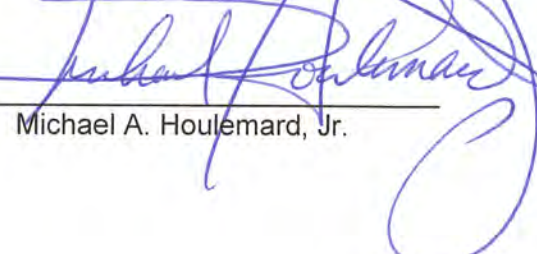
**COORDINATION:**

Finance Committee, Executive Committee, FORA Annual Auditor.

Prepared by

  
Helen Rodriguez, CPA

Approved by

  
Michael A. Houlemard, Jr.



**FORT ORD REUSE AUTHORITY - FY 18-19 PROPOSED ANNUAL BUDGET - BY FUND**

CATEGORY	SPECIAL REVENUE FUNDS (SRF)				TOTAL ANNUAL BUDGET
	GENERAL FUND	LEASES/ LAND SALE	CFD/Tax Developer Fees	ARMY ESCA	
<b>REVENUES</b>					
Membership Dues	310,928	-	-	-	310,928
Franchise Fees - MCWD	721,557	-	-	-	721,557
Federal Grants	-	-	-	1,129,167	1,129,167
Development Fees	-	-	10,734,756	-	10,734,756
Land Sale Proceeds	-	-	-	-	-
Rental/Lease Revenues	50,000	-	-	-	50,000
Property Tax Payments	1,300,000	-	1,674,613	-	2,974,613
Reimbursement Agreements	5,000	-	-	-	5,000
Investment/Interest Income	120,000	-	41,490	-	161,490
Other Income	-	-	-	-	-
<b>Total Revenues</b>	<b>2,507,485</b>	<b>-</b>	<b>12,450,859</b>	<b>1,129,167</b>	<b>16,087,511</b>
<b>EXPENDITURES</b>					
Salaries & Benefits	1,826,795	102,209	453,603	519,825	2,902,432
Supplies & Services	328,123	12,974	126,595	68,333	536,025
Contractual Services	1,107,589	25,690	438,062	541,009	2,112,350
Capital Projects	-	9,520,871	20,180,456	-	29,701,327
<b>Total Expenditures</b>	<b>3,262,507</b>	<b>9,661,744</b>	<b>21,198,716</b>	<b>1,129,167</b>	<b>35,252,134</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(755,022)</b>	<b>(9,661,744)</b>	<b>(8,747,857)</b>	<b>-</b>	<b>(19,164,623)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In/(Out)	275,000	(1,325,000)	1,050,000	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>275,000</b>	<b>(1,325,000)</b>	<b>1,050,000</b>	<b>-</b>	<b>-</b>
<b>REVENUES &amp; OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	<b>(480,022)</b>	<b>(10,986,744)</b>	<b>(7,697,857)</b>	<b>-</b>	<b>(19,164,623)</b>
FUND BALANCE-BEGINNING 7/1/18	<b>11,904,456</b>	<b>11,185,029</b>	<b>24,844,821</b>	<b>-</b>	<b>47,934,306</b>
<b>FUND BALANCE-ENDING 6/30/18</b>	<b>11,424,434</b>	<b>198,285</b>	<b>17,146,964</b>	<b>-</b>	<b>28,769,683</b>

**Fund Balances**

**Committed/Assigned for:**

CalPers Termination	\$ 6,700,000	\$ -	\$ -	\$ -	\$ 6,700,000
Operations	4,700,000	-	-	-	4,700,000
Habitat Management (HM/HCP)	-	-	17,113,239	-	17,113,239
Building Removal	-	-	-	-	-
CIP	-	198,285	33,725	-	232,010
<b>Unassigned</b>	<b>24,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,434</b>
<b>Ending Fund Balance</b>	<b>11,424,434</b>	<b>198,285</b>	<b>17,146,964</b>	<b>-</b>	<b>28,769,683</b>

FORT ORD REUSE AUTHORITY - FY 18-19 PROPOSED ANNUAL BUDGET - COMPARATIVE

CATEGORIES	FY 17-18 APPROVED MID-YEAR	FY 17-18 <u>Variances</u> <i>Projected thru 6/30/18</i>	FY 17-18 <u>PROJECTED</u>	FY 18-19 <u>PROPOSED</u>	NOTES
<b>REVENUES</b>					
Membership Dues	\$ 307,000	\$ 8,584	\$ 315,584	310,928	
Franchise Fees - MCWD	415,000	279,766	694,766	721,557	
Federal Grants	1,002,580	-	1,002,580	1,129,167	
Development Fees	6,118,763	-	6,118,763	10,734,756	
Land Sale Proceeds	-	-	-	-	
Rent Proceeds	50,000	-	50,000	50,000	
Property Taxes	2,310,835	-	2,310,835	2,974,613	
Reimbursement Agreements	5,000	-	5,000	5,000	
Investment/Interest Income	110,000	-	110,000	161,490	
<b>TOTAL REVENUES</b>	<u>10,319,178</u>	<u>288,350</u>	<u>10,607,528</u>	<u>16,087,511</u>	
<b>EXPENDITURES</b>					
Salaries & Benefits	3,845,250	-	3,845,250	2,902,432	
Supplies & Services	475,300	-	475,300	536,025	
Contractual Services	1,562,500	(107,000)	1,455,500	2,112,350	
Capital Projects (CIP)	13,043,796	(9,802,852)	3,240,944	29,701,327	
<b>TOTAL EXPENDITURES</b>	<u>18,926,846</u>	<u>(9,909,852)</u>	<u>9,016,994</u>	<u>35,252,134</u>	
<b>REVENUES &amp; OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	(8,607,668)	10,198,202	1,590,534	(19,164,623)	<i>Use of Fund Balance</i>
<b>FUND BALANCES</b>					
Beginning	46,343,772	-	46,343,772	47,934,306	
Ending	\$ 37,736,104	\$ 10,198,202	\$ 47,934,306	28,769,683	<b>Ending Fund Balance</b>
<b>Fund Balances</b>					
<i>Committed/Assigned for:</i>					
CalPers Termination	\$ 6,700,000		\$ 6,700,000	6,700,000	
Operations	4,700,000		4,700,000	4,700,000	
Habitat Management (HM/HCP)	13,829,853		13,829,853	17,113,239	
Building Removal	3,339,000	3,309,056	6,648,056	-	
CIP	9,058,145	6,493,796	15,551,941	232,010	
<i>Unassigned</i>	109,106	288,350	397,456	24,434	
<b>Ending Fund Balance</b>	<u>\$ 37,736,104</u>	<u>\$ 10,091,202</u>	<u>\$ 47,827,306</u>	<u>28,769,683</u>	

## FORT ORD REUSE AUTHORITY - FY 18-19 PROPOSED ANNUAL BUDGET - EXPENDITURE DETAIL

EXPENDITURE CATEGORIES	FY 17-18 Approved Mid-Year	FY 17-18 Variance Projected thru 6/30/18	Projected 6/30/18	FY 18-19 Preliminary	Change from Prior Year	NOTES
	16 positions + 1 intern	16 positions + 1 intern	16 positions + 1 intern	17 positions + 1 intern		"N" indicates a new expense in FY 18-19budget
<b><u>SALARIES AND BENEFITS (S &amp; B)</u></b>						
SALARIES	1,911,684	-	1,911,684	2,038,161	126,477	3.0% COLA and Step, reclassification, new position
BENEFITS/HEALTH, RETIREMENT, OTHER	672,406	-	672,406	714,271	41,865	0.5% CalPers Employer portion increase, new position Retention, add'l assignment resulting from attrition due to sunset
TEMP HELP/VACATION CASH OUT/STIPENDS	100,000	-	100,000	150,000	50,000	
<i>SUBTOTAL S &amp; B</i>	<b>2,684,090</b>	-	<b>2,684,090</b>	<b>2,902,432</b>	218,342	
<b><u>CalPERS UNFUNDED LIABILITIES (UAL)</u></b>						
SHARE OF RISK POOL UAL - PARTIAL PAYMENT	1,161,160	-	1,161,160	-	(1,161,160)	UAL funded FY 17-18, pending 8/18 Actuarial report
<i>SUBTOTAL PERS UAL</i>	<b>1,161,160</b>	-	<b>1,161,160</b>	-	(1,161,160)	
<b><u>TOTAL SALARIES , BENEFITS AND UAL</u></b>	<b>3,845,250</b>	-	<b>3,845,250</b>	<b>2,902,432</b>	(942,818)	
<b><u>SUPPLIES AND SERVICES</u></b>						
PUBLIC & LEGAL NOTICES	8,000	-	8,000	8,000	-	
COMMUNICATIONS	8,000	-	8,000	8,000	-	
DUES & SUBSCRIPTIONS	25,000	-	25,000	25,000	-	
PRINTING & COPY	13,000	-	13,000	13,000	-	
SUPPLIES	16,000	-	16,000	16,000	-	
EQUIPMENT & FURNITURE	25,000	-	25,000	25,000	-	
<b>N</b> VEHICLE AND MAINTENANCE	-	-	-	28,600	28,600	Purchase of 4-wheel vehicle for use on construction site
TRAVEL & LODGING	33,000	-	33,000	35,000	2,000	Anticipated increase
CONFERENCE, TRAINING & SEMINARS	19,000	-	19,000	25,000	6,000	Training and employee transition
MEETING EXPENSES	15,000	-	15,000	15,750	750	Anticipated 5% rate increase
TELEVISED MEETINGS	7,000	-	7,000	7,000	-	
BUILDING MAINTENANCE & SECURITY	10,000	-	10,000	10,000	-	
FORA OFFICES RENTAL	180,000	-	180,000	180,000	-	
UTILITIES	13,500	-	13,500	14,175	675	Anticipated 5% rate increase
INSURANCE	27,300	-	27,300	34,000	6,700	Anticipated increase
PAYROLL/ACCOUNTING SERVICES	7,500	-	7,500	7,500	-	
IT/COMPUTER SUPPORT	29,000	-	29,000	35,000	6,000	Field computer, offsite internet, and AutoCAD
RECORD ARCHIVING	1,000	-	1,000	11,000	10,000	archiving of engineer drawings and plan documents
PREVAILING WAGE TECH SUPPORT/SOFTWARE	10,000	-	10,000	10,000	-	
Community Outreach/Marketing	25,000	-	25,000	25,000	-	
OTHER (POSTAGE, BANK FEES, MISC)	3,000	-	3,000	3,000	-	
<b><u>TOTAL SUPPLIES AND SERVICES</u></b>	<b>475,300</b>	-	<b>475,300</b>	<b>536,025</b>	60,725	
<b><u>CONTRACTUAL SERVICES</u></b>						
AUTHORITY COUNSEL	200,000	-	200,000	250,000	50,000	Contract reviews
LEGAL/LITIGATION FEES	125,000	-	125,000	185,000	60,000	Bid documents, and procurement process
LEGAL FEES - SPECIAL PRACTICE	25,000	-	25,000	75,000	50,000	CEQA Counsel, ROW & Easement, Real Estate Transfer
AUDITORS	24,000	(7,000)	17,000	18,850	1,850	Anticipated increase, amended grant
SPECIAL COUNSEL (EDC-ESCA)	100,000	-	100,000	100,000	-	
ESCA/REGULATORY RESPONSE/ QUALITY						
ASSURANCE	460,000	-	460,000	460,000	-	
FINANCIAL CONSULTANT	25,000	-	25,000	25,000	-	
LEGISLATIVE SERVICES CONSULTANT	43,000	-	43,000	43,000	-	
PUBLIC INFORMATION/OUTREACH	20,000	-	20,000	20,000	-	
HCP CONSULTANTS	150,000	-	150,000	150,000	-	
FORA Sunset/Transition	50,000	(25,000)	25,000	500,000	475,000	LAFCO Application Fee and Indemnification Fund, Consultants (
REUSE PLAN IMPLEMENTATION	150,000	-	150,000	150,000	-	CEQA, Financial, Employee transition and Legal).
ECONOMIC DEVELOPMENT	85,500	-	85,500	105,500	20,000	\$15K CSUMB and \$5K local support
PW WAGE CONSULTANTS	75,000	(75,000)	-	-	-	
OTHER CONSULTING/CONTRACTUAL EXP	30,000	-	30,000	30,000	-	
<b><u>TOTAL CONTRACTUAL SERVICES</u></b>	<b>1,562,500</b>	<b>(107,000)</b>	<b>1,455,500</b>	<b>2,112,350</b>	656,850	
<b><u>CAPITAL PROJECTS</u></b>						
TRANSPORTATION/OTHER CIP PROJECTS	9,293,796	(6,493,796)	2,800,000	20,180,456	17,380,456	CIP Budget
BUILDING REMOVAL	3,750,000	(3,309,056)	440,944	9,520,871	9,079,927	CIP Budget
<b><u>TOTAL CAPITAL PROJECTS</u></b>	<b>13,043,796</b>	<b>(9,802,852)</b>	<b>3,240,944</b>	<b>29,701,327</b>	26,460,383	
<b><u>TOTAL EXPENDITURES</u></b>	<b>18,926,846</b>	<b>(9,909,852)</b>	<b>9,016,994</b>	<b>35,252,134</b>	<b>26,235,140</b>	

**STAFF COST OF LIVING ADJUSTMENT**

**Staff recommends the following:**

Effective October 1, 2016, pursuant to independent human resources consultant and FC/EC recommendations, the FORA Board adjusted salary ranges to bring FORA employees to equity with other Monterey Bay Regional labor market agencies and affiliated jurisdictions. To sustain this equity, the preliminary budget includes scheduled salary step increases for eligible staff. Proposed Cost-of-Living adjustment (COLA) is provided.

**Cost-of-Living-Adjustment 3.00%**

**CPI SF-Oakland-SJ report (available data thru 2/18): 3.56%**  
**Effective date:** July 1, 2018  
**Eligibility:** Must be full-time, employed with FORA for the past 12 months.

**COLA Proposed Budget by Jurisdictions FY 18-19**

	%
City of Carmel	2.00
City of Del Rey Oaks	pending negotiations
City of Monterey	2.00
County of Monterey	3.00
City of Marina	2.50
City of Pacific Grove	-
City of Salinas	2.50
City of Sand City	pending negotiations
City of Seaside	2.00
MCWD	4.00
TAMC	3.00
LAFCO	3.00
CSUMB	3.00
Monterey One Water	2.90
MRWMD	3.00

**FY 18-19 BUDGET IMPACT**

<b>68,595</b>	
\$ 59,364	Salary increase
	Benefits increase - impacts only
\$ 9,231	CalPers and Wcomp
<b>\$ 2,833,837</b>	Total S & B/No COLA
<b>\$ 2,902,432</b>	Total S & B/With COLA
<b>\$ 68,595</b>	Difference

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

**Subject:** FY 2018-19 Capital Improvement Program

**Meeting Date:** May 11, 2018

**Agenda Number:** 7d

**INFORMATION/ACTION**

### RECOMMENDATION(S):

- i. Receive a report on the Fort Ord Reuse Authority (FORA) Fiscal Year (FY) 2018-19 Capital Improvement Program (CIP) (**Attachment A**).
- ii. Consider Fiscal Year 2018-19 CIP adoption (**Attachment A**).

### BACKGROUND/DISCUSSION:

The FORA Board has reviewed, considered and adopted annual CIP documents since 2001-02, as required by State law and the 1997 Fort Ord Base Reuse Plan (BRP). The BRP includes a Development and Resource Management Plan (DRMP) (BRP Vol. 1, pgs. 194 to 203), which informs and supports the CIP. The DRMP is an identified BRP Final Environmental Impact Report mitigation for impacts on local water supplies and anticipated increased travel demand on the regional transportation system. The DRMP also includes a section about the CIP, stating: "FORA shall annually update the CIP to reflect the proposed capital projects. The extension of infrastructure shall be made on a first-come-first-served basis consistent with funding capabilities and best engineering practices" (BRP Vol. 1, pg. 202). Because of the DRMP's requirements, FORA staff presents an annual CIP to the FORA Board for its consideration. Staff presents the CIP in May for the Board to review the document and provide staff direction on any changes to the CIP prior to adoption.

The FORA CIP aligns FORA capital obligations (expenditures) with available revenue sources. FORA's key capital obligations include: Transportation/Transit, Water Augmentation, Habitat Conservation Plan endowment set aside, and Building Removal.

The FORA Administrative Committee is an advisory committee to the FORA Board. The Administrative coordinates CIP preparation with FORA staff. Individual Administrative Committee members provide annual CIP development forecasts to FORA staff. This year, the Administrative Committee confirmed the forecasts and also established a new CIP Taskforce (comprised of Administrative Committee representatives or their designees) to review potential re-prioritization of CIP programs and to review the BRP DRMP housing cap of 7,973 residential units. In particular, the Taskforce has discussed how the DRMP housing caps might be amended to allow implementation of County and City General Plans, which have the potential to exceed the 7,973 residential units on Fort Ord. The Taskforce met on April 18 and May 2, 2018. The Taskforce is recommending that the Administrative Committee consider a joint planning effort among FORA, its Jurisdictions, and Monterey Bay Economic Partnership that starts with a Regional Housing Needs Assessment and develops a path ahead that seeks to meet the community needs for housing and jobs. Staff will convey any Administrative Committee recommendations to the FORA Board. The Committee recommended that FORA staff craft a Board recommendation to explore funding the removal of remaining Fort Ord buildings (estimated cost of \$48.8 million), which may include property taxes, land sales revenue, and grant funds. Staff will prepare this item for the June 8, 2018 Board meeting.

At its May 2, 2018 meeting, the FORA Administrative Committee reviewed the FORA FY 2018-19 CIP and recommended FORA Board approval. The Committee's motion for approval included the following note: After considering the draft letter concerning Davis Road funding priority and allocation recommended by the County Fort Ord Committee to the Monterey County Board of Supervisors, the Administrative Committee reaffirmed Transportation and Transit project priorities presented in Table 2 of the draft CIP. Significant CIP changes this year include:

- Planning horizon from 2018-19 to 2028-29 to facilitate FORA transition planning;
- Incorporation of 2017 FORA Fee Reallocation Study project list, cost estimates, and FORA allocation funding;
- Construction funding for South Boundary Road and the General Jim Moore Boulevard/South Boundary Road intersection;
- Transit Vehicle Purchases of \$500,000;
- Planning funding for the Northeast-Southwest Connector (formerly Eastside Parkway);
- Planning funding to reimburse the City of Marina as they plan Del Monte Blvd. Extension; and
- Building Removal funding for Marina Stockade and Seaside Surplus II.



**FISCAL IMPACT:**

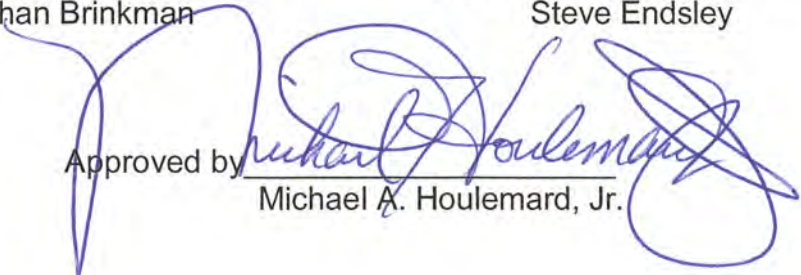
Reviewed by FORA Controller 

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

**COORDINATION:**

Authority Counsel, Administrative and Executive Committees, land use jurisdictions.

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## I. INTRODUCTION

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The Fort Ord Reuse Authority (FORA) Capital Improvement Program (CIP) was created in 2001 to comply with and monitor mitigation obligations from the 1997 Fort Ord Base Reuse Plan (BRP). These mitigation obligations were described in the BRP Appendix B as the 1996 Public Facilities Implementation Plan (PFIP) – which was the initial capital programming baseline. The CIP is a policy approval mechanism for the ongoing BRP mitigation requirements as well as other capital improvements established by FORA Board policy.

The 1997 BRP Final Environmental Impact Report (FEIR) identified FORA establishment of a Development and Resource Management Plan (DRMP) (BRP Vol. 1, Context and Framework, pg. 194 to 203) as a mitigation for BRP impacts (BRP Vol. 4, FEIR, pg. 4-55 and 4-112). The identified BRP impacts were described as ‘need for new local water supplies’ (BRP Vol. 4, FEIR, pg. 4-53) and ‘increased travel demand on regional transportation system’ (BRP Vol. 4, FEIR, pg. 4-108). The FORA Board facilitates project implementation on a timely basis through annual consideration of the CIP, which is a DRMP requirement (BRP Vol. 1, Context and Framework, pg. 202).

Staff has prepared this FY 2018/19 – 2028/29 CIP document using current reuse forecasts provided by the FORA land use jurisdictions, Administrative Committee feedback, and Board policies. The document includes current year annual forecasts in **Tables 6** and **7** of this document to be used to forecast revenues available to the CIP in the coming year.

Current State law sets FORA’s sunset for June 30, 2020 or when 80% of the BRP has been implemented, whichever occurs first. For this CIP document, “Post-FORA” means the time period after June 30, 2020 needed to complete CIP funding collections and project expenditures by FORA or its successor(s). The revenue and obligation forecasts for beyond the coming year are currently being addressed in the Board’s FORA Transition Ad Hoc Committee (TAC) and, under State law, requires coordination with the Local Agency Formation Commission. The prior Transition Task Force recommended a dual track approach and the FORA Board concurred in Fall 2016: 1) to seek legislative extension from 2020 up to 2037 and 2) continue FORA transition planning efforts for a June 30, 2020 end date. The Board adjusted this charge on January 12, 2018, assigning staff & the TAC to study a side by side comparison of extension of a modified FORA with the dissolution of FORA and a transfer of FORA functions to organizations and land use jurisdictions.

### **Periodic CIP Review and Reprogramming**

National, regional, and local markets such as the housing market affect recovery forecasting. However, annual jurisdictional forecast updates remain the best method for CIP programming since individual on-base FORA members negotiate development agreements and schedules. As such, FORA reviews and adjusts its jurisdictional forecast-based CIP annually to reflect local project implementation and depends upon the jurisdictions’ understanding of local, regional,

and national market changes. The protocol for CIP review and reprogramming was adopted by the FORA Board on June 8, 2001. Appendix A defines how FORA and its member agencies review reuse timing to forecast revenue. A March 8, 2010 revision incorporated additional protocols by which projects could be prioritized or placed in time. Once approved by the FORA Board, this CIP sets project priorities.

In previous updates, the Finance Committee expressed concern for a higher degree of accuracy and predictability in FORA's revenue forecasts. FORA works with its member jurisdictions to hone and improve CIP development forecasts and resulting revenue projections. This approach has continued into the 2018/19 document.

### **CIP Development Forecasts Methodology**

From January to May 2014, FORA Administrative and CIP Committees formalized a methodology for developing jurisdictional development forecasts: 1) Committee members recommended differentiating between entitled and planned projects (**Appendix A**) and correlate accordingly; 2) Market conditions necessary for housing projects to proceed should be recognized and reflected in the methodology. On average, a jurisdiction/project developer will market three or four housing types/products and sell at least one of each type per month; 3) As jurisdictions coordinate with developers to review and revise development forecasts each year, FORA staff and committees review submitted jurisdiction forecasts, using the methodology outlined in #2, translated into number of building permits expected to be pulled between July 1 and June 30 of the prospective fiscal year and consider permitting and market constraints in making additional revisions; and 4) FORA Administrative and CIP Committees confirm final development forecasts, and share those findings with the Finance Committee.

In FY 2010/11, FORA contracted with Economic & Planning Systems (EPS) to perform a review of CIP costs and contingencies (CIP Review – Phase I Study), which resulted in a 27% across-the-board Community Facilities District (CFD)/development fee reduction in May 2011. On August 29, 2012, the FORA Board adopted a formula to calibrate FORA CIP costs and revenues on a biennial basis, or if a material change to the program occurs. Results of the EPS Phase II Review resulted in a further 23.6% CFD/development fee reduction. A Phase III review, to update CIP costs and revenues, resulted in an additional 17% CFD/development fee reduction which took effect on July 5, 2014. FORA's formula to establish CFD/development fee rates that match CIP expenditures to revenues was mandated by Board resolution and FORA-Jurisdiction Implementation Agreement amendments in 2012. The formula review takes place every other year and is presented to the FORA Board. FORA hired EPS to complete the formula review in FY 2016/17 in conjunction with the Transportation Agency for Monterey County's (TAMC's) 2017 FORA Fee Reallocation Study. EPS's work resulted in a 0.8% CFD/development fee increase.

### 1) CIP Costs

The costs assigned to individual CIP elements were first estimated in May 1995 and published in the draft 1996 BRP. The Transportation/Transit Costs were updated in 2005 and have been adjusted to reflect actual changes in construction expenses noted in contracts awarded on the former Fort Ord and to reflect the Engineering News Record (ENR) Construction Cost Index (CCI) inflation factors. This routine procedure has been applied annually since the adoption of the CIP. FORA and TAMC staff presented the 2017 FORA Fee Reallocation Study, which forms the basis for Transportation/Transit costs in this CIP document, to the FORA Board in May and June of 2017.

### 2) CIP Revenues

The primary CIP revenue sources are CFD special taxes/development fees and land sale proceeds. These primary sources are augmented by loans, property taxes, and grants. The CFD and development fee are adjusted annually to account for inflation using the ENR CCI, with an annual cap of 5%. Development fees were established under FORA policy to govern fair share contributions to base-wide infrastructure and capital needs, including CEQA mitigations. CFD and development fee reductions are described in **Section I** of this Introduction.

The CFD implements a portion of the development fee policy by funding CEQA mitigations described in the BRP FEIR. These include Transportation/Transit projects, Habitat Management obligations, and Water Augmentation. Under current state law, CFD fees may not be used specifically to fund building removal obligations. Property tax revenues fund FORA operation and CIP projects. Land sale proceeds are designated to cover Building Removal program costs as a first priority and other CIP projects as a second priority per FORA Board policy.

**Tables 4** and **5** herein contain a tabulation of the proposed developments with their corresponding fee and land sale revenue forecasts. Capital project obligations are balanced against forecasted revenues on **Table 3**.

### 3) Projects Accomplished to Date (Table 1B)

FORA has actively implemented capital improvement projects since 1995. As of this writing, FORA has completed approximately:

- a) \$72M in roadway and transit improvements, including underground utility installation and landscaping, funded by US Department of Commerce – Economic Development Administration (EDA) grants (with FORA paying required local match), FORA CFD fees, loan proceeds, payments from participating jurisdictions/agencies, property tax payments (formerly tax increment), and a FORA bond issue. These improvements include the MBEST Research Drive project which pre-dated the FORA CIP.
- b) \$1.6M in storm drainage system improvements to design and construct alternative storm water runoff disposal systems that allowed for the removal of storm water outfalls.

- c) \$31.5M to date in building removal at the Dunes on Monterey Bay, East Garrison, Imjin Parkway, and Imjin Office Park site. \$19.4M credit to future land sale is allocated for Marina Community Partners' Dunes on Monterey Bay phases II and III.
- d) \$13.8M in Habitat Management and other capital improvements instrumental to base reuse, such as improvements to the water and wastewater systems, and Water Augmentation obligations, including the recently approved pipeline funding in conjunction with Marina Coast Water District and Monterey 1 Water.
- e) \$1.1M in fire-fighting enhancement with the final payment on the lease-purchase of five pieces of fire-fighting equipment which were officially transferred to the appropriate agencies (Cities of Marina, Seaside and Monterey, Ord Military Community, and Salinas Rural Fire District) in April 2014.

**Section III** provides detail regarding how completed projects offset FORA base-wide obligations. As revenue is collected and offsets obligations, the offsets are enumerated in **Tables 1A** and **1B**.

This CIP provides the FORA Board, Administrative Committee, Finance Committee, jurisdictions, and the public with a comprehensive overview of the capital programs and expectations involved in former Fort Ord recovery programs. Additionally, the CIP offers a basis for annually reporting on FORA's compliance with its environmental mitigation obligations and policy decisions by the FORA Board. It can be accessed on the FORA website at: [www.fora.org](http://www.fora.org).

**PHOTO**

## II. Obligatory Program of Projects

Four key programs in the CIP remain: Transportation/Transit, Water Augmentation, Habitat Management Requirements, and Building Removal. Community Facilities District (CFD)/Development Fee revenues fund the Transportation/Transit, Water Augmentation, and Habitat Management Requirements. The FORA CFD/Development Fee revenues may not be used to fund building removal. Of the CFD revenues, Habitat Conservation Plan (HCP) program funding is prioritized first receiving 30.2% of CFD funds collected, Regional Urban Water Augmentation Program recycled water pipeline financing obligation second, and the Transportation/Transit programs third. CIP contingency funds include \$18.5 million for transportation projects and \$22.3 million for the HCP endowment. Land sale proceeds fund the Building Removal Program to the extent of FORA's building removal obligation first. Beyond that obligation, land sale proceeds may be allocated to CIP projects by the FORA Board per the MOA with the U.S. Army.

### Summary descriptions of each CIP element follow:

#### a) Transportation/Transit

Completion of FORA's "Fair Share" of transportation and transit improvements, as listed in this CIP, is a reuse mitigation described in the BRP Vol. 4, FEIR (Section 4.7 Traffic and Circulation pg. 4-88 to 4-119). Specifically, the FEIR identified the following BRP impact: "Increased Travel Demand on Regional Transportation System" (BRP Vol. 4, FEIR, pg. 4-108). It also identified the following mitigation for this impact: "A Development and Resource Management Plan (DRMP) to establish programs and monitor development at Fort Ord to assure that it does not exceed resource constraints posed by transportation facilities and water supply shall be established by FORA" (BRP Vol. 4, FEIR, pg. 4-112).

The DRMP states: "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 Transportation Agency for Monterey County (TAMC) regional transportation model" (BRP Vol. 1, Context and Framework, pg. 195).

During the preparation of the BRP and associated FEIR, TAMC undertook a regional study (The Fort Ord Regional Transportation Study, July 1997) to assess Fort Ord development impacts on the study area (North Monterey County) transportation network.

In accordance with the BRP FEIR and DRMP, TAMC's 1997 Fort Ord Regional Transportation Study identified FORA's fair share of on-site, off-site, and regional roadway and transit capital improvements. The 1997 Study established a total obligation for each improvement and assigned a "share" of the obligation to FORA and the remaining share to the Interested Area (i.e. the Jurisdictions) or another Public Agency (i.e. Cal-Trans). The FORA Board subsequently included the Transportation/ Transit elements (obligation) as CFD-funded improvements in annual CIPs.



In 2004 and 2005, TAMC, working with FORA, completed a new transportation study that re-evaluated FORA's transportation obligations and their related fee allocations from the 1997 Fort Ord Transportation Study. TAMC completed that re-evaluation by working with the Association of Monterey Bay Area Governments (AMBAG) to determine key inputs such as population estimates. TAMC's recommendations were included in the "2005 FORA Fee Reallocation Study" dated April 8, 2005. The 2005 FORA Fee Reallocation Study resulted in a refined list of FORA transportation obligations emphasizing a 'fund local first' reallocation approach.

In 2016 and 2017, TAMC, working with FORA, re-evaluated FORA's transportation obligations using AMBAG's Regional Travel Demand Model (RTDM) and related fee allocations. TAMC's resulting 2017 FORA Fee Reallocation Study included the addition of the Del Monte Boulevard Extension (project #10) to the FORA CIP and has broadened the description for the Highway 1 Regional Improvement (project #R3) identified in the study. The study also resulted in a redistribution of the obligation dollar amounts to reflect changes in land-use and population, though the FORA Jurisdictions Implementation Agreement Amendments limit the total amount of transportation dollars in the CIP. **Figure 1** illustrates the transportation obligations which are further defined in **Table 1A**. Table 1A shows the Regional Transportation Plan's obligations set by the 2017 Study, FORA's share in 2005 dollars, the amount of the new obligations as informed by the 2017 Fee Reallocation Study, the obligation offset by the close of Fiscal Year, and FORA's remaining share of the obligation in 2017 dollars. **Table 1B** shows the remaining CIP projects, budgets, off-sets, and remaining obligations.

For a second year, the Administrative Committee recommended the CIP priorities during the budget process using an evidence-based approach as ranked by jurisdictions' public works/engineering staff and FORA staff. They scored projects by the criteria set in **Appendix A**. The scores were multiplied by weights set by the Administrative Committee in 2016, resulting in priorities ranked from highest to lowest. The results were then presented to the Administrative Committee and used as a backdrop to the Committee's transportation and transit improvement prioritization discussions. **Table 2** shows the Administrative Committee's recommended list of priorities for the FY 2018/19 CIP.

## **(1) Transportation**

Transportation improvements within the CIP consist of two types: FORA Lead Agency projects or reimbursement projects. FORA serves as lead agency to accomplish design, environmental review, and construction activities for a number of on-site transportation improvements, the remainder of which are conceptually illustrated in **Figure 2**. Where FORA is not the lead agency, reimbursement agreements control how the lead agency receives FORA's share of funding. FORA's obligation with respect to those improvements is financial. Reimbursement agreements are currently in place with Monterey County and the City of Marina for a number of FORA CIP transportation improvements. **Table 2** identifies those improvements, the current obligations (in 2018 dollars), and shows a ten-year plan to complete each obligation. The ten-year plan is dependent upon the estimated cash flow from CFD collections, property taxes, and land sales, as well as the priorities set by the FORA Board through approval of the CIP.

The transportation contingency is 15% of the overall transportation project costs to cover unforeseen costs such as utility relocation, Munitions and Explosives of Concern (MEC) support, and other unknown project costs.

## (2) Transit

Transit obligations enumerated in **Table 1** remain unchanged from the 1997 TAMC Study and adopted BRP. However, long-range planning by TAMC and Monterey-Salinas Transit (MST) reflect a preferred route for the multi-modal corridor (MMC) different than originally presented in the BRP, FEIR and previous CIPs. The BRP provided for a MMC along Imjin Parkway/Blanco Road serving to and from the Salinas area to the TAMC/MST intermodal center planned at 8th Street and 1st Avenue in the City of Marina portion of the former Fort Ord. In 2010, long-range planning for transit service resulted in an alternative Intergarrison/Reservation/Davis Road corridor to increase habitat protection and fulfill transit service needs between the Salinas area and Peninsula cities and campuses.

In 2015, TAMC re-evaluated the MMC route once again, holding stakeholder and public outreach meetings to determine how to best meet the transit needs of the community. They have selected 2<sup>nd</sup> Avenue/Imjin Parkway/Reservation Road/Davis Road as the new preferred alternative. On March 10, 2017, the FORA Board concurred, terminating the 2010 MOA and adopting a new MOA to supersede it. Full build-out of the MMC route is expected to take 20 years.



Figure 1: 2017 Transportation Map and Remaining Projects

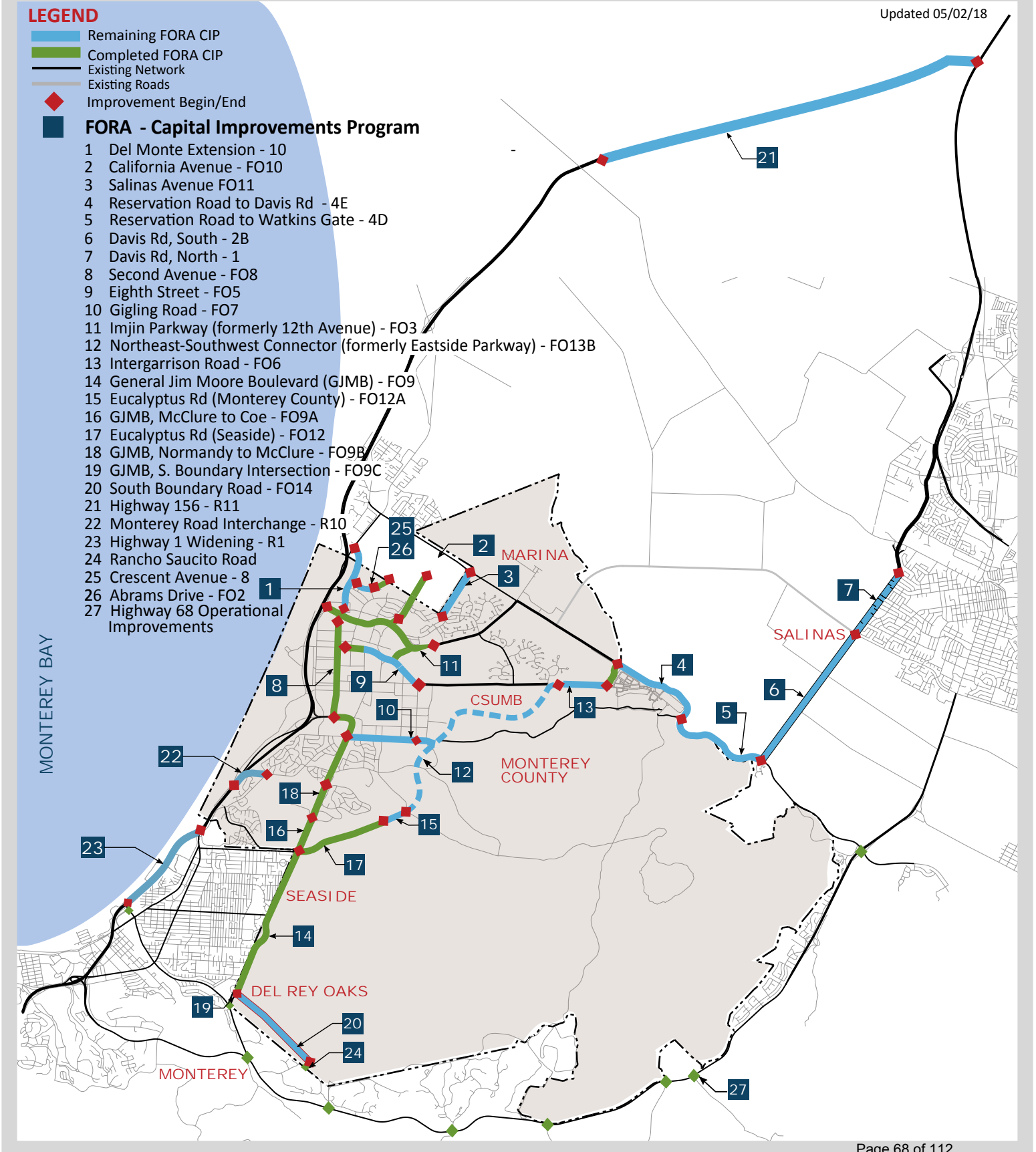


Figure 2: 2017 Remaining Transportation Obligations (FORA Lead)

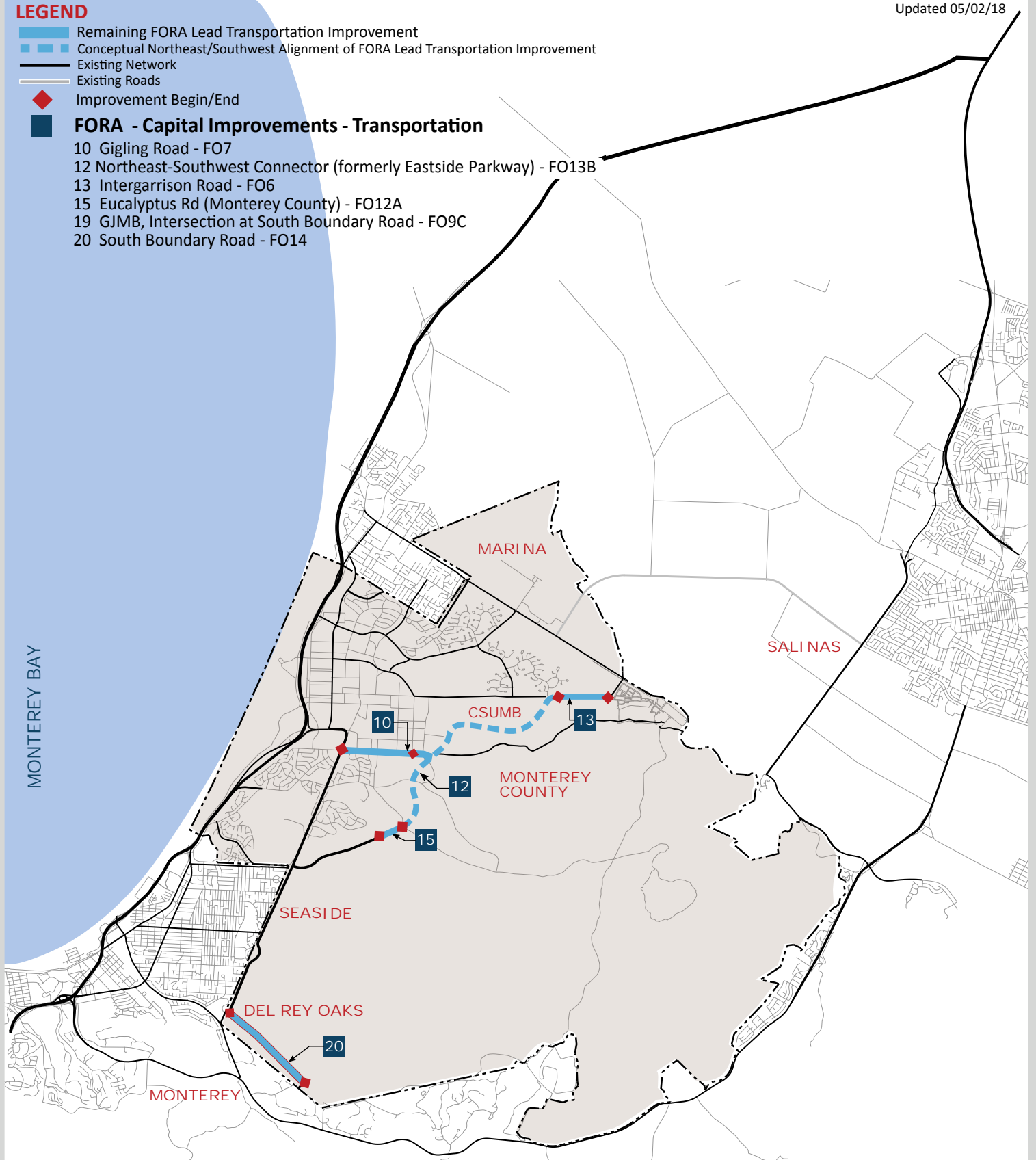
**LEGEND**

- Remaining FORA Lead Transportation Improvement
- - - Conceptual Northeast/Southwest Alignment of FORA Lead Transportation Improvement
- Existing Network
- Existing Roads
- ◆ Improvement Begin/End

Updated 05/02/18

**FORA - Capital Improvements - Transportation**

- 10 Gigling Road - FO7
- 12 Northeast-Southwest Connector (formerly Eastside Parkway) - FO13B
- 13 Intergarrison Road - FO6
- 15 Eucalyptus Rd (Monterey County) - FO12A
- 19 GJMB, Intersection at South Boundary Road - FO9C
- 20 South Boundary Road - FO14



## **b) Water Augmentation**

### **Background**

Completion of water augmentation for former Fort Ord development as reported in this CIP is a reuse mitigation described in the BRP FEIR (BRP Vol. 4, FEIR, Section 4.4 Public Services, Utilities and Water Supply, pg. 4-46 to 4-61). The FEIR impact is described as: "Need for New Local Water Supplies (2015)" (BRP Vol. 4, FEIR, pg. 4-53). One of the FEIR mitigations for this impact is FORA's establishment of the DRMP (BRP Vol. 4, FEIR, pg. 4-55). The DRMP includes Water Supply Management and Augmentation Programs (BRP Vol. 1, Context and Framework, pg. 199 to 201). Program #3, called 'Reclaimed Water Source and Funding,' includes the following directive: "The CIP shall fund a reclaimed water program adequate for the full development of industrial and commercial land uses and golf course development" (BRP Vol. 1, Context and Framework, pg. 200). Program #5 'Additional Potable Water Supplies' provides augmentation of potable water supplies for the following purposes: "(a) assure the long-range water supplies for the needs and plans for the planned uses at the former Fort Ord; (b) assure the economic viability of the reuse financing measures; and (c) promote the goals established for FORA in SB-899" (BRP Vol. 1, Context and Framework, pg. 201).

In 1993, the U.S. Army purchased rights to draw 6,600 Acre Feet of Water per Year (AFY) from the Salinas Valley Ground Water Basin from Monterey County Water Resources Agency (MCWRA). In 1996, the U.S. Army further refined the terms of the agreement to ensure management and protection of the Salinas Valley Ground Water Basin, and Annexation of Marina Area Lands into Zones 2 and 2A. With the closure of Fort Ord, FORA was authorized to establish the 1998 Facilities Agreement (FA) with Marina Coast Water District (MCWD) providing for ownership and operation of the base wide public capital facilities through FORA's Water/Wastewater Oversight Committee (WWOC) and in support of the BRP; whereby FORA may identify future capital improvements to be implemented by MCWD. The BRP identifies availability of water as a resource constraint, anticipating a development density at full buildout which utilizes the 6,600 AFY of available groundwater supply; as described in BRP Public Facilities Implementation Plan (PFIP) (BRP Vol. 3 Appx. B, PFIP, pg. 3-63). In 2000, the U.S. Army gave FORA the right to transfer the facilities and pumping rights through an Economic Development Conveyance Memorandum of Agreement (MOA). Between 2001 and 2006, FORA transferred property, facilities, and the right to draw 6,600 AFY from the Salinas Valley Groundwater Basin to MCWD. FORA retained the right to allocate the water rights to its member jurisdictions.

In addition to groundwater supply, the BRP assumes an estimated 2,400 AFY of augmentation (non-potable, irrigation water) needed to achieve its permitted development level (BRP Vol. 3, Appx. B, PFIP, pg. 2-7). Following a comprehensive two-year process evaluating viable options, the MCWD Board of Directors certified, in October 2004, the Regional Urban Water Augmentation Project (RUWAP) and its accompanying program-level Environmental Impact Report (EIR) analyzing three potential augmentation projects. The projects included a desalination project, a



recycled water project, and a hybrid project (containing components of both recycled water and desalination projects).

In June 2005, FORA and MCWD Boards approved the RUWAP hybrid alternative for implementation by MCWD per the 1998 FA.

Additionally, it was recommended that FORA CIP funding toward the former Fort Ord Water and Wastewater Collection Systems be increased by an additional \$17M to avert additional burden on rate payers due to increased capital costs. A 2013 MCWD rate study recommended removing that “voluntary contribution” from the FORA CIP budget and the EPS Phase III CIP Review results concurred, resulting in a commensurately lowered FORA CFD/developer fee.

Several factors required reconsideration of the water augmentation program. Those factors included: 1) Increased augmentation program costs (identified as project designs were refined), 2) negotiations by other agencies regarding the recycled component of the project were not accomplished, and, 3) the significant economic downturn from 2008 to 2012. These factors deferred the RUWAP as the identified augmentation project and provided an opportunity to consider the alternative “Regional Plan” as the preferred project to meet water augmentation program requirements.

In April 2008, the FORA Board endorsed the Regional Plan as the preferred project to deliver the requisite 2,400 AFY of augmenting water to the 6,600 AFY groundwater entitlements. The Regional Plan consisted of a large desalinization plant able to meet the region’s demand. In 2012, the parties halted the project. With the cessation of the Regional Plan, the identified solution for FORA’s water augmentation program defaulted back to the previously approved RUWAP. MCWD, as provider under the FA, still holds the contractual obligation to continue the implementation of the California Environmental Quality Act (CEQA) approved ‘hybrid’ project. In 2016, the FORA Board approved a capital improvement solution to provide the recycled water component (see below). The remaining task is to identify other water augmentation alternatives to complement the recycled water project. Among the alternatives are groundwater recharge, desalinization, conservation, and intensified recycled water programs.

In 2014, Monterey Regional Water Pollution Control Agency’s (MRWPCA), now known as Monterey One Water (M1W), proposed a Pure Water Monterey (PWM) project as a solution to the ‘Recycled’ portion of the RUWAP. PWM would use water collected at the M1W facility and apply their Advanced Water Treatment (AWT) thereby creating recycled water of a higher quality than the Tertiary Treated Water originally planned for the RUWAP. In October 2015, the FORA Board approved using PWM as the recycled water source, and then recommended the project to the California Public Utilities Commission in March 2016. In April 2016, MCWD and M1W came to an agreement whereby MCWD would use AWT in lieu of Tertiary Treated Water. As part of the agreement, the two agencies agreed to split the cost of building the RUWAP Trunk-line/conveyance facilities (‘Pipeline’). In September 2016, through a three-party negotiation among M1W, MCWD, and FORA, a Pipeline Reimbursement Agreement in support of the PWM

was executed between FORA and MCWD whereby FORA would fund up to six million (\$6M) of the cost of constructing a pipeline able to provide recycled water to the Fort Ord land use jurisdictions.

A solution for the 'other' portion of the RUWAP came in 2015 when MCWD's Budget/Compensation Plan was approved along with an MOA wherein FORA and MCWD agreed to enter into a Three-Party Planning effort with M1W to identify what the 'other' portion of the project will be. This solution allows the three agencies to determine what water augmentation alternatives are available, while ensuring cost-effective rate increases are applied to the appropriate CIPs.

## **CURRENT STATUS**

### **RUWAP Recycled**

As a part of the three-party approach, FORA approved a \$6M reimbursement agreement for the Pipeline. The agreement assumed California State Water Resource Control Board's (SWRCB) approval of funding the project with a State Revolving Fund (SRF) loan.

In June 2017, the SRF loan was provided. However, the SWRCB determined a split of the funds such that M1W and MCWD received adjusted portions. The financing method altered some assumptions supporting the underlying agreement. In December of 2017, in the interest of continued three-party planning, M1W, MCWD, and FORA staff identified adjustments to the payments, designed to leave all three parties whole, but responds to State regulatory actions and financial needs of the project. With SRF funding in place, MCWD broke ground at Marina's Armstrong Ranch on the RUWAP Recycled Transmission Main in February 2018. Work will continue through FY 2018/19 and FORA anticipates reimbursing MCWD as work is completed per the 2016 Pipeline Reimbursement Agreement.

### **RUWAP Other**

In January 2017, in coordination with a Technical Advisory Group comprised of public works/engineering staff of FORA member agencies, FORA released a Request for Proposal (RFP) from the professional engineering community for a study on the possibilities of additional sources of water augmentation. FORA received no responses.

FORA staff met with the general managers of MCWD and M1W to determine a path forward. All three agencies agreed that shifting the water augmentation lead consultant management role from FORA to MCWD would facilitate completion of the study. FORA staff is currently working with MCWD and M1W to modify the Three-Party Agreement.

**c) Storm Drainage System Projects**

FORA completed the construction of new facilities and demolition of dilapidated out-falls as of January 2004. **Table 3** reflects that this obligation has been met. Background information can be found in the FY 2014/15 CIP and prior CIP documents online at [www.fora.org](http://www.fora.org).

**d) Habitat Management Requirements**

The BRP Appendix A, Volume 2 contains the Draft Habitat Management Plan (HMP) Implementing/Management Agreement. This Draft Management Agreement was intended to meet Federal Endangered Species Act (ESA) and California Endangered Species Act (CESA) Incidental Take Permit application requirements for FORA, its member agencies, California State University (CSU), and the University of California (UC). However, FORA, the US Army, US Fish & Wildlife Service (USFWS), and the California Department of Fish & Wildlife (CDFW) did not all agree on this approach. To allow FORA and its member agencies to implement the HMP and BRP in compliance with ESA, CESA, and other statutes, USFWS and CDFW must approve the Fort Ord Habitat Conservation Plan (HCP) and its funding program, as paid for and prepared by FORA.

The funding program is predicated on an earnings rate assumption acceptable to USFWS and CDFW for endowments of this kind, and economies of scale provided by unified management of the habitat lands by qualified habitat managers selected by the future Fort Ord Regional Habitat Cooperative (Cooperative). Prior to issuance of state and federal permits, the Permittees must execute a Joint Exercise of Powers Agreement to create the Cooperative, which would be the entity responsible for ensuring HCP implementation. The Cooperative will consist of the following members: FORA, County of Monterey, City of Marina, City of Seaside, City of Del Rey Oaks, City of Monterey, State Parks, UC, CSU Monterey Bay, Monterey Peninsula College (MPC), Monterey Peninsula Regional Park District, MCWD, and Bureau of Land Management. By design, the Cooperative will hold the Cooperative endowment, and UC will hold the Fort Ord Natural Reserve (FONR) endowment. The Cooperative controls expenditure of its annual line items. FORA funds the endowments and the initial and capital costs to the agreed upon levels.

FORA has provided upfront funding for management, planning, capital costs, and HCP preparation. In addition, FORA has dedicated 30.2% of Development Fee collections to build to a total endowment of principal funds necessary to carry out required habitat management responsibilities in perpetuity. The original estimate was developed in 1993 by an independent consultant retained by FORA and totaled \$6.3 million.

Based upon conversations with the regulatory agencies, it has become apparent that the Habitat Management obligations will increase beyond the costs originally projected. Therefore, this document contains a ± \$48 million-line item of forecasted requisite expenditures (see **Table 3** column 'Estimated Year-End Balance' amount of \$13.8 million plus columns '2018-2020 Subtotal' and '2020-2029Subtotal' totaling \$34.2 million).

As part of the FY 2010/11 FORA CIP Review process conducted by EPS, TAMC, and FORA, at the FORA Board's April 8, 2011 direction, \$18.8 million in current dollars was included as a CIP contingency for additional habitat management costs should the assumed payout rate for the

endowment be 1.5% less than the current 4.5% assumption. It is hoped that this contingency will not be necessary, but USFWS and CDFW are the final arbiters as to what the final endowment amount will be, with input from FORA and its contractors/consultants. The final endowment amount is expected to be agreed upon in the upcoming fiscal year. FORA's annual operating budget has funded the annual costs of HCP preparation, including consultant contracts. HCP preparation is funded through non-CFD/Development fee sources such as FORA's share of property taxes.

The current 2<sup>nd</sup> screencheck draft HCP prepared in July 2017 includes a cost and funding chapter, which provides a planning-level cost estimate for HCP implementation and identifies necessary funds to pay for implementation. Concerning the annual costs necessary for HCP implementation and funded by FORA, of approximately \$2.1 million in annual costs, estimated in 2018 dollars, approximately 25% is associated with habitat management and restoration, 32% for program administration and reporting, 29% for species monitoring, and 14% for changed circumstances and other contingencies.

**e) Fire Fighting Enhancement Requirements**

FORA transferred equipment titles to the appropriate fire-fighting agencies in April 2014. FORA's obligation for fire-fighting enhancement has been fully met. Background information can be found in the FY 2014/15 CIP and prior CIP documents online at [www.fora.org](http://www.fora.org).

**f) Building Removal Program**

As a base-wide obligation, the BRP includes removal of building stock and related environmental hazards/blight in certain areas of the former Fort Ord to make way for reuse. All jurisdictions have been treated in a similar manner but have varying building removal needs that FORA accommodates with available funds received from land sales. FORA has indexed the original agreed-upon cost estimate to compensate for delayed implementation of this effort and the increase in removal costs during the intervening period.

Since 1996, FORA has aggressively reused, redeveloped, and/or deconstructed former Fort Ord buildings. FORA works with regulatory agencies and local contractors to safely abate hazardous materials, maximize material reuse and recycling, and create an educated workforce to take advantage of jobs created on the former Fort Ord. FORA, CSUMB, and jurisdictions leverage their accumulated expertise focusing on environmentally sensitive reuse and recycling remnant structural and site materials, while applying lessons learned from past FORA efforts to "reduce, reuse, and recycle" materials from former Fort Ord structures (see **Appendix C**).

In FY 2001/02, the FORA Board established a policy regarding building removal obligations. Per Board direction, building removal is funded by land sales revenue and/or credited against land sale valuation. In the City of Marina, since 2005, FORA obligated itself to fund \$46 million in World

War II wooden building removal through a combination of cash payments and credits to land value. FORA was also obligated to fund \$2.1 million of East Garrison building removal.

Two MOAs with Marina and the County, described below, were finalized to implement FORA Board policy:

- In August 2005, FORA entered into an MOA with the City of Marina Redevelopment Agency (now Successor Agency) and Marina Community Partners (MCP) assigning to FORA \$46 million in building removal costs within the Dunes on Monterey Bay (Dunes) project and to MCP the responsibility for the actual removal. In 2006, FORA and MCP entered into a Reimbursement Agreement governing the implementation of the \$46 million in building removal. Under the Reimbursement Agreement, FORA's maximum obligations were \$22 million in cash and \$24 million in land sales credits. To date, MCP has only partially performed its obligation to deconstruct \$46 million in buildings in the amount of \$26.6 million. FORA paid \$22 million cash and MCP received \$4.6 million in land sale credits out of a total \$24 million in available credits for building removal costs. Both agreements contained removal timing requirements and revenue timing requirements which to date have not been met by the developer. Nevertheless, FORA maintains \$19.4 million in future land sales value, which it will credit to MCP when it fulfills its purchase and deconstruction obligations.
- 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 for which they received a credit of \$2.1 million against FORA's portion of land sale proceeds. Building removal in the East Garrison project area is now complete. The property was acquired by a new developer and the MOA has been reassigned to them.

FORA's remaining obligations includes City of Seaside Surplus II buildings for a fixed obligation of \$4 million (in 2005 dollars) for which the City of Seaside decides which buildings to remove. In FY 2005/06 the Board set a financial obligation of \$4 million to be applied to the building removal effort in the City of Seaside's Surplus II area. In 2011, FORA, at the direction of the City of Seaside, removed an Army cafeteria in the Surplus II area (see Appendix C). During the FY 2016/17 CIP process, the FORA Board indexed the Seaside Surplus II financial obligation for building removal effort to \$5.2 million.

FORA Staff met with Seaside in the second half of 2016 to coordinate the potential application of FORA building removal obligation funds to Surplus II, although FORA's funds will not be enough to remove all hazardous materials and buildings from the site. Seaside and FORA staff determined that the first step in removing buildings from Surplus II was to survey buildings for hazardous materials, commissioning a hazardous materials removal estimate. Within the year, FORA conducted hazardous material surveys in Surplus II. At the City of Seaside's request, FORA is planning, contracting, and completing Surplus II hazardous material and building removal for 20 buildings with estimated completion in late 2018.



FORA's remaining obligations also include removal of the former Fort Ord (Marina) stockade (currently estimated at \$4.2 million deconstruction cost). In 2016, FORA staff met with the City of Marina to coordinate access to the Marina Stockade which currently hosts Las Animas concrete production and operations under a lease from the City of Marina. Marina is taking the lead to negotiate with Las Animas for access to the building for removal. In March 2017, FORA contracted with Vista Environmental to survey the Stockade for hazardous materials. In November 2017, FORA contracted Harris and Associates to prepare plans for contractors estimates and provided a notice to proceed in March 2018. FORA will continue to coordinate with the City of Marina to plan and implement building removal at the Stockade.

**g) Water and Wastewater Collection Systems**

Following a competitive selection process in 1997, the FORA Board approved MCWD as the purveyor to own and operate water and wastewater collection systems on the former Fort Ord. By agreement with FORA, MCWD is tasked to assure that a Water and Wastewater Collection Systems Capital Improvement Program is in place and implemented to accommodate repair, replacement, and expansion of the systems. To provide uninterrupted service to existing customers and to track with system expansion to keep pace with proposed development, MCWD and FORA staff coordinate system(s) needs. MCWD is engaged in the FORA CIP process, and adjusts its program coincident with the FORA CIP.

In 1998, the FORA Board established a Water/Wastewater Oversight Committee (WWOC), which serves in an advisory capacity to the Board. A primary function of the WWOC is to meet and confer with MCWD staff in the development of operating and capital budgets and corresponding customer fee structures. Annually, the WWOC and FORA staff prepare recommended actions for the Board's consideration with respect to budget and rate approvals. Capital improvements for system(s) operations and improvements are funded by customer rates, fees, and charges and are approved on an annual basis by the MCWD and FORA Boards. See **Appendix E** for the FY 2018/19 Ord Community CIP list.

**h) Property Management and Caretaker Costs**

During the 2010/11 Phase I CIP Review, FORA jurisdictions expressed concern over accepting 1,200+ acres of former Fort Ord properties without sufficient resources to manage them. Since the late 1990's, FORA carried a CIP contingency line item for "caretaker costs." These obligations are not BRP required CEQA mitigations but are considered base-wide obligations (similar to FORA's building removal obligation). In order to reduce contingencies, EPS proposed contingencies of \$16 million were redundant and should be excluded from the CIP cost structure and this was used as a basis for the 2011/12 CFD Special Tax fee reductions.

Since then, the Board recommended a “Property Management/Caretaker Costs” line item be added back as an obligation to cover base-wide property management costs. In FY 2015/16, the Board approved a Jurisdiction-Incurred Caretaker Costs Reimbursement Policy (**Appendix C**).

This policy clarifies that FORA funding for caretaker costs shall be determined by “allocating a maximum of \$500,000 in the prior fiscal year’s property taxes collected and designated to the FORA CIP. . . Each subsequent year, the maximum funding for caretaker costs may be decreased assuming that, as land transfers from jurisdictions to third party developers, jurisdictions’ caretaker costs will decrease. If FORA does not collect and designate to the CIP sufficient property taxes in a given fiscal year to fund the maximum amount of caretaker costs allowed that fiscal year, the actual amount of property taxes collected and designated to the CIP during the fiscal year shall be used to determine the amount of caretaker costs funding. FORA shall set caretaker costs funding through the approved FORA CIP.”

In FY 2016/17, FORA reimbursed a total of \$109,674 to the jurisdictions who submitted their Caretaker Cost Worksheets by the required deadlines. For the FY of 2017/18, FORA approved up to \$575,000 in Jurisdictions’ Caretaker Costs. As of this writing, \$123,091 of the approved \$575,000 has been reimbursed.

Caretaker Costs funding designated in the FY 2018/19 CIP is \$575,000.

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### III. FY 2017/18 THROUGH POST-FORA CAPITAL IMPROVEMENT PROGRAM

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The following tables depict the CIP: **Tables 1A** and **1B** illustrate the obligatory project offsets and remaining obligations. **Table 3** is a summary of the CIP from FY 2018/19 through FY 2028/29. **Table 4** itemizes the jurisdictions' development projections that will generate CFD revenue to FORA. **Table 5** shows the land sale revenues that are anticipated based on jurisdiction's land sale projections for their respective former Fort Ord lands. **Tables 6** and **7** break out residential and non-residential development forecasts by jurisdiction. **Table 8** models estimated property tax revenue collections.



**TABLE 1A: 2018-19  
OBLIGATORY PROJECT OFFSETS AND REMAINING OBLIGATIONS**

PROJECT #	PROJECT TITLE	PROJECT LIMITS / DESCRIPTION	TAMC Reallocation Study 2017			Offset Obligation			2017-18 Actual (Expenditure / Offsets)****	Remaining Obligation	Remaining Obligation Indexed by CCI (for FY 2018-19)	% of Obligation Complete
			TAMC ESTIMATED COST	%	FORA PORTION OF COST	FORA Offsets Total as of FY 2016-17	(FY 2017-18)	Offset Obligation Indexed by CCI (for FY 2017-18)				
<b>REGIONAL IMPROVEMENTS</b>												
R3	Hwy 1-Seaside Sand City	Hwy 1 Traffic Relief	\$ 66,808,021.00	20%	\$ 13,565,097	\$ -	\$ 13,565,097	14,099,438	\$ -	14,099,438	14,563,309	0%
R10	Hwy 1-Monterey Rd. Interchange	Hwy 1 Traffic Relief @ Monterey Rd. Interchange	28,356,293	13%	3,604,250	-	3,604,250	3,746,225	-	3,746,225	3,869,476	0%
R11	Hwy 156-Freeway Upgrade	Widen existing highway to 4 lanes and upgrade highway to freeway status with appropriate interchanges. Interchange modification as needed at US 156 and 101.	292,470,673	6%	16,993,507	-	16,993,507	17,662,896	-	17,662,896	18,244,005	0%
<b>SUB-TOTAL - REGIONAL IMPROVEMENTS</b>			<b>\$ 387,634,987</b>		<b>\$ 34,162,854</b>	<b>\$ -</b>	<b>\$ 34,162,854</b>	<b>\$ 35,508,559</b>	<b>\$ -</b>	<b>\$ 35,508,559</b>	<b>\$ 36,676,790</b>	
<b>OFF-SITE IMPROVEMENTS</b>												
1	Davis Rd n/o Blanco	Davis-Blanco Intersection Improvments & Roadway Widening	\$ 4,678,046	15%	\$ 720,208	\$ -	\$ 720,208	748,577	\$ -	748,577	773,206	0%
2B	Davis Rd s/o Blanco	Widen to 4 lanes from Blanco to Reservation; Build 4 lane bridge over Salinas River	12,733,317	F	12,733,317	556,870	12,176,447	12,656,088	216,176	12,439,912	12,849,185	4%
4D	Widen Reservation-4 lanes to WG	Widen to 4 lanes from existing 4 lane section East Garrison Gate to Watkins Gate	14,994,689	63%	9,390,281	476,584	8,913,697	9,264,815	-	9,264,815	9,569,628	5%
4E	Widen Reservation, WG to Davis	Widen to 4 lanes from Watkins Gate to Davis Rd	8,165,424	61%	4,978,440	-	4,978,440	5,174,545	-	5,174,545	5,344,788	0%
10	Del Monte Blvd Extension*	Connection between Del Monte and Intersection at Imjin/2nd Ave	947,000	100%	947,000	-	947,000	947,000	(2,891,842)	3,838,842	3,965,140	0%
<b>SUB-TOTAL - OFF-SITE IMPROVEMENTS</b>			<b>\$ 41,518,476</b>		<b>\$ 28,769,246</b>	<b>\$ 1,033,454</b>	<b>\$ 27,735,792</b>	<b>\$ 28,791,026</b>	<b>\$ (2,675,666)</b>	<b>\$ 31,466,692</b>	<b>\$ 32,501,946</b>	
<b>ON-SITE IMPROVEMENTS</b>												
FO2	Abrams	Construct a new 2-lane arterial from intersection with 2nd Ave easterly to intersection with Crescent Court extension	\$ 1,127,673	100%	\$ 1,127,673	\$ -	\$ 1,127,673	1,172,093	\$ -	1,172,093	1,210,655	0%
FO5	8th Street	Upgrade/construct new 2-lane arterial from 2 <sup>nd</sup> Ave to Intergarrison Rd	6,443,262	100%	6,443,262	1,018,890	5,424,372	5,638,043	-	5,638,043	5,823,534	16%
FO6	Intergarrison	Upgrade to a 4-lane arterial from Eastside Rd to Reservation	6,324,492	100%	6,324,492	1,559,469	4,765,023	4,952,721	-	4,952,721	5,115,666	25%
FO7	Gigling	Upgrade/Construct new 4-lane arterial from General Jim Moore Blvd easterly to Eastside Rd	8,495,961	100%	8,495,961	353,510	8,142,451	8,463,189	1,955	8,461,234	8,739,609	4%
FO9C	GJM Blvd-s/o Coe to S Boundary	Widen from 2 to 4 lanes from s/o Coe to South Boundary Rd	1,083,775	F	1,083,775	100,000	983,775	1,022,527	-	1,022,527	1,056,168	0%
FO11	Salinas Ave*	Construct new 2 lane arterial from Reservation Rd southerly to Abrams Dr	4,510,693	100%	4,510,693	-	4,510,693	4,688,373	2,800,000	1,888,373	1,950,501	0%
FO12A	Eucalyptus Rd	Upgrade to 2 lane collector from Seaside/Monterey County Line to Parker Flats cut-off	532,830	F	532,830	50,000	482,830	501,849	-	501,849	518,360	9%
FO13B	Northeast-Southwest Connector (formerly Eastside Pkwy)	TBD (Northeast / Southwest Connector)	18,611,779	100%	18,611,779	510,000	18,101,779	18,814,824	218,421	18,596,403	19,208,225	3%
FO14	S Boundary Road Upgrade**	Upgrade to a 2 lane arterial, along existing alignment from General Jim Moore Blvd to 200' past Rancho Saucito	3,733,921	100%	7,383,013	338,986	7,044,028	7,321,498	88,639	7,232,859	7,470,820	5%
<b>SUB-TOTAL - ON-SITE IMPROVEMENTS</b>			<b>\$ 50,864,386</b>		<b>\$ 54,513,478</b>	<b>\$ 3,930,855</b>	<b>\$ 50,582,624</b>	<b>\$ 52,575,117</b>	<b>\$ 3,109,015</b>	<b>\$ 49,466,102</b>	<b>\$ 51,093,537</b>	
<b>TRANSPORTATION TOTALS</b>			<b>\$ 480,017,849</b>		<b>\$ 117,445,578</b>	<b>\$ 4,964,308</b>	<b>\$ 112,481,270</b>	<b>\$ 116,874,702</b>	<b>\$ 433,349</b>	<b>\$ 116,441,353</b>	<b>\$ 120,272,273</b>	
<b>Transportation Contingency</b>												
	Transportation Contingency	15% contingency on transportation mitigations to cover MEC and other unanticipated transportation costs.						-	\$ 188,235	17,466,203	18,040,841.02	1%
<b>SUB-TOTAL - TRANSIT</b>			<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 188,235</b>	<b>\$ 17,466,203</b>	<b>\$ 18,040,841</b>	
<b>Transit Capital Improvements</b>												
T3	Transit Vehicle Purchase/Replace	15 MST busses	\$ 9,220,050	100%	9,220,050	378,950	\$ 8,841,100	9,189,359	1,000,000	8,189,359	8,458,789	4%
T22	Intermodal Centers	(PFIP T-31) includes 3 elements: 1. Intermodal Transportation Center @ 1st. Avenue South of 8th. Street 2. Park and Ride Facility @ 12th Street and Imjin, and 3. Park and Ride Facility @ 8th. Street and Gigling	7,106,403.00	100%	7,106,403	-	\$ 7,106,403	7,386,330	-	7,386,330	7,629,341	0%
<b>SUB-TOTAL - TRANSIT</b>			<b>\$ 16,326,453</b>		<b>\$ 16,326,453</b>	<b>\$ 378,950</b>	<b>\$ 15,947,503</b>	<b>\$ 16,575,689</b>	<b>\$ 1,000,000</b>	<b>\$ 15,575,689</b>	<b>\$ 16,088,129</b>	
<b>TRANSPORTATION / TRANSIT - TOTALS</b>					<b>\$ 133,772,031</b>	<b>\$ 5,343,258</b>	<b>\$ 128,428,773</b>	<b>\$ 133,450,391</b>	<b>\$ 1,433,349</b>	<b>\$ 132,017,042</b>	<b>\$ 136,360,403</b>	

\* City of Marina requested reallocation of \$2.8 million from Salinas Avenue to Del Monte Blvd. Extension and the remainder of Crescent Ave. Extension (\$91,842) to Del Monte Blvd. Extension per FORA-Marina Reimbursement Agreement.

\*\*South Boundary Road's budget was updated to most recent engineer's opinion of probable cost.

\*\*\*Expenditures in this column are a summation of amounts invoiced as of April 2018 and amounts estimated to be invoiced by June 30, 2018.

TABLE 1B: 2018-2019 OBLIGATORY PROJECT OFFSETS, REMAINING OBLIGATIONS AND COMPLETED PROJECTS

PROJECT #	PROJECT TITLE	PROJECT LIMITS / DESCRIPTION	FORA BUDGET	TOTAL OFFSETS	REMAING OBLIGATION	OBLIGATION	% of OBLIGATION
			2017-2018	To Date		INDEXED BY CCI	COMPLETE
<b>TRANSPORTATION / TRANSIT OBLIGATION - TOTALS</b>			\$ 133,772,031	\$ 5,343,258	\$ 128,428,773	\$ 133,450,391	0.0%
<b>15% TRANSPORTATION CONTINGENCY</b>			\$ 20,065,805	\$ -	\$ 19,264,316	\$ 20,017,559	0.0%
Transportation and HCP Contingency funds are reserved for unforeseen projects costs (Munitions Removal, Utility Relocation and other unknowns)							
<b>Building Removal</b>							
<i>FORA Remaining Building Removal Obligations</i>			FOR BUDGET	TOTAL OFFSET	REMAINING	INDEXED	% Complete
S201	Seaside Surplus II	Hazardous material identification and removal, building removal, and site restoration	5,571,616	440,944	5,130,672	5,299,471.11	8%
S202	Marina Stockade	Hazardous material identification and removal, building removal, and site restoration	4,221,400	188,583	4,221,400	4,360,284.06	0%
<b>TOTAL CUMMULATIVE BUILDING REMOVAL TO DATE</b>			<b>9,793,016</b>	<b>629,527</b>	<b>9,352,072</b>	<b>9,520,871</b>	<b>5%</b>
<b>Water Augmentation</b>							
<i>FORA Water Augmentation, BRP required CEQA Mitigations</i>			FOR BUDGET	TOTAL OFFSET	REMAINING	INDEXED	% Complete
WA01	Pipeline Reimbursement	MCWD Recycled Water 'Pipeline' Reimbursement	8,300,000	1,058,017	7,241,983	NA	13%
WA02	Secondary Component	Secondary Component (Identification, Planning, Implementation)	157,000	-	157,000	NA	0%
WA00	General	CEQA mitigations	15,815,615	561,780	15,253,835	15,755,686	4%
<b>TOTAL CUMULATIVE OFFSETS AGAINST WATER AUGMENTATION PROJECTS TO DATE</b>			<b>24,272,615</b>	<b>1,619,797</b>	<b>22,652,818</b>	<b>23,154,669.30</b>	<b>7%</b>
<b>Habitat Mitigations</b>							
<i>FORA Habitat Managemnet and Conservation, BRP required CEQA Mitigations</i>			FORA BUDGET	TOTAL OFFSET	REMAINING	INDEXED	% Complete
	Joint Powers Authority Set Aside	30.2% CFD Set Aside	48,000,246	13,829,853	34,170,393	N/A	29%
	HCP Contingency	Provides interim funding for UC Fort Ord Natural Reserve until adoption of HCP endowment and potential increase to cost	20,135,005	1,251,272	18,883,733	N/A	6%
<b>TOTAL CUMULATIVE OFFSETS AGAINST WATER AUGMENTATION PROJECTS TO DATE</b>			<b>68,135,251</b>	<b>15,081,125</b>	<b>53,054,126</b>	<b>-</b>	<b>-</b>
<b>Completed Capital Improvements</b>							
<i>Total offsets against transportation/transit network obligations per 1995 &amp; 2005 TAMC Study. Funded by EDA grant funds, state and local matching funds, revenue bond proceeds, development fees.</i>			FOR BUDGET	TOTAL OFFSET	REMAINING	INDEXED	% Complete
8	Crescent Ave extend to Abrams*	Extend existing Crescent Court Southerly to join proposed Abrams Dr (FO2)	\$ 415,177	323,335	91,842	-	100%
FO9	General Jim Moore Blvd	Improvements to No. So. Rd / Hwy 218 Intersection + GJMB Phase 1-1V, Utility and Landscaping (FO9A, FO9B)	30,812,841	\$ 30,812,841	-	-	100%
FO3	Imjin Parkway	12th St. Improvements, Utilities, and Imjin Parkway Construction	8,247,818	8,247,818	-	-	100%
FO8	2nd Ave	2nd Ave. Roadway Improvements from Lightfighter to Imjin, Utilities	5,605,525	5,605,525	-	-	100%
FO10	California Ave.	California Ave. Roadway Improvements, and Utilities.	2,227,906	2,227,906	-	-	100%
FO12	Eucalyptus Rd.	Eucalyptus Rd. Construction from General Jim Moore Boulevard to Seaside/County Line	5,328,032	5,328,032	-	-	100%
-	South Boundary - Connector	Rancho Saucito Road - prior to 2005	1,336,241	1,336,241	-	-	100%
-	Reservation Road	Reservation Road - bike lanes	6,289,483	6,289,483	-	-	100%
-	Blanco Road	Blanco Road	2,586,767	2,586,767	-	-	100%
R12	Hwy 68 Operational Improvements	Operational Improvements at San Benancio, Laureles Grade and Corral De Tierra	312,205	312,205	-	-	100%
<b>TOTAL TRANSPORTATION COMPLETED</b>			<b>\$ 52,637,299</b>	<b>\$ 52,545,457</b>	<b>-</b>	<b>-</b>	<b>\$84,039,060 **</b>
<i>Retain/Percolate stormwater; eliminate discharge of stormwater to Monterey Bay Sanctuary. Project completed/financial obligation met in 2004. Funded by EDA grant proceeds.</i>			1,631,951	1,631,951	-	-	100%
<b>TOTAL STORMWATER COMPLETED</b>			<b>1,631,951</b>	<b>1,631,951</b>	<b>-</b>	<b>-</b>	<b>\$2,747,236**</b>
<i>Fire Rolling Stock purchased and transferred to jurisdictions</i>			1,160,000	1,160,000	-	-	100%
<b>TOTAL FIRE-FIGHTING COMPLETED</b>			<b>1,160,000</b>	<b>1,160,000</b>	<b>-</b>	<b>-</b>	<b>\$1,476,040**</b>
-	Pilot Project	1996 Fort Ord catalogue of buildings, site and building characterization -	700,000	700,000	-	-	100%
-	Dunes on Monterey Bay	2006 FORA cash obligation retired. Remaining obligation to be applied to land sales credits per contract.	46,000,000	26,574,592	19,425,408	NA - 19,425,408	58%
-	East Garrison	2006 FORA cash obligation retired. Developer completed.	2,177,000	2,177,000	-	-	100%
FO3	Imjin Parkway - Building Removal	Roadway implementation preparation and building removal -	1,289,631	1,289,631	-	-	100%
FO8	2nd Avenue - Building Removal	Roadway implementation preparation and building removal -	837,368	837,368	-	-	100%
<b>TOTAL BUILDING REMOVAL COMPLETED</b>			<b>51,003,999</b>	<b>31,578,591</b>	<b>19,425,408</b>	<b>19,425,408</b>	<b>\$47,431,970 **</b>
<b>OTHER OBLIGATION - TOTALS</b>			<b>\$ 208,634,131</b>	<b>\$ 104,246,448</b>	<b>\$ 104,484,424</b>	<b>\$ 52,100,948</b>	<b>50.0%</b>
<b>TOTAL REMAINING CAPITAL IMPROVEMENT OBLIGATION</b>			<b>\$ 362,471,966</b>	<b>\$ 109,589,706</b>	<b>\$ 252,177,513</b>	<b>\$ 205,568,898</b>	<b>30%</b>

\* City of Marina requested reallocation of \$2.8 million from Salinas Avenue to Del Monte Blvd. Extension and the remainder of Crescent Ave. Extension (\$91,842) to Del Monte Blvd. Extension per FORA-Marina Reimbursement Agreement.  
 \*\* Completed Projects indexed to approximate 2017 dollars for reference.



**TABLE 2: 2018-2019 TRANSPORTATION NETWORK AND TRANSIT ELEMENTS BY PRIORITY**

Priority	Proj#	Description	Lead	Obligation	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	POST FORA	TOTAL Budget
1	FO13B	NE-SW Connector (formerly ESP)	On-Site FORA	\$ 19,208,225	\$ 560,000	315,000			1,795,000	7,383,818	9,154,407					19,208,225
2	FO14	South Boundary Road (SBR) Upgrade	On-Site FORA	\$ 7,470,820	5,345,820	2,125,000										7,470,820
3	2B	Davis Rd south of Blanco	Off-Site MoCo	\$ 12,849,185	750,000	2,000,000	3,000,000	4,000,000	3,099,185							12,849,185
4	FO7	Gigling	On-Site FORA	\$ 8,739,609	800,000	330,000	4,000,000	3,609,609								8,739,609
5	FO9C	GJM Boulevard / SBR Intersection*	On-Site FORA	\$ 1,056,168	1,056,168											1,056,168
6	10	Del Monte Blvd Extension	Off-Site Marina	\$ 3,965,140	500,000	1,000,000	1,000,000	1,369,998	95,142							3,965,140
7	FO5	8th Street	On-Site Marina	\$ 5,823,534			375,000	500,000	750,000	4,198,534						5,823,534
8	T3	Transit Vehicle Purchase/Replace	Transit MST	\$ 8,458,789	500,000	1,000,000	1,000,000	1,000,000	1,458,789	1,000,000	1,000,000	1,500,000				8,458,789
9	R3a	Hwy 1-Del Monte-Fremont-MBL	Regional TAMC	\$ 14,563,309						5,000,000	5,000,000	4,563,309				14,563,309
10	T22	Intermodal Centers	Transit MST	\$ 7,629,341				3,000,000		3,000,000		1,629,341				7,629,341
11	FO6	Intergarrison	On-Site FORA	\$ 5,115,666	200,000	250,000			3,050,000	1,615,666						5,115,666
12	FO12	Eucalyptus Road	On-Site FORA	\$ 518,360	110,000				408,360							518,360
13	R11	Hwy 156-Freeway Upgrade	Regional TAMC	\$ 18,244,005					5,000,000	5,000,000	5,000,000	3,244,005				18,244,005
14	4D	Widen Reservation-4 lanes to WG	Off-Site MoCo	\$ 9,569,628									1,000,000	4,000,000	4,569,628	9,569,628
15	4E	Widen Reservation, WG to Davis	Off-Site MoCo	\$ 5,344,788											5,344,788	5,344,788
16	FO11	Salinas Ave	On-Site Marina	\$ 1,950,501				750,000	1,200,500							1,950,501
17	FO2	Abrams	On-Site Marina	\$ 1,210,655			\$ 1,210,655									1,210,655
18	1	Davis Rd north of Blanco	Off-Site MoCo	\$ 773,206											773,206	773,206
19	R10	Hwy 1-Monterey Rd. Interchange	Regional TAMC	\$ 3,869,476											3,869,476	3,869,476
<b>Transportation and Transit GRAND TOTALS</b>				<b>\$ 136,360,403</b>	<b>\$ 9,821,988</b>	<b>\$ 7,020,000</b>	<b>\$ 10,585,655</b>	<b>\$ 14,229,607</b>	<b>\$ 16,856,976</b>	<b>\$ 27,198,018</b>	<b>\$ 20,154,407</b>	<b>\$ 10,936,655</b>	<b>\$ 1,000,000</b>	<b>\$ 4,000,000</b>	<b>\$ 14,557,097</b>	<b>\$ 136,360,403</b>

\* The Intersection at South Boundary Rd. and General Jim Moore Boulevard (GJMB) is funded by the GJMB Budget. Therefore, the priority of the roadways are associated.

**TABLE 3: SUMMARY OF CAPITAL IMPROVEMENT PROGRAM 2018/2019- POST FORA**

ESTIMATED YEAR-END BALANCE	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2018-2020 SUB-TOTAL	2020-2029 SUB-TOTAL	TOTAL	% of Total
<b>A. CFD SPECIAL TAX / DEVELOPMENT FEE FUND (DEVFE)</b>												<b>A. DEVFE - ANALYSIS</b>			
<b>DEDICATED REVENUES</b>															
Development Fees	\$ 10,734,756	15,158,813	21,147,724	23,127,110	18,663,425	14,000,215	13,457,487	11,100,511	9,011,286	7,287,816	1,994,301	25,893,569	119,789,875	\$ 145,683,444	67.1%
<b>OTHER REVENUES</b>															
Property Taxes - CIP Allocation	\$ 1,674,613	2,437,306	3,754,961	5,072,518	6,145,834	7,177,715	7,840,781	8,499,668	9,082,205	9,601,237	9,819,262	4,111,920	66,994,181	71,106,101	32.7%
Grants	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Miscellaneous (investment interest)	\$ 41,490	30,879	39,230	50,867	63,622	73,997	81,874	87,088	-	-	-	72,368	396,677	469,045	0.2%
<b>TOTAL REVENUES</b>	<b>\$ 12,450,859</b>	<b>17,626,998</b>	<b>24,941,915</b>	<b>28,250,496</b>	<b>24,872,881</b>	<b>21,251,927</b>	<b>21,380,141</b>	<b>19,687,267</b>	<b>18,093,491</b>	<b>16,889,053</b>	<b>11,813,563</b>	<b>30,077,857</b>	<b>187,180,733</b>	<b>217,258,590</b>	<b>100.0%</b>
<b>PROJECTS EXPENDITURES</b>															
Transportation/Transit - See CIP Table 2	\$ 9,821,988	7,020,000	10,585,655	14,229,607	16,856,976	27,198,018	20,154,407	10,936,655	1,000,000	4,000,000	14,557,097	16,841,988	119,518,414	136,360,402	69.1%
Transportation Contingency	\$ 3,928,200	1,965,600	1,587,848	2,134,441	2,528,546	4,079,703	2,191,658	306,208	-	-	-	5,893,800	12,828,404	18,722,204	9.5%
Water Augmentation - RUWAP Pipeline	\$ 5,600,000	841,983	-	2,300,000	-	-	-	-	-	-	-	6,441,983	2,300,000	8,741,983	4.4%
Water Augmentation - RUWAP Other	\$ 157,000	-	-	-	-	-	-	7,200,000	7,598,686	-	-	157,000	14,798,686	14,955,686	7.6%
<b>TOTAL CFD PROJECTS</b>	<b>\$ 19,507,188</b>	<b>9,827,583</b>	<b>12,173,503</b>	<b>18,664,048</b>	<b>19,385,522</b>	<b>31,277,720</b>	<b>22,346,065</b>	<b>18,442,863</b>	<b>8,598,686</b>	<b>4,000,000</b>	<b>14,557,097</b>	<b>29,334,771</b>	<b>149,445,505</b>	<b>178,780,276</b>	<b>90.6%</b>
<b>OTHER EXPENDITURES</b>															
Property Tax - Jurisdiction Share (all jurisdictions)	\$ -	-	-	175,496	307,252	414,583	517,771	584,078	649,967	708,221	760,124	-	4,117,492	4,117,492	2.1%
HCP - UC Regents	\$ 98,268	101,648	105,145	-	-	-	-	-	-	-	-	199,916	105,145	305,062	0.2%
General CIP/FORA Costs - Footnote 1	\$ 1,018,260	1,053,288	1,220,866	1,262,864	1,306,306	1,351,243	1,397,726	-	-	-	-	2,071,548	6,539,005	8,610,553	4.4%
Caretaker Costs (Including Caretaker Emergency Fund)	\$ 575,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	1,075,000	4,500,000	5,575,000	2.8%
<b>TOTAL OTHER</b>	<b>\$ 1,691,528</b>	<b>1,654,937</b>	<b>1,826,011</b>	<b>1,938,360</b>	<b>2,113,558</b>	<b>2,265,827</b>	<b>2,415,498</b>	<b>1,084,078</b>	<b>1,149,967</b>	<b>1,208,221</b>	<b>1,260,124</b>	<b>3,346,465</b>	<b>15,261,642</b>	<b>18,608,107</b>	<b>9.4%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 21,198,716</b>	<b>11,482,520</b>	<b>13,999,514</b>	<b>20,602,408</b>	<b>21,499,080</b>	<b>33,543,547</b>	<b>24,761,563</b>	<b>19,526,941</b>	<b>9,748,653</b>	<b>5,208,221</b>	<b>15,817,221</b>	<b>32,681,236</b>	<b>164,707,147</b>	<b>197,388,382</b>	<b>100.0%</b>
<b>STARTING BALANCES &amp; SET ASIDES</b>															
Net Annual Revenue	\$ (8,747,857)	6,144,479	10,942,401	7,648,088	3,373,801	(12,291,620)	(3,381,421)	160,326	8,344,838	11,680,832	(4,003,658)	-	Revenue	19,870,208	
Set Aside - HCP - See CIP Table 1B	\$ (13,829,853)	(4,608,840)	(6,425,843)	(7,035,254)	(5,699,976)	(4,302,062)	(2,815,032)	-	-	-	-	-	Net HCP Set Aside	(48,000,246)	
Set Aside - HCP Contingency - See CIP Table 1B	\$ -	-	-	-	-	-	(4,146,035)	(3,439,442)	(2,721,408)	(2,200,920)	(6,375,927)	-	Net HCP Contingency	(18,883,733)	
Beginning Balance	\$ 24,844,821	11,014,968	1,535,638	6,052,197	6,665,030	4,338,854	-	-	-	5,623,430	15,103,342	-	Starting Cash Balance	24,844,821	
<b>TOTAL BALANCES</b>	<b>\$ 11,014,968</b>	<b>\$ (1,016,275)</b>	<b>1,535,638</b>	<b>6,052,197</b>	<b>6,665,030</b>	<b>4,338,854</b>	<b>(12,254,827)</b>	<b>(10,342,488)</b>	<b>(3,279,116)</b>	<b>5,623,430</b>	<b>15,103,342</b>	<b>4,723,757</b>	<b>Net Revenue</b>	<b>(22,168,950)</b>	
<b>TRANSFER - from LESAL to DEVFE</b>	<b>\$ 1,016,275</b>	-	-	-	-	12,254,827	10,342,488	3,279,116	-	-	-	-	Net Transfers	26,892,707	
<b>DEVFE ENDING BALANCE</b>	<b>\$ -</b>	<b>1,535,638</b>	<b>6,052,197</b>	<b>6,665,030</b>	<b>4,338,854</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,623,430</b>	<b>15,103,342</b>	<b>4,723,757</b>	<b>Net Balance</b>	<b>\$ 4,723,757</b>	<b>-</b>	
<b>B. LAND SALES FUND (LESAL)</b>												<b>B. LESAL ANALYSIS</b>			
<b>DEDICATED REVENUES</b>															
Land Sales	\$ -	30,921,411	10,242,932	8,125,134	16,914,577	664,849	-	-	16,197,360	16,197,360	12,597,946	30,921,411	80,940,156	\$ 111,861,567	121.0%
Land Sales - Building Removal Credits	\$ -	(19,425,408)	-	-	-	-	-	-	-	-	-	(19,425,408)	-	(19,425,408)	-21.0%
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>11,496,003</b>	<b>10,242,932</b>	<b>8,125,134</b>	<b>16,914,577</b>	<b>664,849</b>	<b>-</b>	<b>-</b>	<b>16,197,360</b>	<b>16,197,360</b>	<b>12,597,947</b>	<b>11,496,003</b>	<b>80,940,156</b>	<b>92,436,159</b>	<b>100.0%</b>
<b>PROJECT EXPENDITURES</b>															
Building Removal Obligations - See Table 1B	\$ 9,520,871	-	-	-	-	-	-	-	-	-	-	9,520,871	-	9,520,871	98.5%
<b>OTHER EXPENDITURES</b>															
General CIP/FORA Costs (A/E, PM, CM, Staff Costs etc...)	\$ 140,873	-	-	-	-	-	-	-	-	-	-	140,873	-	140,873	1.5%
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,661,744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,661,744</b>	<b>-</b>	<b>9,661,744</b>	<b>100.0%</b>
Net Annual Revenue	\$ (9,661,744)	11,496,003	10,242,932	8,125,134	16,914,577	664,849	-	-	16,197,360	16,197,360	12,597,947	-	Revenue	82,774,415	
Beginning Balance	\$ 11,185,029	4,536,973	507,009	12,003,012	22,245,944	30,371,077	47,285,653	35,695,674	25,353,185	22,074,068	38,271,427	54,468,786	Starting Cash Balance	11,185,029	
Set Aside - Bldg Removal	\$ (6,648,056)	6,648,056	-	-	-	-	-	-	-	-	-	-	Net BR Set-Aside	-	
<b>UNRESERVED FUND BALANCE</b>	<b>\$ 4,536,973</b>	<b>\$ 1,523,284</b>	<b>12,003,012</b>	<b>22,245,944</b>	<b>30,371,077</b>	<b>47,285,653</b>	<b>47,950,501</b>	<b>35,695,673</b>	<b>25,353,184</b>	<b>38,271,427</b>	<b>54,468,786</b>	<b>67,066,733</b>	<b>Net Revenue</b>	<b>93,959,444</b>	
<b>TRANSFER - from LESAL to DEVFE</b>	<b>\$ (1,016,275)</b>	-	-	-	-	(12,254,827)	(10,342,488)	(3,279,116)	-	-	-	-	Net Transfers	(26,892,707)	
<b>LESAL ENDING BALANCE</b>	<b>\$ 507,009</b>	<b>12,003,012</b>	<b>22,245,944</b>	<b>30,371,077</b>	<b>47,285,653</b>	<b>35,695,674</b>	<b>25,353,185</b>	<b>22,074,068</b>	<b>38,271,427</b>	<b>54,468,786</b>	<b>67,066,733</b>	<b>Net Balance</b>	<b>\$ 67,066,737</b>	<b>-</b>	
<b>TOTAL ENDING BALANCE-ALL PROJECTS</b>	<b>\$ 507,009</b>	<b>13,538,650</b>	<b>28,298,141</b>	<b>37,036,107</b>	<b>51,624,507</b>	<b>35,695,674</b>	<b>25,353,185</b>	<b>22,074,068</b>	<b>43,894,857</b>	<b>69,572,128</b>	<b>71,790,490</b>	<b>\$ 71,790,494</b>	<b>\$ 71,790,494</b>	<b>-</b>	

Footnote (1) - Expenditures for transportation projects (contract change orders, general consulting, legal consulting, additional basewide expenditures, street landscaping, site conditions, project changes, printing, additional habitat mitigations) . General Costs provides for staff, overhead, and direct consulting costs. In 2015/2016 , the FORA Board approved Prevailing Wage and Caretaker Costs to be funding with Poroperty taxes.

**TABLE 4: COMMUNITY FACILITIES DISTRICT REVENUE**

Land Use Location & Description	Jurisdiction	FAR	FORECAST YEAR		Post FORA								Totals	
			43,560	2018-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27		27-28
<b><u>New Residential</u></b>														
Seahaven (Entitled)	MAR	6	-	2,782,173.0	2,954,520.0	2,954,520.0	2,954,520.0	2,954,520.0	2,954,520.0	2,191,269.0	-	-	-	19,746,042
Dunes Phase 1 (Entitled)	MAR	6	1,772,712	2,831,415	-	-	-	-	-	-	-	-	-	4,604,127
Dunes Phase 2 (Entitled)	MAR	6	-	-	2,215,890	1,107,945	1,107,945	1,107,945	1,107,945	-	-	-	-	5,539,725
Dunes Phase 3 (Entitled)	MAR	6	-	-	2,215,890	1,107,945	1,107,945	1,107,945	2,215,890	2,215,890	2,215,890	738,630	-	10,710,135
Cypress Knolls (Entitled)	MAR	6	-	-	2,462,100	2,462,100	2,462,100	2,462,100	2,462,100	2,462,100	1,378,776	1,378,776	-	17,530,152
TAMC (Planned)	MAR	6	-	-	-	-	-	-	-	-	-	-	-	-
Seaside Resort (Entitled)	SEA	6	98,484	295,452	886,356	886,356	837,114	-	-	-	-	-	-	3,003,762
Surplus II (Planned)	SEA	6	-	-	246,210	2,462,100	2,462,100	689,388	-	-	-	-	-	5,859,798
26 Acre Parcel (Planned)	SEA	6	-	246,210	2,462,100	984,840	-	-	-	-	-	-	-	3,693,150
Main Gate (Planned)	SEA	6	-	246,210	2,462,100	861,735	-	-	-	-	-	-	-	3,570,045
Nurses Barracks (Planned)	SEA	6	-	984,840	-	-	-	-	-	-	-	-	-	984,840
Seaside East (Planned)	SEA	6	-	-	-	-	-	246,210	1,231,050	1,231,050	2,462,100	2,462,100	-	7,632,510
East Garrison I (Entitled)	MCO	6	2,954,520	2,954,520	2,954,520	2,954,520	2,979,141	-	-	-	-	-	-	17,751,741
Del Rey Oaks (Planned)	DRO	6	-	-	492,420	1,477,260	1,477,260	1,477,260	1,477,260	2,954,520	2,954,520	2,708,310	1,994,301	17,013,111
UC Blanco Triangle (Planned)	UC	6	-	-	2,708,310	2,708,310	492,420	-	-	-	-	-	-	5,909,040
Other Residential (Planned)	Various	6	-	-	-	-	-	-	-	-	-	-	-	-
Existing/Replacement Residential (See Table 6)			5,909,040	344,694	-	-	-	-	-	-	-	-	-	6,253,734
<b>Total Residential Units</b>			<b>10,734,756</b>	<b>10,685,514</b>	<b>19,844,526</b>	<b>19,967,631</b>	<b>15,855,924</b>	<b>13,024,509</b>	<b>10,340,820</b>	<b>11,054,829</b>	<b>9,011,286</b>	<b>7,287,816</b>	<b>1,994,301</b>	<b>129,801,912</b>
<b>CFD Special tax per Unit</b>	<b>\$</b>	<b>24,621</b>	<b>10,734,756</b>	<b>10,685,514</b>	<b>19,844,526</b>	<b>19,967,631</b>	<b>15,855,924</b>	<b>13,024,509</b>	<b>10,340,820</b>	<b>11,054,829</b>	<b>9,011,286</b>	<b>7,287,816</b>	<b>1,994,301</b>	<b>\$ 129,801,912</b>
<b><u>Office</u></b>														
Del Rey Oaks RV Park (Planned)	DRO	0.35	-	42,372	42,372	-	-	-	-	-	-	-	-	84,744
Monterey (Planned)	MRY	0.35	-	-	25,540	25,540	25,540	38,121	38,121	-	-	-	-	152,861
East Garrison I (Entitled)	MCO	0.35	-	5,085	5,085	4,237	-	-	-	-	-	-	-	14,406
Dunes Phase 1 (Entitled)	MAR	0.35	-	4,873	4,873	4,873	-	-	-	-	-	-	-	14,618
Dunes Phase 2 (Entitled)	MAR	0.35	-	-	-	-	-	-	-	-	-	-	-	-
Dunes Phase 3 (Entitled)	MAR	0.35	-	-	15,889	15,889	15,889	15,889	15,889	15,889	-	-	-	95,336
Seahaven (Planned)	MAR	0.35	-	-	-	-	-	-	-	-	-	-	-	-
Interim Inc. (Entitled)	MAR	0.35	-	-	-	-	-	-	-	-	-	-	-	-
Marina (Planned)	MAR	0.35	-	-	-	-	-	-	-	-	-	-	-	-
TAMC (Planned)	MAR	0.35	-	-	-	-	-	-	-	-	-	-	-	-
Campus Town / Surplus II (Planned)	SEA	0.35	-	4,873	20,762	20,762	15,889	15,889	15,889	15,889	-	-	-	109,955
Campus Town / 26 Acre (Planned)	SEA	0.35	-	-	-	1,059	1,059	-	-	-	-	-	-	2,119
Main Gate	SEA	0.35	-	-	-	1,059	1,059	-	-	-	-	-	-	2,119
Seaside East (Planned)	SEA	0.35	-	-	-	-	-	-	-	-	-	-	-	-
UC (Planned)	UC	0.35	-	-	-	2,119	2,119	2,119	-	-	-	-	-	6,356
<b>Total Office Acres</b>			<b>-</b>	<b>57,202</b>	<b>114,521</b>	<b>75,539</b>	<b>61,556</b>	<b>72,018</b>	<b>69,899</b>	<b>31,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>482,514</b>
<b>CFD Special tax per Acre</b>	<b>\$</b>	<b>3,230</b>	<b>-</b>	<b>57,202</b>	<b>114,521</b>	<b>75,539</b>	<b>61,556</b>	<b>72,018</b>	<b>69,899</b>	<b>31,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 482,514</b>
<b><u>Industrial</u></b>														
Monterey (Planned)	MRY	0.40	-	-	-	-	13,364	13,364	13,364	-	-	-	-	40,092
Marina CY (Entitled)	MAR	0.40	-	-	-	-	-	-	-	-	-	-	-	-
Dunes Phase 1 (Entitled)	MAR	0.40	-	-	-	-	-	-	-	-	-	-	-	-
Dunes Phase 2 (Entitled)	MAR	0.40	-	-	-	-	-	-	-	-	-	-	-	-
Dunes Phase 3 (Entitled)	MAR	0.40	-	-	13,903	13,903	13,903	13,903	13,903	13,903	-	-	-	83,419
Seahaven (Planned)	MAR	0.40	-	-	-	-	-	-	-	-	-	-	-	-
Marina Airport (Entitled)	MAR	0.40	-	-	-	-	-	-	-	-	-	-	-	-
TAMC (Planned)	MAR	0.40	-	-	-	-	-	-	-	-	-	-	-	-
Campus Town / Surplus II (Planned)	SEA	0.40	-	-	7,415	-	-	-	-	-	-	-	-	7,415
Campus Town / 26 Acre (Planned)	SEA	0.40	-	-	5,561	-	-	-	-	-	-	-	-	5,561
Main Gate	SEA	0.40	-	-	-	-	-	-	-	-	-	-	-	-
Seaside East (Planned)	SEA	0.40	-	-	-	1,854	1,854	1,854	-	-	-	-	-	5,561
UC (Planned)	UC	0.40	-	-	3,708	3,708	3,708	3,708	-	-	-	-	-	18,538
<b>Total Industrial Acres</b>			<b>-</b>	<b>3,708</b>	<b>30,587</b>	<b>19,465</b>	<b>32,829</b>	<b>32,829</b>	<b>27,267</b>	<b>13,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,587</b>
<b>CFD Special tax per Acre</b>	<b>\$</b>	<b>3,230</b>	<b>-</b>	<b>3,708</b>	<b>30,587</b>	<b>19,465</b>	<b>32,829</b>	<b>32,829</b>	<b>27,267</b>	<b>13,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 160,587</b>
<b><u>Retail</u></b>														
Del Rey Oaks (Planned)	DRO	0.25	-	-	-	-	-	-	-	-	-	-	-	-
East Garrison I (Entitled)	MCO	0.25	-	73,336	73,336	61,113	-	-	-	-	-	-	-	207,784
Seahaven (Planned)	MAR	0.25	-	-	-	-	-	-	-	-	-	-	-	-
Dunes Phase 1 (Entitled)	MAR	0.25	-	122,226	122,226	122,226	122,226	-	-	-	-	-	-	488,904
Dunes Phase 2 (Entitled)	MAR	0.25	-	-	-	-	-	-	-	-	-	-	-	-
Dunes Phase 3 (Entitled)	MAR	0.25	-	-	-	-	-	-	-	-	-	-	-	-
TAMC (Planned)	MAR	0.25	-	-	-	-	-	-	-	-	-	-	-	-
Seaside Resort (Entitled)	SEA	0.25	-	-	-	-	61,113	-	-	-	-	-	-	61,113
Campus Town / Surplus II (Planned)	SEA	0.25	-	61,113	244,452	-	-	-	-	-	-	-	-	305,565
Campus Town / 26 Acre (Planned)	SEA	0.25	-	61,113	183,339	-	-	-	-	-	-	-	-	244,452
Main Gate	SEA	0.25	-	152,782	152,782	152,782	152,782	305,565	-	-	-	-	-	916,694
Seaside East (Planned)	SEA	0.25	-	-	-	61,113	61,113	-	-	-	-	-	-	183,339
UC (Planned)	UC	0.25	-	-	381,956	504,182	504,182	504,182	-	-	-	-	-	1,894,501
<b>Total Retail Acres</b>			<b>-</b>	<b>470,570</b>	<b>1,158,090</b>	<b>901,416</b>	<b>901,416</b>	<b>870,860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,302,352</b>
<b>CFD Special tax per Acre</b>	<b>\$</b>	<b>66,552</b>	<b>-</b>	<b>470,570</b>	<b>1,158,090</b>	<b>901,416</b>	<b>901,416</b>	<b>870,860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 4,302,352</b>
<b><u>Hotel (rooms)</u></b>														
Del Rey Oaks RV Park (Planned)	DRO	32	-	-	-	-	-	3,019,500	-	-	-	-	-	3,019,500
Dunes Phase 1 (Entitled)	MAR	32	-	-	-	-	-	-	-	-	-	-	-	-
Dunes Phase 2 (Entitled)	MAR	32	-	-	2,163,060	-	-	-	-	-	-	-	-	2,163,060
Dunes Phase 3 (Entitled)	MAR	32	-	-	-	-	-	-	-	-	-	-	-	-
Seaside Resort (Entitled)	SEA	32	-	-	-	-	1,811,700	-	-	-	-	-	-	1,811,700
Seaside Resort TS (Entitled)	SEA	32	-	373,320	-	-	-	-	-	-	-	-	-	373,320
Campus Town / Surplus II (Planned)	SEA	32	-	-	-	-	-	-	-	-	-	-	-	-
Campus Town / 26 Acre (Planned)	SEA	32	-	1,647,000	-	-	-	-	-	-	-	-	-	1,647,000
Main Gate	SEA	32	-	1,921,500	-	-	-	-	-	-	-	-	-	1,921,500
Seaside East (Planned)	SEA	32	-	-	-	-	-	-	-	-	-	-	-	-
UC (Planned)	UC	32	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Hotel Rooms</b>			<b>-</b>	<b>3,941,820</b>	<b>-</b>	<b>2,163,060</b>	<b>1,811,700</b>	<b>-</b>	<b>3,019,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,936,080</b>
<b>CFD Special tax per Hotel Room</b>	<b>\$</b>	<b>5,490</b>	<b>-</b>	<b>3,941,820</b>	<b>-</b>	<b>2,163,060</b>	<b>1,811,700</b>	<b>-</b>	<b>3,019,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 10,936,080</b>
<b>Sub Total</b>			<b>\$ 10,734,756</b>	<b>15,158,813</b>	<b>21,147,724</b>	<b>23,127,110</b>	<b>18,663,425</b>	<b>14,000,215</b>	<b>13,457,487</b>	<b>11,100,511</b>	<b>9,011,286</b>	<b>7,287,816</b>	<b>1,994,301</b>	
<b>TOTAL CFD</b>														<b>\$ 145,683,444</b>

# TABLE 5: LAND SALES REVENUE

In order to better forecast revenues from land sales, jurisdictions estimate when they expect escrow to clear on a lump sum sale of real property.

## Estimated Land Sales

Parcel	Acres	Land Use Location & Description	Basis of Value	171000 Forecasted Sale	1	2	3	4	5	6	7	8	9	10	Forecast Total	
					2018-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28		28-29
<b>Monterey County</b>					\$ -	-	-	-	-	-	-	-	-	-	\$ -	
E8a.1.2	21.22	Ord Market	per acre	\$ 3,628,620	-	-	-	-	-	-	-	-	-	-	-	
multiple	152.93	East Garrison 2	per acre	26,151,030	-	-	-	-	-	-	-	-	-	-	-	
multiple	374.07	Parker Flat Development	per acre	63,965,970	-	-	-	-	-	-	-	-	-	-	-	
multiple	12.00	Travel Camp - Developable	per acre	2,052,000	-	-	-	-	-	-	-	-	-	-	-	
E11b.8	67.69	Ammo Supply Point	per acre	11,574,990	-	-	-	-	-	-	-	-	-	-	-	
<b>Monterey City</b>					-	<b>8,918,813</b>	-	<b>15,855,667</b>	-	-	-	-	-	-	<b>24,774,480</b>	
E29b.2	31.19	Business Park/Recreation	per acre	5,333,490	-	1,920,056	-	3,413,434	-	-	-	-	-	-	5,333,490	
E29b.3	27.71	Business Park parcel	per acre	4,738,410	-	1,705,828	-	3,032,582	-	-	-	-	-	-	4,738,410	
E29e	9.45	Open Space/Recreation			-	-	-	-	-	-	-	-	-	-	-	
E29b.1	33.52	Monterey - Ryan Ranch	per acre	5,731,920	-	2,063,491	-	3,668,429	-	-	-	-	-	-	5,731,920	
L4.2	7.03	Open Space/Recreation			-	-	-	-	-	-	-	-	-	-	-	
L4.1	18.10	Business Park/ Public Facility	per acre	3,095,100	-	1,114,236	-	1,980,864	-	-	-	-	-	-	3,095,100	
E29.1	22.48	Business Park parcel	per acre	3,844,080	-	1,383,869	-	2,460,211	-	-	-	-	-	-	3,844,080	
E29.2	11.88	Business Park parcel	per acre	2,031,480	-	731,333	-	1,300,147	-	-	-	-	-	-	2,031,480	
<b>Marina</b>					-	<b>19,409,700</b>	-	-	<b>32,379,690</b>	-	-	-	-	-	<b>51,789,390</b>	
multiple		Dunes Phase II	Contract	6,750,000	-	6,750,000	-	-	-	-	-	-	-	-	6,750,000	
multiple		Dunes Phase II Option	Contract		-	-	-	-	-	-	-	-	-	-	-	
multiple		Dunes Phase III	Contract	12,659,700	-	12,659,700	-	-	-	-	-	-	-	-	12,659,700	
E4.1.2.2	9.63	Cypress Knolls	Marina Est.	1,444,500	-	-	-	1,444,500	-	-	-	-	-	-	1,444,500	
E4.1.1	153.50	Cypress Knolls	Marina Est.	22,950,000	-	-	-	22,950,000	-	-	-	-	-	-	22,950,000	
E4.1.2.2	26.24	Cypress Knolls	Marina Est.	3,900,000	-	-	-	3,900,000	-	-	-	-	-	-	3,900,000	
E2c.4.2.1	13.39	Stockade	Marina Est.	2,289,690	-	-	-	2,289,690	-	-	-	-	-	-	2,289,690	
L35.2	1.71	Stockade +	per acre	292,410	-	-	-	292,410	-	-	-	-	-	-	292,410	
L2.2.1	2.11	Stockade +	per acre	360,810	-	-	-	360,810	-	-	-	-	-	-	360,810	
L2.2.2	4.54	Stockade corner @ imjin	per acre	776,340	-	-	-	776,340	-	-	-	-	-	-	776,340	
E2c.4.2.2	2.14	Stockade +	per acre	365,940	-	-	-	365,940	-	-	-	-	-	-	365,940	
<b>Seaside</b>					-	<b>22,634,310</b>	<b>14,365,864</b>	-	-	-	-	<b>32,394,719</b>	<b>32,394,719</b>	<b>25,195,892</b>	<b>126,985,504</b>	
multiple	86.01	Surplus II	Contract	18,000,000	-	9,129,597	8,870,403	-	-	-	-	-	-	-	18,000,000	
multiple	89.27	Main Gate	per acre	15,265,170	-	9,769,709	5,495,461	-	-	-	-	-	-	-	15,265,170	
multiple	563.24	Seaside East	per acre	89,985,330	-	-	-	-	-	-	-	32,394,719	32,394,719	25,195,892	89,985,330	
F2.3.2	26.00	26 Acre Parcel	Seaside Est	3,735,004	-	3,735,004	-	-	-	-	-	-	-	-	3,735,004	
E18.1.3	40.00	Barracks Parcel	fixed	6,640,000	-	-	-	-	-	-	-	-	-	-	-	
<b>Del Rey Oaks</b>					-	<b>10,880,000</b>	<b>6,120,000</b>	<b>394,600</b>	<b>1,449,463</b>	<b>1,329,697</b>	-	-	-	-	<b>20,173,760</b>	
E29a	271.60	270 Acres (Parcels A-D)	Contract	17,000,000	-	10,880,000	6,120,000	-	-	-	-	-	-	-	17,000,000	
E36	6.41	Development Parcel E36	per acre	1,096,110	-	-	394,600	701,510	-	-	-	-	-	-	1,096,110	
E31a	4.89	Development w/ Reserve	per acre	836,190	-	-	-	301,028	535,162	-	-	-	-	-	836,190	
E31b	3.34	Development w/ Reserve	per acre	571,140	-	-	-	205,610	365,530	-	-	-	-	-	571,140	
E31c	3.92	Development w/ Reserve	per acre	\$ 670,320	-	-	-	241,315	429,005	-	-	-	-	-	670,320	
<b>CSUMB</b>																
<b>UC MBEST</b>					\$ -	-	-	-	-	-	-	-	-	-	\$ -	
<b>Lump Sum Sale Forecast - Sub-total</b>					\$ -	<b>61,842,823</b>	<b>20,485,864</b>	<b>16,250,267</b>	<b>33,829,153</b>	<b>1,329,697</b>	-	-	<b>32,394,719</b>	<b>32,394,719</b>	<b>25,195,892</b>	<b>223,723,134</b>
<b>FORA Share (50% of Lump Sum Sales)</b>					\$ -	<b>30,921,411</b>	<b>10,242,932</b>	<b>8,125,134</b>	<b>16,914,577</b>	<b>664,849</b>	-	-	<b>16,197,360</b>	<b>16,197,360</b>	<b>12,597,946</b>	<b>\$ 111,861,567</b>

**TABLE 6: FY 2018/2019 THROUGH POST-FORA DEVELOPMENT FORECASTS**

Residential Annual Land Use Construction (dwelling units)

Land Use Location & Description	Jurisdiction	Built To Date	FORECAST YEAR											Forecast	Forecast + Built	
			2018-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29			
<b>NEW RESIDENTIAL</b>																
<b>**6,160 unit cap on new residential until 18,000 new jobs on Fort Ord per BRP 3.11.5.4 (b) 2) &amp; 3.11.5.4 (c)</b>																
<b><u>Marina</u></b>																
Seahaven A (Entitled)	MAR	-	-	113	120	120	120	120	120	89	-	-	-	-	802	802
Dunes Phase 1 (Entitled)	MAR	390	72	115	-	-	-	-	-	-	-	-	-	-	187	577
Dunes Phase 2 (Entitled)	MAR	-	-	-	90	45	45	45	-	-	-	-	-	-	225	225
Dunes Phase 3 (Entitled)	MAR	-	-	-	-	45	45	45	90	90	90	30	-	-	435	435
Cypress Knolls (Entitled)	MAR	-	-	-	100	100	100	100	100	100	56	56	-	-	712	712
TAMC (Planned)	MAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b><u>Seaside</u></b>																
Seaside Resort (Entitled)	SEA	3	4	12	36	36	34	-	-	-	-	-	-	-	122	125
Surplus II (Planned)		-	-	-	10	100	100	28	-	-	-	-	-	-	238	238
26 Acre Parcel (Planned)		-	-	10	100	40	-	-	-	-	-	-	-	-	150	150
Main Gate (Planned)		-	-	10	100	35	-	-	-	-	-	-	-	-	145	145
Nurses Barracks (Planned)		-	-	40	-	-	-	-	-	-	-	-	-	-	40	40
Seaside East (Planned)	SEA	-	-	-	-	-	-	10	50	50	100	100	-	-	310	310
<b><u>Other</u></b>																
East Garrison I (Entitled)	MCO	749	120	120	120	120	120	121	-	-	-	-	-	-	721	1,470
Del Rey Oaks (Planned)	DRO	-	-	-	20	60	60	60	60	120	120	110	81	-	691	691
UC Blanco Triangle (Planned)	UC	-	-	-	110	110	20	-	-	-	-	-	-	-	240	240
Other Residential (Planned)	Various	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NEW RESIDENTIAL</b>		<b>1,142</b>	<b>196</b>	<b>420</b>	<b>806</b>	<b>811</b>	<b>644</b>	<b>529</b>	<b>420</b>	<b>449</b>	<b>366</b>	<b>296</b>	<b>81</b>	<b>5,018</b>	<b>6160**</b>	
<b>EXISTING/REPLACEMENT RESIDENTIAL</b>																
Preston Park (Entitled)	MAR	352	-	-	-	-	-	-	-	-	-	-	-	-	-	352
Seahaven (Entitled)	MAR	121	120	7	-	-	-	-	-	-	-	-	-	-	127	248
Abrams B (Entitled)	MAR	192	-	-	-	-	-	-	-	-	-	-	-	-	-	192
MOCO Housing Authority (Entitled)	MAR	56	-	-	-	-	-	-	-	-	-	-	-	-	-	56
Shelter Outreach Plus (Entitled)	MAR	39	-	-	-	-	-	-	-	-	-	-	-	-	-	39
VTC (Entitled)	MAR	13	-	-	-	-	-	-	-	-	-	-	-	-	-	13
Interim Inc (Entitled)	MAR	11	-	-	-	-	-	-	-	-	-	-	-	-	-	11
Sunbay (Entitled)	SEA	297	-	-	-	-	-	-	-	-	-	-	-	-	-	297
Bayview (Entitled)	SEA	225	-	-	-	-	-	-	-	-	-	-	-	-	-	225
Seaside Highlands (Entitled)	SEA	380	-	-	-	-	-	-	-	-	-	-	-	-	-	380
<b>TOTAL EXISTING/REPLACE</b>		<b>1,686</b>	<b>120</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127</b>	<b>1,813</b>	
<b>CSUMB (Planned)</b>																
		<b>2,828</b>	<b>316</b>	<b>427</b>	<b>806</b>	<b>811</b>	<b>644</b>	<b>529</b>	<b>420</b>	<b>449</b>	<b>366</b>	<b>296</b>	<b>81</b>	<b>5,145</b>	<b>7,973</b>	



**TABLE 7: FY 2018/2019 THROUGH POST-FORA DEVELOPMENT FORECAST**

**Non-Residential Annual Land Use Construction (building square feet or hotel rooms per year)**

Land Use Location & Description	Jurisdiction	Land Transfer Type	Built To Date	FORECAST YEAR					Post FORA					Forecast	Forecast + Built	
				2018-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28			28-29
<b>NON-RESIDENTIAL</b>																
<b>Office</b>																
Del Rey Oaks RV Park (Entitled)	DRO	EDC	-	-	200,000	200,000	-	-	-	-	-	-	-	-	400,000	400,000
Del Rey Oaks RV Park (Planned)	DRO	EDC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monterey (Planned)	MRY	EDC	-	-	-	120,552	120,552	120,552	179,934	179,934	-	-	-	-	721,524	721,524
East Garrison I (Entitled)	MCO	-	-	-	24,000	24,000	20,000	-	-	-	-	-	-	-	68,000	68,000
Dunes Phase 1 (Entitled)	MAR	-	203,000	-	23,000	23,000	23,000	-	-	-	-	-	-	-	69,000	272,000
Dunes Phase 2 (Entitled)	MAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dunes Phase 3 (Entitled)	MAR	-	-	-	-	75,000	75,000	75,000	75,000	75,000	75,000	-	-	-	450,000	450,000
Interim Inc. (Entitled)	MAR	-	14,000	-	-	-	-	-	-	-	-	-	-	-	-	14,000
Marina (Planned)	MAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAMC (Planned)	MAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Campus Town / Surplus II (Planned)	SEA	-	-	-	-	-	5,000	5,000	-	-	-	-	-	-	10,000	-
Campus Town /26 Acre (Planned)	SEA	-	-	-	-	-	5,000	5,000	-	-	-	-	-	-	10,000	-
Seaside East (Planned)	SEA	-	14,900	-	-	-	10,000	10,000	10,000	-	-	-	-	-	30,000	44,900
UC (Planned)	UC	EDC	-	-	60,000	80,000	180,000	180,000	180,000	-	-	-	-	-	680,000	680,000
<b>Total Office</b>			<b>259,900</b>	<b>-</b>	<b>307,000</b>	<b>522,552</b>	<b>438,552</b>	<b>395,552</b>	<b>444,934</b>	<b>254,934</b>	<b>75,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,438,524</b>	<b>2,678,424</b>
<b>Industrial</b>																
Monterey (Planned)	MRY	EDC	-	-	-	-	-	72,092	72,092	72,092	-	-	-	-	216,276	216,276
Marina CY (Entitled)	MAR	EDC	12,300	-	-	-	-	-	-	-	-	-	-	-	-	12,300
Dunes Phase 1 (Entitled)	MAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dunes Phase 2 (Entitled)	MAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dunes Phase 3 (Entitled)	MAR	-	-	-	-	75,000	75,000	75,000	75,000	75,000	75,000	-	-	-	450,000	450,000
Marina Airport (Entitled)	MAR	PBC	250,000	-	-	-	-	-	-	-	-	-	-	-	-	250,000
TAMC (Planned)	MAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Campus Town / Surplus II (Planned)	SEA	-	-	-	-	40,000	-	-	-	-	-	-	-	-	40,000	40,000
Campus Town /26 Acre (Planned)	SEA	-	-	-	-	30,000	-	-	-	-	-	-	-	-	30,000	-
Seaside East (Planned)	SEA	-	14,900	-	-	-	10,000	10,000	10,000	-	-	-	-	-	30,000	44,900
UC (Planned)	UC	EDC	38,000	-	20,000	20,000	20,000	20,000	20,000	-	-	-	-	-	100,000	138,000
<b>Total Industrial</b>			<b>330,100</b>	<b>-</b>	<b>20,000</b>	<b>165,000</b>	<b>105,000</b>	<b>177,092</b>	<b>177,092</b>	<b>147,092</b>	<b>75,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>866,276</b>	<b>1,151,476</b>
<b>Retail</b>																
Del Rey Oaks (Planned)	DRO	EDC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
East Garrison I (Entitled)	MCO	-	-	-	12,000	12,000	10,000	-	-	-	-	-	-	-	34,000	34,000
Dunes Phase 1 (Entitled)	MAR	-	418,000	-	20,000	20,000	20,000	20,000	-	-	-	-	-	-	80,000	498,000
Dunes Phase 2 (Entitled)	MAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dunes Phase 3 (Entitled)	MAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAMC (Planned)	MAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seaside Resort (Entitled)	SEA	-	-	-	-	-	10,000	-	-	-	-	-	-	-	10,000	10,000
Campus Town / Surplus II (Planned)	SEA	-	-	-	10,000	40,000	-	-	-	-	-	-	-	-	50,000	50,000
Campus Town /26 Acre (Planned)	SEA	-	-	-	10,000	30,000	-	-	-	-	-	-	-	-	40,000	40,000
Main Gate	SEA	-	-	-	25,000	25,000	25,000	25,000	50,000	-	-	-	-	-	150,000	150,000
Seaside East (Planned)	SEA	-	-	-	-	-	10,000	10,000	10,000	-	-	-	-	-	30,000	30,000
UC (Planned)	UC	-	-	-	-	62,500	82,500	82,500	82,500	-	-	-	-	-	310,000	310,000
<b>Total Retail</b>			<b>418,000</b>	<b>-</b>	<b>77,000</b>	<b>189,500</b>	<b>147,500</b>	<b>147,500</b>	<b>142,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>704,000</b>	<b>1,122,000</b>
<b>TOTAL SF NON-RESIDENTIAL</b>			<b>1,008,000</b>	<b>-</b>	<b>404,000</b>	<b>877,052</b>	<b>691,052</b>	<b>720,144</b>	<b>764,526</b>	<b>402,026</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,008,800</b>	<b>4,951,900</b>
<b>HOTEL ROOMS</b>																
<b>Hotel (rooms)</b>																
Del Rey Oaks RV Park (Planned)	DRO	EDC	-	-	-	-	-	-	-	550	-	-	-	-	550	550
Dunes Phase 1 (Entitled)	MAR	-	108	-	-	-	-	-	-	-	-	-	-	-	-	108
Dunes Phase 2 (Entitled)	MAR	-	-	-	-	-	394	-	-	-	-	-	-	-	394	394
Dunes Phase 3 (Entitled)	MAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seaside Resort (Entitled)	SEA	Sale	-	-	-	-	-	330	-	-	-	-	-	-	330	330
Seaside Resort TS (Entitled)	SEA	Sale	-	-	68	-	-	-	-	-	-	-	-	-	68	68
Campus Town / Surplus II (Planned)	SEA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Campus Town /26 Acre (Planned)	SEA	-	-	-	300	-	-	-	-	-	-	-	-	-	300	300
Main Gate	SEA	-	-	-	350	-	-	-	-	-	-	-	-	-	350	350
Seaside East (Planned)	SEA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UC (Planned)	UC	EDC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL HOTEL ROOMS</b>			<b>108</b>	<b>-</b>	<b>718</b>	<b>-</b>	<b>394</b>	<b>330</b>	<b>-</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,992</b>	<b>2,100</b>

# TABLE 8: FY 2018/2019 Property Tax Estimate

## Estimated Property Taxes

Location & Description	Per Acre Assumption	1	2	3	4	5	6	7	8	9	10	Forecast
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	
Office	\$ 223	\$ -	68,553,100	116,685,862	97,928,662	88,326,762	99,353,762	56,926,762	16,747,500	-	-	\$ 544,522,409
Industrial	91	-	1,827,000	15,072,750	9,591,750	16,177,354	16,177,354	13,436,854	6,851,250	-	-	79,134,313
Retail	91	-	7,033,950	17,310,825	13,474,125	13,474,125	13,017,375	-	-	-	-	64,310,400
NON-RESIDENTIAL		\$ -	77,414,050	149,069,437	120,994,537	117,978,241	128,548,491	70,363,616	23,598,750	-	-	687,967,122
HOTEL ROOMS	164,430	\$ -	118,060,740	-	64,785,420	54,261,900	-	90,436,500	-	-	-	327,544,560
NEW RESIDENTIAL	540,995	\$ 106,035,020	227,217,900	436,041,970	438,746,945	348,400,780	286,186,355	227,217,900	242,906,755	198,004,170	160,134,520	43,820,595
EXISTING/REPLACE RES	540,995	\$ 64,919,400	3,786,965	-	-	-	-	-	-	-	-	68,706,365
CSUMB RESIDENTIAL		-	-	-	-	-	-	-	-	-	-	\$ -
<b>TOTAL</b>			<b>366,429,210</b>	<b>380,074,302</b>	<b>621,821,927</b>	<b>610,987,086</b>	<b>476,949,271</b>	<b>446,986,471</b>	<b>250,816,650</b>	<b>242,906,755</b>	<b>198,004,170</b>	<b>\$ 160,134,520</b>

FORA PROJECTION 18/19												
2% Max Property Value Escalation - Proposition 13	373,757,794	395,429,303	659,882,403	661,352,071	526,590,535	503,379,366	288,109,491	284,603,978	236,633,312	\$ 195,203,086	\$ -	-
Discount Cash Flow - Bond Buyers Index	357,834,173	362,453,219	579,083,532	555,646,957	423,575,495	387,654,423	212,421,492	200,896,982	159,918,933	126,299,676	-	-
Net Cash Inflow (CUM) including previous years	1,413,620,087	1,776,073,306	2,355,156,837	2,910,803,795	3,334,379,290	3,722,033,713	3,934,455,205	4,135,352,186	4,295,271,119	4,421,570,796	4,421,570,796	-
Net Present Value	1,413,620,087	1,776,073,306	2,402,259,974	3,028,400,268	3,538,469,977	4,028,848,991	4,343,956,462	4,657,078,223	4,933,916,374	5,180,574,901	5,284,186,399	-
Property Tax assessment 1%	14,136,201	17,760,733	24,022,600	30,284,003	35,384,700	40,288,490	43,439,565	46,570,782	49,339,164	51,805,749	52,841,864	-
Less housing set aside (20%)	(2,827,240)	(3,552,147)	(4,804,520)	(6,056,801)	(7,076,940)	(8,057,698)	(8,687,913)	(9,314,156)	(9,867,833)	(10,361,150)	(10,568,373)	-
Property Tax net of housing set aside	11,308,961	14,208,586	19,218,080	24,227,202	28,307,760	32,230,792	34,751,652	37,256,626	39,471,331	41,444,599	42,273,491	-
Tier 1	(1,527,210)	(1,918,787)	(2,595,290)	(3,271,743)	(3,822,799)	(4,352,582)	(4,693,009)	(5,031,291)	(5,330,374)	(5,596,853)	(5,708,790)	-
Tier 2	(1,282,856)	(1,611,781)	(2,180,043)	(2,748,264)	(3,211,150)	(3,656,168)	(3,942,127)	(4,226,284)	(4,477,513)	(4,701,355)	(4,795,382)	-
Tier 3	-	-	-	-	-	-	-	-	-	-	-	-
Annual net property tax	8,498,895	10,678,018	14,442,746	18,207,195	21,273,811	24,222,043	26,116,516	27,999,051	29,663,443	31,146,391	31,769,319	-
FORA Property Tax (35%)	2,974,613	3,737,306	5,054,961	6,372,518	7,445,834	8,477,715	9,140,781	9,799,668	10,382,205	10,901,237	11,119,262	-
Forecast Estimate - 90% of Property Tax	2,677,152	3,363,576	4,549,465	5,735,267	6,701,250	7,629,943	8,226,703	8,819,701	9,343,985	9,811,113	10,007,336	-
Operating Costs	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)	-
<b>Property Tax Transfer to CIP</b>	<b>1,674,613</b>	<b>2,437,306</b>	<b>3,754,961</b>	<b>5,072,518</b>	<b>6,145,834</b>	<b>7,177,715</b>	<b>7,840,781</b>	<b>8,499,668</b>	<b>9,082,205</b>	<b>\$ 9,601,237</b>	<b>\$ 9,819,262</b>	-

## Appendices

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A. Protocol for Review/Reprogramming of FORA CIP	A-1
B. Building Removal Program to Date	A-5
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D. Marina Coast Water District 5-Year CIP	A-11

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## Appendix A: Protocol for Review/Reprogramming of FORA CIP (Revised June 10, 2016)

1) Conduct quarterly meetings with the CIP Committee and/or Administrative Committee. Staff representatives from the California Department of Transportation (CALTRANS) and AMBAG may be requested to participate and provide input.

These meetings will be the forum to review developments as they are being planned to assure accurate prioritization and timing of CIP projects to best serve the development as it is projected. FORA CIP projects will be constructed during the program, but market and budgetary realities require that projects must “queue” to current year priority status. To prioritize projects, the following criteria were established:

- Project is necessary to mitigate reuse plan
- Project environmental/design is complete
- Project can be completed prior to FORA’s sunset
- Project uses FORA CIP funding as matching funds to leverage grant dollars
- Project can be coordinated with projects of other agencies (utilities, water, TAMC, PG&E, CALTRANS, MST, etc.)
- Project furthers inter-jurisdictional equity
- Project supports jurisdictional “flagship” project
- Project nexus to jurisdictional development programs

The FORA Board has set the top two Transportation Priorities as Eastside Parkway and South Boundary Road. The CIP/Administrative Committee determines the remaining projects priorities. The committee is responsible for recommending project priorities and balancing projected project costs against projected revenues.

### **Evidence Based Prioritization**

Staff asks Administrative Committee members to weight the eight criteria (see previous list of eight bullets) through anonymous polling to reach consensus. The weighting resulting in assigning a higher multiplication factor to some criteria and a lower factor to other criteria. Following the weighting process, staff takes a poll of the committee members asking that they score each project by the eight criteria. Staff multiplies the project scores by the assigned weights, resulting in a score identifying the Transportation/Transit priorities from highest to lowest. Staff then presents the results to the Administrative Committee for further discussion.

To further clarify the criteria, the following definitions were agreed upon by the committee during the 2015/16 Fiscal Year. For each criterion, a measurable scale (1-5) has been created by which to measure the criterion’s impact.

#### **a) Project is necessary to mitigate reuse plan**

All projects on the list are necessary to mitigate the reuse plan. To prioritize the transportation projects, it is necessary to determine the amount of mitigation a proposed roadway could have on existing roadways. Therefore, this criterion is defined by the Level-Of-Service (LOS) ranking, determined by the North American Highway Capacity Manual which measures the amount of time a vehicle stays in one spot on a road from the shortest amount of time to the longest (A-F). This is a function of travel speed, congestion, and the number of cars on the road. This criterion asks the CIP committee to provide its best-informed estimate on the impact of each project in terms of LOS.

Use this scale to estimate the mitigation effect on an impacted roadway(s) in terms of Highway Capacity Manual's Level of Service (LOS):

1. Decreases the LOS on existing roadways (increases the travel time, congestion etc...)
2. LOS stays the same on existing roadways

3. LOS is increased one level up (i.e. from C to B)
4. LOS is increased two levels up (i.e. C to A)
5. LOS is increased two levels up from a D, E, or F (i.e. from D to B)

**b) Project environmental/design is complete**

The concept behind this criterion is to determine how ready a project is for implementation and assesses how close a project is to breaking ground in relation to key project milestones.

Use this scale to rate a project by the Key milestones:

1. California Environmental Quality Act (CEQA) Review Initiated
2. CEQA Review Complete
3. 90% Design Complete
4. Design Approval Complete
5. Notice to Proceed has been issued

**c) Project can be completed prior to FORA's 2020 transition**

Use this criterion to assess the proposed project's likeliness to complete the project on-time and on-budget prior to 2020.

Use this scale to rate the likeliness of completion:

1. Not Probable by 2020
2. Not Likely to be on-time/budget by 2020
3. Likely to be completed by 2020
4. Likely to be completed before 2019
5. Likely to be completed before 2018

**d) Uses FORA CIP funding as matching funds to leverage grant dollars**

Use this criterion to assess the likelihood a project is to gain matching funds or grants in the next three years if FORA assigns resources to the project.

Use this scale to rate the likeliness of obtaining matching/additional funding:

1. Not Possible in 3 years (July 2019)
2. Not Likely to gain funding in 3 years (July 2019)
3. Likely to gain funding in 3 years (July 2019)
4. Likely to gain funding in 2 years (July 2018)
5. Likely to gain funding in 18 months (January 2018)

**e) Project can be coordinated with other agencies projects**

The concept behind this criterion is to facilitate roadway connectivity and to determine if economies of scale (cost advantages obtained due to increased scope) are possible through planning/implementing projects in succession or in parallel with another infrastructure project. Use estimated time between the completion of one project and notice to proceed of adjacent projects to determine the level of coordination.

Use this scale to determine the level of coordination with other agencies:

1. Cannot be run in succession/parallel with another project
2. Can be run in succession/parallel with another project
3. Can be run in succession/parallel with another project AND creates an economy of scale (cost advantages obtained due to increased scope)



4. Can be run in succession/parallel with another project AND creates an economy of scale on both projects
5. Can be run in succession/parallel with another project AND creates an economy of scale on both projects AND saves time

**f) Project furthers inter-jurisdictional equity**

Inter-Jurisdictional equity refers to the concept that FORA complete roadway obligations while being fair to each of the land-use jurisdictions. For the purposes of this assessment, the geographical location of the project determines the owning jurisdiction even though a project in another jurisdiction might benefit.

Use this criterion to assess if the resources assigned to this project would create an imbalance in the distribution of resources to the land-use jurisdictions:

1. Would create a major change in the balance favoring one jurisdiction
2. Would create a minor change in the balance favoring one jurisdiction
3. The estimated change would be a net gain
4. Would create a minor change restoring, or furthering, the balance
5. Would create a major change restoring, or furthering, the balance

**g) Supports jurisdictions “flagship” project**

A “flagship project” is a single project on the former Fort Ord lands which a jurisdiction gives priority regarding its resources.

- a. Marina = The Dunes on Monterey Bay
- b. Seaside = Seaside Resort
- c. Monterey County = East Garrison
- d. City of Monterey = Business Park
- e. Del Rey Oaks = 73 Acres

Use this criterion to assess the amount of support a CIP project will give to Flagship projects:

1. Project provides infrastructure within ¼ mile of a Flagship project
2. Project provides infrastructure to the project area
3. Flagship project is dependent upon project being completed
4. Project enables Flagship projects to establish revenue to jurisdiction
5. Project is able to provide 2 or more benefits listed above.

**h) Project nexus to jurisdictional development programs:**

For prioritization, bias is set on links that can equitably feed multiple development programs. The concept of development programs are projects which increase Economic Development and job creation first, then increase resource support such as housing and shopping. Realistically, housing may precede jobs; however, FORA seeks to prioritize Economic Development.

Use this criterion to assess the impact of a roadway on developments:

1. The project will not create a roadway link for the development
2. Creates a roadway link to a future development, but there is currently no ongoing development project
3. Creates a roadway link and implementation coincides with future development projects
4. The project creates a roadway link and supports ongoing development projects
5. The project creates a roadway link and supports ongoing developments in two or more jurisdictions

2) Under this Protocol, The Administrative Committee is to provide a mid-year and/or yearly report to the Board (at mid-year budget and/or annual budget meetings) that will include any recommendations for CIP modifications from the joint committee and staff.

3) Anticipate FORA Board annual approval of a CIP program that comprehensively accounts for all obligatory projects under the BRP.

These base-wide project obligations include transportation/transit, water augmentation, storm drainage, habitat management, building removal and firefighting enhancement.

This protocol describes the method by which the base-wide development fee (Fee) and Fort Ord Reuse Authority Community Facilities District Special Tax (Tax) are annually indexed. The amount of the Fee is identical to the CFD Tax. Landowners pay either the Fee or the Tax, never both, depending on whether the land is within the Community Facilities District. For indexing purposes, FORA has always used the change in costs from January 1 to December 31. The reason for that choice is that the Fee and CFD Tax must be in place on July 1, and this provides the time necessary to prepare projections, vet, and publish the document. The second idea concerns measurement of construction costs. Construction costs may be measured by either the San Francisco Metropolitan index, or the "20-City Average." FORA has always used the 20-City Average index because it is generally more in line with the actual experience in suburban areas like the Monterey Peninsula. It should be noted that San Francisco is one of the cities used for the 20-City Average.

The Fee was established in February 1999 by Resolution 99-1. Section 1 of that Resolution states that "(FORA) shall levy a development fee in the amounts listed for each type of development in the... fee schedule until such time as ... the schedule is amended by (the) board." The CFD Tax was established in February 2002 by Resolution 02-1. Section IV of that CFD Resolution, beginning on page B-4, describes "Maximum Special Tax Rates" and "Increase in the Maximum Special Tax Rates." That section requires the Tax to be established on the basis of costs during the "...immediately preceding Fiscal Year..." The Tax is adjusted annually on the basis of "...Construction Cost Index applicable to the area in which the District is located..."<sup>1</sup>

The CFD resolution requires the adjusted Tax rate to become effective on July 1. It would be difficult to meet that deadline if the benchmark were set for a date later than January. FORA staff uses the adjusted Tax rate to reprogram the CIP. FORA staff requests development forecast projections from the land use jurisdictions in January. The forecasts allow staff to balance CIP revenues and expenditures, typically complete by April, for Administrative Committee review. The FORA Board typically adopts the CIP, and consequently updates the "Notice of Special Tax Lien" (Notice) in June.

Additionally, the Notice calls for "... (2) percentage change since the immediately preceding fiscal year in the (ENRs CCI) applicable to the area in which the District is located..." To assure adequate time for staff analysis, public debate, and FORA Board review of modifications to the Special Tax Levy, it is prudent to begin in January. In addition, the FORA Board adopted a formulaic approach to monitoring the developer fee program which is typically conducted in the spring – as will be the case in 2019. If the anticipated Fee adjustment is unknown at the time of the formulaic calculation then the level of certainty about the appropriateness of the Fee is impaired. This factor supports that the Fee should be established in January.

To determine the percentage change, the CCI (Construction Cost Index) of the immediately prior January is subtracted from the CCI in January of the current year to define the arithmetic value of the change (increase or decrease). This dollar amount is divided by the CCI of the immediately prior January. The

result is then multiplied by 100 to derive a percentage of change (increase or decrease) during the intervening year. The product of that calculation is the rate presented to the FORA Board.

Since the start of the CIP program in FY 2001/02, FORA has employed the CCI for the “20-City Average” as presented in the ENR rather than the San Francisco average. The current 20-City Average places the CCI in the range of \$9K to \$10K while the San Francisco CCI is in the \$10K to \$11K range. The difference in the two relates to factors which tend to drive costs up in an urban environment as opposed to the suburban environment of Fort Ord. These factors would include items such as time required for transportation of materials and equipment plus the Minimum Wage Rates in San Francisco as compared to those in Monterey County. Over a short term (1 year) one index may yield a lower percentage increase than the other index for the same time period.

## **Appendix B: Building Removal Program to Date**

### **1996 FORA Pilot Deconstruction Project (PDP)**

In 1996, FORA deconstructed five wooden buildings of different types, relocated three wooden buildings, and remodeled three buildings. The potential for job creation and economic recovery through opportunities in deconstruction, building reuse, and recycling was researched through this effort.

### **1997 FORA Survey for Hidden Asbestos**

In 1997, FORA commissioned surveys of invasive asbestos on a random sample of buildings on Fort Ord to identify hidden ACM. Before closure, the U.S. Army performed asbestos surveys on all exposed surfaces in every building on Fort Ord for their operation and maintenance needs. The Army surveys were not invasive and therefore did not identify asbestos sources, which could be spread to the atmosphere during building deconstruction or renovation. In addition to commissioning the survey for hidden asbestos, FORA catalogued the ACM found during the removal of seventy Fort Ord buildings.

### **1998 FORA Request for Qualifications (RFQ) for Building Deconstruction Contractors**

FORA went through an RFQ process in an attempt to pre-qualify contractors throughout the U.S. to meet the Fort Ord communities’ needs for wooden building deconstruction (removal), hazardous material abatement, salvage and recycling, and identifying cost savings. The RFQ also included a commitment for hiring trainees in deconstruction practices.

### **1999 FORA Lead-Based Paint Remediation Demonstration Project**

FORA initiated the LBP Remediation Demonstration Program in 1999 to determine the extent of LBP contamination in Fort Ord buildings and soil, field test possible solutions, and document the findings. The first step in controlling LBP contamination is to accurately identify the amount and characteristics of the LBP. This ensures that LBP is properly addressed during removal and reuse activities, in ways that protect the public, environment, and workers.

The FORA Compound and Water City Roller Hockey Rink were used as living laboratories to test the application of LBP encapsulating products. Local painting contractors were trained to apply various encapsulating products and the ease, effectiveness and expected product life was evaluated. This

information was shared with the jurisdictions, other base closure communities and the regulatory agencies so that they could use the lessons learned if reusing portions of their WWII building stock.

#### 2001 FORA Waste Characterization Protocol

A Basewide Waste Characterization Protocol was developed for building debris generated during the deconstruction of approximately 1,200 WWII era wooden structures. By profiling standing buildings utilizing the protocol, contractors can make more informed waste management and diversion decisions resulting in savings, greater implementation of sustainable practices, and more environmentally sensitive solutions.

#### 2002 FORA Building Removal for 12th Street/Imjin Parkway

FORA, in 2002, remediated and removed 25 WWII era buildings as the preparatory work for the realignment of 12th Street, later to be called Imjin Parkway.

#### 2003 FORA Building Removal for 2nd Avenue Widening

FORA, in 2003, remediated and removed 16 WWII era buildings and also the remains of a theater that had burned and been buried in place by the Army years before the base was scheduled for closure.

#### 2004 FORA/CSUMB oversight Private Material Recovery Facility Project

In 2004, FORA worked with CSUMB to oversee a private-sector pilot Material Recovery Facility (MRF), with the goal of salvaging and reusing LBP covered wood from 14 WWII era buildings. FORA collaborated in the development of this project by sharing its research on building deconstruction and LBP abatement. CSUMB and their private-sector partner hoped to create value added products such as wood flooring that could be sold to offset deconstruction costs. Unfortunately, the MRF operator and equipment proved to be unreliable and the LBP could not be fully removed from the wood or was cost prohibitive.

#### 2005 The Dunes WWII Building Removal

FORA, in partnership with Marina and Marina Community Partners, removed 406 WWII era buildings. Ninety percent of the non-hazardous materials from these building were recycled. FORA volunteered to be the Hazardous Waste Generator instead of the City of Marina and worked with the California Department of Toxic Substance Control, the State Board of Equalization, and the hazardous waste disposal facility so that as stipulated by state law, State Hazardous Waste Generator taxes could be avoided.

#### 2006 - 2007 East Garrison Building Removal

FORA, in 2006, provided the East Garrison developer with credits/funds to remove 31 selected WWII era and later buildings from East Garrison.

#### 2007 Imjin Office Park Building Removal

FORA, in partnership with Marina and Marina Community Partners, removed 13 WWII era buildings to prepare the Imjin Office Park site.

#### 2011 FORA Removal of Building 4470 in Seaside

In 2011, FORA had a concrete building in Seaside removed. Building 4470 was one of the first Korean War era concrete buildings removed on the former Fort Ord. Removal revealed the presence of hidden asbestos materials. The knowledge gained during this project will be helpful in determining removal costs of remaining Korean War era concrete buildings in Seaside and on CSUMB.

#### 2011 FORA/CSUMB Korean War Concrete Building Removal Grant Application

In 2011, FORA approached the U.S. Office of Economic Adjustment (OEA) about the possibility of applying for grant funds to assist in the removal of Korean War era concrete buildings located on CSUMB Campus and Seaside Surplus II property. The OEA was receptive to the idea and encouraged a grant application. After multiple applications, OEA did not fund the grant application. In 2015 FORA determined to work directly with Seaside to address the Seaside Surplus II Korean Era cement buildings without OEA assistance.

#### 2003 – 2013 Continuing FORA support for CSUMB Building Removal Projects

Over the years, FORA has shared knowledge gained through various deconstruction projects with CSUMB and others, and CSUMB has reciprocated by sharing their lessons learned. Over the years, FORA has supported CSUMB with shared contacts, information, review and guidance as requested for CSUMB's building removal efforts.

#### 2015 FORA/Seaside Surplus II Korean War Concrete Building Removal

Surplus II is the northeast gateway to the City of Seaside and CSUMB with Gigling Road on its southern boundary; a major artery into and out of Seaside, and difficult for police to patrol and abuts the CSUMB campus. The Seaside Surplus II area also abuts occupied military homes and the Department of Defense building on Gigling Road. Portions of the Seaside Surplus II area surround existing buildings reused in place, including the Presidio of Monterey Police station, Monterey College of Law, Monterey Peninsula College Police Officer Training Academy and National Guard buildings. The dilapidated buildings have been vandalized, copper wiring and piping has been stolen, and windows and doors have been broken. The multi-story buildings do not have elevators, are not ADA compliant, and none meet earthquake safety codes.

In late 2015 FORA staff met with Seaside to coordinate the application of FORA Building removal obligation funds to the Surplus II, knowing that FORA's funds would not be enough to remove all the hazardous materials and buildings from the site. Seaside and FORA staff determined that the first step to knowing what was involved in removing buildings from Surplus II was to survey the buildings for Hazardous materials and commission a hazardous materials removal estimate. In early 2016, FORA released a Request for Proposals and competitively selected an Industrial Hygienist firm to provide hazardous material surveys in Surplus II. The surveys and a hazardous materials removal estimate was completed in 2016. Engineers were hired in 2017 and plans and specifications were developed and released for bid in December 2017. FORA is in the process of selecting a Hazmat and Building Removal contractor and anticipates hazardous material and building removal to be complete by late 2018.

#### 2016 Marina Stockade Removal

In 2016 FORA staff met with the City of Marina to begin coordination for access to the Marina Stockade site which currently host Los Animas concrete production and operations under a lease from the City of Marina. Marina is taking the lead in negotiating with Las Animas for access to the building for removal. FORA commissioned the Stockade hazardous material surveys. Once the surveys were completed in

2017, FORA hired Harris and Associates to prepare plans, specifications and estimates for the Stockade Removal. FORA anticipates bidding out the Stockade Hazmat and Building Removal contractor in late 2018/early 2019.

## Appendix C: Jurisdiction-Incurred Caretaker Costs Reimbursement Policy

Caretaker costs were first described in the Fiscal Year (FY) 01/02 FORA Capital Improvement Program (CIP) as: “Costs associated with potential delays in redevelopment and represent interim capital costs associated with property maintenance prior to transfer for development.”

FORA Assessment District Counsel opined that FORA Community Facilities District Special Tax payments cannot fund caretaker costs. For this reason, caretaker costs would be funded through FORA’s 50% share of land sale proceeds on former Fort Ord, any reimbursements to those fund balances, or other designated resources.

As a result of the FY 11/12 and FY 12/13 Phase II CIP Review analysis prepared by Economic & Planning Systems, Inc., FORA agreed to reimburse its five member jurisdictions (County of Monterey and Cities of Seaside, Marina, Del Rey Oaks, and Monterey) for these expenses based on past experience, provided sufficient land sale revenue is available and jurisdictions are able to demonstrate property management/caretaker costs. Based on previous agreements between the U.S Army and the City of Marina, City of Seaside and County of Monterey, *examples* of caretaker costs include the following: tree trimming, mowing, pavement patching, centerline/stenciling, barricades, traffic signs, catch basin/storm drain maintenance, vacant buildings, vegetation control/spraying, paving/slurry seal, and administration (10% of total costs).

FY 15/16 caretaker costs funding was limited to the amount listed in the FORA FY 15/16 CIP (Table 5 – Land Sales Revenue), which is \$150,000. Future FORA annual CIP’s will establish caretaker costs reimbursement funding as described in the next paragraph.

For implementation, this policy clarifies that FORA funding for caretaker costs shall be determined by allocating a maximum of \$500,000 in the prior fiscal year’s property taxes collected and designated to the FORA CIP. For example, if \$525,000 in property taxes is collected and designated to the FORA CIP during FY 15/16, then FORA will program a maximum of \$500,000 for the five member jurisdictions’ eligible caretaker costs. Each subsequent year, the maximum funding for caretaker costs may be decreased assuming that, as land transfers from jurisdictions to third-party developers, jurisdictions’ caretaker costs will decrease. If FORA does not collect and designate to the CIP sufficient property taxes in a given fiscal year to fund the maximum amount of caretaker costs allowed that fiscal year, the actual amount of property taxes collected and designated to the CIP during the fiscal year shall be used to determine the amount of caretaker costs funding. FORA shall set caretaker costs funding through the approved FORA CIP.

For a member jurisdiction to be eligible for caretaker costs reimbursement:

- 1) Costs must be described using the Caretaker Costs Worksheet (**Exhibit A**) and submitted to FORA by August 31 (1<sup>st</sup> deadline) and October 31 (2<sup>nd</sup> deadline) of each year;



- 2) FORA staff must provide a written response within 30 days denying or authorizing, in part or in whole, the Caretaker Costs Worksheet in advance of the expenditure. FORA may request additional information from the member jurisdiction within 15 days of receiving the Caretaker Costs Worksheet. FORA shall provide reasons for caretaker costs reimbursement denial in its written response;
- 3) Eligible costs must be within the total amount approved in the current CIP, which shall be divided into five equal amounts, one for each of the five member jurisdictions. For example, if FORA is able to allocate \$100,000 in caretaker costs in a fiscal year, each jurisdiction shall have the ability to request up to \$20,000 in caretaker cost reimbursements. If a member jurisdiction does not submit a Caretaker Costs Worksheet to FORA by January 31 of each year, it forfeits its caretaker costs allocation for the fiscal year. Such unallocated dollars shall be available through October 31 (2<sup>nd</sup> deadline) (see #1 above) to the jurisdictions who submitted Caretaker Costs Worksheets to FORA by August 31; and
- 4) FORA staff must verify completion of caretaker costs work items through site visits prior to work initiation and after work completion.

FORA shall establish an emergency set aside of up to \$75,000 in the FY 16/17 CIP budget for urgent and unforeseen caretaker costs. The process for requesting these funds shall be the same as described above except there will not be a deadline for submitting the request.



# FORT ORD REUSE AUTHORITY CARETAKER COST WORKSHEET

Date: \_\_\_\_\_

Jurisdiction: \_\_\_\_\_

Point of Contact: \_\_\_\_\_

Contact number/email: \_\_\_\_\_

*Please answer the following questions and submit to the Fort Ord Reuse Authority for a determination of eligibility for caretaker cost reimbursement:*

1. Is the property where the Caretaker Costs are planned owned by the jurisdiction?

- Yes
- No

2. What is/are the Army Corps of Engineers parcel number(s)? \_\_\_\_\_

3. Check all Caretaker Cost work item categories that apply to the current request:

- Tree trimming
- Mowing
- Pavement patching
- Centerline/stenciling
- Barricades
- Traffic signs
- Catch basins/storm drain maintenance
- Barriers to vacant buildings
- Vegetation control/spraying
- Paving/slurry seal
- Administration (up to 10% of total costs)
- Other: \_\_\_\_\_

4. Provide a specific description of the proposed Caretaker Cost work:

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5. Provide a description of potential benefit from completion of Caretaker work items (such as improved public health, public safety, reduced fire risk, etc.):

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6. Provide a detailed budget of proposed Caretaker Costs with estimated costs (if caretaker work is approved for reimbursement, FORA staff will use this budget to verify work completion and issue reimbursements):

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Marina Coast Water District

Five-Year CIP

CIP No.	PROJECT DESCRIPTION	FY 2017-18 Estimated	FY 2018-19 Proposed	FY 2019-20 Proposed	FY 2020-21 Proposed	FY 2021-22 Proposed	FY 2022-23 Proposed	OUT YEARS	TOTAL	CATEGORY
OW-0000	<b>Ord Water</b>									
OW-0206	Inter-Garrison Road Pipeline Up-Sizing	\$50,000	\$600,000	\$0	\$0	\$0	\$0	\$0	\$650,000	M
OW-0193	Imjin Parkway Pipeline, Reservation Rd to Abrams Drive	\$51,000	\$51,000	\$800,000	\$0	\$0	\$0	\$0	\$902,000	E
OW-0202	South Boundary Road Pipeline	\$0	\$205,000	\$1,300,000	\$0	\$0	\$0	\$0	\$1,505,000	M
OW-0201	Gigling Transmission from D Booster to JM Blvd	\$0	\$125,000	\$0	\$400,000	\$0	\$0	\$0	\$525,000	E
OW-0230	Wellfield Main 2B -Well 31 to Well 34	\$0	\$0	\$170,000	\$0	\$200,000	\$540,000	\$0	\$910,000	E
OW-0127	CSUMB Pipeline Up-Sizing -Commercial Fireflow	\$0	\$0	\$100,000	\$0	\$100,000	\$0	\$150,000	\$350,000	E
OW-0203	7th Avenue and Gigling Rd	\$0	\$0	\$70,000	\$0	\$200,000	\$0	\$0	\$270,000	E
OW-0129	Rehabilitate Well 31	\$0	\$0	\$0	\$1,710,000	\$0	\$0	\$0	\$1,710,000	E
OW-0211	D-Zone pipeline in Eastside Parkway Alignment	\$0	\$0	\$0	\$0	\$420,000	\$2,500,000	\$0	\$2,920,000	M
OW-0209	Pipeline Up-Sizing -between Dunes & MainGate	\$0	\$0	\$0	\$0	\$0	\$300,000	\$0	\$300,000	M
OW-0210	Sand Tank Demolition	\$0	\$0	\$0	\$0	\$0	\$540,000	\$0	\$540,000	E
OW-0122	Replace D & E Reservoir Off-Site Piping	\$0	\$0	\$0	\$0	\$0	\$0	\$1,100,000	\$1,100,000	E
OW-0167	2nd Ave extension to Gigling Rd	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000	E
OW-0118	B4" Zone Tank @ East Garrison "	\$0	\$0	\$0	\$0	\$0	\$0	\$3,100,000	\$3,100,000	S
OW-0212	Reservoir D2" + D-BPS Up-Size "	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000,000	\$4,000,000	E
OW-0208	Pipeline Up-Sizing -to Stockade	\$0	\$0	\$0	\$0	\$0	\$0	\$710,000	\$710,000	S
OW-0204	2nd Ave Connection, Reindollar to Imjin Pkwy	\$0	\$0	\$0	\$0	\$0	\$0	\$1,215,000	\$1,215,000	E
OW-0214	Imjin Road, 8th St. to Imjin Pkwy	\$0	\$0	\$0	\$0	\$0	\$0	\$1,100,000	\$1,100,000	E
OW-0121	C2" to "B4" Pipeline and PRV Station "	\$0	\$0	\$0	\$0	\$0	\$0	\$1,410,000	\$1,410,000	S
OW-0171	Eucalyptus Rd Pipeline	\$0	\$0	\$0	\$0	\$0	\$0	\$2,350,000	\$2,350,000	M
OW-0213	Reservoir B4/B5 to East Garrison Pipeline	\$0	\$0	\$0	\$0	\$0	\$0	\$260,000	\$260,000	S
OW-0216	UCMBEST Pipeline	\$0	\$0	\$0	\$0	\$0	\$0	\$762,500	\$762,500	S
OW-0217	Reservation Road, Imjin to MBEST Drive	\$0	\$0	\$0	\$0	\$0	\$0	\$727,000	\$727,000	M
OW-0218	Golf Boulevard Transmission Line	\$0	\$0	\$0	\$0	\$0	\$0	\$1,100,000	\$1,100,000	M
OW-0219	B5" Zone Tank @ East Garrison " & Pipeline	\$0	\$0	\$0	\$0	\$0	\$0	\$3,600,000	\$3,600,000	S
OW-0231	Wellfield Main 3A -Intergarrison to ASP Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$3,550,000	\$3,550,000	E
OW-0232A	Install Well 36 -Retire Well 29	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000,000	\$3,000,000	E
OW-0232B	Wellfield Main 1B -between Wells 36 and 35	\$0	\$0	\$0	\$0	\$0	\$0	\$3,200,000	\$3,200,000	E
OW-0233	Wellfield Main 1C (Parallel) Well 36 to ASP Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$3,750,000	\$3,750,000	M
OW-0234	B-BPS at ASP Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$1,355,000	\$1,355,000	M
OW-0235	Ord Well-head Disinfection	\$0	\$0	\$0	\$0	\$0	\$0	\$2,750,000	\$2,750,000	M

Marina Coast Water District

Five-Year CIP

CIP No.	PROJECT DESCRIPTION	FY 2017-18 Estimated	FY 2018-19 Proposed	FY 2019-20 Proposed	FY 2020-21 Proposed	FY 2021-22 Proposed	FY 2022-23 Proposed	OUT YEARS	TOTAL	CATEGORY
OS-0000	<b>Ord Sewer</b>									
OS-0147	Ord Village Sewer Pipeline & Lift Station Impr Project	\$30,000	\$690,000	\$0	\$0	\$0	\$0	\$0	\$720,000	E
OS-0205	Imjin LS & Force Main Improvements-Phase 1	\$25,000	\$675,000	\$0	\$0	\$0	\$0	\$0	\$700,000	M
Os-0240	5th Street Sewer Replacement	\$90,822	\$0	\$0	\$0	\$0	\$0	\$0	\$90,822	E
OS-0152	Hatten, Booker, Neeson LS Improvements Project	\$0	\$525,000	\$0	\$0	\$0	\$0	\$400,000	\$925,000	E
OS-0203	Gigling LS and FM Improvements	\$18,941	\$0	\$2,125,000	\$0	\$0	\$0	\$0	\$2,143,941	E
OS-0153	Misc. Lift Station Improvements	\$0	\$0	\$561,000	\$929,000	\$0	\$0	\$0	\$1,490,000	E
OS-0154	Del Rey Oaks-Collection System Planning	\$0	\$0	\$70,000	\$0	\$0	\$0	\$0	\$70,000	S
OS-0202	SCSD Sewer Improvements-DRO	\$0	\$0	\$502,454	\$0	\$0	\$0	\$1,537,510	\$2,039,964	S
OS-0209	Imjin LS & Force Main Improvements-Phase 2	\$0	\$0	\$0	\$1,500,000	\$0	\$0	\$0	\$1,500,000	E
OS-0204	CSUMB Developments	\$0	\$0	\$0	\$625,000	\$0	\$0	\$0	\$625,000	S
OS-0207	Seaside Resort Sewer Imps. Project	\$0	\$0	\$0	\$0	\$330,000	\$0	\$0	\$330,000	S
OS-0149	Dunes Sewer Pipeline Replacement Projects	\$0	\$0	\$0	\$0	\$465,000	\$0	\$0	\$465,000	M
OS-0208	Parker Flats Collection System	\$0	\$0	\$0	\$0	\$0	\$105,000	\$0	\$105,000	M
OS-0151	Cypress Knolls Sewer Pipeline Improvements Project	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000	S
OS-0215	Demolish Ord Main Garrison WWTP	\$0	\$0	\$0	\$0	\$0	\$1,625,000	\$0	\$1,625,000	E
OS-0148	Marina Heights Sewer Pipeline Improvements Project	\$0	\$0	\$0	\$0	\$0	\$830,000	\$0	\$830,000	M
OS-0150	East Garrison Lift Station Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$550,000	\$550,000	E
OS-0206	Fitch Park Sewer Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$127,071	\$127,071	S
OS-0210	1st Ave Sewer Pipeline Replacement Project	\$0	\$0	\$0	\$0	\$0	\$0	\$410,000	\$410,000	M
OS-0211	Gen'l Jim Moore Sewer Pipeline Replacement Project	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000	M
OS-0212	Gen'l Jim Moore Sewer Pipeline Replacement Project III	\$0	\$0	\$0	\$0	\$0	\$0	\$185,000	\$185,000	M
OS-0214	Intergarrison/8th Ave SS (for Eastside Pkwy developments)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	M
OS-0213	MRWPCA Buy-In	\$0	\$0	\$0	\$0	\$0	\$0	\$11,100,000	\$11,100,000	M
OS-0216	SCSD Sewer Improvements-Seaside East	\$0	\$0	\$0	\$0	\$0	\$0	\$6,500,000	\$6,500,000	S
OS-0217	SCSD Sewer Improvements-City of Monterey	\$0	\$0	\$0	\$0	\$0	\$0	\$1,400,000	\$1,400,000	S

Category Legend

- E= CIP supports existing Infrastructure
- EDS= Eastern Distribution System (inland well-field)
- S= CIP supports a single parcel's or owner's project
- M= CIP supports projects for multiple parcels or owners

Marina Coast Water District

Five-Year CIP

CIP No.	PROJECT DESCRIPTION	FY 2017-18 Estimated	FY 2018-19 Proposed	FY 2019-20 Proposed	FY 2020-21 Proposed	FY 2021-22 Proposed	FY 2022-23 Proposed	OUT YEARS	TOTAL	CATEGORY
<b>General Water (32% Marina, 68% Ord)</b>										
GW-0112	A1 & A2 Zone Tanks & B/C Booster Station - LandAcquisition Issue	\$0	\$3,265,000	\$3,370,000	\$0	\$0	\$0	\$0	\$6,635,000	M
GW-0123	B2" Zone Tank @ CSUMB "	\$0	\$0	\$0	\$1,230,000	\$1,185,000	\$0	\$0	\$2,415,000	M
GW-0210	Reservoir A3 (1.6 MG)	\$0	\$0	\$0	\$0	\$0	\$0	\$3,470,000	\$3,470,000	M
GW-0231	Install Well 37 -Retire well 12	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	EDS
GW-0232	Install Well 38 -Retire well 10	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	EDS
GW-0233	A-BPS at ASP Bldg + Forebay Tank	\$0	\$0	\$0	\$0	\$0	\$0	\$1,670,000	\$1,670,000	EDS
GW-0234	Install Well 39 -Retire Well 30	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	EDS
GW-0235	B-BPS Expansion and Transmission to A1/A2 Tanks	\$0	\$0	\$0	\$0	\$0	\$0	\$13,100,000	\$13,100,000	EDS
GW-0236	Install Well 40 -Retire Well 11	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	EDS
GW-0237	Install Well 41 -Retire Well 31	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	EDS
<b>General Sewer (35% Marina, 65% Ord)</b>										
GS-0200	Odor Control Project	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$120,000	E
GS-0201	Del Monte/Reservation Road Sewer Main Improvements	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0	\$275,000	E
<b>Water District-Wide (25% MW, 7%MS, 54%OW, 14%OS)</b>										
WD-0106	Corp Yard Demolition & Rehab	\$50,000	\$520,000	\$0	\$500,000	\$3,000,000	\$0	\$2,000,000	\$6,070,000	E
WD-0110	Asset Management Program -Phase II	\$0	\$0	\$0	\$250,000	\$0	\$0	\$0	\$250,000	E
WD-0110A	Asset Management Program --Phase III	\$0	\$0	\$0	\$0	\$0	\$250,000	\$0	\$250,000	E
WD-0115A	SCADA System Improvements (Security + RD integration)	\$0	\$0	\$0	\$0	\$0	\$0	\$410,000	\$410,000	E
<b>Water Augmentation</b>										
RW-0156	RUWAP ATW - Normandy to MRWPCA	\$5,513,218	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$10,513,218	
	RUWAP - Distribution System	\$200,000	\$5,000,000	\$6,239,582	\$0	\$0	\$0	\$0	\$11,439,582	

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

<b>Subject:</b>	Water Augmentation 3 Party Planning Agreement Amendment	
<b>Meeting Date:</b>	May 11, 2018	<b>ACTION</b>
<b>Agenda Number:</b>	7e	

### RECOMMENDATION(S):

Authorize Executive Officer to execute Amendment #1 to the Three-Party Water Augmentation Study Agreement (**Attachment A**)

### BACKGROUND/DISCUSSION:

In January 2017, in coordination with the Technical Advisory Group (professional staff of FORA member agencies), FORA released a Request for Proposal (RFP) from the Professional Engineering Community for a study on the possibilities of additional sources of water augmentation. FORA held a pre-proposal conference to gain feedback and responded to questions and provided clarifications. In March 2017, FORA released an updated RFP. FORA again held a pre-proposal conference with prospective proposers. FORA received no responses.

FORA staff met with the general managers of MCWD and Monterey One Water (M1W) to determine a path forward. All three agencies agreed that using a consultant contracted through the MCWD procurement process was acceptable, with FORA approving the deliverables and MCWD invoicing the parties. The Water Wastewater Oversight Committee (WWOC) concurred.

**Attachment A** shows changes to the Three-party agreement enabling MCWD to hire a consultant and invoice the parties. There are no changes to the cost, or intent of the agreement. A majority of the changes are errata. The General Managers of M1W and MCWD have reviewed the changes and are in support of the amendments.

Once a consultant is hired, the planning study will focus on a background survey and map preparation of key potential water supply augmentation project features, study the economic constraints, establish strategic goals, identify analysis ground rules, and prepare an analysis of feasible alternatives which may include conservation, groundwater recharge, recycled water, or desalinization.

The language concerning 'conservation' needs clarification. Conservation is often conflated with efficiency. What is being asked is: as buildings become more efficient, is it possible to count the unused water allocations as water supply? The study will address this question and compare water conservation to other potential sources of supply.

### FISCAL IMPACT:

Reviewed by FORA Controller 

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

### COORDINATION:

WWOC, MCWD, M1W, Administrative Committee, Executive Committee

Prepared by   
Peter Said

Reviewed by   
Steve Endsley

Approved by   
Michael A. Houlemard, Jr.



**AMENDMENT #1 TO  
THE MEMORANDUM OF UNDERSTANDING REGARDING FORT ORD WATER  
AUGMENTATION AND A THREE-PARTY EFFORT TO STUDY ALTERNATIVES  
EXECUTED XX-XX-XX**

Except for the following amendments, all terms and conditions in the Memorandum of Understanding (MOU) remain the same:

WITNESSETH THAT:

G. July 2017 MRWPCA changed its name to Monterey One Water (MIW)

H. 2018 Consultant Contracting

- 1) In 2017 FORA solicited for consultants able to perform a Water Augmentation Planning Study and received zero responses.
- 2) In September 2017, as part of MCWD and MRWPCA negotiations, FORA Executive Officer facilitated a discussion between MCWD General Manager and MRWPCA General Manager. All three parties stated a preference for a three-party Water Augmentation Planning Study consultant to be contracted by MCWD, with the consultants deliverables approved by FORA.

4. Roles and Responsibilities

4.1. FORA responsibilities are as follows:

~~4.1.1. Lead agency for the Study.~~

~~4.1.2-4.1.1.~~ Participate in the needs assessment & data gathering for the Planning Study.

~~4.1.3-4.1.2.~~ Participate in the community engagement planning.

~~4.1.4-4.1.3.~~ Present and Participate in community engagement.

~~4.1.5-4.1.4.~~ Establish a Technical Advisory Group.

~~4.1.6-4.1.5.~~ Monitor consultant performance.

~~4.1.7-4.1.6.~~ Select a Preferred Water Augmentation Mix consisting of an Additional Water Augmentation Project or projects.

~~4.1.7.~~ Review and consider provision of FORA CIP mitigation funding for the implementation of the Recycled Water Project and an Additional Water Augmentation Project or Projects.

~~4.1.8.~~ Approve/reject/or direct modification to the work product in respect to the product quality, and in respect to the evaluation of the delivered product when compared to the approved scope of work, prior to invoicing.

4.3. MCWD's responsibilities are as follows:

~~4.3.1. Lead Agency for Consultant selection and contracting.~~

~~4.3.1-4.3.2.~~ Participate in the needs assessment & data gathering for the Planning Study

~~4.3.2.4.3.3.~~ Consider and recommend a Preferred Water Augmentation Mix to the FORA Board

~~4.3.3.4.3.4.~~ Participate in the community engagement planning

~~4.3.4.4.3.5.~~ Review and consider provision of funding, including but not limited to FORA CIP mitigation funding, Ord Community service area rates, grants, and loans, for the implementation of the FORA Board-selected Additional Water Augmentation Project or projects.

~~4.3.5.4.3.6.~~ Lead Agency for the implementation of the Preferred Water Augmentation Mix pursuant to Section 3.2.1 of the Facilities Agreement.

~~4.3.6.4.3.7.~~ Participate in the Technical Advisory Group.

## 5. Funding

5.1. The Parties agree to fund the (TPP) with equal matching contributions.

5.2. Initial Consultant Costs of Up to \$150,000 of the \$471,000 total per section 2.4. ~~for fiscal year 2016/2017.~~

5.2.1. The Parties agree FORA will fund one-third of initial consultant costs up to \$50,000 in a given fiscal year. ~~for fiscal year 2016/17.~~

5.2.2. The Parties agree MCWD will fund one-third of initial consultant costs up to \$50,000 in a given fiscal year. ~~for fiscal year 2016/17.~~

5.2.3. The Parties agree PCA will fund one-third of initial consultant costs up to \$50,000 in a given fiscal year. ~~for fiscal year 2016/17.~~

5.2.4. The Parties agree ~~MCWD FORA~~ will invoice ~~FORA MCWD~~ one-third of the initial consultant invoice. ~~FORA MCWD~~ will pay ~~MCWD FORA~~'s invoices within 30 days, up to \$50,000 in a given fiscal year. ~~for fiscal year 2016/17.~~

5.2.5. The Parties agree ~~MCWD FORA~~ will invoice PCA one-third of the initial consultant invoice. PCA will pay ~~MCWD FORA~~'s invoices within 30 days, up to \$50,000 in a given fiscal year. ~~for fiscal year 2016/17.~~

## 6. Requirements

6.1. The Parties agree that ~~MCWD FORA~~ shall be the lead agency for the Planning Study and ~~MCWD FORA is required to~~ shall conduct the consultant selection process, ~~negotiating negotiate~~ a contract, and monitor contract performance.

8. Consultant/Contractor Selection for Study Work

- 8.1. A Selection committee will be established for the requirements development and review of requests and evaluation criteria, interviewing, evaluation of proposals, and selection of consultants and/or contractors to conduct the Study.
- 8.2. The committee shall be comprised of 3 staff members, 1 from each of The Parties.
- ~~8.3. It is recommended the committee members follow one of the two consultant selection procedures:~~
- ~~8.3.1. Engineering Firm Selection Process: Recommendations for Small Public Water Systems Utilizing CDPH Infrastructure Funding, California Department of Public Health, Division of Drinking Water and Environmental Management, August 2012.~~
- ~~8.3.2. Consultant Selection Guidebook: Procedures for Selecting Consultants for FHWA Federal Aid Projects and State Funded Projects, STATE OF CALIFORNIA, Department of Transportation, Division of Local Assistance, Office of Procedures Development, January 2002, as may be updated from time to time.~~
- ~~8.4. It is recommended that the committee members give priority to consultants and contractors able to demonstrate a mature project management model utilizing an earned value management system.~~

9. Reimbursement for Consultant Work.

- 9.1. FORA and MCWD shall review Consultant work and deliverables.
- 9.2. The Technical Advisory Committee or FORA Staff shall approve/reject/or re-direct the work product in respect to the product quality, and in respect to the evaluation of the delivered product when compared to the approved scope of work, prior to invoicing.
- 9.2.1. Three-party agreement on the findings or recommendations presented in the work product is not required to invoice the parties for their fair share of the work completed by the consultant.
- 9.2.2. A majority of the three-parties, may initiate a Change Order (or Consultant Contract Amendment) to the planning study scope. In the case of a majority-initiated Change Order, the parties in favor of the Change Order shall split the costs of the Change Order equally.
- ~~9.2.~~
- 9.3. Upon FORA approval of consultant's work and/or deliverables per 9.2, MCWD shall invoice each party.



# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

**Subject:** Marina Coast Water District's FY 2018-19 Compensation Plan

**Meeting Date:** May 11, 2018

**Agenda Number:** 7f

**ACTION**

### RECOMMENDATION(S):

Consider Resolution Nos. 18-XX and 18-XX adopting a Compensation Plan for Base-wide Water and Sewer Services on the Former Fort Ord (**Attachment A and B**).

### BACKGROUND/DISCUSSION:

The 1998 Water Wastewater Facilities Agreement assigns Marina Coast Water District (MCWD) the responsibility to keep a fund for the Ord Community separate from the general MCWD operation. The Ord Community fund has its own line items and account numbers, giving MCWD the ability to report on revenues and expenses for the service area. The Water Wastewater Oversight Committee (WWOC) is responsible for reviewing and recommending Budgets and Compensation Plans for the Ord Community (per Section 4.2.2.5 and Section 7.1.3 of the FA). The Fort Ord Reuse Authority's (FORA's) responsibility is to state whether it agrees or disagrees with MCWD's proposed budget within 3 months of receipt and adopt by resolution the compensation plan.

The WWOC received the proposed budget on March 18, 2018, starting the three-month review period ending on June 18, 2018. Of particular note, there is no change in the capacity charge proposed in this budget. From November 2017 and January 2018, the WWOC received multiple presentations from MCWD's consultant Carollo Engineers and provided input on the 2017 Future Rate Study methodology and proposed tiers. The WWOC concluded the methodology and tiering system contemplated by MCWD was consistent with that used around the state and would not give arbitrary advantage to business or other classes of user.

MCWD underwent a Proposition 218 rate-setting process sending out notices to property owners and receiving protests. On March 12, 2018, the MCWD Board approved new district rates, fees, and charges, excluding capacity charges. The approved rate increases authorized by the Proposition 218 process are scheduled over a five-year period from 2018-2023. The increases over this term are required for capital improvement projects (CIP) and depleted reserves. This approval sets the key assumption for MCWD's rate-based revenue projections used in the 2018-19 Budget. The WWOC then considered the MCWD budget on March, 28<sup>th</sup>, April 11<sup>th</sup>, and April 25<sup>th</sup>, 2018. Due to document size, proposed budget/revisions (**Exhibit A**) are at: <http://fora.org/wwoc-review.html>

The WWOC found the rate study and the budget to be in order, and in conformance with standard practices. At its April 25<sup>th</sup> meeting, the WWOC voted 4-0 to recommend the following: Adopt the proposed compensation plan for base-wide water and sewer services on the Fort Ord Community and the 5-year CIP with no capacity fee change.

### FISCAL IMPACT:

Reviewed by FORA Controller 

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

### COORDINATION:

WWOC, MCWD, Administrative Committee, Executive Committee

Prepared by

  
Peter Said

Reviewed by

  
Steve Endsley

Approved by

  
Michael A. Houlemard, Jr.

**FORT ORD REUSE AUTHORITY**  
**Resolution No. 18-XX**

*A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY  
Adopting the Budget and the Ord Community Compensation Plan for FY 2018-2019 not  
including Capacity Charges*

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

WHEREAS, Marina Coast Water District (District) Staff prepared and presented the draft FY 2018-2019 Budget (**Exhibit A**) which includes projected revenues, expenditures and capital improvement projects for the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of FORA and the area remaining within the jurisdiction of the U.S. Army; and,

WHEREAS, FORA is authorized by the FORA Act, particularly Government Code 67679(a)(1), to arrange for the provision of water and wastewater services to the Ord Community; and

WHEREAS, the District and FORA, entered into a "Water/Wastewater Facilities Agreement" ("the Agreement") on March 13, 1998, and have subsequently duly amended the Agreement; and,

WHEREAS, the Agreement provides a procedure for establishing budgets and compensation plans to provide for sufficient revenues to pay the direct and indirect, shortterm and long-term costs, including capital costs, to furnish the water and wastewater facilities; and,

WHEREAS, the Agreement, as amended, provides that FORA and the District will each adopt the annual Budget and Compensation Plan by resolution; and,

WHEREAS, the proposed Budget and Compensation Plan for FY 2018-2019 provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable the District to provide continued water, recycled water and sewer services within the existing service areas on the former Fort Ord. The Budget and Compensation Plan for FY 2018-2019 adopted by FORA apply only to the area within FORA's jurisdictional boundaries; and,

WHEREAS, the Water/Wastewater Oversight Committee and Administrative Committee of FORA and the District Board of Directors have reviewed the proposed Budget and Compensation Plan; and,

WHEREAS, pursuant to the Agreement, FORA and the District have adopted and implemented and acted in reliance on budgets and compensation plans for prior fiscal years; and,

WHEREAS, pursuant to the Agreement, FORA and the District cooperated in the conveyance to the District of easements, facilities and ancillary rights for the water, recycled water and wastewater systems on the area of the former Fort Ord within FORA's jurisdiction; and,

WHEREAS, the District has provided water and wastewater services on the former Fort Ord by contract since 1997, and currently provides water and wastewater services to the area of the former Fort Ord within FORA's jurisdiction under the authority of the Agreement, and provides such services to the portion of the former Fort Ord still under the Army's jurisdiction by contract with the Army; and,

WHEREAS, FORA and the District have agreed that water conservation is a high priority, and have implemented a water conservation program in the Ord Community service area that includes public education, various incentives to use low-flow fixtures, and waterconserving landscaping. The rates, fees and charges in the Budget and Compensation Plan for FY 2016-2017 adopted by this Resolution are intended to support the water



conservation program and encourage water conservation, pursuant to sections 375 and 375.5 of the California Water Code. This conservation program and these rates, fees and charges are in the public interest, serve a public purpose, and will promote the health, welfare, and safety of Ord Community, and will enhance the economy and quality of life of the Monterey Bay community; and,

WHEREAS, estimated revenues from the rates, fees and charges will not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed, will not be used for any purpose other than that for which the fee or charge was imposed, will not exceed the proportional cost of the service attributable to each identified parcel upon which the fee or charge is proposed for imposition and no fee or charge will be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question; and,

WHEREAS, at a public meeting, the Board has determined that the Budget and Compensation Plan, including the rates, fees and charges therein, should be adopted as set forth on **Exhibit A** to this Resolution; and,

WHEREAS, on March 12, 2018, the District Board held a Proposition 218 hearing on the rates, fees and charges, not including Capacity Charges, for the Compensation Plan pursuant to and in accordance with Section 6 of Article XIID of the California Constitution; and,

WHEREAS, at the hearing, the District Board heard and considered all protests to the Compensation Plan and the rates, fees and charges proposed and found that protests were submitted by less than a majority of the record owners of each identified parcel upon which the fee or charge is proposed for imposition; and,

WHEREAS, FY 2018-2019 Capacity Charges are the subject of and will be adopted by a separate Resolution; and,

WHEREAS, The District is acting to provide continued water, recycled water and sewer service within existing service areas on the Ord Community, and that such action is exempt from CEQA pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273.

NOW THEREFORE, BE IT RESOLVED by the FORA Board of Directors as follows:

1. The Board of Directors of the Fort Ord Reuse Authority does hereby approve and adopt the FY 2018-2019 Budget and Compensation Plan, not including Capacity Charges, for water, recycled water and wastewater services to the Ord Community.
2. The District is authorized to charge and collect rates for provision of water and wastewater services within the boundaries of FORA in accordance with the rates, fees and charges set forth in **Exhibit A**, not including Capacity Charges. The District is further authorized to use the same rates, fees and charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.
3. The rates, fees and charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed.

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

AYES:  
NOES:  
ABSTENTIONS:  
ABSENT:

\_\_\_\_\_  
Mayor Ralph Rubio, Chair

ATTEST:

\_\_\_\_\_  
Michael A. Houlemard, Jr., Clerk

**FORT ORD REUSE AUTHORITY**  
**Resolution No. 18-XX**

*A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY  
Adopting the Budget and the Ord Community Compensation Plan for FY 2018-2019 not  
including Capacity Charges*

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

WHEREAS, Marina Coast Water District (District) Staff prepared and presented the draft FY 2018-2019 Budget (**Exhibit A**) which includes projected revenues, expenditures and capital improvement projects for the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of FORA and the area remaining within the jurisdiction of the U.S. Army; and,

WHEREAS, FORA is authorized by the FORA Act, particularly Government Code 67679(a)(1), to arrange for the provision of water and wastewater services to the Ord Community; and

WHEREAS, the District and FORA, entered into a "Water/Wastewater Facilities Agreement" ("the Agreement") on March 13, 1998, and have subsequently duly amended the Agreement; and,

WHEREAS, the Agreement provides a procedure for establishing budgets and compensation plans to provide for sufficient revenues to pay the direct and indirect, shortterm and long-term costs, including capital costs, to furnish the water and wastewater facilities; and,

WHEREAS, the Agreement, as amended, provides that FORA and the District will each adopt the annual Budget and Compensation Plan by resolution; and,

WHEREAS, the proposed Budget and Compensation Plan for FY 2018-2019 provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable the District to provide continued water, recycled water and sewer services within the existing service areas on the former Fort Ord. The compensation plan adopted by FORA applies only to the area within FORA's jurisdictional boundaries; and,

WHEREAS, to update the capacity charge calculations contained in the 2005 financing study prepared by Citigroup Global Markets Inc., Carollo Engineers prepared a five-year water and wastewater financial plan and rate study in 2013 for the District, which recommended an increase in capacity charges for water and wastewater services to the Ord Community. The District staff provided additional information to Carollo and upon further analysis, Carollo issued in February 2014 revisions which reduced the amount of the proposed new capacity charges and were implemented July 1, 2014; and,

WHEREAS, the Water/Wastewater Oversight Committee and Administrative Committee of FORA and the District Board have reviewed the proposed Budget and Compensation Plan; and,

WHEREAS, pursuant to the Agreement, FORA and the District have adopted and implemented and acted in reliance on budgets and compensation plans for prior fiscal years; and,

WHEREAS, pursuant to the Agreement, FORA and the District have cooperated in the conveyance to the District of easements, facilities and ancillary rights for the water, recycled water and wastewater systems on the area of the former Fort Ord within FORA's jurisdiction; and,

WHEREAS, the District has provided water and wastewater services on the former Fort Ord by contract since 1997, and currently provides water and wastewater services to the area of the former Fort Ord within FORA's jurisdiction under the authority of the Agreement, and provides such services to the portion of the former Fort Ord still under the Army's jurisdiction by contract with the Army; and,

WHEREAS, capacity charges are imposed as a condition of service to customers. The charges are not imposed upon real property or upon persons as an incident of real property ownership; and,

WHEREAS, estimated revenues from the capacity charges will not exceed the estimated reasonable costs of providing the facilities and services for which the charges are imposed; and,

WHEREAS, the capacity charges have not been calculated nor developed on the basis of any parcel map, including any assessor's parcel map; and,

WHEREAS, no written requests are on file with the District for mailed notice of meetings on new or increased fees or service charges pursuant to Government Code Section 66016. At least 10 days prior to the meeting, the District made available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service; and

WHEREAS, the amount of the increase in capacity charges exceeds the percentage increase in the Implicit Price Deflator for State and Local Government Purchases, as determined by the Department of Finance. As a result, the District cannot charge the increased capacity fee to any school district, county office of education, community college district, state agency, or the University of California before first negotiating the increases with those entities in accordance with District Code section 6.16.020 and Government Code section 54999.3. Although these sections also apply to California State University at Monterey Bay, the District has complied with its obligation to negotiate with it and can charge the increased amounts to CSUMB as a result of and as limited by a Settlement Agreement and Mutual Release dated June 1, 2006, by which the District and California State University made an agreement regarding the amount of all future capacity charges. Accordingly, the District can charge the increased capacity charges as limited by the Settlement Agreement and Mutual Release immediately to CSUMB. The increased capacity charges to any other school district, state agency, county office of education, community college district or the University of California will be effective only when negotiations are concluded with those entities; and,

WHEREAS, after a public meeting, the Board has determined that the capital elements of the Budget and Compensation Plan, including the capacity charges therein, should be adopted as set forth on **Exhibit A** to this Resolution; and

WHEREAS, the capacity charges set forth on **Exhibit A** to this Resolution have NOT increased from those approved in the FY 2015-2016 Budget and Compensation Plan; and,

WHEREAS, the District is acting to provide continued water and sewer service within existing service areas on the Ord Community, and that such action is exempt from CEQA pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273.

NOW THEREFORE the Board hereby resolves that:

1. The Board of Directors of the Fort Ord Reuse Authority does hereby approve and adopt the capital elements of the FY 2018-2019 Budget for water, recycled water and wastewater services to the Ord Community.
2. The capital elements of the compensation plan for the area of Ord Community within FORA's jurisdiction, including capacity charges, set forth on **Exhibit A** to this Resolution are hereby approved and adopted. The District is authorized to charge and collect capacity charges for provision of water and wastewater services within the boundaries of the Fort Ord Reuse Authority in accordance with the schedule set forth in **Exhibit A**. The District is further authorized to use the same charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.
3. The charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the charges are imposed.
4. The District will comply with the requirements of Government Code section 54999.3 before imposing a capital facilities fee (as defined in Government Code section 54999.1) on any school district, county office of education, community college district, the University of California or state agency. The District has negotiated and entered into that certain Settlement Agreement and Mutual Release dated June 1, 2006, with California State University.

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

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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Mayor Ralph Rubio, Chair

ATTEST:

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Michael A. Houlemard, Jr., Clerk