



# CITY OF DEL REY OAKS

650 CANYON DEL REY RD. · DEL REY OAKS, CALIFORNIA 93940  
PHONE (831) 394-8511 · FAX (831) 394-6421

Michael Houlemard, Jr.  
Executive Officer  
Fort Ord Reuse Authority  
Marina, CA 93933  
Re: Loan Repayment

Mr. Houlemard,

Thank you for presenting our initial proposal for repayment of the Fort Ord Reuse Authority ("FORA") loan to Del Rey Oaks for its share of Pollution Legal Liability (PLL) Insurance Coverage. In particular, your comment that the FORA Finance Committee indicated its willingness to consider a repayment schedule that paid off the indebtedness before the FORA 6/30/2020 sunset.

In response to the Finance Committee feedback the City is prepared to commit to fully paying off the principal of the FORA PLL Loan totaling \$552,961 before FORA sunsets in July 2020, which will require amending our plan to apply Fort Ord land sales revenue by using non-FORA funds. The City is prepared to make a payment of \$211,000 upon agreement to this proposal, and begin a monthly payment of \$28,500 with the last payment on June 1, 2020. We have attached a schedule for your staff, FORA Finance Committee, and the Board's consideration.

This payment schedule represents a significant commitment of the City's General Fund, but excludes interest costs that enables us to retire a debt prior to FORA sunset.

I am happy to answer any questions you may have. The City appreciates the FORA Board's consideration of this proposal and looks forward to settling this debt in an equitable and timely fashion.

Respectfully,

Dino Pick  
City Manager

## FORA PLL Loan Amortization with No Interest

### LOAN VALUES

Loan amount	\$715,767.58
Annual interest rate	2.00%
Loan period in years	6
Start date of loan	7/1/2013

### LOAN SUMMARY

Monthly payment	
Number of payments	15
Total interest	\$0.00
Total cost of loan	\$715,767.58

PMT NO.	PAYMENT DATE	BEGINNING BALANCE	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
1	6/30/2014	\$715,767.58			\$0.00	\$715,767.58
2	10/10/2014	\$715,767.58	\$162,806.00		\$0.00	\$552,961.58
3	6/1/2019	\$552,961.58	\$211,000.00	\$211,000.00	\$0.00	\$341,961.58
4	7/1/2019	\$341,961.58	\$28,500.00	\$28,500.00	\$0.00	\$313,461.58
5	8/1/2019	\$313,461.58	\$28,500.00	\$28,500.00	\$0.00	\$284,961.58
6	9/1/2019	\$284,961.58	\$28,500.00	\$28,500.00	\$0.00	\$256,461.58
7	10/1/2019	\$256,461.58	\$28,500.00	\$28,500.00	\$0.00	\$227,961.58
8	11/1/2019	\$227,961.58	\$28,500.00	\$28,500.00	\$0.00	\$199,461.58
9	12/1/2019	\$199,461.58	\$28,500.00	\$28,500.00	\$0.00	\$170,961.58
10	1/1/2020	\$170,961.58	\$28,500.00	\$28,500.00	\$0.00	\$142,461.58
11	2/1/2020	\$142,461.58	\$28,500.00	\$28,500.00	\$0.00	\$113,961.58
12	3/1/2020	\$113,961.58	\$28,500.00	\$28,500.00	\$0.00	\$85,461.58
13	4/1/2020	\$85,461.58	\$28,500.00	\$28,500.00	\$0.00	\$56,961.58
14	5/1/2020	\$56,961.58	\$28,500.00	\$28,500.00	\$0.00	\$28,461.58
15	6/1/2020	\$28,461.58	\$28,461.58	\$28,461.58	\$0.00	\$0.00