



FORT ORD REUSE AUTHORITY

920 2nd Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | www.fora.org

ADMINISTRATIVE COMMITTEE MEETING

8:15 a.m. Wednesday, August 5, 2015

920 2nd Avenue, Suite A, Marina CA 93933 (FORA Conference Room)

AGENDA

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

4. PUBLIC COMMENT PERIOD

Individuals wishing to address the Committee on matters within its jurisdiction, but not on this agenda, may do so during this period for up to three minutes. Comments on specific agenda items are heard under that item.

5. APPROVAL OF MEETING MINUTES

ACTION

- a. July 5, 2015 Minutes
- b. July 15, 2015 Minutes

6. AUGUST 14, 2015 BOARD MEETING- AGENDA REVIEW

INFORMATION

7. BUSINESS ITEMS

- a. FORA/Marina Coast Water District Water & Wastewater Facilities Agreement
 - i. Article 10.1 Dispute Resolution Procedure – Status Report
 - ii. Article 3.2 Additional Facilities – Update MCWD/Monterey Regional Water Pollution Control Agency negotiations

INFORMATION

- b. RUDG Schedule of Events

INFORMATION

- c. FY 2015/16 FORA Capital Improvement Program – Distribution

INFORMATION

- d. Post Reassessment Work Program Categories 1 and 2
Request for Proposals Report

INFORMATION

8. ITEMS FROM MEMBERS

9. ADJOURNMENT

Next Meeting Date: August 19, 2015

For information regarding items on this agenda or to request disability related modifications and/or accommodations please contact the Deputy Clerk 48 hours prior to the meeting. Agendas are available on the FORA website at www.fora.org.



FORT ORD REUSE AUTHORITY

ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES

8:15 a.m., Wednesday, July 1, 2015 | FORA Conference Room
920 2nd Avenue, Suite A, Marina CA 93933

1. CALL TO ORDER

Co-chair Michael Houlemard called the meeting to order at 8:17 a.m. The following were present:

**voting members, AR = arrived after call to order*

Melanie Beretti, Monterey County
John Dunn, City of Seaside*
Vicki Nakamura, MPC (AR)
Anya Spear, CSUMB
Mike Zeller, TAMC
Patrick Breen, MCWD

Steve Matarazzo, UCSC
Chris Placco, CSUMB
Michael Wegley, MCWD
Lisa Rheinheimer, MS
Andy Sterbenz, Schaaf & Wheeler
Bob Schaffer

FORA Staff:
Michael Houlemard
Steve Endsley
Jonathan Garcia
Josh Metz
Stan Cook
Lena Spilman
Maria Buell

2. PLEDGE OF ALLEGIANCE

Steve Matarazzo led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Executive Officer, Michael Houlemard, introduced new Deputy Clerk/Executive Assistant, Maria Buell.

4. PUBLIC COMMENT PERIOD

There were comments from public.

5. APPROVAL OF MEETING MINUTES

- a. June 3, 2015 Administrative Committee Minutes
- b. June 17, 2015 Administrative Committee Minutes

There was no quorum at the meeting; therefore, the minutes were not approved.

6. JULY 10, 2015 BOARD MEETING AGENDA REVIEW

Steve Endsley led a review of the draft July 10th Board agenda. Executive Officer, Michael Houlemard, stated that the RUDG met and that DRAFT Guidelines will be made available; however, more revisions need to be made. He added that a special board meeting will be set to present these guidelines. He also reported the outcome of staff's trip to Sacramento. He also added that CSUMB is doing a Master Plan and that it might "synchronize" with the RUDG.

7. BUSINESS ITEMS

a. Habitat Conservation Plan Update

Principal Planner Jonathan Garcia provided an update and stated that the Plan is under "review" process. He said there are 2 follow-up meetings to be scheduled. There is a delay with the U.S. Fish and Wildlife (USFW) due to a staff member retiring. Mr. Garcia, along with Mayor Edelen and Chair Houlemard went to Sacramento. FORA proposed that the current contact at USFW continue with FORA's project. They met with Kevin Hunting and had a discussion with Sec. Laird. Mr. Houlemard stated that FORA is also seeking support of Senator Monning's office. The completion of the review timeline is September. Mr. Houlemard added that USFW

reviewed the document thoroughly and that Mr. Garcia has spent thousands of hours reviewing it too. Principal Planner Garcia added that it received positive comments from USFW.

Comments from the public present were received.

b. Marina Coast Water District Recycled Water Planning Update

Assistant Executive Officer Steve Endsley introduced the item and that staff report notes previous PCA/MCWD coordination meeting. There have been no meetings since that time. Patrick Breen and Andy Sterbenz from the MCWD said their board will take action at the next Monday meeting regarding augmentation water project. Co-Chair Houlemard said the MCWD's budget is related to FORA augmentation of water for development of Fort Ord. Water relates to CIP and that securing water is important in order to complete these projects.

No comments from the public were received

c. Economic Development 100-Day Plan Presentation

Michael Houlemard briefly discussed kick-off to Economic Development program and Josh Metz, Economic Development Coordinator, provided a power point presentation that highlighted the collaborative efforts between CSUMB/MPC and developer meetings. Mr. Metz introduced the metrics to the Economic Development 100-day Plan process. RUDG will also be part of his workload; the 4 initiatives are water, capacity, facilities and connectivity. He added that facilities are needed to build businesses and he will conduct outreach via industry specific workshops to explore export of products and the sustainability of business growth. Mr. Metz said he plans to hold quarterly meetings before Board and provide reports/updates. Mr. Metz responded to question from the committee and members of public.

d. Regional Urban Design Guidelines

Josh Metz provided a status update with power point presentation regarding the upcoming draft guidelines and reviewed a proposed meeting schedule. Michael Houlemard stated that this unlike an EIR process in that the process will be

8. ITEMS FROM MEMBERS

Andy Sterbenz, MCWD, shared that State is about to adopt a "Landscape Irrigation/ Landscape Planning Review" which will affect landscaping planning review.

Chair Michael Houlemard said that he might be adding "SB-854 Prevailing Wages" status report to Board agenda.

9. ADJOURNMENT

Co-chair Houlemard adjourned the meeting at 9:24 a.m. The meeting remained a meeting of the whole; no quorum was established.



FORT ORD REUSE AUTHORITY

ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES

8:15 a.m., Wednesday, July 15, 2015 | FORA Conference Room
920 2nd Avenue, Suite A, Marina CA 93933

1. CALL TO ORDER

Chair Daniel Dawson called the meeting to order at 8:21 a.m. The following were present:

**voting members, AR = arrived after call to order*

Daniel Dawson, City of Del Rey Oaks*
Layne Long, City of Marina* (AR)
Melanie Beretti, County of Monterey*
Vicki Nakamura, MPC
Anya Spear, CSUMB
Mike Zeller, TAMC
Patrick Breen, MCWD
Dan Hofer, MCP
Kathleen Lee, Dist. 5 Sup. Potter

Diana Ingersoll, City of Seaside
Steve Matarazzo, UCSC
Chris Placco, CSUMB
Michael Wegley, MCWD
Lisa Rheinheimer, MST
Andy Sterbenz, Schaaf & Wheeler
Bob Schaffer
Chieko Nozuki, BRAC
William Collins, BRAC

FORA Staff:
Michael Houlemard
Steve Endsley
Jonathan Garcia
Josh Metz
Stan Cook
Lena Spilman
Maria Buell

2. PLEDGE OF ALLEGIANCE

Lena Spilman led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Executive Officer, Michael Houlemard, said Josh Metz as the Economic Development Coordinator.

4. PUBLIC COMMENT PERIOD

There were comments from public.

5. APPROVAL OF MEETING MINUTES

- a. June 3, 2015 Administrative Committee Minutes
- b. June 17, 2015 Administrative Committee Minutes

MOTION: Diana Ingersoll moved, seconded by Layne Long, to approve the June 3, 2015 and the June 17, 2015 minutes. Abstentions: Ms. Ingersoll only pertaining to June 17, 2015 minutes.

MOTION PASSED UNANIMOUSLY

6. JULY 10, 2015 BOARD MEETING FOLLOW UP

a. Environmental Services Cooperative Agreement Quarterly Update

Mr. Houlemard said board received a brief update report on ESCA.

b. Prevailing Wage Status Report

Michael Houlemard gave a brief summary on report to board on the prevailing wage issue as it has not been resolved with DIR. He said FORA submitted a letter to DIR; he added that two board members changed their position and want FORA to set up a separate vehicle for enforcement. Mr. Houlemard hopes that DIR responds soon with a determination.

7. BUSINESS ITEMS

a. California Department of Toxic Substances Control (DTSC)

Annual Land Use Covenant (LUC) reporting – FY14-15 Report request letter

Michael Houlemard introduced these items and said a survey would be needed by October 1st and will be available electronically. He added that the County will take the responsibility of reporting because they are not doing this and they have not objected. FORA continues to do so. Mr. Houlemard stated that LUC documents are important for jurisdictions and developers and they need to be managed properly. He added that this is valuable information as LUCIP is crucial to development. A presentation was made by California DTSC, Robert Carr.

8. WORKSHOP:

Chair Dawson called a recess at 8:50 a.m., announcing the workshops, per the meeting agenda.

a. Environmental Services Cooperative Agreement (ESCA)/Jurisdiction Land Use Covenant Implementation Plan Operations

Management Plan (LUCIP OMP Workshop)

Staff received comments from members of the Committee and public on the ESCA / LUCIP OMP documents. ESCA and U.S. Army representatives and were in attendance to respond to questions.

9. ITEMS FROM MEMBERS

Diana Ingersoll announced the Board of Architecture will review the Specific Plan for Monterey Downs and provide a recommendation to the Planning Commission this date. She also added that In/Out have received a conditional permit and expect this business to open sometime in mid-November; She further added that City of Seaside has begun review of its General Plan and requested FORA's assistance in this review process.

10. ADJOURNMENT

The business portion of the meeting was completed at 9:05 a.m. The meeting adjourned at the conclusion of the workshops (10:45 a.m.).

- START -

**DRAFT
BOARD PACKET**



FORT ORD REUSE AUTHORITY

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Phone: (831) 883-3672 | Fax: (831) 883-3675 | www.fora.org

REGULAR MEETING FORT ORD REUSE AUTHORITY BOARD OF DIRECTORS

Friday, August 14, 2015 at 2:00 p.m.

910 2nd Avenue, Marina, CA 93933 (Carpenters Union Hall)

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE** INFORMATION
 - a. New Staff Introductions
5. **CONSENT AGENDA** ACTION
 - a. Approve July 10, 2015 Board Meeting Minutes
6. **BUSINESS ITEMS** INFORMATION
 - a. FY 2015/16 Ord Community Budget Dispute Resolution Update
 - b. FY 2015/16 FORA Capital Improvement Program - Distribution
7. **PUBLIC COMMENT PERIOD**

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. Comments on agenda items are heard under the item.
8. **EXECUTIVE OFFICER'S REPORT** INFORMATION
 - a. Outstanding Receivables
 - b. Habitat Conservation Plan Update
 - c. Administrative Committee
 - d. Post Reassessment Advisory Committee
 - e. Regional Urban Design Guidelines Task Force
 - f. Veterans Issues Advisory Committee
 - g. Travel Report
 - h. Prevailing Wage Status Report
 - i. Public Correspondence to the Board
9. **ITEMS FROM MEMBERS**
10. **ADJOURNMENT**

NEXT BOARD MEETING: SEPTEMBER 11, 2015

Persons seeking disability related accommodations should contact FORA 48 hrs 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 Chanel 25. The video and meeting materials are available at www.fora.org.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject: FY 2015/16 Ord Community Budget Dispute Resolution Update

Meeting Date: August 14, 2015

Agenda Number: 6a

INFORMATION

RECOMMENDATION:

Receive an update on the FY 2015-16 Ord Community Budget (Budget) Dispute Resolution Procedure, outlined in the Fort Ord Reuse Authority (FORA)/Marina Coast Water District (MCWD) 1998 Water and Wastewater Facilities Agreement, and initiated on July 20th, 2015.

BACKGROUND:

The FORA Board received the Budget, MCWD and FORA staff presentations, and a MCWD recycled water planning update during their May, June and July 2015 meetings. At the June FORA Board meeting, FORA Board members identified disputed Budget elements as: \$470,000 Capital Reserve line item (25b-2) for 10% design of the Regional Urban Water Augmentation Project desalination project and the FY 2015/16 proposed 9% rate increase.

DISCUSSION:

On July 13, 2015, FORA received a Notice of Dispute from MCWD Interim General Manager Bill Kocher (**Attachment A**), outlining the MCWD Board's reasons for not adopting the FORA Board's proposed resolutions of the Budget's disputed elements. The Dispute Resolution Procedure was initiated at a meeting of Mr. Kocher and FORA Executive Officer Michael Houlemard held on June 20, 2015. The Procedure is outlined in Article 10.1 of the 1998 Agreement. Subsequent to that meeting, Executive Officer Houlemard responded to the July 13th Notice of Dispute (July 30, 2015 letter, **Attachment B**) outlining FORA's proposed resolution of the disputed elements. Per the Dispute Resolution Procedure, a FORA Water and Wastewater Oversight Committee meeting is scheduled for August 5, 2015 in case the parties have not come to agreement during the initial ten-day period outlined in the Procedure.

FISCAL IMPACT:

Reviewed by FORA Controller _____

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

COORDINATION:

MCWD staff

Prepared by _____

Crissy Maras

Reviewed by _____

D. Steven Endsley

Approved by _____

Michael A. Houlemard, Jr.



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: www.mcwd.org

TEL: (831) 384-6131 FAX: (831) 883-5995

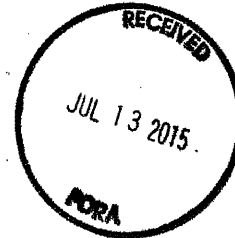
HOWARD GUSTAFSON
President

PETER LE
Vice President

THOMAS P. MOORE
WILLIAM Y. LEE
JAN SHRINER

July 13, 2015

Mr. Michael A. Houlemard, Jr., Executive Officer
Fort Ord Reuse Authority
920 – 2nd Avenue, Suite A
Marina, CA 93933



Re: Notice of Dispute under 1998 Water/Wastewater Facilities Agreement

Dear Mr. ~~Houlemard~~ *Michael*:

Notice is hereby given that the Marina Coast Water District refers the limited issues set forth in your letter dated June 17, 2015 re: Response to Marina Coast Water District FY 2015-16 Proposed Ord Community Budget to dispute resolution. This is pursuant to Sections 7.1.3.3 and 10.1 of that certain 1998 Water/Wastewater Facilities Agreement (1998 Agreement).

Section 7.2.1 of the 1998 Agreement states as follows:

7.2.1. FORA shall respond to MCWD within three months after receiving a proposed budget or a written request or a referral for further response pursuant to section 7.1.3. FORA's response shall state whether FORA agrees with the proposed budget or written request. If FORA does not agree, FORA's response shall identify each disputed element, shall state detailed reasons for the dispute, and shall specify a resolution acceptable to FORA. If FORA does not respond within three months, the compensation plan contained in the latest submittal from MCWD shall be deemed adopted.

In your June 17, 2015 letter, the "disputed elements" and the "detailed reasons for the dispute" appear to be as follows:

Disputed Element #1 - \$470,000 Capital Reserve line item (25b-2) for 10% design of the Regional Urban Water Augmentation Project (RUWAP) desalination project. "RUWAP desalination project planning needs to include all water augmentation options (recycled, conservation, other)."

Disputed Element #2 – 9% [water] rate increase for FY 2015/16. "[A] portion of the 9% rate increase **appears** to provide Ord Community funding for litigation related to the failed regional desalination project and/or further desalination planning outside of **current** FORA Board direction." [Emphasis added.]

In your letter, you specify the following as being acceptable to FORA to resolve FORA's dispute:

- #1 – Exclude desalination specific project line item 25b-2 and re-program RUWAP implementation to include conservation, recycled and other augmented options.
- #2 – Lower the "9% rate increase commensurate to MCWD regional desalination project/litigation expenses, which also are directed to be removed from the revised budget."

Please be advised that MCWD Board has reviewed the above and has determined not to adopt FORA's proposed resolutions and hereby submits all of the above matters to dispute resolution in accordance with Section 10.1 of the 1998 Agreement.

Reserving the right to provide additional information relevant to this dispute, MCWD provides the following for FORA's information:

1. Disputed Element #1 - \$470,000 Capital Reserve line item (25b-2) for 10% design of the Regional Urban Water Augmentation Project (RUWAP) desalination project. The FORA Board's statement was that the "RUWAP desalination project planning needs to include all water augmentation options (recycled, conservation, other)."

1.1. The June 17, 2015 letter fails to provide sufficient "detailed reasons for the dispute" of this element and, therefore, fails to comply with Section 7.2.1 of the 1998 Agreement.

1.2. In the FORA CIP for FY 2012/2013, FORA's position as stated in the last sentence in Section II.b on page 6 is that "MCWD is still contractually obligated to provide an augmented source for the former Fort Ord as distinct from the Regional [Desalination] Project." MCWD recognizes that contractual obligation to FORA so MCWD has been pursuing recycled water, water conservation, and desalinated water augmentation options. FORA and MCWD have long recognized that recycled water, desalinated water, and water conservation are the legs of the three-legged stool needed to meet FORA's 2030 2,400 AFY augmentation water requirement.

1.3. As demonstration of the MCWD commitment to the integrated approach to water augmentation that FORA apparently failed to recognize is that the very budget in question already includes recycled water and water conservation projects and activities. Please note that this MCWD Ord Community FY 2015/16 budget submitted to FORA includes \$750,000 for CIP RW-0156, Recycled Water Trunk Main, and funding for an additional water conservation specialist position. It also includes funding for the 2015 Urban Water Management Plan update, which will reassess the long-term water demand projections for the Ord Community.

1.4. Two FORA member agencies, the City of Seaside and Monterey County, have published a draft Specific Plan for the Monterey Downs Project, which requires non-potable recycled water for all six phases and desalinated water for Phases IV to VI. The draft environment impact report for the project identified the RUWAP recycled water component and the RUWAP desalinated water component as the water sources providing that needed water. There are questions as to whether the Monterey Downs Project or any other new development dependent upon the additional 2,400 AFY in FORA Augmentation Water can be entitled without both RUWAP water projects being built.

1.5. The statement in FORA's June 17, 2015 letter that "RUWAP desalination project planning needs to include all water augmentation options (recycled, conservation, other)" is not a sufficient "detailed reason" to stop all RUWAP desalination project planning given FORA's statement as to MCWD's contractual obligation, MCWD's ongoing recycled water and water conservation activities (as included in this very budget), and the need to plan, finance, and construct RUWAP recycled and desalinated water sources for new developments within the Ord Community.

1.6. As part of or separate from the dispute resolution process, MCWD wishes to work with FORA to consider desalination, recycled water, conservation, and other water augmentation options so long as a determination can be made in a timely manner. If the FORA Board wishes to engage in a discussion of water augmentation issues separate and apart from this dispute resolution process, we are anxious to do so and ask that you please contact me. Toward that effort, I have already reached out to engage you in the discussions regarding reclaim negotiations with MCWPCA.

2. Disputed Element #2 – 9% [water] rate increase for FY 2015/16. "[A] portion of the 9% rate increase **appears** to provide Ord Community funding for litigation related to the failed regional desalination project and/or further desalination planning outside of **current** FORA Board direction." [Emphasis added.]

2.1. The June 17, 2015 letter fails to provide sufficient "detailed reasons for the dispute" of this element and, therefore, fails to comply with Section 7.2.1 of the 1998 Agreement.

2.2. New Water Rates Effective January 1, 2016: The 2015 calendar year water rates went into effect on January 1, 2015, and the proposed new water rates will not go into effect until January 1, 2016. MCWD's Proposed Compensation Plan for FY 2015-2016 for the Ord Community Water/Wastewater Systems contains the following statement on page 2, "In order to meet operating and capital needs of the Ord Community systems, this compensation plan includes residential rate increase of 9% for water and 4% for wastewater effective January 1, 2016." Therefore, any dispute regarding residential water rates in the Proposed Compensation Plan only applies to new residential rates effective January 1, 2016, and only to the extent of FORA providing "detailed reasons for the dispute," which it did not do.

2.3. Failed Regional Desalination Project Litigation Costs:

2.3.1. In 2002, MCWD with FORA's endorsement initiated the Regional Urban Water Augmentation Project (RUWAP) to explore water supply alternatives to provide the additional 2,400 AFY of water augmentation supply needed by FORA under the adopted Fort Ord Reuse Plan. Subsequently, FORA and MCWD agreed upon the development of the Hybrid Alternative" consisting of a 1,500 AFY of recycled water (allocating 1,200 AFY to the Ord Community and 300 AFY to the Monterey Peninsula) and 1,500 AFY of desalination water (allocating 1,200 AFY to the Ord Community and 300 AFY to Central Marina).

2.3.2. The FORA Board had endorsed the Regional Desalination Project when the project agreements were entered into; therefore, pursuant to Section 7.1.2 of the 1998 Agreement, the current FORA Board cannot disallow litigation costs incurred to protect MCWD's rights under the RDP agreements. For example, the FORA Capital Improvement Program for FY 2012/13 through 2021/22, Section II.b, Water Augmentation (p. 6), states, "At the April 2008 FORA Board meeting, the Board endorsed the Regional Plan as the preferred plan to deliver the requisite 2,400 AFY of augmenting water to the 6,600 AFY groundwater entitlements." In April 2008, the Regional Plan included a 12,500 AFY desalination facility at North Marina being considered by the California Public Utilities Commission and Cal Am. That proposed project became the RDP. Nearly 90% of the Water to which MCWD was to be entitled by that project was dedicated to the Ord Community.

2.3.3. MCWD entered into that certain Water Purchase Agreement dated April 6, 2010 (WPA), and other agreements to develop the Regional Desalination Project. WPA Section 9.4(d) allocated 1,700 AFY of desalinated Product Water to MCWD "to satisfy MCWD customers' demand in MCWD's Service Area that cannot be satisfied by MCWD's Potable Groundwater Limits." "MCWD Service Area" was defined in Recital A as the "lands within the City of Marina and certain other areas within Monterey County, including lands on the former Fort Ord." "MCWD's Potable Groundwater Limits" was defined in Section 1.3 as "the limits for the withdrawal of water from the Salinas Basin imposed by law or agreement upon MCWD for the development of the former Fort Ord." Therefore, the WPA provided that the 1,700 AFY was to meet customers' demand in the Ord Community that could not be satisfied by the 6,600 AFY groundwater allocation under the 1993 Ord Annexation Agreement.

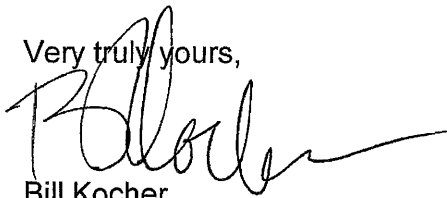
2.4. RUWAP Desalination Project Planning: See discussion under Section 1 above.

3. Pursuant to Section 7.1.2 of the 1998 Agreement, the FORA Board is required to allow MCWD to recover all of MCWD's direct and indirect, short term and long term costs of furnishing the facilities to the Ord Community, including the cost of administration, operation, maintenance, and capital improvements to provide adequate system capacity to meet existing and anticipated service demands.

4. The FORA Board failed to comply with all of the requirements of Section 7.2.1 of the 1998 Agreement within three months of the submittal of the proposed Compensation Plan to FORA and, therefore, the proposed Compensation Plan is deemed adopted by FORA.

The "date of the dispute" for purposes of Section 10.1.1 of the 1998 Agreement shall be the date you receive this Notice unless another date is mutually agreed upon.

Very truly yours,

A handwritten signature in black ink, appearing to read 'B. Kocher', with a long horizontal flourish extending to the right.

Bill Kocher
Interim General Manager



FORT ORD REUSE AUTHORITY

920 2nd Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | www.ford.org

**Attachment B to Item 6a
FORA Board Meeting, 8/14/15**

July 30, 2015

Bill Kocher, Interim General Manager
Marina Coast Water District
11 Reservation Road
Marina, CA 93933

RE: Dispute Resolution Procedure

Dear Mr. Kocher,

The Fort Ord Reuse Authority (FORA) is in receipt of your July 13th Notice of Dispute under the FORA/Marina Coast Water District (MCWD) 1998 Water and Wastewater Facilities Agreement (Agreement). Subsequent to this letter, you and I met on Monday, July 20th, which initiated the Dispute Resolution Procedure outlined in Article 10.1 of the Agreement. The Agreement states that if the Agreement Administrators cannot resolve the dispute within ten working days (by August 3rd), they shall meet and confer together with the FORA Water/Wastewater Oversight Committee (WWOC). If the dispute is not resolved within *another ten working days* (by August 17th), they shall meet and confer with one FORA and one MCWD voting Board member. If the dispute is not resolved within *another ten working days* (by August 31st), the parties shall mediate the dispute at the earliest possible date (the mediator list is Exhibit C to the Agreement). Then, if the dispute is still not resolved, the parties may pursue any and all remedies available to them at law and equity...

FORA proposes the following resolution to the points made in your July 13, 2015 letter:

Disputed Element 1: FORA accepts MCWD's representation that it is "pursuing recycled water, water conservation, and desalinated water augmentation options." This statement satisfies the FORA Board's stated desire for "all water augmentation options (recycled, conservation, other)" to be pursued. FORA would like to participate in a three-party planning process with MCWD and Monterey Regional Water Pollution Control Agency to come to agreement on a Memorandum of Understanding regarding the reclaimed component first, followed by establishment of a planning process to study and address all other options. To aid this planning process, FORA would give up its objection to the \$470,000 in question being included in the FY 2015/16 Ord Community budget document.

Disputed Element 2: FORA accepts MCWD's statement that "the proposed new water rates will not go into effect until January 1, 2016". FORA does not accept MCWD's statement that the FORA Board endorsement of the prior Regional Desalination Project constituted an open ended commitment to that now failed project nor does it accept that "the current FORA Board cannot disallow litigation costs incurred to protect MCWD's rights under the RDP agreements." FORA proposes that as the new rates do not come into effect until January 1, 2016, time remains for FORA and MCWD to include this issue as one of the items for discussion in the planning process proposed under resolution for Disputed Element 1 and a cooperative effort be made by our two agencies to explore ways in which MCWD might be made

whole for expenditures made toward pursuit of the Regional Urban Water Augmentation Project and to "recover...costs of administration, operation, maintenance and capital improvements to provide adequate system capacity to meet...service demands." FORA continues to object to MCWD funding costs of litigation regarding the prior RDP out of the Ord cost center but accepts MCWD's assertion that the current year budget in question does not include direct legal expenditures of this nature and can therefore withdraw its objection to the 9% rate increase should the planning process noted above include this issue for further discussion and problem-solving.

As for point 4 noted in your letter, FORA notes that the dispute resolution process and the right to deem a budget adopted are mutually exclusive and hereby propose that MCWD allow the dispute resolution process to conclude before deeming the disputed elements approved.

Thank you for the opportunity to comment and we look forward to further meetings at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Stern Endley for".

Michael A. Houlemard, Jr.
Executive Officer

FORT ORD REUSE AUTHORITY BOARD REPORT		
BUSINESS ITEMS		
Subject:	FY 2015/16 FORA Capital Improvement Program – Distribution	
Meeting Date:	August 14, 2015	INFORMATION
Agenda Number:	6b	

RECOMMENDATION:

Receive the FY 2015/16 Fort Ord Reuse Authority (FORA) Capital Improvement Program (CIP).

BACKGROUND/DISCUSSION:

The FORA Board approved the FY 2015/16 at their July 2015 meeting. That approved document is included herein. The CIP can be viewed online at www.fora.org. Those requesting a hard copy should contact Crissy Maras at Crissy@fora.org or via phone at 831.883.3672.

FISCAL IMPACT:

Reviewed by FORA Controller _____

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

COORDINATION:

Administrative, Finance and Executive Committees

Prepared by _____
Crissy Maras

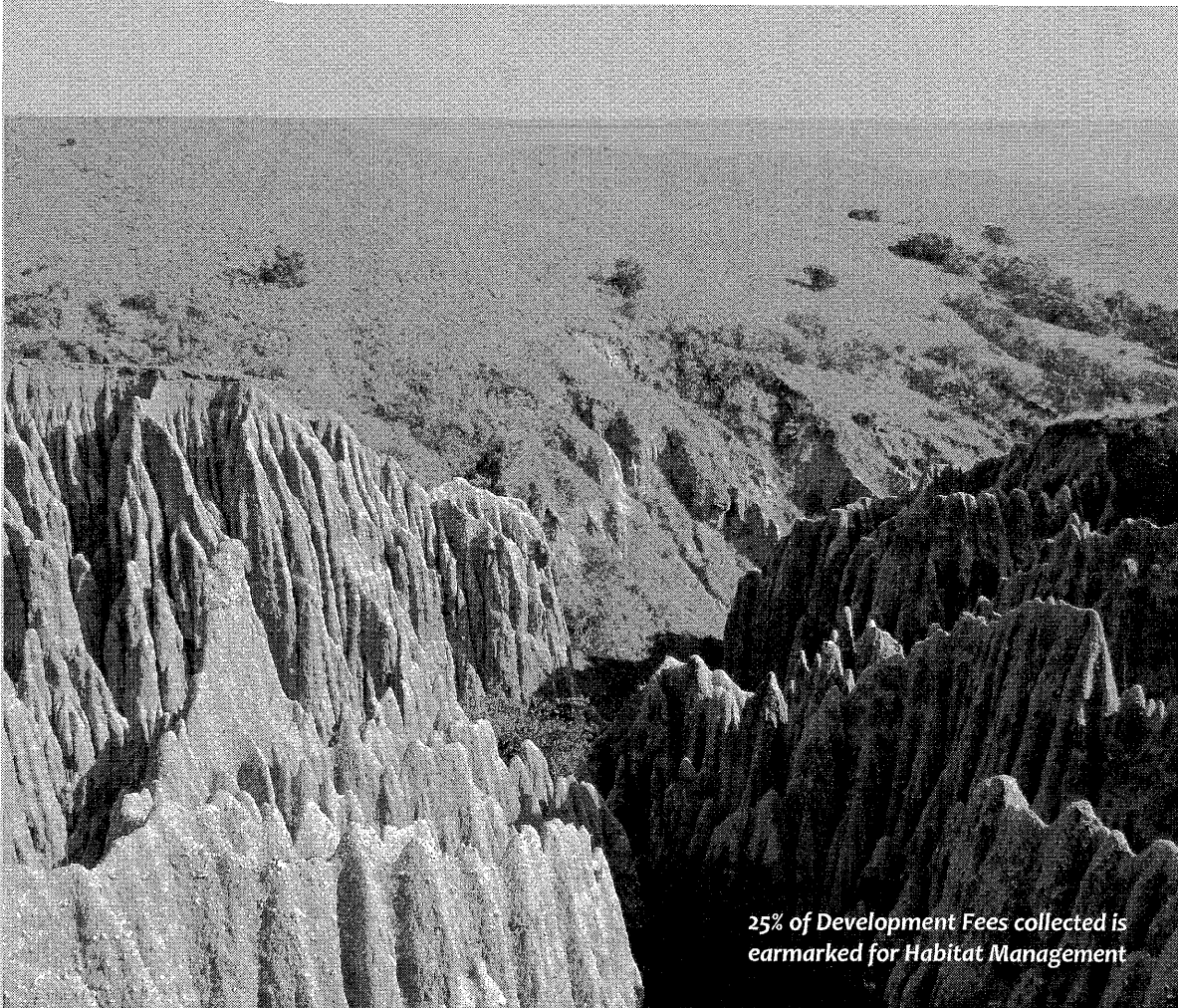
Approved by _____
Michael A. Houlemard, Jr.



Fort Ord Reuse Authority

Capital Improvement Program

Fiscal Year 2015/2016



*25% of Development Fees collected is
earmarked for Habitat Management*

FORA Board Adopted July 10, 2015

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I. EXECUTIVE SUMMARY

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 CIP is re-visited annually by the FORA Board to assure that projects are implemented on a timely basis.

This FY 2015/16 – “Post-FORA” CIP document has been updated with reuse forecasts by the FORA land use jurisdictions and adjusted to reflect staff analysis and Board policies. Adjusted annual forecasts are enumerated in the CIP Appendix B. Forecasted capital project timing is contrasted with FY 2014/15 adopted timing, outlining adjustments. See Tables 2 & 3, depicting CIP project forecasts.

Current State law sets FORA's sunset for June 30, 2020 or when 80% of the BRP has been implemented, whichever occurs first – either of which is prior to the Post-FORA CIP end date. The revenue and obligation forecasts will be addressed in 2018 under State law and will require significant coordination with the Local Agency Formation Commission.

1) Periodic CIP Review and Reprogramming

Recovery forecasting is impacted by the market. However, annual jurisdictional forecast updates remain the best method for CIP programming since timing of project implementation is the purview of the individual on-base FORA members. Consequently, FORA annually reviews and adjusts its jurisdictional forecast-based CIP to reflect project implementation and market changes. The protocol for CIP review and reprogramming was adopted by the FORA Board on June 8, 2001. Appendix A, herein, defines how FORA and its member agencies review reuse timing to accurately 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 will set project priorities. The June 21, 2013 Appendix A revision describes the method by which the “Fort Ord Reuse Authority's Basewide Community Facilities District (CFD), Notice of Special Tax Lien” is annually indexed.

During last year's CIP reprogramming, the Finance Committee reviewed the FY 2014/15 CIP budget as a component of the overall FORA mid-year and preliminary budgets. They expressed their concern for a higher degree of accuracy and predictability in FORA's revenue forecasts. Board members concurred and recommended that staff, working with the Administrative and CIP Committees, hone and improve CIP development forecasts and resulting revenue projections. This approach has continued into the 2015/16 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 B) and correlate accordingly, 2) Basic market conditions necessary to moving housing projects forward 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 from July 1 to 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 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.

2) 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 – excepting 2011, at Board direction.

3) 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 has been adjusted annually to account for inflation, with an annual cap of 5%. Development Fees were established under FORA policy to govern fair share contributions to the basewide infrastructure and capital needs. CFD/Development Fee reductions are described in section 1) of this Executive Summary.

The CFD implements a portion of the Development Fee policy and funds mitigations described in the BRP Final Environmental Impact Report (FEIR). The FORA CFD pays CIP costs including Transportation/Transit projects, Habitat Management obligations, and Water Augmentation. Land sale proceeds are designated to cover Building Removal Program costs 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 of this document.

4) Projects Accomplished to Date

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

- a) \$77M in roadway improvements, including underground utility installation and landscaping, predominantly funded by US Department of Commerce – Economic Development Administration (EDA) grants (with FORA paying any required local match), FORA CFD fees, loan proceeds, payments from participating jurisdictions/agencies, property tax payments (formerly tax increment), and a FORA bond issue.
- 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) \$82M in munitions and explosives of concern cleanup on 3.3K acres of former Fort Ord Economic Development Conveyance (and other) acres, funded by a US Army grant.
- d) \$1.1 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.
- e) \$31.3M in building removal at the Dunes on Monterey Bay, East Garrison, Imjin Parkway and Imjin Office Park site. (Dunes \$29M [\$7M land sales credit], East Garrison \$2.2M land sales credit, Seaside \$100K = \$31.3M FORA financed building removal to date. Remaining FORA building removal obligation is \$6.2M = \$2.2M Marina Stockade and \$4M Seaside Surplus II.) See Section II f for additional background.

- f) \$12M in Habitat Management and other capital improvements instrumental to base reuse, such as improvements to the water and wastewater systems, Water Augmentation obligations, and Fire Fighting Enhancement.

Section III provides detail regarding how completed projects offset FORA basewide obligations. As revenue is collected and offsets obligations, the offsets will be enumerated in Tables 1 and 3.

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. As well, 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.

II. OBLIGATORY PROGRAM OF PROJECTS – DESCRIPTION OF CIP ELEMENTS

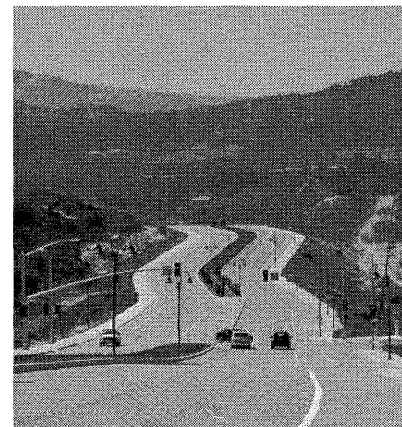
As noted in the Executive Summary, current obligatory CIP elements include Transportation/Transit, Water Augmentation, Habitat Management, and Building Removal. The first elements noted are to be funded by CFD/Development Fees. Land sale proceeds are earmarked to fund the Building Removal Program to the extent of FORA's building removal obligation. Beyond that obligation, land sale proceeds may be allocated to CIP projects by the FORA Board. Summary descriptions of each CIP element follow:

a) Transportation/Transit

During the preparation of the BRP and associated FEIR, the Transportation Agency for Monterey County (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.

When the BRP and accompanying FEIR were adopted by the Board, the transportation and transit obligations as defined by the TAMC Study were also adopted as mitigations to traffic impacts resulting from development under the BRP.

The FORA Board subsequently included the Transportation/Transit element (obligation) as a CFD-funded facility. As implementation of the BRP continued, FORA reinitiated TAMC coordination, review and reallocation of the FORA-funded transportation projects.



General Jim Moore Boulevard at Hilby Avenue; one of three intersections upgraded/opened in the City of Seaside

Toward that goal, and following Board direction to coordinate a work program with TAMC, FORA and TAMC entered into a cooperative agreement to move forward with re-evaluation of FORA's transportation obligations and related fee allocations. TAMC, working with the Association of Monterey Bay Area Governments (AMBAG) and FORA, completed that re-evaluation. TAMC's recommendations are enumerated in the "FORA Fee Reallocation Study" dated April 8, 2005; the date the FORA Board of Directors approved the study for inclusion in the FORA CIP. The complete study can be found online at www.fora.org, under the Documents menu.

TAMC's work with AMBAG and FORA resulted in a refined list of FORA transportation obligations that are synchronous with the TAMC Regional Transportation Plan (RTP). Figure 1 illustrates the refined FORA transportation obligations that are further defined in Table 1. Figure 2 reflects completed transportation projects, remaining transportation projects with FORA as lead agency, and remaining transportation projects with others as lead agency (described below). Similar to the 2005 "FORA Fee Reallocation Study" effort, FORA and TAMC will work together on a FORA Fee Reallocation Study in FY 2015/16 (funded in the FORA FY 2015/16 operating budget).

Transit

The 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) reflected a preferred route for the multi-modal corridor different than what was presented in the BRP, FEIR and previous CIPs. The BRP provided for a multi-modal corridor (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. Long-range planning for transit service resulted in an alternative Intergarrison/Reservation/Davis Roads corridor to increase habitat protection and fulfill transit service needs between the Salinas area and Peninsula cities and campuses.

A series of stakeholder meetings were conducted to advance adjustments and refinements to the proposed multi-modal corridor plan-line. Stakeholders included, but were not limited to, TAMC, MST, FORA, City of Marina, Monterey County, California State University Monterey Bay (CSUMB), and the University of California Monterey Bay Education, Science and Technology Center. The stakeholders completed a Memorandum of Agreement (MOA) outlining the new alignment of the multi-modal transit corridor plan line in February 2010. Since all stakeholders have signed the MOA, the FORA Board designated the new alignment and rescinded the original alignment on December 10, 2010.

Over the last year, TAMC re-evaluated the MMC route and held stakeholder and public outreach meetings to determine how to best meet the transit needs of the community. They have selected Imjin Parkway/Reservation Road/Davis Road as the preferred alternative. TAMC anticipates requesting FORA Board concurrence, adopting the final MMC alignment and preparing a new MOA to supersede the 2010 MOA alignment this calendar year. Full build-out of the MMC route is expected to take 20 years.

Lead Agency Status

FORA has served as lead agency in accomplishing the design, environmental approval and construction activities for all capital improvements considered basewide obligations under the BRP and this CIP. As land transfers continue and development gains momentum, certain basewide capital improvements may be advanced by the land use jurisdictions and/or their developers.

As of this writing, reimbursement agreements are in place with Monterey County and the City of Marina for several FORA CIP transportation projects. Table 2 identifies those projects. FORA's obligation toward those projects is financial, as outlined in the reimbursement agreements. FORA's obligation toward projects for which it serves as lead agent is the actual project costs. Other like reimbursement agreements may be structured as development projects are implemented and those agreements will be noted for the record.

Figure 1

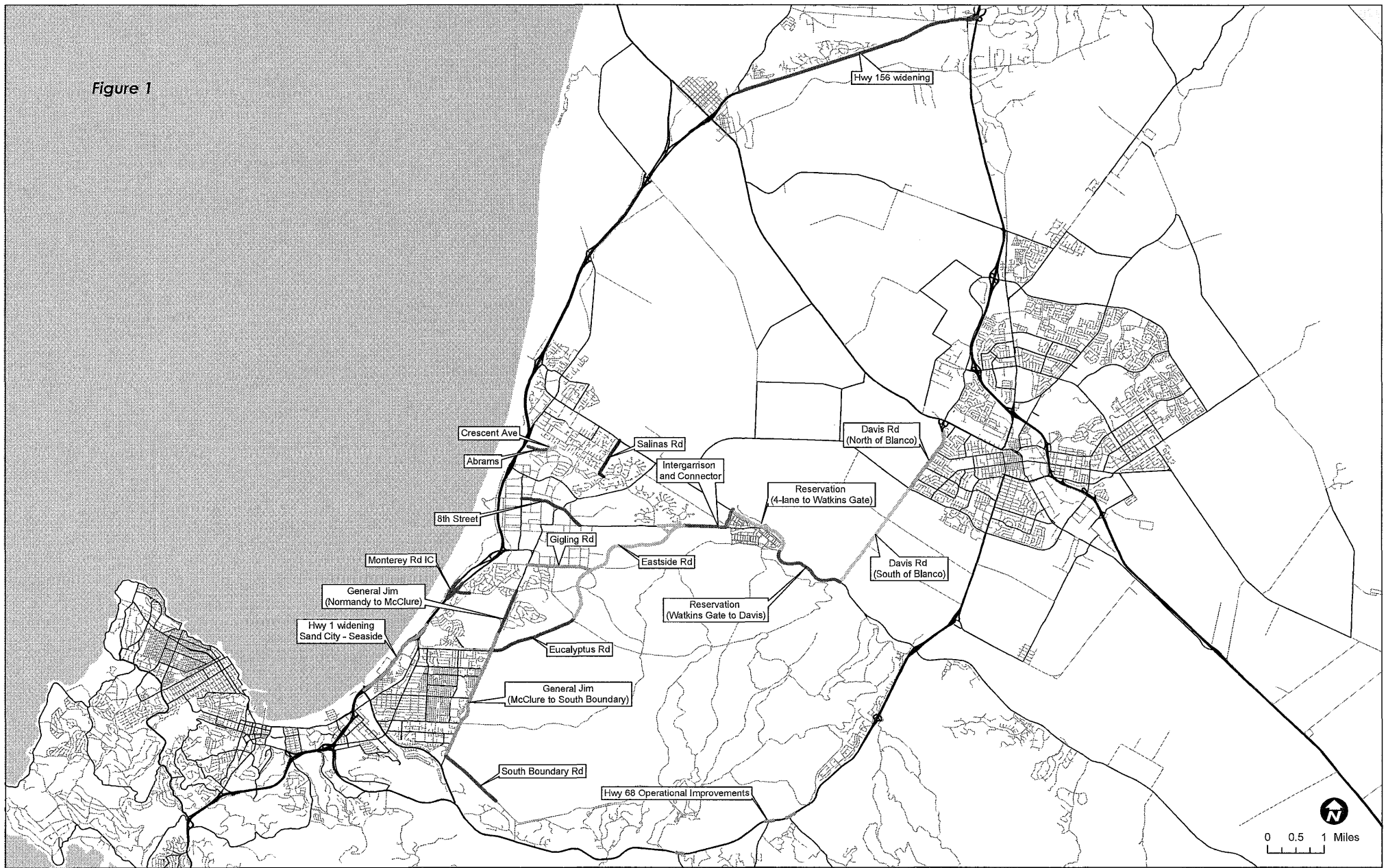
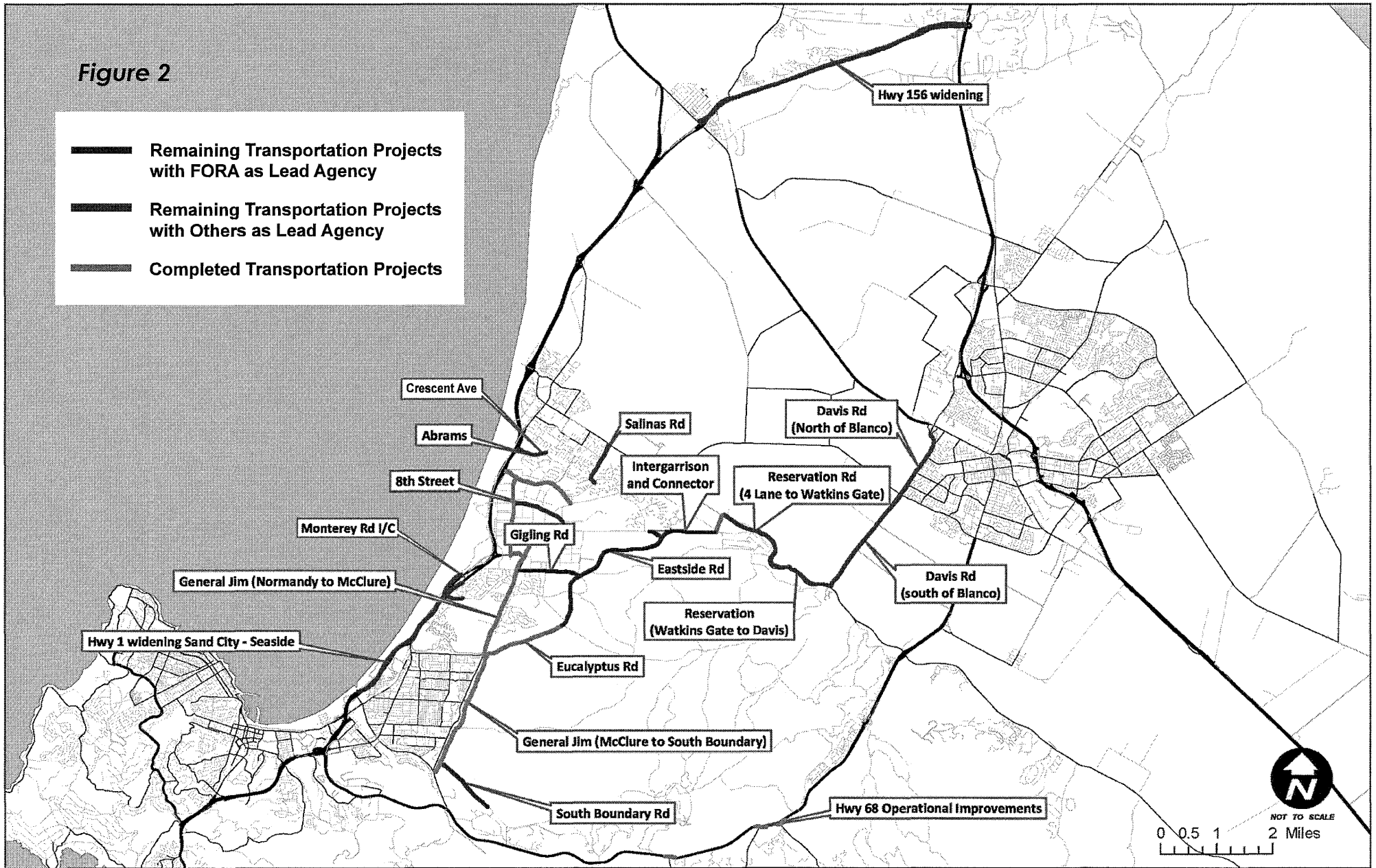


Figure 2



b) Water Augmentation

The Fort Ord BRP identifies availability of water as a resource constraint. The BRP anticipated build out development density utilizes the 6,600 acre-feet per year (AFY) of available groundwater supply, as described in BRP Appendix B (PFIP section p 3-63). In addition to groundwater supply, the BRP assumes an estimated 2,400 AFY augmentation to achieve the permitted development level as reflected in the BRP (Volume 3, figure PFIP 2-7).

FORA has contracted with Marina Coast Water District (MCWD) to implement a water augmentation program. Following a comprehensive two-year process of evaluating viable options for water augmentation, the MCWD Board of Directors certified, in October 2004, a 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 water projects).

In June 2005, MCWD staff and consultants, working with FORA staff and Administrative Committee, recommended the hybrid project to the FORA and MCWD Boards of Directors. 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. However, a 2013 MCWD rate study recommended removing that "voluntary contribution" from the MCWD 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 increased augmentation program project costs (as designs were refined); MCWD and the Monterey Regional Water Pollution Control Agency (MRWPCA) negotiations regarding the recycled component of the project were not accomplished in a timely manner; and the significant economic downturn (2008-2012). These factors deferred the need for the augmentation program and provided an opportunity to consider the alternative "Regional Plan" as the preferred project for the water augmentation program.

At the April 2008 FORA Board meeting, the Board endorsed the Regional Plan as the preferred plan to deliver the requisite 2,400 AFY of augmenting water to the 6,600 AFY groundwater entitlements. Since that time, the Regional Plan was designated by the State Public Utilities Commission as the preferred environmental alternative and an agreement in principal to proceed entered into by Cal-Am, MCWD and MRWPCA. Given a conflict of interest with the Regional Plan approvals, the parties halted the project. MCWD is still contractually obligated to provide an augmented source for the former Fort Ord as distinct from the Regional Project. The proposed CIP defaults to the prior Board approved 'hybrid' project that MCWD has performed CEQA for and is contractually required to implement.

At the March and April 2015 FORA Board meetings, MCWD presented a water augmentation program status update and requested FORA Board concurrence in proceeding with a contract to deliver 10% designs for a 2,700 AFY desalination plant (2,400 AFY would be provided to the former Fort Ord). FORA Board members accepted the reports provided at these meetings, but did not take a vote on MCWD's recommendation. MCWD staff indicated that it will continue to pursue the previously approved 'hybrid' project.

c) Storm Drainage System Projects

FORA completed the construction and demolition project as of January 2004. Table 3 reflects this obligation having been met. Background information can be found in previous CIP documents online at www.fora.org.

d) Habitat Management Requirements

The BRP Appendix A, Volume 2 contains the Draft Habitat Management Program (HMP) Implementing/Management Agreement. This Management Agreement defines the respective rights and obligations of FORA, its member agencies, California State University and the University of

California with respect to implementation of the HMP. To allow FORA and its member agencies to implement the HMP and BRP in compliance with the Endangered Species Act, the California Endangered Species Act, and other statutes, the US Fish & Wildlife Service (USFWS) and the California Department of Fish & Wildlife (CDFW) must also 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 Cooperative's (the future HCP Joint Powers Authority) habitat lands by qualified non-profit habitat managers. 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, University of California (UC), CSUMB, Monterey Peninsula College (MPC), Monterey Peninsula Regional Park District, Bureau of Land Management and MCWD. The Cooperative will hold the Cooperative endowments, and UC will hold the Fort Ord Natural Reserve (FONR) endowment. The Cooperative will control expenditure of its annual line items. FORA will fund 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% of Development Fee collections to build to a total endowment of principal funds necessary to produce an annual income sufficient to carry out required habitat management responsibilities in perpetuity. The original estimate was developed by an independent consultant retained by FORA and totaled \$6.3M.

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 \pm \$40M line item of forecasted requisite expenditures (see Table 3 column '2005-15' amount of \$7,665,830 plus column '2015-16 to Post FORA Total' amount of \$34,067,170). 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, included \$20.3M in current dollars 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. It is expected that the final endowment amount will 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 screencheck draft HCP prepared in March 2015 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 \$1.8 million in annual costs, estimated in 2014 dollars, approximately 34% is associated with habitat management and restoration, 27% for program administration and reporting, 23% for species monitoring, and 16% 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 previous CIP documents online at www.fora.org.

f) Building Removal Program

As a basewide obligation, the BRP includes the removal of building stock to make way for redevelopment, remove environmental hazards, and blight in certain areas of the former Fort Ord. In FY 01/02 the FORA Board established policy regarding building removal obligations that has been sustained since that time. For example, one of FORA's obligations includes some City of Seaside Surplus II buildings. The policy fixes the overall FORA funding obligation to Surplus II at \$4M, and the City

of Seaside decides which buildings to remove. The FORA Board additionally established criteria to address how the building removal program would proceed at Surplus II: 1) buildings must be within Economic Development Conveyance parcels; 2) building removal is required for redevelopment; 3) buildings are not programmed for reuse; and, 4) buildings along Gigling Road potentially fit the criteria. When the City of Seaside, working with any developer, determines which buildings should be removed, FORA would forego a portion of land sale proceeds in an amount commensurate with actual costs, up to \$4M (December 1996 Reimer Associates Fort Ord Demolition Study). All jurisdictions have been treated in a similar manner but have widely varying building removal needs that FORA accommodates with available funds.

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

In August 2005, FORA entered into an MOA with the City of Marina Redevelopment Agency and Marina Community Partners (MCP), assigning FORA \$46M in building removal costs within the Dunes on Monterey Bay project area and MCP the responsibility for the actual removal. FORA paid \$22M and MCP received FORA land sale credits of \$7M out of a total \$24M in available credits for building removal costs. \$29M of FORA's \$46M building removal obligation was thus completed as agreed by the City of Marina and MCP in 2007. FORA will fund its remaining \$17M building removal obligation through land sales credits as the City of Marina transfers its Fort Ord lands to MCP for future phases of the Dunes on Monterey Bay project.

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 \$2.1M against FORA's portion of land sale proceeds. Building removal in the East Garrison project area is now complete. Since this agreement was made, the property was acquired by a new entity who is complying with the financial terms of the MOA.

FORA's remaining building removal obligations include the former Fort Ord stockade within the City of Marina (\pm \$2.2M) and, as previously discussed, buildings in the City of Seaside's Surplus II area (\pm \$4M). In 2011, FORA, at the direction of the City of Seaside, removed a building in the Surplus II area which is explained in more detail in Appendix C. FORA will continue to work closely with the Cities of Marina and Seaside as new specific plans are prepared for those areas.

Since 1996 FORA has been aggressively reusing, redeveloping, and/or deconstructing former Fort Ord buildings in environmentally sensitive ways to reuse or reclaim significant building materials. FORA has worked closely with the regulatory agencies and local contractors to safely abate hazardous materials, maximize material reuse and recycling, and create an educated work force that can take advantage of the jobs created on the former Fort Ord. FORA (supported by Seaside and CSUMB) has submitted a grant request to the EDA for \$320,000 to survey hazardous materials and develop a business plan and cost estimates for removing the Surplus II buildings. FORA, CSUMB and the jurisdictions continue to leverage the accumulated expertise and experience and focus on environmentally sensitive reuse, removal of structures, and recycling remnant structural and site materials, while applying lessons learned from past FORA efforts to "reduce, reuse and recycle" materials from former Fort Ord structures as described in Appendix C.

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 with respect to anticipated development. MCWD is engaged in the FORA CIP process, and adjusts its program coincident with the FORA CIP.

In 1997, the FORA Board established a Water and 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 rate 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. Capital improvements for the system(s) are approved on an annual basis by the MCWD and FORA Boards. See Appendix E for the FY 2015/16 Ord Community CIP list.

h) Property Management and Caretaker Costs

During the EPS Phase I CIP Review process in FY 10/11, 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." The EPS Phase I CIP Study identified \$16M in FORA CIP contingencies to cover such costs. These obligations are not BRP required CEQA mitigations, but are considered basewide obligations (similar to FORA's building removal obligation). In order to reduce contingencies, this \$16M item was excluded from the CIP cost structure used as the original basis for the 2011-12 CFD Special Tax fee reductions.

However, the Board recommended that a "Property Management/Caretaker Costs" line item be added back as an obligation to cover basewide property management costs, should they be demonstrated.

As a result of EPS's Phase II CIP Review analysis in FY 11/12 and FY 12/13, FORA agreed to reimburse its five member jurisdictions up to \$660,000 in annual funding for these expenses based on past experience, provided sufficient land sales revenue is available and jurisdictions are able to demonstrate property management/caretaker costs. Additional detail concerning this analysis is provided under Appendix D. These expenses are shown in Table 5 – Land Sales as a deduction prior to net land sales proceeds. The expenses in this category (FY 15/16 through Post-FORA) are planning numbers and are not based on identified costs. EPS's analysis also assumes that, as jurisdictions sell former Fort Ord property, their property management/caretaker costs will diminish.

III. FY 2015/2016 THROUGH POST-FORA CAPITAL IMPROVEMENT PROGRAM

Background Information/Summary Tables

Table 1 graphically depicts fiscal offsets of completed projects that have reduced BRP obligations. Since 1995, FORA has advanced approximately \$77M in capital projects and BRP obligations. These projects have been predominantly funded by EDA grants, loan proceeds and developer fees. Developer fees are the primary funding source for FORA to continue meeting its mitigation obligations under the BRP. Table 1 includes fiscal offsets inclusive of not only completed projects, but also funded projects to-be-completed during the course of the next fiscal year. The column 'FORA Portion' has been annually inflated after applying offsets by the ENR CCI to the 'Transportation/Transit Totals' amount of \$118,180,369, which appears in the column 'FORA Remaining Obligation Inflated.' As previously noted, work concluded in conjunction with TAMC and AMBAG has resulted in modification of transportation obligations for consistency with current transportation planning at the regional level.

Table 2 details current TAMC recommendations that are compatible with the RTP, and "time places" transportation and transit obligations over the CIP time horizon.

A summary of the CIP project elements and their forecasted costs and revenues are presented in Table 3. Annual updates of the CIP will continue to contain like summaries and account for funding received and applied against required projects. Under section "A. CIP projects funded by CFD development fees" "Other Revenues" "Property Taxes," column "2005-15" shows that FORA collected and spent approximately \$5.8M in property taxes for CIP projects, which were primarily ESCA change

orders and CIP road projects. FORA property tax collections are forecasted from FY 2015/16 to 2019/20 based on FORA-Jurisdictions Implementation Agreement (IA) Amendments. The IA Amendments designate that 90% of FORA property tax revenue from new assessed value after July 1, 2012 will fund FORA CIP projects, while the remaining 10% will go to former Fort Ord jurisdictions for economic development. The "Property Tax Sharing Costs" under "Other Costs & Contingency" reflect 10% of FORA Property Taxes to be paid to the jurisdictions.

Table 4, Community Facilities District Revenue, reflects forecasted annual revenue from CFD fee collection. On an annual basis, FORA requests updated development forecasts from its member agencies as a component of FORA's CIP preparation process. The five land use jurisdictions and other agencies with land use authority on former Fort Ord provide updated development forecasts for Table A1: Residential Annual Land Use Construction and Table A2: Non-Residential Annual Land Use Construction (Appendix B). FORA staff reviews the submitted development forecasts to ensure that BRP resource limitations are met (i.e. 6,160 New Residential Unit limit, etc.). FORA staff may make adjustments to the forecasts based on past experience. In previous years, jurisdictions' forecasts have been overly optimistic. In this FY 2015/16 CIP, FORA staff included development forecasts as submitted by the land use jurisdictions in March and April 2015. See '1) Periodic CIP Review and Reprogramming' on page 3 of this document for additional information.

FORA staff applied the anticipated FORA CFD special tax/Development Fee Schedule rates as of July 1, 2015 to produce Table 4 – Community Facilities District Revenue projections (see Appendix A for more information).

Table 5 - Land Sale Revenue reflects land sales projections using the methodology from EPS's Phase III CIP Review. In its CIP review Study, EPS projected future FORA land sales from July 1, 2014 through June 30, 2022. EPS's land sales projections are found in Table B-1 included in Attachment C to Item 10b, May 16, 2014 FORA Board Packet. For this FY 2015/16 CIP, FORA staff based its land sale revenue forecasts using the same underlying assumptions as Table B-1. Using past land sales transactions on former Fort Ord where FORA received 50% of the proceeds, FORA determined an underlying land value of \$172,000 per acre of land. This value was applied to future available development acres to forecast land sale revenue, assuming the land sale would precede actual development by one year. As in Table B-1, FORA staff calculated FORA's 50% share of the projected land sales proceeds, then deducted estimated caretaker costs, FORA costs, and other obligations (Initiatives, Petitions, Pollution Legal Liability Insurance, etc.) from the land sales revenue projections. Finally, FORA staff applied a discount rate of 4.85% prior to determining net FORA land sales proceeds.

OBLIGATORY PROJECT OFFSETS AND REMAINING OBLIGATIONS

Project #	Project Title	Project Limits	TAMC Reallocation Study 2005		FORA Offsets 2005-2015	FORA Remaining Obligation	FORA Remaining Obligation Inflated
			TOTAL COST	FORA PORTION			
Regional Improvements							
R3	Hwy 1-Seaside Sand City	Widen highway 1 from 4 lanes to 6 lanes from Fremont Avenue Interchange south to the Del Monte Interchange	45,000,000	15,282,245	-	21,844,326	22,540,523
R10	Hwy 1-Monterey Rd. Interchange	Construct new interchange at Monterey Road	19,100,000	2,496,648	-	3,588,690	3,682,427
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	197,000,000	7,092,169	-	10,137,494	10,460,585
R12	Hwy 68 Operational Improvements	Operational improvements at San Benancio, Laureles Grade and at Corral De Tierra including left turn lanes and improved signal timing	9,876,000	223,660	312,205	-	-
Subtotal Regional			270,976,000	25,094,722	312,205	35,550,510	36,683,535
Off-Site Improvements							
1	Davis Rd n/o Blanco	Widen to 4 lanes from the SR 183 bridge to Blanco	3,151,000	506,958	-	724,642	747,737
2B	Davis Rd s/o Blanco	Widen to 4 lanes from Blanco to Reservation; Build 4 lane bridge over Salinas River	22,555,000	8,654,502	462,978	11,872,366	12,250,749
4D	Widen Reservation-4 lanes to WG	Widen to 4 lanes from existing 4 lane section East Garrison Gate to Watkins Gate	10,100,000	3,813,916	476,584	4,861,777	5,016,726
4E	Widen Reservation, WG to Davis	Widen to 4 lanes from Watkins Gate to Davis Rd	5,500,000	2,216,321	-	3,167,992	3,268,959
8	Crescent Ave extend to Abrams	Extend existing Crescent Court Southerly to join proposed Abrams Dr (FO2)	906,948	906,948	-	1,296,385	1,337,702
Subtotal Off-Site			42,212,948	16,098,645	939,562	21,923,162	22,621,872
On-Site Improvements							
FO2	Abrams	Construct a new 2-lane arterial from intersection with 2nd Ave easterly to intersection with Crescent Court extension	759,569	759,569	-	1,085,722	1,120,325
FO5	8th Street	Upgrade/construct new 2-lane arterial from 2 nd Ave to Intergarrison Rd	4,340,000	4,340,000	1,018,890	6,161,859	5,306,880
FO6	Intergarrison	Upgrade to a 4-lane arterial from Eastside Rd to Reservation	4,260,000	4,260,000	1,559,469	4,177,827	4,310,978
FO7	Gigling	Upgrade/Construct new 4-lane arterial from General Jim Moore Blvd easterly to Eastside Rd	5,722,640	5,722,640	353,510	7,723,385	7,969,536
FO9B (Ph-II)	GJM Blvd-Normandy to McClure	Widen from 2 to 4 lanes from Normandy Rd to McClure	24,065,000	24,065,000	6,252,156	-	-
FO9B (Ph-III) [1]	GJM Blvd-s/o McClure to s/o Coe	Widen from 2 to 4 lanes from McClure to Coe			3,476,974	-	-
FO9C	GJM Blvd-s/o Coe to S Boundary	Widen from 2 to 4 lanes from s/o Coe to South Boundary Rd			13,698,746	1,010,497	1,042,702
FO11	Salinas Ave	Construct new 2 lane arterial from Reservation Rd southerly to Abrams Dr	3,038,276	3,038,276	-	4,342,888	4,481,300
FO12	Eucalyptus Rd	Upgrade to 2 lane collector from General Jim Moore Blvd to Eastside Rd to Parker Flats cut-off	5,800,000	5,800,000	5,328,055	496,803	512,637
FO13B	Eastside Pkwy (New alignment)	Construct new 2 lane arterial from Eucalyptus Rd to Parker Flats cut-off to Schoonover Dr	12,536,370	12,536,370	510,000	17,357,353	17,910,547
FO14	S Boundary Road Upgrade	Upgrade to a 2 lane arterial, along existing alignment from General Jim Moore Blvd to York Rd	2,515,064	2,515,064	338,986	3,149,893	3,250,283
Subtotal On-Site			63,036,919	63,036,919	32,536,786	45,506,227	45,905,187
Transportation Totals			376,225,867	104,230,286	33,788,553	102,979,899	105,210,594
[1] Remaining construction may be phased in future CIP documents based on available funds and habitat/environmental clearance.							
Transit Capital Improvements							
T3	Transit Vehicle Purchase/Replace	15 busses	15,000,000	6,298,254	378,950	8,544,796	8,817,126
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	3,800,000	4,786,673		6,655,674	6,867,796
Transit Totals			18,800,000	11,084,926	378,950	15,200,470	15,684,922
Transportation/Transit Totals			395,025,867	115,315,212	34,167,503	118,180,369	120,895,516
Previous Offsets 1995 - 2004							
1. Transportation/Transit - TAMC Study 1995							
FORA offsets against obligations for transportation/transit network per 1995 TAMC Study from 1995-2004. Funded by EDA grant funds, state and local matching funds, revenue bond proceeds, development fees.					32,235,648		
2. Storm Drainage System							
Retain/Percolate stormwater; eliminate discharge of stormwater to Monterey Bay Sanctuary. Project completed/financial obligation met in 2004. Funded by EDA grant proceeds.					1,631,951		
TOTAL CUMULATIVE OFFSETS AGAINST TRANSPORTATION/TRANSIT AND STORM DRAINAGE PROJECTS TO DATE					68,035,102		

TABLE 1

TRANSPORTATION NETWORK AND TRANSIT ELEMENTS

Lead Agency	Regional Improvements									
	Proj#	Description	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
TAMC/Caltrans	R3a	Hwy 1-Del Monte-Fremont-MBL						22,540,523	22,540,523	R3
TAMC/Caltrans	R10	Hwy 1-Monterey Rd. Interchange						3,682,427	3,682,427	R10
TAMC/Caltrans	R11	Hwy 156-Freeway Upgrade				5,000,000	5,460,585		10,460,585	R11
Subtotal Regional			-	-	-	5,000,000	5,460,585	26,222,950	36,683,535	
Off-Site Improvements										
	Proj#	Description	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
Monterey County	1	Davis Rd north of Blanco		500,000	247,737				747,737	1
Monterey County	2B	Davis Rd south of Blanco	400,000			2,600,000	3,250,749	6,000,000	12,250,749	2B
Monterey County	4D	Widen Reservation-4 lanes to WG				1,300,000	2,216,726	1,500,000	5,016,726	4D
Monterey County	4E	Widen Reservation, WG to Davis				1,000,000	1,268,959	1,000,000	3,268,959	4E
City of Marina	8	Crescent Ave extend to Abrams	200,000	200,000	550,000	387,702			1,337,702	8
Subtotal Off-Site			600,000	700,000	797,737	5,287,702	6,736,434	8,500,000	22,621,872	
On-Site Improvements										
	Proj#	Description	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
City of Marina	FO2	Abrams	200,000	200,000	720,325				1,120,325	FO2
City of Marina	FO5	8th Street			2,500,000	2,000,000	806,880		5,306,880	FO5
FORA	FO6	Intergarrison	150,000	500,000	1,350,000	2,310,978			4,310,978	FO6
FORA	FO7	Gigling	150,000	500,000	3,325,000	3,994,536			7,969,536	FO7
FORA	FO9C	GJM Blvd			1,042,702				1,042,702	FO9C
City of Marina	FO11	Salinas Ave			2,200,000	2,281,300			4,481,300	FO11
FORA	FO12	Eucalyptus Road	150,000		362,637				512,637	FO12
FORA	FO13B	Eastside Parkway	500,000	2,050,000	4,450,000	8,200,000	2,710,547		17,910,547	FO13B
FORA	FO14	South Boundary Road Upgrade	950,000	1,050,000	1,250,283				3,250,283	FO14
Subtotal On-Site			2,100,000	4,300,000	17,200,947	18,786,814	3,517,427	-	45,905,187	
Transportation Totals			2,700,000	5,000,000	17,998,684	29,074,516	15,714,446	34,722,950	105,210,594	
Transit Capital Improvements										
	Proj#	Description	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	POST FORA	TOTALS	Proj#
MST	T3	Transit Vehicle Purchase/Replace			2,000,000	2,000,000	2,000,000	2,817,126	8,817,126	T3
MST	T22	Intermodal Centers					4,000,000	2,867,796	6,867,796	T22
Subtotal Transit			-	-	2,000,000	2,000,000	6,000,000	5,684,922	15,684,922	
Transportation and Transit GRAND TOTALS			2,700,000	5,000,000	19,998,684	31,074,516	21,714,446	40,407,872	120,895,516	

TABLE 2

SUMMARY OF CAPITAL IMPROVEMENT PROGRAM 2015/16 - POST FORA

	2005-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post FORA	2015-16 to Post FORA Total
A. CIP PROJECTS FUNDED BY CFD DEVELOPMENT FEES								
Dedicated Revenues								
Development Fees	28,387,335	5,585,000	11,906,000	15,356,000	23,344,000	31,653,000	78,632,000	166,476,000
Other Revenues								
Property Taxes	5,796,078	379,468	553,386	1,082,753	1,747,155	2,740,170	-	6,502,932
Loan Proceeds (1)	7,926,754							-
Federal Grants (2)	6,426,754							-
CSU Mitigation fees	2,326,795							-
Miscellaneous (Rev Bonds, Interest, CFD credit)	3,578,191	70,000	-	-	-	-	-	70,000
TOTAL REVENUES	54,441,907	6,034,468	12,459,386	16,438,753	25,091,155	34,393,170	78,632,000	173,048,932
Expenditures								
Projects								
Transportation/Transit	34,167,503	2,700,000	5,000,000	19,998,684	31,074,516	21,714,446	40,407,872	120,895,516
Water Augmentation [CEQA Mitigation]	561,780		1,590,600	1,535,600	2,334,400	3,165,300	15,389,748	24,015,648
Storm Drainage System [Completed by 2005]	[Table 1]							-
Habitat Management	7,665,830	1,756,670	3,595,612	4,637,512	7,049,888	6,144,144	9,150,344	32,334,170
Fire Rolling Stock	1,160,000	-	-	-	-	-	-	-
Total Projects	43,555,113	4,456,670	10,186,212	26,171,796	40,458,804	31,023,890	64,947,964	177,245,334
Other Costs & Contingency (3)								
Additional CIP Costs	3,034,400	-	-	-	-	-	18,134,327	18,134,327
Habitat Mgt. Contingency	930,874	91,433	-	-	-	-	20,283,097	20,374,530
CIP/FORA Costs	1,325,690	605,953	400,000	400,000	400,000	395,491	-	2,201,444
Property Tax Sharing Costs		37,947	55,339	108,275	174,716	274,017	-	650,293
Other Costs (Debt Service) (4)	5,595,830	-	-	-	-	-	-	-
Total Other Costs & Contingency	10,886,794	735,333	455,339	508,275	574,716	669,508	38,417,424	41,360,595
TOTAL EXPENDITURES	54,441,907	5,192,003	10,641,551	26,680,071	41,033,520	31,693,398	103,365,388	218,605,929
Net Annual Revenue		842,466	1,817,835	(10,241,319)	(15,942,364)	2,699,772	(24,733,388)	
Beginning Balance		-	842,466	2,660,301	(7,581,017)	(23,523,382)	(20,823,609)	
Ending Balance CFD & Other	-	842,466	2,660,301	(7,581,017)	(23,523,382)	(20,823,609)	(45,556,998)	(45,556,997)
B. CIP PROJECTS FUNDED BY LAND SALE REVENUES								
Dedicated Revenues								
Land Sales (5)	49,221,940	485,000	2,127,606	9,370,287	14,908,759	9,829,367	12,829,326	49,550,343
Land Sales - Credits	6,767,300		6,750,000		-	-	12,659,700	19,409,700
Other Revenues (6)	1,425,000			-	-	-	-	-
Loan Proceeds (1)	7,500,000	3,000,000	-	-	-	-	-	3,000,000
Total Revenues	64,914,240	3,485,000	8,877,606	9,370,287	14,908,759	9,829,367	25,489,026	71,960,043
Expenditures								
Projects								
Building Removal	28,767,300	6,500,000	6,750,000	-	-	-	12,659,700	25,909,700
Other Costs (Loan Pay-off, Debt Financing)	17,817,383	69,500	1,560,000	1,560,000	-	-	-	3,189,500
TOTAL PROJECTS	46,584,683	6,569,500	8,310,000	1,560,000	-	-	12,659,700	29,099,200
Other Costs & Contingency (7)								
Transfer to FORA Reserve	-	10,000,000	-	-	-	-	-	10,000,000
Building Removal Contingency	-	5,000,000	-	-	-	-	-	5,000,000
Total Other Costs & Contingency	-	15,000,000	-	-	-	-	-	15,000,000
TOTAL EXPENDITURES	46,584,683	21,569,500	8,310,000	1,560,000	-	-	12,659,700	44,099,200
Net Annual Revenue	18,329,557	(18,084,500)	567,606	7,810,287	14,908,759	9,829,367	12,829,326	
Beginning Balance	-	18,329,557	245,057	812,662	8,622,949	23,531,708	33,361,074	
Ending Balance Land Sales & Other	18,329,557	245,057	812,662	8,622,949	23,531,708	33,361,074	46,190,400	46,190,400
TOTAL ENDING BALANCE-ALL PROJECTS		1,087,523	3,472,964	1,041,932	8,326	12,537,465	633,402	633,403

Table 3 CIP Summary Table Footnotes

- (1) "Loan Proceeds": In FY 05-06 FORA obtained a line of credit (LOC) to ensure CIP obligations could be met in a timely manner, despite cash flow fluctuations. The LOC draw-downs were used to pay road design, construction and building removal invoices and were partially repaid by any available revenues committed to the CIP. In FY 09-10 FORA repaid the remaining \$9M LOC debt (\$1.5M in transportation and \$7.5M in building removal) through a loan secured by FORA's share of Preston Park. The loan also provided \$6.4M matching funds to US Department of Commerce EDA/American Recovery and Reinvestment Act (ARRA) grant funds.
- (2) "Federal grants": In FY 2010 FORA received ARRA funding to finance the construction of General Jim Moore Boulevard and Eucalyptus Road. FORA obtained a loan against its 50% share in Preston Park revenues to provide required match to the ARRA grant.
- (3) "Other Costs and Contingencies" – are subject to cash flow and demonstrated need. "Additional CIP Costs" are expenditures for transportation projects (contract change orders to the ESCA, general consulting, additional basewide expenditures, street landscaping, site conditions, project changes, additional habitat/environmental mitigation). 'Habitat Management Contingency' provides interim funding for UC Fort Ord Natural Reserve until adoption of HCP endowment and potential increase to cost. 'CIP/FORA costs' provides for FORA staff, overhead, and direct consulting costs.
- (4) "Other Costs (Debt Service)" payment of borrowed funds, principal and interest (see #1 'Loan Proceeds').
- (5) 'Land Sales' 2005-2015 total column includes land sale proceeds from the Preston Park acquisition by the City of Marina in June 2015.
- (6) 'Other revenues' applied against building removal includes Abrams B loan repayment of \$1,425,000.
- (7) 'Other Costs and Contingency' – Include: land sale proceeds to create a \$10M Reserve to fund FORA operating liabilities through 2020 and a \$5M contingency to complete building removal responsibilities, both approved by the FORA Board on May 8, 2015 with the FY 15-16 annual budget.

TABLE 4

1 of 3

Community Facilities District Revenue

	Number	Jurisdiction	2015-16 to Post-FORA Total	2015-16	2016-17	2017-18	2018-19	2019-20	Post-FORA
<u>New Residential</u>									
Marina Heights	1050	MAR	24,442,950	1,769,204	3,352,176	4,190,220	4,329,894	4,190,220	6,611,236
The Promontory		MAR	-	-	-	-	-	-	-
Dunes on Monterey Bay	1237	MAR	25,746,574	1,396,740	2,095,110	2,095,110	2,095,110	2,095,110	15,969,394
TAMC Planned	200	MAR	4,655,800	-	-	-	2,327,900	2,327,900	-
CSUMB Planned		CSU	572,663	-	-	174,593	174,593	174,593	48,886
UC Planned	240	UC	5,586,960	-	931,160	931,160	931,160	931,160	1,862,320
East Garrison I	1472	MCO	28,167,590	2,095,110	2,095,110	2,560,690	2,560,690	2,560,690	16,295,300
Seaside Highlands Homes	152	SEA	-	-	-	-	-	-	-
Seaside Resort Housing	126	SEA	2,816,759	46,558	46,558	46,558	93,116	139,674	2,444,295
Seaside Planned	987	SEA	23,185,884	-	3,142,665	-	2,327,900	9,078,810	8,636,509
Del Rey Oaks Planned	691	DRO	16,085,789	-	-	-	-	3,026,270	13,059,519
Other Residential Planned	8	Various	-	-	-	-	-	-	-
<u>Existing/Replacement Residential</u>									
Preston Park	352	MAR	-	-	-	-	-	-	-
Cypress Knolls	400	MAR	9,311,600	-	-	-	2,327,900	2,327,900	4,655,800
Abrams B	192	MAR	-	-	-	-	-	-	-
MOCO Housing Authority	56	MAR	-	-	-	-	-	-	-
Shelter Outreach Plus	39	MAR	-	-	-	-	-	-	-
Veterans Transition Center	13	MAR	-	-	-	-	-	-	-
Interim Inc	11	MAR	-	-	-	-	-	-	-
Sunbay (former Thorson Park)	297	SEA	-	-	-	-	-	-	-
Brostrom	225	SEA	-	-	-	-	-	-	-
Seaside Highlands	228	SEA	-	-	-	-	-	-	-
<u>Office</u>									
Del Rey Oaks Planned		DRO	80,126	-	80,126	-	-	-	-
Monterey Planned		MRY	144,532	-	-	-	-	-	144,532
East Garrison I Office Development		MCO	6,811	-	2,804	-	2,003	-	2,003
Imjin Office Park		MAR	4,207	4,207	-	-	-	-	-
Dunes on Monterey Bay		MAR	114,179	-	10,016	10,016	20,031	20,031	54,085
Cypress Knolls Community Center		MAR	3,205	-	-	3,205	-	-	-
Interim Inc. - Rockrose Gardens		MAR	-	-	-	-	-	-	-
				5,909	5,909	5,909	5,909	5,909	11,819
TAMC Planned		MAR	8,013	-	-	-	4,006	4,006	-
Seaside Planned		SEA	90,542	-	-	-	20,432	-	70,110
UC Planned		UC	40,063	-	-	8,013	8,013	8,013	16,025

TABLE 4

TABLE 4

2 of 3

Community Facilities District Revenue

	Number	Jurisdiction	2015-16 to Post-FORA Total	2015-16	2016-17	2017-18	2018-19	2019-20	Post-FORA
<u>Industrial</u>									
Monterey Planned		MRY	37,908	-	-	-	-	-	37,908
Industrial – City Corp. Yard		MAR	-	-	-	-	-	-	-
Dunes on Monterey Bay		MAR	-	-	-	-	-	-	-
Cypress Knolls Support Services		MAR	1,052	-	-	1,052	-	-	-
Marina Planned		MAR	-	-	-	-	-	-	-
TAMC Planned		MAR	6,135	-	-	-	3,067	3,067	-
Seaside Planned		SEA	21,966	-	-	-	-	21,966	-
UC Planned		UC	17,528	-	-	3,506	3,506	3,506	7,011
<u>Retail</u>									
Del Rey Oaks Planned		DRO	28,890	-	28,890	-	-	-	-
East Garrison I Retail		MCO	231,122	-	115,561	115,561	-	-	-
Cypress Knolls Community Center		MAR	-	-	-	-	-	-	-
Dunes on Monterey Bay		MAR	1,063,162	173,342	-	889,820	-	-	-
TAMC Planned		MAR	433,354	-	-	-	216,677	216,677	-
Seaside Resort Golf Clubhouse		SEA	94,182	94,182	-	-	-	-	-
Seaside Planned		SEA	9,629,126	-	-	1,733,416	3,995,524	-	3,900,186
UC Planned		UC	1,817,198	-	-	303,348	453,577	303,348	756,925
<u>Hotel (rooms)</u>									
Del Rey Oaks Planned	550	DRO	2,854,500	-	-	-	-	2,854,500	-
Dunes - Limited Service	100	MAR	-	-	-	-	-	-	-
Dunes - Full Service	400	MAR	2,076,000	-	-	2,076,000	-	-	-
Seaside Golf Course Hotel	330	SEA	1,712,700	-	-	207,600	145,320	1,359,780	-
Seaside Golf Course Timeshares	170	SEA	882,300	-	-	-	-	-	882,300
Seaside Planned	570	SEA	4,463,400	-	-	-	1,297,500	-	3,165,900
UC Planned	0	UC	-	-	-	-	-	-	-
Total			\$ 166,476,000	\$ 5,585,000	\$ 11,906,000	\$ 15,356,000	\$ 23,344,000	\$ 31,653,000	\$ 78,632,000

TABLE 4

TABLE 5
Land Sale Revenue

	Jurisdiction	2015-16 to Post-FORA Total	2015-16	2016-17	2017-18	2018-19	2019-20	Post-FORA
<u>New Residential</u>								
Seaside Planned	SEA	28,344,226	-		3,228,038	12,778,190	12,337,997	
Del Rey Oaks Planned	DRO	17,000,000	-	-		17,000,000		
Other Residential Planned	Various	906,232	906,232					
<u>Existing/Replacement Residential</u>								
Preston Park	MAR	-						
Cypress Knolls	MAR	13,205,593			3,228,038	3,276,459	3,325,606	3,375,490
<u>Office</u>								
Del Rey Oaks Planned	DRO	-		-				
Monterey Planned	MRY	15,974,662						15,974,662
Marina Planned	MAR	2,469,475	363,768	369,224	578,129	380,384	386,090	391,881
Seaside Planned	SEA	5,925,592	-	-	1,295,789	-	1,308,778	3,321,025
<u>Industrial</u>								
Monterey Planned	MRY	2,513,891	-	-	-	-	-	2,513,891
Cypress Knolls Support Services	MAR	65,709	-	65,709	-	-	-	-
Seaside Planned	SEA	1,413,932	-	-	-	1,413,932	-	-
<u>Retail</u>								
Del Rey Oaks Planned	DRO	-						
Cypress Knolls Community Center	MAR	-						
Seaside Planned	SEA	28,769,697	-	5,179,063	11,937,741	-	5,696,970	5,955,923
<u>Hotel (rooms)</u>								
Del Rey Oaks Planned	DRO	-						
Seaside Planned	SEA	4,254,737	-	-	1,236,842	-	989,474	2,028,421
Subtotal: Estimated Transactions		120,843,746	1,270,000	5,613,997	21,504,577	34,848,964	24,044,915	33,561,293
FORA Share - 50%		60,421,873	635,000	2,806,998	10,752,289	17,424,482	12,022,457	16,780,647
Estimated Caretaker/Property Mgt. Costs		(2,083,202)	(150,000)	(576,204)	(451,043)	(239,591)	(142,927)	(523,437)
Net FORA Land Sales Proceeds		58,338,671	485,000	2,230,794	10,301,246	17,184,891	11,879,530	16,257,210
Net Present Value (4.85% Discount Rate)		49,550,343	485,000	2,127,606	9,370,287	14,908,759	9,829,367	12,829,326

Note #1: FORA and local jurisdiction split net land sales revenue 50/50 with FORA. Actual land sales revenue may vary from that shown here.

Note #2: Assumes per acre value of \$188,000 and that values escalate by 1.5% annually.

Appendix A

Protocol for Review/Reprogramming of FORA CIP (Revised June 21, 2013)

- 1.) Conduct quarterly meetings with the CIP Committee and joint committee meetings as needed with members from the FORA Administrative Committee. Staff representatives from the California Department of Transportation (CALTRANS), TAMC, AMBAG, and MST may be requested to participate and provide input to the joint committee.

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. The major criteria used to prioritize project placement are:

- 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 joint committee will balance projected project costs against projected revenues as a primary goal of any recommended reprogramming/reprioritization effort.

- 2.) 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 basewide project obligations include transportation/transit, water augmentation, storm drainage, habitat management, building removal and firefighting enhancement.

This protocol also describes the method by which the basewide 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..."¹

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 2014. 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.

¹ The pertinent paragraph reads as follows:

"On each July 1, commencing July 1, 2002, the Maximum Special Tax Rates shown in Table 1 shall be increased by an amount equal to the lesser of (1) five percent (5%) or (2) the percentage change since the immediately preceding Fiscal Year in the Engineering News Record's (ENRs) Construction Cost Index (CCI) applicable to the area in which the District is located (or, if such index is no longer published, a substantially equivalent index selected by the CFD Administrator)."

Appendix B
FY 2015/16 through Post-FORA Development Forecasts

Table A1: Residential Annual Land Use Construction (dwelling units)

DRAFT		Built	Forecast plus built	DRAFT						
Land Use Type	Juris- diction			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<u>New Residential</u>										
Marina Heights (Entitled)	MAR		1,050	76	144	180	186	180	141	143
The Promontory (Entitled)	MAR									
Dunes (Entitled)	MAR	131	1,237	60	90	90	90	90	50	636
TAMC (Planned)	MAR		200				100	100		
Marina Subtotal			2,487							
CSUMB (Planned)	CSU					150	150	150	42	
UC (Planned)	UC		240		40	40	40	40	40	40
East Garrison I (Entitled)	MCO	260	1,470	90	90	110	110	110	110	590
Seaside Highlands (Entitled)	SEA	152	152							
Seaside Resort (Entitled)	SEA	3	124	2	2	2	4	6	53	52
Seaside (Planned)	SEA		996		135		100	390	371	
Seaside Subtotal			1,272							
Del Rey Oaks (Planned)	DRO		691					130	287	274
Other Residential (Planned)	Various	-	-	-	-	-	-	-	-	-
Subtotal		546	6,160	228	501	422	630	1,046	1,052	1,735
<u>Existing/Replacement Residential</u>										
Preston Park (Entitled)	MAR	352	352							
Cypress Knolls (Planned)	MAR		400				100	100	100	100
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	228	228	-	-	-	-	-	-	-
Subtotal		1,413	1,813	-	-	-	100	100	100	100
TOTAL EXISTING RESIDENTIAL			1,813							
Total		1,959	7,973	228	501	422	730	1,146	1,152	1,835

Table A2: Non-Residential Annual Land Use Construction (building square feet or hotel rooms)

DRAFT		DRAFT								
Land Use Type	Juris-diction	Built	Forecast plus built	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<u>Office</u>										
Del Rey Oaks (Planned)	DRO		400,000		400,000					
Monterey (Planned)	MRY		721,524							721,524
East Garrison I (Entitled)	MCO		34,000		14,000		10,000		10,000	
Imjin Office Park (Entitled)	MAR	28,000	49,000	21,000						
Dunes (Entitled and Planned)	MAR	190,000	760,000		50,000	50,000	100,000	100,000		270,000
Cypress Knolls (Planned)	MAR		16,000			16,000				
Interim Inc. (Entitled)	MAR	14,000	14,000							
Marina (Planned)			206,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500
TAMC (Planned)	MAR		40,000				20,000	20,000		
Seaside (Planned)	SEA		452,000				102,000		100,000	250,000
UC (Planned)	UC	-	200,000	-	-	40,000	40,000	40,000	40,000	40,000
Subtotal		232,000	2,893,024	50,500	493,500	135,500	301,500	189,500	179,500	1,311,024
<u>Industrial</u>										
Monterey (Planned)	MRY		216,275							216,275
Marina CY (Entitled)	MAR	12,300	12,300							
Dunes (Planned)	MAR		-	-	-	-				
Cypress Knolls (Planned)	MAR		6,000			6,000				
Marina Airport (Entitled)	MAR	250,000	250,000							
TAMC (Planned)	MAR		35,000				17,500	17,500		
Seaside (Planned)	SEA		125,320					125,320		
UC (Planned)	UC	38,000	138,000	-	-	20,000	20,000	20,000	20,000	20,000
Subtotal		300,300	782,895	-	-	26,000	37,500	162,820	20,000	236,275
<u>Retail</u>										
Del Rey Oaks (Planned)	DRO		5,000		5,000					
East Garrison I (Entitled)	MCO		40,000	-	20,000	20,000				
Cypress Knolls (Planned)	MAR		-							
Dunes (Entitled)	MAR	368,000	706,000	30,000		154,000				
TAMC (Planned)	MAR		75,000	-	-	-	37,500	37,500	-	-
Seaside Resort (Entitled)	SEA		16,300	16,300						
Seaside (Planned)	SEA		1,666,500			300,000	691,500	-	330,000	345,000
UC (Planned)	UC		314,500	-	-	52,500	78,500	52,500	52,500	78,500
Subtotal		368,000	2,823,300	46,300	25,000	526,500	807,500	90,000	382,500	423,500
<u>Hotel (rooms)</u>										
Del Rey Oaks (Planned)	DRO		550					550		
Dunes (Entitled)	MAR	108	108							
Dunes (Entitled)	MAR		400			400				
Seaside Resort (Entitled)	SEA		330			40	28	262		
Seaside Resort TS (Entitled)	SEA		170							170
Seaside (Planned)	SEA		860				250		200	410
UC (Planned)	UC	-	-	-	-	-	-	-	-	-
Subtotal		108	2,418	-	-	440	278	812	200	580

Appendix C

Building Removal Program to Date

FORA Pilot Deconstruction Project (PDP) 1996

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.

Lessons learned from the FORA PDP project:

- *A structure's type, size, previous use, end-use, owner, and location are important when determining the relevance of lead and asbestos regulations.*
- *Profiling the building stock by type aids in developing salvage and building removal projections.*
- *Specific market needs for reusable and recycled products drive the effectiveness of deconstruction.*
- *Knowing the history of buildings is important because:*
 - *Reusing materials is complicated by the presence of Lead Based Paint (LBP), which was originally thinned with leaded gasoline and resulted in the hazardous materials penetrating further into the substrate material.*
 - *Over time, each building develops a unique use, maintenance and repair history, which can complicate hazardous material abatement survey efforts.*
- *Additional field surveys were needed to augment existing U.S. Army environmental information. The PDP surveys found approximately 30 percent more Asbestos Containing Material (ACM) than identified by the Army.*
- *Hazardous material abatement accounts for almost 50 percent of building deconstruction costs on the former Fort Ord.*
- *A robust systematic program is needed for evaluating unknown hazardous materials early in building reuse, recycling and cleanup planning.*

FORA Survey for Hidden Asbestos 1997

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.

The survey for hidden asbestos showed:

- *The Army asbestos surveys were conducted on accessible surfaces only which is not acceptable to the Monterey Bay Unified Air Pollution Control District (MBUAPCD).*
- *Approximately 30 percent more ACM lies hidden than was identified in the Army surveys.*
- *The number one cause for slow-downs and change orders during building deconstruction is hidden asbestos (see FORA website).*

- *A comprehensive asbestos-containing materials survey must identify all ACM.*
- *All ACM must be remediated before building deconstruction begins. It is important to note that this includes non-friable ACM that has a high probability of becoming or has become friable - crumbled, pulverized, or reduced to powder by the forces expected to act on the material in the course of deconstruction.*
- *All ACM must be disposed of legally.*

FORA Hierarchy of Building Reuse 1998

In response to the PDP project, FORA developed a Hierarchy of Building Reuse (HBR) protocol to determine the highest and best method to capture and save both the embodied energy and materials that exist in the buildings on Fort Ord. The HBR is a project-planning tool. It provides direction, helps contractors achieve higher levels of sustainability, and facilitates dialogue with developers in order to promote salvage and reuse of materials in new construction projects. The HBR protocol has only been used on WWII era wooden buildings. The HBR protocol prioritizes activities in the following order:

1. *Reuse of buildings in place*
2. *Relocation of buildings*
3. *Deconstruction and salvage of building materials*
4. *Deconstruction with aggressive recycling of building materials*

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

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.

FORA Lead-Based Paint Remediation Demonstration Project 1999

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.

FORA Waste Characterization Protocol 2001

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 are able to make more informed waste management and diversion decisions resulting in savings, greater implementation of sustainable practices, and more environmentally sensitive solutions.

The following assumptions further assist decision-making for a large-scale source-based recovery program:

- *Individual buildings have been uniquely modified over time within each building type.*
- *The basewide characterization protocol was verified by comparing it with the actual waste generated during the 12th street building removal.*

FORA Building Removal for 12th Street/Imjin Parkway 2002

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.

FORA Building Removal for 2nd Avenue Widening 2003

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.

FORA/CSUMB oversight Private Material Recovery Facility Project 2004

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.

Dune WWII Building Removal 2005

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.

East Garrison Building Removal 2006 thru 2007

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

Imjin Office Park Building Removal 2007

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

FORA Removal of Building 4470 in Seaside 2011

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.

FORA/CSUMB Korean War Concrete Building Removal Business Plan Grant Application 2011

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 and Seaside property. The OEA was receptive to the idea and encouraged an application, noting that the amount available would likely be less than \$500,000. Since a large portion of the Korean War era concrete buildings are located on CSUMB property, FORA asked CSUMB to co-apply for the grant funds, which would be used to accurately identify hazardous materials in the buildings both on CSUMB and Seaside property, and to develop a Business Plan that would harness market forces to reduce building removal costs and drive economically sound building removal decisions. FORA and CSUMB have completed the grant application and submitted it to the OEA, who will consider it once federal funding becomes available.

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 the following CSUMB building removal efforts:

- 2003 removal of 22 campus buildings
- 2006 removal of 87 campus buildings
- 2007 removal of 9 campus buildings
- 2009 removal of 8 campus buildings
- 2010 removal of 33 campus buildings
- 2011 removal of 78 campus buildings
- 2013 removal of 24 campus buildings



Fort Ord Reuse Authority

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Materials for Item 7(d)(ii)

Admin. Comm. Meeting, 7/18/12

APPENDIX D

MEMORANDUM

Date: July 18, 2012

To: Fort Ord Reuse Authority ("FORA") Administrative Committee

CC: Michael A. Houlemard, Jr., Executive Officer
Steve Endsley, Assistant Executive Officer

From: Jonathan Garcia, Senior Planner

Re: **Caretaker Costs, item 7(d)(ii)**

The purpose of this memo is to provide background information on Caretaker/Property Management Costs on former Fort Ord. Over the last few months, Caretaker Costs have been discussed in conjunction with the FORA Capital Improvement Program ("CIP") Review - Phase II study/formulaic approach. It was suggested that FORA staff provide additional background on Caretaker costs for future discussion. In preparation of this memo, FORA staff reviewed background material on caretaker costs from the late 1990's to present.

Caretaker status has been defined by U.S. Army regulation as "the minimum required staffing to maintain an installation in a state of repair that maintains safety, security, and health standards." This Army term may have generated the context of FORA's analysis of Caretaker costs in the late 1990's. Caretaker costs were first described in the FORA CIP in FY 2001/2002 as a \$14 million dollar cost with footnote reading: "Costs associated with potential delays in redevelopment and represent interim capital costs associated with property maintenance prior to transfer for development (as per Keyser-Marston truthing of caretaker and other costs)."

FORA has maintained Caretaker costs in its annual CIPs since the initial FY 2001/2002 CIP. Within the last five years, FORA and County of Monterey Office of Housing and Redevelopment staff discussed property management costs associated with the County's habitat property described in the draft Fort Ord Habitat Conservation Plan ("HCP"). FORA and its HCP consultant note that trails planning/maintenance costs for public access on these properties are costs that the U.S. Fish and Wildlife Service/California Department of Fish and Game do not allow to be funded by the HCP, but should be funded by other jurisdictional resources.

During FORA's CIP review - Phase I Study, concluded in May 2011, FORA's Financial Consultant recommended that Caretaker/Property Management costs be removed from FORA's CIP Contingencies since no costs had been defined. FORA jurisdictions requested that Caretaker costs be added back in order to cover basewide property management costs, should they be demonstrated.

FORA expended \$20,000 in the previous fiscal year toward Monterey County's Fort Ord Recreational Habitat Area ("FORHA") Master Plan preparation process, in which the County has undertaken planning for a proposed trail system. This line item is wholly dependent on whether sufficient revenue is received during the fiscal year. In its current CIP, FORA maintains a \$12.2 million dollar line item for



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caretaker costs. FORA Assessment District Counsel opined that FORA Community Facilities District Special Tax payments cannot fund caretaker costs. For this reason, funding for Caretaker costs would have to come from FORA's 50% share of lease and land sales proceeds on former Fort Ord, any reimbursements to those fund balances, or other designated resources should they materialize.

From approximately 2000 to 2004, the U.S. Army entered into Cooperative/Caretaker Agreements with the City of Marina, the City of Seaside, and the County of Monterey. Below are two tables summarizing the agreement periods, amounts of funding involved, and an example of tasks included in these agreements. It is noted that these tables are not a comprehensive summary of the Army's caretaker agreements with the jurisdictions, but provide additional information on the subject.

Cooperative/Caretaker Agreements between the U.S. Army and former Fort Ord Jurisdictions

Summary of Caretaker Agreement Periods	Marina Funding	Seaside Funding	County Funding
July 2000 – June 2001		\$647,512	
July 2002 – December 2002	\$50,694		
July 2002 – June 2003		\$52,736	\$49,500
July 2002 – June 2003	\$49,902	\$57,808	\$156,672
October 2003- June 2004	\$7,875	\$37,773	\$74,754
Totals	\$324,308	\$364,154	\$496,763

Description of tasks in Marina Caretaker Agreement for Period July – December 2002

Task #	Description	Budget
1	Tree Trimming	\$6,240
2	Mowing	\$10,000
3	Pavement Patching	\$3,425
4	Centerline/Stenciling	\$5,560
5	Barricades	\$3,100
6	Traffic Signs	\$2,080
7	Catch Basin/Storm Drain Maint.	\$1,600
8	Vacant Buildings	\$7,025
9	Vegetation Control/Spraying	\$2,055
13	Paving/Slurry Seal	\$5,000
14	Administration (10% of total)	\$4,608.50
	Totals	\$50,693.50

APPENDIX E

MARINA COAST WATER DISTRICT ORD COMMUNITY WATER AND WASTEWATER SYSTEMS CAPITAL IMPROVEMENT PROJECT BUDGET FOR FY 2015-2016

EXHIBIT CIP-1

Project No.	Project Name	Project Beneficiaries	Cost Center Breakdown		Amount
WD-0115	SCADA System Improvements - Phase I	100% Existing Users	Ord Community Water	\$74,358	\$90,882
			Ord Community Sewer	\$16,524	
WD-0202	IOP Building (BLM)	N/A	Ord Community Water	\$1,372,950	\$1,678,050
			Ord Community Sewer	\$305,100	
GW-0212	Potable Water Tank Compliance Project	100% Existing Users	Ord Community Water	\$28,350	\$28,350
GW-0112	A1 & A2 Zone Tanks & B/C Booster Station @ CSUMB	100% Existing Users	Ord Community Water	\$819,911	\$819,911
GW-0123	B2 Zone Tank (Next to B1)	30% Existing/70% New	Ord Community Water	\$126,000	\$126,000
OW-0223	Well 30 Pump Replacement	100% Existing Users	Ord Community Water	\$105,000	\$105,000
OW-0201	Gigling Transmission from D Booster to JM Blvd	100% Existing Users	Ord Community Water	\$109,100	\$109,100
OW-0128	Lightfighter B-Zone Pipeline (Design)	33% Existing/67% New	Ord Community Water	\$32,000	\$32,000
OW-0193	Imjin Parkway Pipeline, Resv. Rd to Abrams Dr	100% Existing Users	Ord Community Water	\$52,000	\$52,000
OW-0240	3rd Street Water Main	100% Existing Users	Ord Community Water	\$122,000	\$122,000
OW-0202	South Boundary Road Pipeline	100% New Users	Ord Community Water	\$205,000	\$205,000
OW-0206	Inter-Garrison Road Pipeline Up-Sizing	100% New Users	Ord Community Water	\$167,485	\$167,485
OS-0200	Clark Lift Station Improvement	100% Existing Users	Ord Community Sewer	\$287,902	\$287,902
OS-0205	Imjin LS & Force Main Improvements - Phase I	100% Existing Users	Ord Community Sewer	\$248,000	\$248,000
OS-0203	Gigling LS and FM Improvements	100% Existing Users	Ord Community Sewer	\$573,000	\$573,000
OS-0152	Hatten, Booker, Neeson LS Improvements	100% Existing Users	Ord Community Sewer	\$110,000	\$110,000
TOTALS					<u>\$4,754,680</u>

Ord Community Water	\$3,214,154
Ord Community Sewer	\$1,540,526
TOTALS	<u>\$4,754,680</u>

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Outstanding Receivables

Meeting Date: August 14, 2015

Agenda Number: 8a

INFORMATION

RECOMMENDATIONS:

Receive a Fort Ord Reuse Authority (FORA) outstanding receivables update for July 2015.

BACKGROUND/DISCUSSION:

Development Fee/Preston Park: In 1997, the U.S. Army and FORA executed an interim lease for Preston Park. Preston Park consisted of 354 units of former Army housing within the jurisdiction of the City of Marina (Marina). Marina became FORA's Agent in managing the property. Marina and FORA selected Mid-Peninsula Housing Coalition to manage the property and lease it to tenants. In 1998, Mid-Peninsula completed rehabilitating Preston Park units and began leasing the property to the public. After repayment of the rehab loan, Marina and FORA have by state law each shared 50% of the net operating income from Preston Park.

The FORA Board enacted a base-wide Development Fee Schedule in 1999 and Preston Park is among the parcels subject that FORA's Development Fee Schedule overlay. In March 2009, the FORA Board approved an MOU between FORA and Marina whereby a portion of the Preston Park Development Fee were paid through project reserves. In 2009, Marina transferred \$321,285 from the Preston Park project account, making an initial Development Fee payment for the project. The remaining balance is outstanding and was the subject of litigation.

In November 2014, Marina and FORA agreed to settle pending litigation primarily by Marina acquiring FORA's interest in Preston Park. In February 2015, FORA and Marina finalized settlement agreement terms. FORA will apply \$2.08 million of the \$35 million settlement amount to the outstanding development fees to address this outstanding receivables on FORA's books. Marina has no objection to the settlement funds being applied to the residual fees. It was anticipated that Marina would complete the purchase of FORA's interest in Preston Park by the end of June. However, the closing date is deferred to September pending completion of an outstanding capital project required by Marina's lender to be completed - prior to funding.

FISCAL IMPACT:

All former Fort Ord projects are subject to either the developer fee overlay or the Community Facilities District fees to pay fair share of the California Environmental Quality Act required mitigation measures. In addition, the outstanding balance is a component of the Basewide Mitigation Measures and Basewide Costs described in Section 6 of the FORA Implementation Agreements. If any projects fail to pay their fair share it adds a financial burden to other reoccupied or development projects to compensate.

COORDINATION:

Executive Committee

Prepared by _____ Approved by _____
Ivana Bednarik Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Habitat Conservation Plan Update

Meeting Date: August 14, 2015

Agenda Number: 8b

INFORMATION

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

Item 9b from March 13, 2015 included additional background on this item and is available at the following website: <http://www.fora.org/Board/2015/Package/031315BrdPacket.pdf>

The Fort Ord Reuse Authority (FORA), with the support of its member jurisdictions and ICF International (formerly Jones & Stokes), FORA's HCP consultant, is on a path to receive approval of a completed base wide HCP and 2081 permit in 2015, concluding with U.S. Fish and Wildlife Service (USFWS) and California Department of Fish and Wildlife (CDFW) issuing federal and state Incidental Take Permits.

ICF completed the screen check draft HCP on March 2, 2015, and FORA disseminated the draft to permittees, CDFW, and USFWS. FORA received comments from most Permittees within the review schedule. However, CDFW and USFWS have not submitted all comments within this original 90-day review schedule. FORA and ICF have met with Permittees and Wildlife Agencies to receive comments, address questions, and resolve concerns.

FORA requested that USFWS and CDFW provide sufficient staff resources to complete concurrent reviews of both the Draft HCP and its Draft EIR/EIS. FORA is Lead Agency to the EIR document, while USFWS is Lead Agency to the EIS. Wildlife agencies informed FORA that they will not have sufficient staff resources to complete concurrent reviews of the documents. FORA representatives met with CDFW Chief Deputy Director Kevin Hunting on June 16, 2015 to discuss review schedules and CDFW staff resources. Mr. Hunting said that his department would act to provide sufficient CDFW staff resources and maintain review schedules. CDFW Staff Environmental Scientist Deb Hillyard will be retiring in mid-August after 18 years of representing CDFW on the Fort Ord HCP process. Ms. Hillyard will complete review of the screen check draft HCP prior to leaving CDFW. CDFW will assign Ms. Hillyard's role to another staff person after mid-August for Administrative Draft EIR/EIS review.

FISCAL IMPACT:

Reviewed by FORA Controller _____

Staff time is included in the approved annual budget.

COORDINATION:

ICF, Denise Duffy and Associates, USFWS, CDFW, Executive and Administrative Committees

Prepared by _____
Jonathan Garcia

Approved by _____
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Administrative Committee

Meeting Date: August 14, 2015

Agenda Number: 8c

INFORMATION

RECOMMENDATION:

Receive a report from the Administrative Committee.

BACKGROUND/DISCUSSION:

The Administrative Committee met on July 1, 2015 and July 15, 2015, the approved minutes will be included in the final Board packet.

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_____ Approved by_____
Maria Buell Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Post Reassessment Advisory Committee	
Meeting Date: August 14, 2015 Agenda Number: 8d	INFORMATION

RECOMMENDATION(S):

Receive a Post Reassessment Advisory Committee (PRAC) activity/meeting report.

BACKGROUND/DISCUSSION:

The PRAC met on Friday, July 17, 2015 and received status updates and deliberated regarding the Trails Working Group, Economic Development related items, Blight Removal, and Regional Urban Design Guidelines. TAMC Assistant Planner Virginia Murrillo presented the TAMC Wayfinding Plan Presentation. Members discussed trails planning efforts and requested a Post Reassessment Work Plan update at the next scheduled meeting.

The next meeting of the PRAC is scheduled for 9:00 am on Thursday, September 10, 2015.

The PRAC delayed approval of its June 19, 2015 meeting minutes until its next meeting due to lack of obtaining a quorum at its July meeting.

FISCAL IMPACT:

Reviewed by FORA Controller _____

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

COORDINATION:

PRAC, California State University Monterey Bay, Transportation Agency for Monterey County, Bureau of Land Management, Administrative and Executive Committees.

Prepared by _____
Jonathan Garcia

Approved by _____
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Regional Urban Design Guidelines Task Force

Meeting Date: August 14, 2015

Agenda Number: 8e

INFORMATION

RECOMMENDATION(S):

Receive Regional Urban Design Guidelines (RUDG) Task Force (Task Force) Update.

BACKGROUND/DISCUSSION:

The RUDG Task Force met at 9:00am on Thursday, June 25, 2015 to review the Administrative Draft Guidelines. Significant progress has been made towards the completion of RUDG that incorporate existing plans, community input, and that would contribute to improving economic development on the former Fort Ord. During the June 25th Task Force meeting, members reviewed current draft materials in detail and provided significant feedback. Along with member input, representatives from the CSUMB Campus Master Planning process and consultant team contributed feedback and suggestions. Community representation from Fort Ord developers, construction trades, and a broad set of community interests also yielded constructive feedback.

After meeting for 2.5 hours and reviewing close to 30% of the document, members recommended continuing the meeting at a later date (TDB following a Doodle poll). They also recommended delaying the Board presentation until at least August if not later to allow additional coordinated review, consultant refinement of deliverables, and incorporation of Task Force input.

Staff scheduled the 4 meeting dates for the Task Force to review the Administrative Draft Guidelines over the next few weeks: 1) 12:00 pm, Tuesday August 18; 2) 10:00 am, Wednesday August 26; 3) 10:00 am, Thursday August 27; and 4) 10:00 am, Thursday September 3.

As next steps, Staff anticipates providing an informational report on the Draft Guidelines at the September FORA Board meeting and an action report at the October Board meeting.

FISCAL IMPACT:

Reviewed by FORA Controller _____

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

COORDINATION:

Administrative Committee and Dover, Kohl & Partners.

Prepared by _____
Jonathan Garcia

Approved by _____
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT		
EXECUTIVE OFFICER'S REPORT		
Subject:		Veterans Issues Advisory Committee
Meeting Date:		August 14, 2015
Agenda Number:		8f
		INFORMATION

RECOMMENDATION:

Receive an update from the Veterans Issues Advisory Committee (VIAC).

BACKGROUND/DISCUSSION:

The VIAC met on June 25, 2015. The approved minutes are included as **Attachment A**.

FISCAL IMPACT:

Reviewed by FORA Controller _____

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

COORDINATION:

VIAC

Prepared by _____
Crissy Maras

Approved by _____
Michael A. Houlemard, Jr.



FORT ORD REUSE AUTHORITY

VETERANS ISSUES ADVISORY COMMITTEE REGULAR MEETING NOTES

3:00 p.m., Thursday, June 25, 2015 | FORA Conference Room
920 2nd Avenue, Suite A, Marina, CA 93933

1. CALL TO ORDER AND ROLL CALL

Acting Chair Jerry Edelen called the meeting to order at 3:00 p.m. The following were present, as indicated by signatures on the roll sheet:

VIAC Members:

Jerry Edelen, Acting Chair
Rich Garza, CCCVFC
Jack Stewart, CAC
James Bogan, UVC
Sid Williams, Mo. Co. Military/Vets
Edith Johnsen, Veterans Families
Peter Le, MCWD

FORA Staff:

Robert Norris
Crissy Maras

Others:

Preston Young, US Army POM
Mike Mitchell, VTC
Nicole Charles, Sen. Monning
Bob Shaffer
Candy Ingram

2. PLEDGE OF ALLEGIANCE

Acting Chair Edelen asked James Bogan to lead the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

None.

4. PUBLIC COMMENT PERIOD

The committee heard from Bob Shaffer, who announced Dunes on Monterey Bay workforce housing financing options for those making up to \$111K annually.

5. APPROVAL OF MEETING MINUTES

- a. April 23, 2015 VIAC Minutes

MOTION: Sid Williams moved, seconded by Jack Stewart, to approve the minutes as presented.

MOTION PASSED: Unanimous

6. OLD BUSINESS

- a. California Central Coast Veterans Cemetery Status Report

- i. Discussion of CDVA Proposed Regulations

FORA is hosting monthly/bi-monthly CCCVC construction meetings. The project manager, Susan Rice, has offered to provide site tours to interested veteran groups. The CCCVC Foundation will design/build the memorial wall.

The committee received proposed CDVA regulations regarding non-monetary CCCVC donations (monuments, statues, headstones, etc.) to ensure consistency with USDVA cemeteries and federal grant requirements.

- b. Ongoing Local Military Issue Media Coverage

FORA recently hired current FORA employee Josh Metz to fill the Economic Development Coordinator position. One of his tasks is to implement a 100-day plan that includes the integration of

military and veteran issues into Fort Ord economic development. Members requested that Mr. Metz attend the next VIAC meeting to review the plan.

- c. VA/DoD Veterans Clinic Status Report
 - i. Historic Flag Pole Variance Update
 - ii. Construction Schedule

Sid Williams reported that the CDVA has agreed to flag pole installation, but the VA must submit installation designs for review and approval. Restoration funds and a retrofit contractor are in place. The pole will be retrofitted and stored at the VTC prior to installation at the clinic.

Construction is progressing per the schedule provided to FORA in March 2014. Robert Norris has requested an updated construction schedule from the City of Marina.

- d. FORA Sacramento Mission Status Report

Acting Chair Edelen provided the status report, noting that CDVA representatives were supportive of local efforts to install the donor wall. The CDVA cannot issue a change order for wall installation in the current construction contract, but it's possible that a separate design/build contract can be awarded concurrently to provide wall installation prior to the completion of the first phase of cemetery construction. Acting Chair Edelen additionally noted that the successful groundbreaking ceremonies had a positive state and federal impact.

7. ITEMS FROM MEMBERS

Rich Garza announced that the annual Run for the Fallen event was scheduled for October 24th. Additionally, the Remember the Fallen photo tribute is looking for a venue to host the traveling exhibit that recognizes more than 700 California service members lost in Iraq and Afghanistan. Members provided venue suggestions.

Mr. Williams reported that the annual Stand Down event had been included in the Monterey County budget and funds will be in place prior to the next event.

Members requested a fundraising item be added to future agendas.

8. ADJOURNMENT

Acting Chair Edelen adjourned the meeting at 3:35 p.m.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Travel Report

Meeting Date: August 14, 2015

Agenda Number: 8g

INFORMATION

Receive a travel report from the Executive Officer.

BACKGROUND/DISCUSSION:

The Executive Officer regularly submits reports to the Executive Committee on FORA staff/Board travel. The Committee reviews and approves requests, and the travel information is reported to the Board as an informational item.

COMPLETED TRAVEL

None.

UPCOMING TRAVEL

International City/County Management Association Annual Conference (ICMA)

Destination: Seattle, Washington

Date: September 27-30, 2015

Traveler: Steve Endsley

The International City/County Management Association advances professional local government in local governance by developing and fostering professional management to build better communities. ICMA identifies leading practices to address the needs of local governments and professionals serving communities globally. The theme of this Conference is "Mastering the Fundamentals, Shaping the Future." As such, it will explore topics relating to equity empowerment in public policy management; making local government relevant; skills & tools for the 21st century manager; and, the next generation of infrastructure.

Reviewed by FORA Controller: _____

Travel expenses are paid/reimbursed according to the FORA Travel policy.

COORDINATION:

Executive Committee

Prepared by _____ **Approved by** _____
Maria Buell Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Prevailing Wage Status Report

Meeting Date: August 14, 2015

Agenda Number: 8h

INFORMATION

RECOMMENDATION(S):

Receive prevailing wage status report.

BACKGROUND/DISCUSSION:

At its March 13, 2015 meeting, the Fort Ord Reuse Authority (FORA) Board authorized the Executive Officer to request a determination from the Department of Industrial (DIR) regarding SB854 and its application to FORA projects. However, several Board members requested that staff not wait for DIR's determination and return with a plan for a FORA prevailing wage compliance program. Other Board members expressed concern that FORA would re-establish a prevailing wage compliance program under FORA when it was the responsibility of the individual jurisdictions to ensure compliance.

At the April 10, 2015 FORA Board meeting staff reported its research about the costs to FORA of performing the prevailing wage compliance. After reviewing the options FORA staff was directed to pursue **Option C**, which was to seek a SB 854 determination from the DIR. A meeting was scheduled with the Deputy Commissioner of the DIR during the June, 2015 FORA Sacramento Legislative Mission but due to last minute scheduling changes the meeting did not occur.

On June 26, 2015 a telephonic meeting took place with Deputy Commissioner Eric Rood and a DIR Counsel. While acknowledging recent FORA's attempts to contact DIR they requested resubmission of FORA's questions regarding FORA's Prevailing Wage Compliance under SB854 to DIR Legal Counsel. They did recommend that all FORA Jurisdictions construction solicitation documents contain language that all bidders must be registered with DIR.

On July 10, 2015 the FORA letter was sent to DIR legal Counsel (**Attachment A**). There has not been a response to this letter.

FISCAL IMPACT:

Reviewed by FORA Controller _____

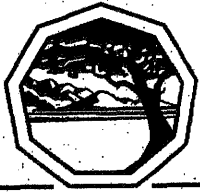
Staff time for these items is included in the approved FORA budget.

COORDINATION:

Legal Counsel, Administrative and Executive Committees

Prepared by _____
Robert J. Norris, Jr.

Approved by _____
Michael A. Houlemard, Jr.



FORT ORD REUSE AUTHORITY

920 2ND AVENUE, SUITE A, MARINA, CALIFORNIA 93933
PHONE: (831) 883-3672 - FAX: (831) 883-3675
WEBSITE: www.fora.org

July 10, 2015

Attachment A to Item 8h
FORA Board Meeting, 8/14/15

Mr. Gary O'Mara, Deputy Legal Counsel
Department of Industrial Relations
160 Promenade, Suite 300
Sacramento, CA 95825

RE: Request for Determination of SB 854 Applicability to Fort Ord Reuse Authority Projects

Dear Mr. O'Mara,

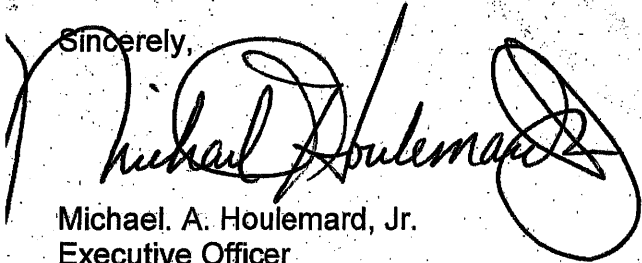
The Fort Ord Reuse Authority (FORA) Board of Directors seeks a determination regarding the applicability of SB 854 provisions to former Fort Ord construction projects. FORA's opinion is that SB 854, as codified in State law, applies to our work. This issue is incredibly important to our citizens, County and City elected officials, and to our State representatives Assemblymember Mark Stone and Senator Bill Monning. As directed by the FORA Board, we have enclosed a revised version of the questions that were originally attached to our March 25, 2015 correspondence (this correspondence is also enclosed for your reference).

Adopting a prevailing wage requirement (as a base-wide policy) surfaced during legislative debates when FORA was created by the California legislature. While FORA's enabling legislation did not include prevailing wages provisions, the initial FORA Board explored the prevailing wage policy question and sought the procurement of a code adoption.

The FORA Board's first action in setting prevailing wage policy was adoption of Ordinance No. 95-01 on July 14, 1995. This ordinance established FORA's Procurement Code, which required prevailing wages be paid to all workers employed on FORA approved construction projects. **Article 3.03.090, Prevailing Wages** (Master Resolution adopted 3/14/1997) requires that, "... **general prevailing wages ... be paid ... on the First Generation Construction performed on parcels subject to the Fort Ord Base Reuse Plan.**" The FORA Master Resolution is available at <http://www.fora.org/Reports/MasterResolution.pdf>

We look forward to your response. Should you have any questions regarding this matter, please contact Principal Analyst, Robert J. Norris, Jr., robert@fora.org or the undersigned at (831) 883-3672.

Sincerely,



Michael A. Houlemard, Jr.
Executive Officer

Enclosures: 1. July 10, 2015 'Questions for Eric Rood' (revision of March 25, 2015 questions)
2. March 26, 2015 Correspondence to Eric Rood

c: Julie A. Su, California Labor Commissioner, Division of Labor Standards
Eric Rood, Assistant State Labor Commissioner, Department of Industrial Relations

Questions for Eric Rood, Assistant Labor Commissioner- Public Works

1. In review of the recently enacted SB 854, Fort Ord Reuse Authority (FORA) staff noted that SB 854 encompasses public works projects, as specified, to be paid the general prevailing wage rate, as determined by the Director of Department of Industrial Relations (DIR). In reviewing the FORA Master Resolution prevailing wage provisions, First Generation Construction on the former Fort Ord is required, by FORA covenant, to pay not less than general prevailing rate of wages as determined by the Director of DIR. FORA's prevailing wage provisions define First Generation Construction projects as public works projects subject to SB 854. Does DIR agree with this determination?
2. Does FORA need to follow a formal process for DIR to consider whether or not FORA is subject to SB 854?
3. If yes, to whom should FORA address its request for a determination?
4. If subject to SB 854, FORA staff would continue to monitor prevailing wage compliance on former Fort Ord. How would FORA staff access online prevailing wage compliance information in the future?



FORT ORD REUSE AUTHORITY

920 2nd Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | www.fora.org

March 26, 2015

Eric Rood
Assistant State Labor Commissioner
Department of Industrial Relations
160 Promenade, Suite 300
Sacramento, CA 95825

RE: Request to determine SB 854 applicability to Fort Ord.

Dear Mr. Rood,

This letter seeks your clarification regarding provisions of SB 854 that apply to construction projects on the Fort Ord. It is the Fort Ord Reuse Authority's (FORA's) opinion that SB 854, as codified in various sections of California State Code, does apply to Fort Ord. We seek your agreement and determination as the new law provides that the Commissioner may determine the applicability of SB 854 to other projects.

I thank you for taking time this week to speak to John Arriaga, FORA's legislative consultant. I attach the same questions sent to you by Jonathan Garcia and Robert Norris on March 25, 2015. On this note, I have been directed by the FORA Board to make a formal request for a determination from the Department of Industrial Relations (DIR) regarding applicability of SB 854 to Fort Ord. This issue is of great importance to our local community, County and City elected officials, Assembly Member Mark Stone, and State Senator Bill Monning, all of whom sit on the FORA Board.

Historically, the issue of adopting a prevailing wage requirement as a base-wide policy surfaced in the California legislature during debates around the creation of FORA. While the FORA enabling legislation did not include provisions for prevailing wages, the initial FORA Board meeting explored the policy question in the exchanges about adoption of a procurement code. In fact, the FORA Board's first action in setting prevailing wage policy occurred on July 14, 1995, with the adoption of Ordinance No. 95-01. This Ordinance established FORA's Procurement Code, which required prevailing wages to be paid to all workers employed on FORA's construction contracts.

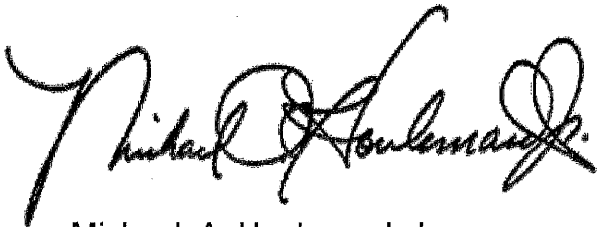
The FORA Board adopted its Master Resolution on March 14, 1997. Article 3.03.090 of the Master Resolution requires that prevailing wage be paid for all first generation projects occurring on parcels subject to the Base Reuse Plan. This originally public land (US Army) is conveyed to FORA, from FORA to the jurisdictions, and from the jurisdictions to a third-party developer. Through the Master Resolution, the FORA Board's policy has been that

prevailing wages are paid as this land is developed. The FORA policy seeks to generate fair wages similar to the legislative intent of SB 854.

The FORA Master Resolution is available through the FORA website at the following address: <http://www.fora.org/Reports/MasterResolution.pdf>

FORA appreciates your urgent attention to this matter, as several public works projects are underway at the former Fort Ord and several more will commence construction in the coming fiscal year. We will contact you early next week to discuss any questions you might have.

Sincerely,

A handwritten signature in black ink, reading "Michael A. Houlemard, Jr." The signature is fluid and cursive, with the first name "Michael" being particularly prominent.

Michael. A. Houlemard, Jr.
Executive Officer

Enclosures: SB 854 Questions

Cc: FORA Board of Directors



FORT ORD REUSE AUTHORITY

920 2nd Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | www.fora.org

SB 854 Questions – Public Works

1. In review of the recently enacted SB 854, Fort Ord Reuse Authority (FORA) staff noted that SB 854 encompasses public works projects, as specified, to be paid the general prevailing wage rate, as determined by the Director of Department of Industrial Relations (DIR). In reviewing the FORA Master Resolution prevailing wage provisions (Section 3.03.090), First Generation Construction on the former Fort Ord is required to pay not less than the general prevailing rate of wages as determined by the Director of DIR. In the opinion of FORA staff and Authority Counsel, FORA's prevailing wage provisions constitute a public works project now subject to SB 854. Does DIR agree with this determination?
2. Does FORA need to follow a formal process for DIR to consider whether or not FORA is subject to SB 854?
3. If yes, to whom should FORA address its request for a determination?
4. If subject to SB 854, FORA staff would continue to monitor prevailing wage compliance on former Fort Ord. How would FORA staff access online prevailing wage compliance information in the future?
5. Is there a certification requirement for 3rd party compliance monitors?
6. Does DIR charge public agencies to perform monitoring? If so, what are the rates?
7. What is the timeline for responding to complaints?

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Public Correspondence to the Board

Meeting Date: August 14, 2015

Agenda Number: 8i

INFORMATION

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 or mailed to the address below:

FORA Board of Directors
920 2nd Avenue, Suite A
Marina, CA 93933

- END -

**DRAFT
BOARD PACKET**