

MINUTES
of the
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Monterey College of Law Community Justice Center
May 14, 2010

1. CALL TO ORDER AND ROLL CALL

Chair Ralph Rubio called the May 14, 2010 Board of Directors meeting to order at 3:30 p.m. and requested a roll call.

Voting members present:

Chair/Mayor Rubio (City of Seaside)
1st Vice Chair/Supervisor Potter (County of Monterey)
2nd Vice Chair/Councilmember McCall (City of Marina)
Supervisor Parker (County of Monterey)

Mayor Pendergrass (City of Sand City)
Mayor McCloud (City of Carmel-by-the-Sea)
Mayor Edelen (City of Del Rey Oaks)
Mayor ProTem Ken Grey (City of Marina)
Councilmember O'Connell (City of Marina)
Councilmember Mancini (City of Seaside)
Councilmember Kampe (City of Pacific Grove)

Arriving after the roll call were Councilmember Selfridge (City of Monterey), Jim Cook, alternate for Supervisor Calcagno (County of Monterey), Councilmember Barnes (City of Salinas). All voting members were present.

Ex-Officio members present:

Congressman Sam Farr (17th Congr. Dist.)
Rito Guerra (15th State Senate Dist.)
Dr. Bruce Margon (UCSC)
Douglas Garrison (Monterey Peninsula College)

Gail Youngblood (BRAC)
Don Bachman (TAMC)
Dan Albert, Jr. (MPUSD)
James Main (CSUMB)
Ken Nishi (Marina Coast Water District)

Arriving after the roll call were Assemblyman Bill Monning (27th State Assembly Dist.), Colonel Darcy Brewer (U.S. Army), and Mike Gallant (Monterey-Salinas Transit).

With a quorum present Chair Rubio called the meeting to order.

2. ACKNOWLEDGEMENTS

Chair Rubio introduced Mitchell Winnick, Dean of the Monterey College of Law. Dean Winnick spoke of the recently renovated Community Justice Center building, which is a platinum LEED project using recycled materials including the courtroom from the Watsonville courthouse and high efficiency solar panels. He stated the building is an example of how structures that were

abandoned at the army base can be used as educational. Dean Winnick also welcomed the Fort Ord Reuse Authority Board and members of the public. Chair Rubio thanked Dean Winnick for the use of the facility.

Chair Rubio stated condolences on behalf of himself personally and of the Board, to Executive Officer Michael Houlemard (and his wife Christina Valentino) who suffered a loss this week of his father-in-law, Alfredo Valentino. Chair Rubio shared with the Board and the public, Mr. Valentino's obituary and Executive Officer Houlemard expressed his appreciation.

3. PLEDGE OF ALLEGIANCE

Chair Rubio asked Congressman Farr, who agreed, to lead the Pledge of Allegiance.

4. LEGISLATIVE PRESENTATIONS

(1.) Chair Rubio introduced Congressman Sam Farr (17th Congressional District). Congressman Farr acknowledged Chair/Mayor Rubio, Executive Officer Houlemard, and 1st Vice Chair/Supervisor Potter's recent trip to Washington, DC reporting on the lobbying efforts of FORA. He reported that his office was able to engineer an OEA grant for the Veterans Cemetery infrastructure planning and handed out a commentary on projects presented. Congressman Farr said there are some issues with getting the land transferred for the VA Clinic and commented that while the developers have it in the Master Plan there is no authority in the law to transfer the land without it being sold to the Veterans Affairs. He said that he hopes to work it out with lawyers and the Army, and have good news soon when groundbreaking can begin. He further stated that he has asked for a billion in a supplemental bill and \$500M from the normal budget for base cleanup. Congressman Farr acknowledged that cleanup at the former Fort Ord is far more successful than similar closed bases around the country and that the Fort Ord Reuse Authority is nationally known for its base cleanup. He stated that cleanup and redevelopment at the former Fort Ord has the potential to be a job creator. Congressman Farr said that he has asked for \$11.5 M in funding for an international center to construct a new instructional building at the Naval Post Graduate School, which could bring in a billion more in local construction jobs to Fort Ord. He has also requested \$3 M to help with the water replenishment project, which would help the Fort Ord community and the Monterey Peninsula. Congressman Farr further noted that he has requested a review of the burial benefits for Veterans cemeteries to help in the financing of the Fort Ord cemetery, noting that these benefits have not been increased in nearly a decade.

Congressman Farr reported that Medicare reimbursement for doctor's in the tri-county area (Monterey County, San Benito County and Santa Cruz County) is the lowest in the country and therefore patients are being denied access to medical care. He said that while military personnel can use the clinics, spouse's and children of military personnel visit regular doctors and that they are covered under the Tricare reimbursement, however Tricare is tied to the same data as Medicare. He said there is a bill making its way through Congress, HR 4213, which contains language that will correct the Medicare underpayment problem and should help

keep healthcare more affordable. Councilmember Mancini made mention that military families pay a premium for the Tricare healthcare. Mayor McCloud asked that either Rochelle (Dornatt) or Alec (Arago) send the results of the bill (HR 4213) as seniors are being hit hard [from the effects of Medicare] in this area because they are losing their doctors.

(2.) Assemblymember Anna Caballero (28th State Assembly District). Assemblymember Caballero announced that the state budget came out that afternoon and that the state is still in very difficult economic times. She said that December (09), January, February and March revenues were up by \$2.5 B, April was down due to taxes, and unemployment remains weak. She said this new budget takes us back to the 1998/99 budget spending year and it maintains state budget for schools, fully funds the CalGrant programs, and avoids reductions for child welfare programs, public safety and the judiciary. She further reported that the deep reductions eliminate \$12B in programs for CalWorks childcare and mental health services by 60%. She also noted that one program of concern was the Williamson Act, noting the Governor practically zeroed it out and it protects farmland. In order to keep agriculture one of our industries, the County had to pick it up through their general fund. Assemblymember Caballero said that she would be looking for support on Prop 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, which authorizes \$5.388 billion in general obligation bonds to fund safe drinking water, water quality and supply, flood control, waterway and natural resource protection, water pollution and contamination control, state and local park improvements, public access to natural resources, and water conservation efforts.) Assemblymember Caballero said that a copy of bills she has been working on, were passed out to the Board and members of the public. Chair Rubio thanked Assemblymember Caballero for her help on AB 1791 to help the FORA mission.

(3.) Assemblymember Bill Monning (27th State Assembly District). Assemblymember Monning acknowledged the achievements of FORA since the transfer and thanked Monterey College of Law and Dean Winnick for opening the new central coast justice center made possible by FORA transfer and the City of Seaside. Assemblymember Monning also noted the Governor's May revised budget set a \$19.1B dollar deficit and the biggest impacts are Health and Human Services, with the total elimination of CalWorks which is the welfare to work program. He further stated that 75% of the beneficiaries of the CalWorks program are children. He said that with the revised budget there are savings of \$1B and it will add costs to our communities in terms of higher unemployment, homelessness, and the social and other problems related to those social impacts. He reported on the elimination of the Adult Health Daycare, (elderly living with dementia and other disabilities), who receive state and federal funds for health, nutrition physical therapy, and rehabilitation. He said that, because the state borrowed funds under Proposition 1A, further borrowing is prohibited until that money is paid back with interest within 3 years. He further stated that repayment within that timeframe was unlikely. However, under the constitution, the state is required to prioritize debt repayment above any other obligation.

Assemblymember Monning announced that he co-authored a bill with Assemblymember Caballero and former Senator Maldonado, (now Lieutenant Governor Maldonado), which is the

redevelopment bill AB 1791, and stated that he appreciated the presence of Supervisor Dave Potter, Mayor Ralph Rubio, and Executive Officer Michael Houlemard who came to Sacramento to testify before local government. Assemblymember Monning stated that local government committee had “cleared” with Assemblymember Caballero’s support in that committee, and cleared with bipartisan support off of the assembly floor. He said that bill now goes to the senate local government committee scheduled for either June 9th or June 23rd and he is working with local stakeholders to come back to Sacramento for testimony and support. Assemblymember Monning acknowledged the support of all the Mayors in FORA and the letters from all city councils in Monterey County. He stated that local representatives have represented a united front and acknowledged John Arriaga who has been quite helpful as the FORA legislative consultant in Sacramento. He reported that AB 1757, the Veteran’s Cemetery bill was a measure amended this year and that, due to the economy, the implementation of the endowment has not been realized. He noted that Congressman Farr’s office has been very helpful in moving the bill forward at the federal level. Assemblymember Monning acknowledged Executive Officer Houlemard and FORA staff for their pursuit of appropriate federal funds to maximize the leverage of maximum federal support possible for the cemetery project. He stated there are no quick fixes to the current state of the economy, but that the recovery in our region will be built upon job creation and reverse the trend of 10,000 home foreclosures in Monterey County. Assemblymember Monning reported that he is also co-authoring a piece of legislation regarding a mediation option requiring lenders to meet with borrowers face-to-face, to explore the possibility of refinancing or modifying a loan. Councilmember Mancini asked Assemblymember Monning about the housing crisis as it relates to violence and Monning stated the housing crisis creates a chain reaction and there was a rise in domestic violence. Executive Officer Houlemard asked Assemblymember Monning about AB 1757 if there were any issues that FORA needed to be aware of for the hearing on May 28. Monning said that the Veterans Cemetery bill is in appropriations and there have been some minor amendments to assure that there is no cost to the state. He said that phone calls to key people on appropriations might be helpful. Chair Rubio thanked Assemblymember Monning for all work he does for the FORA.

(4.) Senator Jeff Denham (12th State Senate District). Bill Ritz (speaking on behalf of Senator Denham) commented that this would be his last report since they term out in November. He reported that there were a couple of bills; Veterans Day to be observed by all state agencies on the actual day, November 11th, going back to Armistice Day when it originated, to honor all veterans. Mr. Ritz further reported that they were working on a tax credit bill for hiring a veteran, which would be 25% of qualified wages not to exceed \$6,000. He said that this incentive is for businesses to hire an additional employee and that employee being a veteran. Mr. Ritz said that two bills were brought up last year: First, the Central Coast Rural Crime Prevention Program has been extended to 2013; it is real important in the Ag industry as they try to fight agricultural crime, which is costing billions of dollars a year. Second, he stated that the Civil Service bill, SB 644, also passed which will help veterans. Supervisor Potter asked if the Senator was following AB 1791 and Mr. Ritz replied “yes” and that Executive Officer Houlemard had been to the Senator’s office to present the bill to the legislative staff. He further

commented that the Senator is supportive of anything that has a positive effect to the Fort Ord, but had not yet decided his position on the bill.

(5.) 15th State Senate District. Rito Guerra stated that former Senator Maldonado resigned a couple of weeks ago and the district staff is now under the employ of the senate as a whole, however he could not report from the senate as a whole. He said that there were two issues pressing is the May [budget] revise issued by the Governor and the API, which is important to the Ag industry. He said the office is currently still open until a new senator is elected and they are continuing to help constituents. Chair Rubio thanked Mr. Guerra for his service and reports to the FORA Board from the 15th District.

5. ACKNOWLEDGEMENTS – Chair Rubio thanked Mr. Guerra for his quality representation and giving updates on the work in the State Senate and engaging with the community.
6. PUBLIC COMMENT - None
7. CONSENT

Item 7a - April 9, 2010 board meeting minutes.

Item 7b. - Preston Park Financing Memorandum of Agreement: Executive Officer Michael Houlemard stated that staff wished to withdraw this item as counsel for City of Marina and FORA have some language issues that they want to work out. Executive Officer Houlemard stated that there was no ‘time of the essence’ so the item would return on the June agenda.

Motion to approve the April 9, 2010 board meeting minutes was made by Supervisor Potter, seconded by Mayor McCloud, and carried.

8. OLD BUSINESS

Item 8 a. Habitat Conservation Plan (“HCP”) – joint powers authority governance issue: Steve Endsley reported that FORA has been working on a parallel process to advance the draft HCP document and its accompanying draft legal documents. He said the Board gave staff direction to research alternatives on the voting structure options that combine a proposed permittee-based voting structure with a weighted vote structure for various contributions. Population based methodologies, dollar and other contributions, landmass in each jurisdiction and habitat were looked at to determine a recommendation. Mr. Endsley stated that a hybrid structure using these methodologies would be most appropriate. He stated that staff recommends approving a hybrid weighted voting structure described on attachment “A” of the Board Report. Mr. Endsley reported that this hybrid structure combines the four methodologies of population, monetary contributions, landmass, and habitat and it is predicated on resources contributed to the cooperative, voting for which consists of the following: City of Del Rey Oaks (1), City of Monterey (1) City of Marina (2), City of Seaside (2), County of Monterey (2) Monterey Peninsula College (1), California State University Monterey Bay (CSUMB) (1), and Marina Coast Water District (1). Mr. Endsley further commented that staff considers this an

appropriate compromise, which protects the interest of the major permit holders and addresses jurisdictional concerns by distributing the voting equitably and reasonably. Dr. Margon, University of Santa Cruz stated that, on behalf of the university, they would urge the Board not to approve the hybrid weighted voting structure and that UCSC is in favor of one entity, one vote. He stated that there were three reasons for this decision. (1.) Simplicity because the entity needs to be long standing and, if weighted voting is the result, over the years population will change and it would seem imprudent because it would become more complex through the years. (2.) Weighted voting creates an awkward division of votes and responsibility. The University of California controls 600 acres covered by the habitat conservation plan and they have the direct responsibility to manage it. If the university was required to manage it, it is understandable why they would desire an equal vote, and (3.) Habitat management expertise should be used as a comparable resource to the funding contributions of the private developers. Dr. Margon urged the Board not to consider the staff recommendation. Mr. Main, CSUMB, said he also supported the recommendation made by UC Santa Cruz. Dr. Garrison, MPC, thanked the FORA staff for their work, however he disagreed with the hybrid voting structure. Dr. Garrison stated that the report didn't seem to match the tone of the last Board meeting and there were a number of individuals that supported equal voting among them Congressman Farr, Mayor McCloud, and Councilmember McCall. He said he would have preferred a single vote per entity voting structure. Mayor Edelen, City of Del Rey Oaks, stated that he felt the jurisdictional domains deserved a weighted vote even though it might not be in the interest of Del Rey Oaks it is what is best for the organization. **Motion to adopt the staff recommendation was made by Supervisor Potter, seconded by Councilmember Pendergrass. After some discussion by members of the Board, Mayor Rubio called for the vote and the motion carried unanimously.**

Item 8 b. Office of Economic Adjustment Grant – Veterans Cemetery Infrastructure Planning:

Executive Officer Houlemard addressed the Chair and members of the Board stating that FORA had received a grant from the Office of Economic Adjustment. He stated that this grant would move the cemetery project along at a more rapid pace. He further noted that FORA is working very closely with the Veterans Administration and the County of Monterey and thanked Jim Cook and his staff for what they have done to help move this project along. Executive Officer Houlemard introduced staff member Jonathan Garcia who gave a brief report on the selection process of the consultant awarded to complete tasks 1-5 and 7 and additive bid items under the OEA grant Scope of Work for the Veterans Cemetery on the former Fort Ord. Mr. Garcia reported that, after consideration of the six proposals, the Committee selected Whitson Engineers for their overall compatibility, technical expertise, value, and schedule submitted with their proposal. He said that staff recommends the Board authorize the Executive Officer to execute a contract with Whitson Engineers. Executive Officer Houlemard clarified that \$45,000 of the grant would go to the California Department of Veterans Affairs, with the remaining \$415,000 to Whitson Engineers and further explained that, while the proposal process was not bound to the lowest bid, it was the lowest bid. Supervisor Parker asked for clarification that the money was designated solely to the cemetery and Executive Officer Houlemard stated that the

proposal is for an infrastructure study and that the design is up to the Veterans Affairs. **Motion to approve the staff recommendation to award Whitson Engineers, not to exceed \$415,000 was made by Councilmember Mancini, seconded by Supervisor Parker, and the motion carried unanimously.**

9. NEW BUSINESS

Item 9a. FORA FY 10-11 Preliminary Budget (Action in June):

Executive Officer Houlemard stated that the Finance Committee was doing it's due diligence with staff on the budget and that portions of the budget will be reviewed by the Executive Committee at their next meeting. At the June meeting, we will have a budget that will be submitted to the Board for their approval.

Item 9b. Capital Improvement Program - Workshop/Presentation: Staff member Steve Endsley gave a presentation which explained the background of the Capital Improvement Program ("CIP") and reported that, after presenting to the Administrative Committee, staff will come back to the Board in June requesting direction regarding the policies and protocols associated with the CIP.

10. EXECUTIVE OFFICER'S REPORT

There were seven items in this report: Item 10a (Administrative Committee report), Item 10b (Legislative Committee report), Item 10c (Executive Officer's Travel report), Item 10d (Fort Ord Reuse Authority investments), Item 10e (Status update of outstanding receivables). Executive Officer Houlemard highlighted several points in these items.

11. ANNOUNCEMENTS AND CORRESPONDENCE

Executive Officer Houlemard reported significant activity on the former Fort Ord, noting Community Hospital of the Monterey Peninsula ("CHOMP") breaking ground for the new wellness center and grading has begun at the intersection of Imjin Road (and 2nd Avenue). He stated that Monterey Peninsula College ("MPC") also broke ground on their satellite campus in Marina, the Monterey College Community Justice facility is now open, and there is much work on General Jim Moore Blvd. He further noted that development is moving along more than one would expect in these economic times. Executive Officer Houlemard saluted the Army on it's development of the RCI project. Colonel Brewer stated the Army is well ahead of occupancy, which is bringing in more money for the Phase I and Phase II of the community center. Colonel Brewer announced the Presidio of Monterey (P.O.M.) Cemetery rededication on the Presidio on the 29th of May at 10:00 and a BBQ following at the Bellows Dining Facility. Chair Rubio announced that the Carpenter's Union building is complete and awaiting the City of Marina's final inspections. He stated it might be possible for the next FORA meeting to be held at that facility.

Chair Rubio adjourned to Closed Session at 4:56 p.m.

12. CLOSED SESSION - Preston Park Buyout Negotiating Authority

- 13 REPORT OUT OF CLOSED SESSION – The Board met with FORA’s real estate negotiator and gave him direction and authority.
- 14 ADJOURNMENT - Chair Rubio adjourned the meeting at 5:16 p.m.

Minutes prepared by Daylene Alliman, Deputy Clerk

Approved by _____

Michael A. Houlemard, Jr., Executive Officer/Clerk