



Fort Ord Reuse Authority

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BASE REUSE PLAN POST-REASSESSMENT ADVISORY COMMITTEE MEETING

1:30 P.M. MONDAY, MAY 20, 2013

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

AGENDA

1. CALL TO ORDER AT 1:30 P.M.

2. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

3. PUBLIC COMMENT PERIOD:

Members of the audience wishing to address the Advisory Committee on matters within the jurisdiction of FORA, but not on this agenda, may do so during the Public Comment Period. Public comments are limited to three minutes. Public comments on specific agenda items will be heard under that item.

4. APPROVAL OF APRIL 19, 2013 MEETING MINUTES

5. OLD BUSINESS

a. Base Reuse Plan Post-Reassessment Follow-Up

ACTION

- i. Reassessment Report "Category I" (map/figure corrections) status report
- ii. Category IV topics and options
- iii. Next steps

6. ITEMS FROM MEMBERS

7. ADJOURNMENT

NEXT SCHEDULED MEETING: To be determined

*Information about items on this agenda or persons requesting disability related modifications and/or accommodations can contact the Deputy Clerk at: 831-883-3672 * 920 2nd Avenue, Suite A, Marina, CA 93933 by 5:00 p.m. one business day prior to the meeting. Agendas can also be found on the FORA website: www.fora.org.*



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BASE REUSE PLAN POST-REASSESSMENT ADVISORY COMMITTEE MEETING

8:00 A.M. Friday, May 10, 2013

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

ACTION MINUTES

1. CALL TO ORDER AT 8:05 AM

Having confirmed a quorum, Fort Ord Reuse Authority (FORA) Board of Directors Chair Jerry Edelen called the meeting to order at 8:05 AM. The following people, as indicated by the roll sheet, attended:

Committee Members

Tom Moore, MCWD
Gail Morton, City of Marina
Jane Parker, Monterey Co.
Victoria Beach, City of Carmel
Jerry Edelen, City of DRO

Other Attendees

Michael Houlemard, FORA
Steve Endsley, FORA
Jonathan Garcia, FORA
Darren McBain, FORA
Scott McCreary, CONCUR, Inc.

Gene Doherty
Tim O'Halloran
Approx. four other members
of the public (not signed in)

2. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE: None

3. PUBLIC COMMENT PERIOD: No comments received.

4. APPROVAL OF APRIL 19, 2013 MEETING MINUTES: The Committee approved the draft meeting minutes by general consensus, without taking a formal vote.

5. OLD BUSINESS

a. Base Reuse Plan Post-Reassessment Follow-Up

i. Continue review of Category I corrections identified in the 2012 Base Reuse Plan Reassessment Report

- Cat. I text: After discussion, the Committee concurred with staff recommendation to incorporate the BRP Polygon 17A-related recommendation by Monterey County Resource management Agency Deputy Director Carl Holm into the Committee's summary document of Cat. I text-edit recommendations for Board consideration.
- Cat. I maps/figures: The Committee reviewed and discussed staff's draft worksheet summarizing 1) the Committee's development of a multi-step approach to future map updates, and 2) the applicability of this approach (or "guidelines") to the individual figures. The Committee recommended that staff should follow the guidelines when developing future work products (new versions of the BRP maps/figures) and requested, as a next step, additional materials to be reviewed by PRAC, i.e., draft map updates showing the specific, item-by-item changes "redlined" onto the actual figures in order to show more precisely how each updated figure would implement the Committee's recommended approach.

ii. Review Reassessment Report Category IV topics and options; discuss criteria and procedures to establish priority action items for Board consideration

Committee members discussed several possible criteria for establishing action-item priorities, including (but not limited to) identification of:

- Subject areas that have widespread agreement as being desirable goals,

- Actions or objectives with the highest likelihood of moving the FORA communities toward identified goals (“end-states”)
- Actions that would promote the objective of regional cohesiveness, as opposed to fragmented “fiefdoms”

Through discussion, Committee members brought the following subject areas (*not in rank order*) into focus as potential priority recommendations for further discussion at the next meeting.

1. Need for an educational/visioning process, previously offered by Dr. Ochoa and CSUMB, as an early step in the process;
2. Prioritization of basewide Regional Urban Design Guidelines (an existing “Cat. III” FORA obligation), and their importance as a means to implementing a regional vision;
3. Blight removal, and funding thereof, as being relevant and responsive to multiple BRP and community goals;
4. The National Monument designation - A catalyst for outdoor recreation tourism and other economic development, and a central element of a needed open space access and trail network; and
5. Revisiting of FORA’s development fee formulas and underlying assumptions - Are they still relevant/useful, based on current and forecasted economic conditions?

6. ADJOURNMENT

The meeting was adjourned at 11:00 AM.

Minutes prepared by Darren McBain.

**FORT ORD REUSE AUTHORITY
POST-REASSESSMENT POLICY ADVISORY COMMITTEE (“PRAC”) REPORT**

OLD BUSINESS

Subject: Base Reuse Plan Post-Reassessment Follow-Up

Meeting Date: May 20, 2013

Agenda Number: 5

ACTION

RECOMMENDATION

- i. Receive a status report regarding draft “Category I” Base Reuse Plan (BRP) map/figure corrections and updates responding to previous Committee input;
- ii. Continue previous efforts to frame and seek agreement on a list of Category IV near-term (Fiscal year 2013-2014) priority action items for Board consideration; and
- iii. Consider potential next steps in the post-reassessment process.

BACKGROUND

At its second meeting on May 10, 2013, the PRAC continued its previous review and discussion of items related to Categories I and IV of the 2012 BRP Reassessment Report’s topics/options. A summary of the meeting’s outcomes is provided in the attached draft May 10 meeting minutes.

DISCUSSION

i. Category I map/figure corrections and updates— At the May 10 meeting, Committee members were generally supportive of the draft summary of the overall approach to the Committee-developed, multi-step process for future BRP map corrections and updates¹. However, in terms of implementing these guidelines to develop specific revisions for each individual figure, the Committee requested preparation of draft map updates showing the specific, item-by-item changes “redlined” onto the actual figures, in order to show more precisely how each updated figure would implement the Committee’s recommended approach. Staff will compile rough-draft revisions to the approximately 40 BRP figures and provide them to Committee members for review as soon as possible.

ii. Formation of Category IV action-item priority recommendations— Category IV of the Reassessment Report’s topics/options pertains to creation of new, modified, or expanded BRP policies and programs responding to issues identified during the 2012 BRP reassessment process. A revised summary table identifying each Category IV subtopic is provided for reference (**Attachment A**-updated with annotations of current status for each category).

At the May 10 meeting, Committee members developed an initial, informal list of five subject areas, integrating all members’ input, for potential inclusion in the PRAC’s recommendation to the Board. Please refer to page 2 of the draft May 10 meeting minutes for a staff-prepared summary of the discussion. These items are being carried forward to today’s meeting for additional discussion, refinement, or deliberation as Committee members may see fit. Following from that process, a important related objective would be to begin to outline task-specific work plan elements to implement each of the general subject areas included in the Committee’s recommendation.

Staff is providing the following background materials and brief synopses relative to the five subject areas highlighted in discussion during the May 10 PRAC meeting:

1. BRP Vision – Excerpts summarizing the vision expressed in the BRP were attached to the March 15, 2013 Board packet, and are provided here for reference (**Attachment B**).

¹ Preparation of refined versions of revised maps/figures would occur as part of a future BRP republication effort, the scope, budget, and timeline for which have not yet been authorized or established, and would include opportunities for further review and input.

2. Prioritization of Design Guidelines – Preparation of basewide design guidelines is a FORA obligation under the BRP, addressed in Cat. III of the Reassessment Report. FORA staff has been working with the Administrative Committee to establish initial goals and timelines for this task. Provisions in the BRP (see Attachment B), as well as the adopted 2005 Highway 1 Design Corridor Guidelines, <http://fora.org/Reports/Hwy1Guidelines1.pdf> will provide a partial basis toward completing this effort.
3. Blight removal: Please refer to **Attachment C** for discussion of the current building removal policy framework.
4. National Monument: As part of the reassessment effort in August 2012, EPS provided a Market and Economic Analysis, <http://fora.org/Reports/FinalReassessment/MarketStudy.pdf> The Executive Summary, with specific references to the National Monument designation as a potential benefit to the local economy highlighted, is provided as **Attachment D**. The report also discusses measures that FORA and the jurisdictions could take to promote job creation and economic development in sectors beyond outdoor recreation-oriented tourism.
5. FORA development fees and Capital Improvement Program: Issues related to this subject were discussed in detail at the May 10 Board meeting. Topics IV-23 and IV-24, on pp. 3-96 through 3-99 of the Reassessment Report, present some of the possibilities that the Board could consider if it wishes to explore adjustments to the existing policies and procedures.

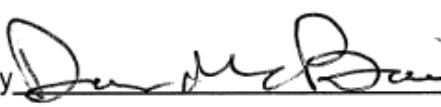
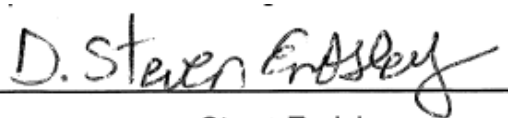
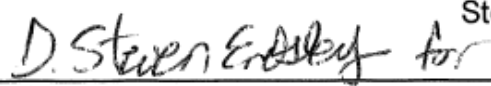
iii. Next steps— The following is intended as a “non-exhaustive” list of considerations that the Committee may wish to factor into its recommendations to the Board at the appropriate time.

- A) Timing and format of the Committee’s conveyance of a set of recommendations for Board consideration,
- B) Process and timeline for completing development of specific work-plan tasks within the general subject areas recommended for prioritization by the Committee,
- C) Desire to hold additional future PRAC meetings (Note: Continuation of professional facilitation services would, if desired, require additional budget),
- D) Timing and subject matter for a third post-reassessment Board workshop, as provided/funded in FORA’s contract with CONCUR, Inc. Some potential Board Workshop #3 subject areas:
 - Refocusing on the BRP’s overall vision and fundamental objectives, potentially to be hosted in conjunction with CSUMB leadership,
 - A study session focusing on blight-removal issues and factors, and/or
 - “Category V” (FORA Procedures and Operations) topics/options, including potential examination of developing Measures of Effectiveness for evaluating BRP implementation. Note: Forming recommendations regarding Category V is not specifically included in this Committee’s charge. However, members may wish to factor a planned future discussion of Category V issues into their current deliberations toward forming a set of Category IV recommendations.

FISCAL IMPACT

Reviewed by FORA Controller _____

Staff and consultant time for this effort is included in the approved annual budget.

Prepared by  Reviewed by 
 Darren McBain Steve Endsley
 Approved by  for
 Michael A. Houlemard, Jr.

Cat.	Topics/Policies CURRENT STATUS IS SHOWN IN RED , BELOW.	FINAL Reassess. Report page ref.
I	BRP Corrections and Updates (typographical errors, minor clarifications, etc)	
	Text corrections Reviewed by PRAC; will be incorporated into future republication.	3-3
	Figure corrections Reviewed by PRAC; draft map/figure revisions are pending.	3-13
II	Prior Board Actions and Regional Plan Consistency Currently undergoing legal review by outside/specialized counsel for CEQA compliance.	
	Land Use Concept Map Modifications Based on Prior FORA Board Consistency Determinations (map “republication” based on prior approvals)	3-19
	Land Use Concept Map Modifications Based on Other Actions	3-22
	Modify Circulation Related Maps and Text in the BRP and Modify Capital Improvement Program	3-24
	BRP Modifications Regarding Consistency with Regional and Local Plans	3-25
III	Implementation of “Incomplete”/Yet-to-be-Completed BRP Policies and Programs FORA staff to identify goals and timelines in coordination with Administrative Committee representatives (Target: Summer 2013)	
	Land Use, Circulation, Recreation & Open Space, Conservation, Noise, and Safety BRP elements	3-32
	Jurisdictional implementation responsibilities	3-33
	FORA implementation responsibilities (<i>incl. Regional Urban Design Guidelines</i>)	3-33
IV	Policy and Program Modifications Under review by PRAC. Note: Items in bold, below, are Reassessment Report subjects relating most directly to subjects highlighted at the 5/10/2013 PRAC meeting.	
	<u>Land Use/General</u> <ol style="list-style-type: none"> 1. BRP Visions and Goals 2. Evaluation of Land Use Designations Related to the East Garrison-Parker Flats Land Swap Agreement 3. Specific Applicability of Programs/Policies to Del Rey Oaks and Monterey 4. Support for the Needs of Disadvantaged Communities 5. Refinement of Integrated Mixed Use Concepts 6. Promotion of Green Building 7. Climate Action and Greenhouse Gas Reduction 	3-71

<p>8. Policy on Development/Habitat Interfaces</p> <p>9. Prioritization of Development within Army Urbanized Areas</p> <p>10. Policy on Land Use Compatibility Adjacent to CSUMB Campus</p> <p>11. Issues Relating to Gambling</p>	
<p><u>Economic Development and Jobs</u></p> <p>12. Reversal of the Loss of Middle Class Job and Housing Opportunities</p> <p>13. Constraints and Uncertainties for Development on Fort Ord</p> <p>14. Promotion of Economic Development through Outdoor Recreational Tourism/Ecotourism</p> <p>15. Capitalization on Existing Regional Strengths to Promote Expansion of Office and Research Sectors</p> <p>16. Establishment and Marketing of a Brand for Fort Ord</p>	3-83
<p><u>Urban Blight and Cleanup</u></p> <p>17. Prioritization of Funding for and Removal of Blight</p> <p>18. Evaluation of Base Clean-up Efforts and Methods</p>	3-89
<p><u>Aesthetics</u></p> <p>19. Prioritization of Design Guidelines</p>	3-92
<p><u>Housing</u></p> <p>20. Effects of Changes in Population Projections</p> <p>21. Policy Regarding Existing Residential Entitlements Inventory</p> <p>22. Cost of Housing and Targeting Middle-income Housing Types</p>	3-93
<p><u>Transportation</u></p> <p>23. Re-evaluation of Transportation Demands and Improvement Needs</p> <p>24. Capitalization on Existing Infrastructure – Consider Costs/Benefits/Efficiencies of Capital Improvement Program</p> <p>25. Policy on Through Traffic at CSUMB</p> <p>26. Prioritization of Multimodal (Bicycle, Pedestrian, and Transit) Transportation</p>	3-96
<p><u>Water</u></p> <p>27. Re-evaluation of the Salinas Valley Groundwater Basin Water Supply</p> <p>28. Prioritization of Water Augmentation</p> <p>29. Prioritization of Water Conservation</p>	3-101
<p><u>Fort Ord National Monument</u></p> <p>30. Potential for the National Monument and Tourism to be a Catalyst</p>	3-106

	<p>to Economic Growth in the Region</p> <p>31. Policy on Land Use Adjacent to the National Monument</p> <p>32. Integrated Trails Plan</p> <p>33. Fort Ord Nat’l Monument – Fort Ord Dunes State Park Trail Connection</p> <p>34. Access Points and Trailhead Development for the Fort Ord Nat’l Mon.</p>	
	<p><u>Cultural Resources</u></p> <p>35. Site for a Native American Cultural Center</p> <p>36. Additional Policy on Historic Building Preservation</p>	3-111
	<p><u>Veterans’ Cemetery</u></p> <p>37. Veterans’ Cemetery Location</p> <p>38. Veterans’ Cemetery Land Use Designation</p> <p>39. Policy Regarding the Veterans’ Cemetery</p>	3-112
V	<p>FORA Procedures and Operations Items in bold, below, relate most directly to previous PRAC discussions of measuring BRP implementation effectiveness.</p> <p>A general discussion of Cat. V topics is a potential future Board post-reassessment workshop #3 subject area.</p>	
	<ol style="list-style-type: none"> 1. FORA Board composition, representation, and voting process 2. Oversight of the land use/development implementation decisions of local jurisdictions 3. Regularly track and report on the status of BRP policy and program implementation 4. Clarify the methodology for making consistency determinations and track and report results of consistency determinations 5. Provide regular updates on modifications to the BRP Land Use Concept map 6. Regularly monitor, update and report on status of BRP build-out constraint variables and other measures of BRP implementation status 7. Improve access to and disclosure of FORA Board decisions and fundamental data regarding the status of base reuse 8. Periodically Assess the BRP 9. Prepare a FORA Phase-Out Plan 10. Assess Infrastructure Maintenance Cost Issues 	3-118



Environmental Remediation: Cleaning up contaminated property is a critical part of the legal process for transferring ownership of military property. Under federal law, title may not be transferred until the toxic or hazardous situation is remedied, or the remediation process is in place and operating correctly. Successful reuse of the former Fort Ord requires the Army to clean up each parcel on the base to the level required for its intended use as designated by this document. The duration and nature of clean-up activities will affect interim and long term reuse implementation.

The former Fort Ord was listed on the Superfund list in 1990. Cleanup here will include extracting and treating contaminated groundwater and capping the landfills to limit future infiltration and minimize additional leaching. Forty-one sites have been identified as potentially hazardous sites.

Framework for the Reuse Plan

The Framework for the Reuse Plan establishes the broad development considerations that link the various Reuse Plan elements for each of the land use jurisdictions into an integrated and mutually supporting structure.

Community Design Vision: The design and planning vision for the future of the former Fort Ord draws its inspiration from several sources:

- the nature of the land and existing facilities on the base;
- the history and culture of the Monterey Peninsula, and particularly Fort Ord itself;
- sound principles of community-making; and
- a responsible and positive attitude toward the environment.

The opportunity provided by this 27,879.4-acre resource is inestimable. The challenge, however, to not squander or abuse the special qualities of this place is substantial as well. The designation of Fort Ord as a model reuse project chosen among the 1991 round of base closures is indicative both of the challenges to be met in the future and the opportunities inherent in this unique site and its surrounding region.

The prevalence of the Peninsula academic and environmental communities has in recent years spawned a variety of educational and research initiatives. Following this lead, University of California (UC) and California State University (CSU) have both begun to plan and implement ambitious and important facilities at the former base. These facilities in many ways will form the nucleus of the future community envisioned to grow at this site.

The vision for the future of the former Fort Ord is that a community will grow up on the former Base, having a special character and identity. This community, at the same time, will fit with the character of the Peninsula, complementary with the scale and density of the existing communities from Marina to Carmel. It will demonstrate a respect for the special natural environment of the Peninsula



and the scenic qualities of the Bay, coastal dune areas, and upland reaches. It will also be complementary to the rich tradition and reality of agriculture in the Salinas Valley, which forms such an important part of the regional character and economy, while enhancing the experience of visitors to the Peninsula. Most importantly, the community will be a special place for living and working. It will provide a diversity of experience and opportunity, with a development approach that is sustainable and appropriate.

Design Principle 1: Create a unique identity for the new community around the educational institutions. The centerpiece of the community at the former Fort Ord will be the education centers that have been integrated into the reuse of the former Fort Ord and which provide a central focus for the reintegration of the former military base into the regional economy. Three major post-secondary institutions are participating in the reuse of the base. The CSUMB campus, the UC MBEST Center, and the Monterey Peninsula College District will all become significant catalysts to the economic development of the region.

Design Principle 2: Reinforce the natural landscape setting consistent with Peninsula character. The former Fort Ord is part of the gentle crescent that frames Monterey Bay, situated between the great Salinas River Valley and the dramatic coastal range that juts into the Pacific to form the Monterey Peninsula.

Design Principle 3: Establish a mixed-use development pattern with villages as focal points. Consistent with the character of a college town with a vibrant, around-the-clock level of activity and vitality, the community is planned to consist of a series of villages with mixed-use centers.

Design Principle 4: Establish diverse neighborhoods as the building blocks of the community. The special character of the communities in the Monterey Peninsula is due in part to the diversity of their residential neighborhoods. They are typically small scaled, with one and two story buildings. Open space is plentiful, giving the overall impression of a green and lush landscape.

Design Principle 5: Encourage sustainable practices and environmental conservation. The reuse of the former Fort Ord as a mixed-use community within the larger Monterey Peninsula provides the opportunity to demonstrate a wide range of design and planning practices that are consistent with accepted notions of sustainability and environmental conservation. A majority of the area of the former Fort Ord will be set aside for habitat management with limited recreation opportunities included. The remaining portions of the former base will be developed into a mixed-use community which provides housing and employment opportunities, reducing the need for long distance commuting throughout the region.

Design Principle 6: Adopt regional urban design guidelines. The visual character of the former Fort Ord will play a major role in supporting its attractiveness as a destination for many visitors every year. Maintaining the visual quality of this gateway to the peninsula and where necessary enhancing it is of regional importance to ensure the economic vitality of the entire peninsula. Regional urban design guidelines will be prepared and adopted by FORA to govern the visual quality of areas of regional importance within the former Fort Ord.



The Reuse Plan provides Design Objectives to guide development of the former Fort Ord that address:

- Community Form;
- Development Pattern;
- Town and Village Centers;
- Existing Neighborhoods;
- New Neighborhoods;
- Major Development Sites; and
- Landscape and Open Space.

Existing Setting and Character of the Former Fort Ord

The regional character provides a description of the landscape and communities of the Peninsula. The urbanism of the Peninsula provides a description of the architectural and urban design resources.

The existing development at the former Fort Ord describes the various land use zones that make up the current land resource. The major development opportunities and assets are identified including:

- CSUMB;
- UC MBEST Center;
- Monterey Peninsula College District;
- Marina Municipal Airport;
- Fort Ord Dunes State Park;
- BLM Land Management;
- Golf Courses;
- Existing Housing Resources;
- Monterey Peninsula Unified School District (MPUSD) Resources; and
- Military Enclave including the POM Annex, DFAS, and other facilities.



The Land Use Concept

The Ultimate Development Plan and Map is a consensus plan and the product of the on-going reuse planning process at the former Fort Ord. The Land Use Concept reflects the ultimate reuse of the lands at the former Fort Ord and expresses a long range vision for the property consistent with the role the former Fort Ord will play in the region.

Development Capacity: The land supply is expected to accommodate growth for 40 to 60 years depending on the land use type and future market conditions.

Public Uses at the former Fort Ord: Of the nearly 28,000 acres at the former Fort Ord, 85 to 86% of the lands are reserved for public use.

Economic Development at For Ord: The remaining 14 to 15% of the lands at the former Fort Ord are planned in a coordinated way to provide a mix of uses that reflect market projections, promote the strategic objectives identified during the course of the reuse planning efforts, and can pay for infrastructure costs.

Employment Projections: The ultimate development land use plan is expected to generate a total of between 45,000 to 46,000 jobs.

Population Projections: The ultimate development land use plan will accommodate a resident population of an estimated 51,770 people, excluding the resident student population at CSUMB. With the resident full-time equivalent (FTE) students, the population at the former Fort Ord will rise to 71,770.

Land Use Designations and Land Resources

The land use designations which are shown on the Ultimate Development Map are organized by:

- Residential Uses;
- Mixed Use and Commercial Uses;
- Retail Uses;
- Visitor Serving Uses;
- Open Space, Recreation, and Habitat Uses;
- Institutional and Public Facilities; and
- Community ROW.

Circulation Concept

It is clear that the redevelopment of the former Fort Ord, plus growth throughout the remainder of Monterey County and the region, will significantly increase the demand placed on the region's transportation infrastructure and services. While the former Fort Ord will be the location of a portion of this



growth, reuse will only contribute to a region-wide traffic problem. To some extent, the increases in travel demand will be managed by building or improving transportation facilities, but there also exists a variety of concepts and objectives that can be used to minimize the demand for vehicle trips as an alternative to increasing roadway capacity. The approach taken as part of the Fort Ord Reuse Plan seeks to balance these two components to achieve a transportation system that is both financially feasible and operationally acceptable.

The Circulation Concept identifies the major regional and localized issues and defines the proposed roadway network. Approaches to travel demand management are identified including:

- Jobs/Housing Balance;
- Mixed-Use Development/Increased Densities;
- Design of the Street Networks;
- Pedestrian Facilities;
- Bicycle Programs;
- Transit-Oriented Design;
- Transit Service and Facilities;
- Park-and-ride Lots;
- Rideshare Program;
- Parking Management;
- Employer-Based Transportation Demand Management (TDM) Programs; and
- Telecommunications.

Conservation, Open Space, and Recreation Concept

Many of the land uses proposed for the future development of the former Fort Ord fall into the category of open space. Among these are lands set aside for habitat protection, park lands dedicated to public recreation, commercial recreation lands such as golf courses, institutional settings such as the CSUMB campus, and some isolated peripheral areas which form image gateways along major roadways.

In order to take advantage of these existing land-based opportunities, and to form a meaningful greater whole throughout the former Fort Ord with regards to conservation and recreation, four major concepts, or themes, were developed to guide conservation and recreation planning. These themes are seen as ways to ground planning in a conceptual framework based on sound ecological ideas combined with a vision of economic redevelopment. The essence of these themes can be summarized as follows:



Theme 1: Connect the individual open space parcels into an integrated system for movement and use of both native plant and animal species and people.

Theme 2: Integrate the former Fort Ord with the regional open space system, creating a network of recreation and habitat resources which is unique considering the adjacent agricultural and urban amenities, and which will attract economic growth through a variety of recreation experiences.

Theme 3: Achieve a balance between recreation and conservation with appropriate land use designations to support both functions. Plan with multiple goals in mind, so that lands identified primarily as recreation resources will also be managed for value as habitat, and habitat lands can also serve as a recreation resource. For example, habitat can promote a recreation value, such as serving as a trail conduit, or for nature viewing.

Theme 4: Achieve a permanent conservation of all habitat types. A multiplicity of habitat types have been identified at the former Fort Ord, each with its own complement of special status species. True conservation means regarding each as having some value in its own right, not just those identified as having the highest habitat values. This may best be achieved by distributing open space areas throughout the former Fort Ord.

Planning Areas and Districts

Planning Areas and Districts within the County of Monterey and cities that have corporate limits within the former Fort Ord are designated to manage long-term growth and reinforce the community design vision for the former Fort Ord. They are based on the surrounding development context and the Development Framework, Circulation Framework, and Conservation, Open Space and Recreation Framework. They build on the major assets within the former Fort Ord including: CSUMB, UC MBEST Center, the Marina Municipal Airport, the East Garrison and the existing housing resources and recreational and open space features. The Planning Areas and Districts provide a flexible tool for planning and implementing coordinated development to take advantage of these assets for achieving the desirable community vision.

Planning Areas and Districts are defined for the City of Marina, the City of Seaside, and Monterey County. For each district, the Reuse Plan:

- Projects a development program based on the land use provisions; and
- Identifies Development Character and Design Objectives.

Reuse Plan Implementation

The strategies for economic recovery for the redevelopment of the former Fort Ord depend upon the following foundation:

- Community Development Themes to identify desirable outcomes;



- the on-going use of Phasing Scenarios as a strategic planning tool to help formulate policy and forecast future conditions and feasibility; and
- the Principles and Approaches to growth management which will form the basis for preparing a Community Improvements Plan and for managing growth.

Community Development Themes: The Reuse Plan articulates four Community Development Themes to facilitate the economic recovery at the former Fort Ord:

Theme 1: Recovery and Long Term Economic and Fiscal Health of the former Fort Ord Communities, the Monterey Peninsula, and the Region with respect to:

- Job Replacement;
- Balanced Growth;
- Rapid Redevelopment;
- Positive Fiscal Impact;
- Managed Water Supply; and
- Managed Residential Development.

Theme 2: Environmental Responsibility with respect to:

- Habitat Management;
- Allocating the Costs of Habitat Management;
- Open Space and Recreational Resources;
- Visual Gateway to the Monterey Peninsula;
- Sustainability; and
- Clean-Up of Hazardous Materials.

Theme 3: Regulatory Framework with respect to:

- Simple But Flexible Growth Management;
- Equitableness; and
- Responsibility.

Theme 4: Regional Accountability with respect to:

- Integration of Long Range Plans for the former Fort Ord.



Business and Operations Plan Development Strategies: The Business and Operations Plan has been prepared for a twenty-year planning horizon (to the year 2015) which attempts to optimize financial performance in order to see whether, under realistic assumptions, the identified program can be feasibly constructed in the market place.

The Comprehensive Business Plan (CBP) was prepared to assist FORA in devising a viable and equitable financing plan for reuse and is based on many assumptions for which information is continuously improved. The CBP serves as a guide to indicate how FORA could establish fees, and finance the identified capital costs, while respecting real estate market projections. The recommendations of the CMP and the financing tools recommended in the Public Facilities Improvement Plan (PFIP) is under review and refinement by FORA. **Adoption of a financing plan and development fees will be separate actions taken by FORA subsequent to certification of the Final EIR and adoption of the Reuse Plan.**

The Business and Operations Plan is built from the following development strategies:

Market Strategy: Accommodate the broadest number of segments of the desirable real estate market during the initial years. This strategy will: 1) allow leverage of the housing market to enhance the attractiveness of the former Fort Ord as a jobs center; 2) use market support to generate investment capital for infrastructure improvements; and 3) if properly managed, put into place the threshold investments that will carry the vision for the former Fort Ord beyond the 2015 horizon.

Circulation Strategy: Build on the existing transportation network to the greatest advantage so that the most expensive improvements can be postponed for the longest time. This strategy will: 1) maximize the available capacity at the existing interchanges located on State Highway 1; 2) utilize the existing roadway alignment and capacity in the Imjin Road Corridor for the longest period possible; 3) implement a new east-west corridor between Reservation Road (extending north-east along the Davis corridor to Salinas) and General Jim Moore Boulevard to augment the capacity in the Imjin/Blanco Corridor; 4) connect the existing Marina neighborhoods north of the former Fort Ord with the existing housing resources in the northwest corner of the former Fort Ord; and 5) preserve sufficient ROW's to serve long-range build-out.

Infrastructure Strategy: Maximize the use of existing infrastructure improvements to support development in the initial years while preserving the greatest flexibility to respond to future development opportunities. Establish the principle that every area covers "its own cost of service." This strategy will: 1) identify opportunities that can be developed easily and with modest improvements in the service network; 2) take advantage of the existing network of services that facilitates the long-range development opportunities; 3) identify opportunity areas where infrastructure can be more cost effectively provided with services independent of the main



Community-Building Strategy: Capitalize on the valuable synergy that can be achieved by developing coherent and balanced communities that take advantage of the major existing assets and public investments. This strategy will: 1) provide a community that supports the emerging CSUMB campus; 2) build on the activity that is emerging at the new Marina Municipal Airport; 3) support the inherent opportunities at the UC MBEST Center to attract new technology-driven and research-based employers; 4) fully integrate the communities within the former Fort Ord with the regional recreation and open space resources managed by the State Parks and BLM; 5) take advantage of the proximity to State Highway 1 to create a gateway to the former Fort Ord; 6) utilize the two existing golf courses in Seaside; 7) integrate the existing housing stock into the surrounding communities; and 8) build on the continuing commitments by the DoD represented by the Defense Finance and Accounting Service (DFAS), and POM Annex and other elements of the military enclave.

Fiscal Strategy: Balance the cost of services with the potential revenue stream to the various jurisdictions within the former Fort Ord boundaries to optimize the fiscal health and self-sufficiency of each governmental entity. This strategy should result in a positive cost/revenue balance for each land use agency.

Growth Management Principles: The CIP will be the primary tool for growth management at the former Fort Ord by guiding the provisions for infrastructure. Two basic principles have been identified for managing the provision of infrastructure within FORA. These principles underlie all management approaches that were considered for the implementation of the Reuse Plan.

Growth Management Principle 1: All of the developable lands within FORA's jurisdiction have the potential to be served with infrastructure.

Growth Management Principle 2: Properties within FORA's jurisdiction will have access to infrastructure on a "first-come, first-served" basis based on the adopted CIP.

Implementation Process and Procedures: The Reuse Plan defines the process and procedures for Plan Amendments, Consistency Determination, and Development Entitlements and Appeals, pursuant to California Government Code Section 67675.

Implementation of the HMP: The Reuse Plan describes the "Implementing/Management Agreement" and its relationship to the HMP and the member agencies of FORA.

1.2.2 Volume 2 - Elements of the Reuse Plan

Each land use jurisdiction approving development within the former Fort Ord will need to adopt General Plan Elements or Master Plans consistent with the Reuse Plan. The elements of the Reuse Plan provide the specific provisions for each of the three land use jurisdictions with current responsibility for controlling development of the former Fort Ord lands: the City of Marina, the City of Seaside, Monterey County, University of California, California State University, and the California Department of Parks and Recreation.



former Fort Ord network or where special financing will cover the cost of the service; and 4) set the stage for development after 2015 with a sufficient reserve to finance major investments in capacity.

The heart of the Reuse Plan Elements is a set of integrated and internally consistent goals, objectives, policies, and programs for each of the three land use jurisdictions. They reflect the vision for the former Fort Ord and establish who will carry out the activities needed to reach each goal. Goals and objectives are the same for each jurisdiction, while the policies and programs have been designed to meet the specific needs of each jurisdiction.

Section 4 includes Goals, Objectives, Policies and Programs by land use jurisdiction for each element, including:

- Land Use Element;
- Circulation Element;
- Recreation and Open Space Element;
- Conservation Element;
- Noise Element; and
- Safety Element.

The goals for the Reuse Plan Elements are:

Land Use Goal: Promote orderly, well-planned, and balanced development to ensure educational and economic opportunities as well as environmental protection.

Circulation Goal: Create and maintain a balanced transportation system, including pedestrian ways, bikeways, transit, and streets, to provide for the safe and efficient movement of people and goods to and throughout the former Fort Ord.

Recreation and Open Space Goal: Establish a unified open space system which preserves and enhances the health of the natural environment while contributing to the revitalization of the former Fort Ord by providing a wide range of accessible recreational experiences for residents and visitors alike.

Conservation Goal: Promote the protection, maintenance and use of natural resources, with special emphasis on scarce resources and those that require special control and management.

Noise Goal: To protect people who live, work, and recreate in and around the former Fort Ord from the harmful effects or exposure to excessive noise; to provide noise environments that enhance and are compatible with existing and planned uses; and to protect the economic base of the former Fort Ord by preventing encroachment of incompatible land uses within areas affected by existing or planned noise-producing uses.



Seismic and Geologic Hazards Goal: To prevent or minimize loss of human life and personal injury, damage to property, and economic and social disruption potentially resulting from potential seismic occurrences and geologic hazards.

Fire, Flood and Emergency Management Goal: To prevent or minimize loss of human life and personal injury, damage to property, and economic and social disruption potentially resulting from fire, flooding, or other natural disasters.

Hazardous and Toxic Material Safety Goal: To prevent or minimize loss of human life and personal injury, damage to property, and economic and social disruption potentially resulting from hazardous and toxic materials.

The following is an excerpt from page 8 of the FY 12/13 FORA Capital Improvement Program document concerning FORA's Building Removal Program.

f) Building Removal Program

As a base-wide obligation, the BRP includes the removal of building stock to make way for redevelopment in certain areas of the former Fort Ord. Building removal is funded from land sale revenue and/or credited against land sale valuation. Two Memorandums of Agreement ("MOA") have been finalized for these purposes, as described below:

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 credits of \$24M for building removal costs against FORA's portion of the land sale proceeds. FORA's Building removal obligation was completed as directed by the City of Marina and MCP in 2007.

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 area 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.

In these agreements, the hierarchy of building reuse is observed – the FORA Board policy that prioritizes the most efficient reuse of obsolete buildings by focusing on renovation and reuse in place; relocation and renovation; deconstruction and reuse of building materials; and, mechanical demolition with aggressive recycling.

FORA's remaining building removal obligations include the former Fort Ord stockade within the City of Marina (\pm \$2.2M) and buildings in the City of Seaside's Surplus II area (\pm \$3.9M). In 2011 FORA, at the direction of the city of Seaside, removed a building in the Surplus II area which reduced FORA's financial obligation by \$100,000. FORA will continue to work closely with the Cities of Marina and Seaside as new specific plans are prepared for those areas.

3. Chief constraints to the realization of the BRP.
4. Expected timeframe for buildout of the BRP.
5. Policy options that should be considered in calibrating the BRP to emerging trends and future conditions.

Organization of Report

Following this opening chapter, **Chapter 2** provides an overview of the BRP, documenting accomplishments and progress toward initial growth targets. **Chapter 3** provides an overview of economic and demographic factors influencing Fort Ord development, documents regional growth expectations,² and estimates the total population and employment growth that could be captured by Fort Ord. **Chapter 4** provides an evaluation of residential and commercial real estate market conditions and is followed by a detailed examination of land supply/demand and potential capture of net demand by Fort Ord in **Chapter 5**.

Executive Summary

This section offers an overall synthesis of this report, developing conclusions based on the data presented in the forthcoming chapters.

Overall Conclusions

1. **The BRP should be considered as a long-term plan** expected to move forward in fits and starts. Temporary imbalances between residential and commercial development are natural and can be acceptable, providing there is a logical basis for realization of a balanced land use outcome at buildout. Buildout of the currently projected pipeline supply is anticipated to occur over the next 40 years.
2. **Population and job projections imply more than 20 years for Fort Ord's remaining buildout.** AMBAG projects 4,800 housing units and 12,400 jobs for the Monterey Peninsula's cities over the 20-year 2015-2035 period. Remaining (unbuilt) growth on Fort Ord is more than 6,400 units and roughly 14,400 jobs (based on the BRP's 18,000 job goal). Remaining development capacity anticipated in the BRP exceeds projections for the Peninsula for the next 2 decades, even if Fort Ord achieves 100-percent capture of Peninsula-based demand.

² This report relies on the "Monterey Bay Area 2008 Regional Forecast" published by AMBAG for population and employment projections, as it is the most recent published projection and aligns with other regional planning efforts. AMBAG is currently developing revised demographic forecasts that are anticipated to vary from the current data. Preliminary data published for the 3 county area suggest that the forthcoming population and employment data will project slower growth between 2010 and 2035 than currently projected. Data disaggregated to the local level is not available, however, and therefore could not be incorporated into this report. It is important to note that that EPS's analysis is focused on the growth in total population and employment between 2015 and 2035. While actual baseline and buildout numbers may vary, it is expected that the magnitude of variance in the absolute growth numbers could be less significant.

**Table 1-1
Comparison of Fort Ord Projected Supply and Estimated 20-Year Demand**

Item	Projected Fort Ord Supply [1]	Estimated 20 Year Demand	20 Year Surplus/ (Shortfall) [4]
Residential Units [2]	6,400	3,600	2,800
Commercial Building Square Feet	5,800,000	2,700,000	3,100,000
Jobs [3]	14,400	9,400	5,000

[1] Based on FORA development projections through 2022. See Table 2-7.

[2] Reflects total projected new and replacement units shown in Table 2-7 less 492 CSUMB units. Of these units, roughly 4,000 new units and 500 replacement units are entitled.

[3] Projected supply reflects BRP goal of 18,000 jobs less current 3,600 jobs present on Fort Ord.

[4] Surplus reflects development expected to occur beyond the 20 year timeframe of the analysis. Entitled units cannot be withdrawn or canceled without permission of those who hold the entitlement and the governing land use authority.

Economic and Demographic Findings

3. **The County and its cities are increasingly bifurcated** socio-economically, with a growing divide between the fast growing Salinas Valley and a Peninsula subregion that is losing population.
4. **The Peninsula area of Monterey County is losing middle income households**, with high earners in key age brackets leaving the region for other opportunities.
5. **The region’s research strength has not translated to job creation and commercial real estate demand.** The Monterey Bay region harbors tremendous potential among its educational and research institutions, as well as a highly technical and talented pool of labor. However, these conditions have not led to substantial job development.

Residential and Commercial Real Estate Market

6. **The level of perceived legal risk associated with development on Fort Ord affects investment activity.** It is very important for developers and investors to “secure” acceptable growth targets addressing key environmental and public access concerns, to minimize risk to the extent possible. In the presence of ongoing threats of litigation, targeted return rates must be adjusted upward. This adjustment makes achievement of feasibility very difficult for projects providing needed jobs and housing.
7. **Fort Ord has a lack of integrated, mixed use development concepts relating to emerging consumer preferences.** As a national emerging trend, residential preferences are incurring a shift toward more efficient units and dynamic, multi-use locations, emphasizing orientation, appropriate size, and synergy with other uses and transit. While the BRP programs, policies and land use designations promote mixed use concepts, and

developers are responding to these trends in certain cases (e.g., the approved and partially built “Dunes at Monterey Bay” project in Marina), more emphasis should be placed on meeting these consumer preferences if and when opportunity presents itself.

8. **Job growth is paramount in the Peninsula’s residential recovery.** In California and throughout the U.S. economy, residential development is recovering in areas of strong local job growth. The South Bay Area is a prime example of this dynamic.
9. **Residential markets have shifted, reflecting lower price points to match consumer ability to pay,** based on modest local salaries and limited equity. On Fort Ord, pricing of new residential units is expected to be 25 to 35 percent less than initially proposed price points, though fundamental product types do not appear to have substantially changed.
10. **Home prices are still too high for younger and less educated consumers,** indicating a potential need to reconfigure residential product types. If current patterns persist, more than 60 percent of future Peninsula area households will have incomes less than \$75,000 annually, corresponding to price points under \$325,000. Current products proposed and approved on Fort Ord consist of a high proportion of detached, single-family lots, and may be skewed to the upper end of the income spectrum. A larger proportion of attached product may be needed to address price-sensitive market segments while still achieving acceptable development profits.
11. **Declining home prices undercut economic feasibility.** As homes prices are reduced in accordance with the economic “reset”, FORA CFD Special Taxes and jurisdictional impact fees are becoming a larger percentage of overall development cost burden. This is an issue in particular for attached product with lower unit values, and could preclude creation of senior and affordable housing prototypes.
12. **Near-term residential demand is highly sensitive to price points and their linkage to local occupational wages;** evidence for “pent-up demand” is strong at lower price points, however, local housing demand is “elastic” (i.e., highly sensitive) with regard to increased prices, increasing pressure on housing developers as profit margins are squeezed. It is therefore critical to ensure that the infrastructure cost burden, driven by FORA’s Capital Improvement Program is as efficient as possible by serving the most units of development for the least cost. In this regard, goals of the development and environmental communities are aligned, in that targeted and strategic infrastructure investments could result in lower costs to the development community while minimizing environmental disturbance and promoting best practices in terms of environmentally sustainable development.
13. **Short-term demand for residential stems from a variety of sources and changing conditions.** In the absence of substantial near-term expansion of the job base, residential demand will emanate from growth in tourism and other sectors, improving access to South Bay job centers through potential Highway 156 improvements, improving accessibility between Santa Cruz County and Monterey County as a result of Highway 1 capacity improvements, and move-up demand from Seaside, Marina, and other local communities. All of these factors suggest an approach of initially building the local labor force as a means to attracting major employers.

14. **Office/R&D development is likely to be led by build-to-suit projects among owner-operators, followed by the potential emergence of multi-tenant speculative development** in the next 5 years. Low vacancy rates and continued lease rate growth on the Peninsula appear to be supportive of new development activity, providing that a supportive environment for job growth is established.
15. **Retail growth and development will directly respond to the pace of new residential development**, as the market is presently close to equilibrium. Opportunities to provide additional regional attractions will be facilitated by the recent **National Monument** designation on portions of Fort Ord and continued growth in tourism in general.
16. **Tourism expenditures are expected to continue to demonstrate considerable strength** and potentially show improvement. This will enable development of well-conceived hospitality concepts if risk levels are tolerable.

Fort Ord Prospects and Opportunities

17. **Achieving a long-term jobs-housing balance on Fort Ord will depend on a concerted economic development effort to grow basic “export” industries** and tie-together the R&D needs of agriculture, tourism, and education and to develop institutional/private sector research consortia. Over time, an expanding local labor force complemented by continued growth in opportunity between institutional entities, skilled sole proprietors located in Monterey County based on quality-of-life preferences, and corporate interest in the area and its labor force should combine to realize the job forecasts and scenarios discussed in this report (see **Chapter 4**). However, strong leadership will be required from one or more multi-jurisdictional entities motivated to further the economic balance and sustainability of the region.
18. **The National Monument offers an opportunity to distinguish Fort Ord**, providing a compelling additional regional destination and supporting base recovery by providing additional amenity value for well-conceived growth and development. Tourism remains a strong sector for the regional economy showing annualized spending growth exceeding 3 percent per annum. The National Monument designation’s effect, if accompanied by a compelling and thoughtful implementation strategy fully activating the base and providing access to a wide cross section of the public, can help extend tourism and related spending to the communities encompassed by Fort Ord. It is important to note, however, that the while the leisure and hospitality industry is a critical element of the regional economy, it offers jobs that are often low paying. As its growth will not solve issues of economic and social bifurcation, expansion of this industry is one element of potential economic growth that must be augmented through development of other sectors.
19. **The ability to realize strong growth heavily depends on the perception of the base as a coherent, well-planned area with a dynamic future.** More attention should be given to the “entry experience” prevalent from all areas of the base. Screening and signage should be used strategically to shape visitor impressions. Design guidelines should reinforce the unique topography and vegetation present on the base. Fort Ord calls for a recommitment to operations, marketing, and branding to bring additional coherence and

recognition of future potential. Removal of derelict Army buildings needs to be prioritized to provide a better vision of future economic opportunity.

20. **Past investments in roadways should be fully used.** The facilities developed on Fort Ord have created substantial development capacity that should be efficiently and fully used. Second Avenue (within the Cities of Seaside and Marina) is an example of a facility that provides capacity for local development, driving ongoing progress by the Dunes at Monterey Bay project and CSUMB.

Discussion: BRP Implementation and Response to an Evolving Market

The BRP itself is characterized by two very important aspects: (1) it emphasizes the opportunity for jurisdictions affected by closure of the base to participate in the region's recovery, and (2) it emphasizes the ultimate form and function of reuse at the buildout condition. Much of the public's criticism regarding reuse and recovery progress to date relates to the interim status of the BRP's implementation. The interim completion status is obvious to even the casual observer on Fort Ord, where the landscape encompasses a chaotic array of partially completed housing and commercial projects, vast tracts of concrete and abandoned structures, and a partially built street system.

Based on identified economic trends, this economic analysis suggests policy options that may be available to improve the implementation of the BRP. These options are driven by a current, realistic assessment of economic conditions affecting the realization of stated growth targets, as well as the objectives stated in the 1997 BRP related to economic recovery, reflecting a commitment to education and environmental protection.

Overall, the BRP functions well in geographically distributing areas of commercial and residential development among multiple jurisdictions to promote economic recovery and replacement. However, improvements could be instituted in the implementation, execution, and oversight of the BRP among involved public and private-sector entities. Three entities are primarily involved in the growth and development of the former Fort Ord Army Base:

1. **FORA.** FORA is tasked with ensuring that the local jurisdiction's land use plans are consistent with the BRP. It is responsible for collecting fees and constructing infrastructure improvements and meet regional (e.g., TAMC) requirements and ensuring habitat conservation obligations shared throughout the Base are met. It also splits available land sale revenues and net incremental property tax revenue to effectuate the removal of buildings ahead of planned development, and ensures that the ongoing basewide tasks including clean-up of munitions and other contaminants are completed and synchronized with projects and related infrastructure improvements.
2. **Local Jurisdictions.** The Cities of Marina, Seaside, Monterey, and Del Rey Oaks, as well as the County of Monterey, have primary land use authority and are chiefly responsible for land use decisions and development approvals. CSUMB, the University of California, and the US Army also control significant areas of the former base, and are not beholden to local jurisdiction entitlement processes. In a more direct capacity than FORA, these entities are responsible for the mix and form of development that occurs, provided that FORA subsequently makes findings of consistency with the BRP. Jurisdictions are confronted by the loss of redevelopment tools that, pending future State Department of Finance decisions, may

not be available to provide gap funding to projects. A range of other emerging tools may mitigate the impact of losing redevelopment powers and tax increment financing.³

- 3. Development Community.** The development community is continuously reevaluating and redesigning products to respond to a changing consumer demand profile. The issues confronting local developers include a lack of identified demand in the face of continued high development costs. In some cases, such as the cost of labor, there is relatively little that can be done; in other cases, policy options are available to encourage certain types of development (e.g., careful monitoring and adjustment of FORA and jurisdictional impact fees).

Uncertain Residential Development Prospects

The resource-constrained BRP currently caps development at 6,160 new dwelling units, 1,813 rehabilitated and replacement units, and 18,342 jobs (the approximate equivalent of 3.6 million square feet of commercial and industrial development). To date, 5,000 housing units have been approved, roughly 500 lots completed, and fewer than 400 built. The development community has been working concertedly to reduce development fees as it has scrambled to reduce pricing in the aftermath of a major economic recession starting in 2009. Nevertheless, the market outlook for these residential units remains uncertain, with developers presently planning to release small groups of units within the next 2 years to test the market's depth and breadth.

Housing development in California, at the outset of the recessionary recovery, has been very localized and concentrated in areas with healthy and expanding job bases offering livable wages that support housing purchases. The recent era of rapid and effortless home equity growth, a major determinant of demand for move-up housing, has come to a close. On the positive side, the Monterey region remains an attractive region able to support a growing retirement sector, and housing demand at lower to moderate price points appears to be strengthening. The local housing needs of the region's service workers are expected to remain acute.

Realization of near-term housing demand at compelling price points can also leverage the area's regional proximity to the South Bay, strengthening the linkage between the two regions. An oft-observed pattern, exemplified by the "Tri-Valley" region northeast of Silicon Valley (which includes San Ramon, Dublin, Pleasanton, and Livermore), features rings of concentric growth, with labor force expansion attracting corporate interests seeking expansion or relocation options near a desired labor force. A similar dynamic could potentially be reinforced by the familiarity of major decision-makers with the Peninsula region, some of whom enjoy second homes in the area. Yet, job results predicated on this dynamic have been limited thus far in the Monterey Bay region.

³ Under the now dissolved redevelopment agency powers, tax increment financing allowed local redevelopment agencies to retain growth in property tax revenues generated within a redevelopment area to finance redevelopment activities.

Rather than relying on commuting, long-term economic recovery and achievement of BRP buildout relies on the region's ability to reinvigorate "basic"⁴ economic growth on the Peninsula and Fort Ord to expand and diversify the range of economic activities.

Slow and Deliberate Job Growth

About 3,600 of the 18,000 jobs targeted by the Base Ruse Plan have been realized. Job growth to date can be characterized by an eclectic variety of education, other public sector, resource-extraction, and health sector jobs, accompanying a continuing substantial military presence.

The rate and near-term composition of Fort Ord's near- and medium-term development is inextricably linked to prospects of Monterey County as a whole. Highly anticipated jobs stemming from information technology, marine and agricultural R&D, and other skill-based export industries have been very slow in arriving.

High expectations for job growth are nothing new to the Monterey Bay region. The area's relative proximity to South Bay employment centers, local quality of life factors, and institutional capabilities are compelling. In the region, Fort Ord provides the best prospects for accommodating projected growth with its water allocation and a coordinated multijurisdictional planning process.

A multi-pronged approach is necessary to achieve job growth that will stabilize the region's economy and offer more diversity, opening access to disadvantaged and underserved populations that have suffered since base closure and during the recent recession. As discussed in the prior section, this approach potentially involves supporting labor force growth through some initial acceptance of a "jobs follow housing" model. This approach relates to the fact that the middle class, which has been declining in the region, needs to be bolstered to arrive at a fully functioning economy that will attract larger employers. However, rather than simply wait for an employer response to a larger and more diverse local labor force, efforts must also be made to institute a coordinated economic development strategy, to substantially reduce development risk, and to ensure that a variety of development opportunities are in place, corresponding to diverse consumer preferences.

Constraints to "Beneficial" Development

The Monterey Bay Region is known to be selective when it comes to growth and development. In a region of natural beauty and environmental sensitivity, it is appropriate that development be held to the highest standards regarding site selection, design, consumption of water resources, minimization of traffic impacts (vehicle miles traveled or "VMT"), and other criteria.

At the same time, it is important to recognize that areas that are stable and balanced economically are more likely to value the preservation and expansion of natural resources. High quality and permanently protected open space is a major amenity value to private and public development, and fosters healthy lifestyle opportunities for the region's residents.

⁴ The phrase "basic employment" refers to sectors that sell goods and services to other regions (export industries). These industries are capable of expanding local wealth and bolstering demand for local support industries (e.g., retail and hospitality).

Disadvantaged populations that were most acutely impacted by the base closure, ensuing recessions, and changing structure of the economy may prioritize open space and natural resource preservation to a greater extent if additional economic opportunity to participate equitably in the recovery is available. Opportunities to retain middle-income, younger- to middle-aged earners are enhanced by a greater spectrum of job, residential, cultural, and recreational opportunities. Seniors and younger households, sensitive to price points, need access to housing closer to Peninsula jobs in the area to foster a more stable community.

It should be recognized that several major constraints to development and sources of risk affect all projects on the former Fort Ord:

- **Charged political climate.** There is substantial concern regarding legal actions, the length of time necessary to garner entitlements, and the ability to achieve buy-in among diverse constituents.
- **Structure of FORA Board.** Concern has been expressed that the size of the Board and the process by which decisions are made should be examined to ensure that the needs of jurisdictions with land holdings on Fort Ord are met.
- **Potential Loss of Property Tax Revenue.** Property Tax Revenue (formerly tax increment) has been an invaluable funding resource on the base and has been implicitly assumed to be a major component in providing gap financing for high value projects, affordable housing, and a source of funding for ongoing FORA operations. Some possibility exists that FORA's share of tax increment remains intact, based on the fact that the State legislation creating FORA and its funding sources may supersede State law abolishing redevelopment.
- **Potential for Low Land Sale Revenue to FORA.** Land sale revenues are the chief source of funding for building removal. At the same time that this report indicates that clearance of blighted structures is a major priority for improving market perceptions, a very real possibility exists that lower price points for residential product in particular, without corresponding reductions to development costs, will reduce land values. The potential loss of increases in property tax revenue discussed above may also affect net land sale revenue as critical gap financing may not be available to render projects feasible.
- **Uncertainty regarding future of basewide operations and management (FORA extension).** Real estate investors seek to reduce risk by minimizing uncertainty. In many cases, the presence of substantial cost burdens is acceptable if the return on investment is acceptable. In the case of Fort Ord, the presence of FORA provides stability and certainty, in that basewide programs have regional governance such as Building Removal, Habitat Management, Transportation and Transit, Water Augmentation, etc. The potential future need for developers to rely on each individual land-use jurisdiction to coordinate cross-cutting issues in the absence of a Local Reuse Authority (LRA) such as FORA constitutes a substantial development risk. Rather, it may be to the area's benefit to expand the range of FORA's cross-cutting oversight to include additional marketing, branding, and economic development—areas that are not presently being covered sufficiently by either the private or public sectors.

Policy Priorities: Overcoming Constraints to Balanced Growth

FORA and its jurisdictions should coordinate planning and economic development to ensure that future development opportunities are calibrated as follows:

- **A diversified range of opportunities is necessary to “land” job growth.** Specialized technology enterprises aligned with institutional initiatives are the most likely candidates for UC MBEST project. However, it will be critical to ensure that additional office/R&D job growth is facilitated by conventional, flat-topography fee-simple development opportunities, including areas near Highway 1 and more urbanized development patterns.
- **Emphasis should be placed on creating opportunities to attract the “creative classes.”** Major job centers have seen substantial technology growth in areas that are walkable to restaurants, incorporate civic and cultural features, and provide the density required to foster transit services. This “downtown” or “village center” environment is a critical feature of the BRP that should be reinforced and strengthened over time if possible. The CSUMB area would appear to be a prime option in this regard, building on the emerging synergy between the evolving Dunes at Monterey Bay project and the nascent CSUMB campus. To the extent possible and if validated through further study, development capacity could be created using density bonuses which also potentially align with community and environmental benefits.
- **Income disparities (the disappearance of the middle class) must be addressed through a major effort to attract jobs and economic development to provide regional balance.** Fort Ord is positioned to be the “engine” for regaining this lost balance. In this regard, it will be necessary to accept some level of residential growth ahead of commercial development to build a labor force that will set in motion recognition of opportunity among South Bay and other employers looking at potential expansions.
- **More emphasis should be placed on multi-cultural and under-served populations’ inclusion.** Efforts to link the environmental justice community to entities such as the California Endowment (currently active in Salinas) can potentially improve surrounding conditions in Seaside and Marina, for example, though emphasis on creating healthy and resilient communities by encouraging improved walkability, diversity of food choices, and transit-related and mixed use development. Specific populations, including veterans, Native Americans, African American, Hispanic, and others should play a role in celebrating the diversity of Fort Ord’s legacy and recovery. Additional collaborations with CSUMB and other entities would appear to be worth exploring in this regard.

Options for Policy Response

The most relevant and available policy options pertain to the implementation of the BRP; in some cases, modifications to the BRP itself may also be considered.

1. **Prioritize economic development to balance near-term growth and investment,** providing support to the local housing market while further developing the region’s strengths. This is by far the most critical next step to the implementation of the BRP, and breaks down into several important subfindings:

- **Consider alternative locations to capture a wider swath of high tech and R&D growth and development.** The UC MBEST project remains a valid and important component of the BRP, but too much reliance has been placed on this project as a location for the region's future technology-driven development. Developers and firms not interested in ground leasing or not permitted by use restrictions simply need an easily developed location benefiting from substantial traffic capacity and proximity to other major investments. Moreover, the “creative class” often favors dynamic, mixed use locations, which may lead to further consideration of other areas of the base. Additional sites, located on flat topography and open to a diverse range of commercial development opportunities are needed to realize targeted employment growth.

Potential areas of focus may involve the further development of the health care sector (e.g., leveraging Peninsula Wellness Center, VA clinic in Marina, and kinesiology and nursing programs at CSUMB), software development, agricultural technology development, and marine and environmental related research.

Existing capacity on General Jim Moore Boulevard should be studied as potential mixed use R&D districts targeted toward the creative class, interested in proximity to retail, restaurants, CSUMB, and access to Highway 1.

- **Maximize the potential impact of the Fort Ord National Monument Designation.** To be successful, the backlands of Fort Ord need to be attractive, safe, and accessible to a broad spectrum of visitors. Paths need to be improved to accommodate bicycle, pedestrian, and equestrian uses without conflict, and visitor amenities should be constructed according to a full master plan for the Monument, which will be prepared by Federal agencies as time and resources permit. Linkages to key projects and other regional attractions will be an important element of future planning efforts.
 - **Facilitate industry/academic consortia and other collaborations,** with immediate emphasis on attracting local public and private investment, and ensuring a place to land in the local real estate market (e.g., shovel ready sites) as discussed above. Identifying regional leadership and clarity of mission are essential near-term priorities in this regard.
2. **Engage in comprehensive marketing and branding effort.** Whether led by the public or private sector, the appearance and perception of the base needs to be improved to support development and leverage the National Monument designation on portions of the former base.
 3. **Improve interim transportation patterns and way-finding.** Despite public concern regarding a potential future east-west roadway connection (Eastside Parkway), regional traffic analyses conducted by TAMC articulate the established need for multiple Salinas Valley—Monterey Peninsula connection options to mitigate traffic impacts and provide adequate roadway capacity between these two interdependent subareas in the region and to reduce traffic moving through the central CSUMB campus. Nevertheless, the placement and timing of this and other major improvements should continue to be studied to ensure compatibility with future opportunities brought about by the National Monument designation and the overall vision for base reuse.

4. **Where applicable, prioritize use of existing infrastructure investments.** Much discussion in regional forums has centered on the full development and reuse of core areas near the Highway 1 corridor and CSUMB. Indeed, General Jim Moore Boulevard provides substantial capacity for future development and offers intriguing possibilities for future development patterns. An evaluation of intensified mixed use development in this area should be conducted.
5. **Where applicable, expand incentives for “beneficial” projects.** Although there is little latitude remaining to shape the type and placement of residential development on Fort Ord, future development can be incited through an expanded “toolkit” of financial options. For example, density bonuses could be offered for projects displaying societal- and resource-related benefits, i.e. projects that demonstrate best environmental and engineering practices that reduce VMT and other deleterious impacts on the natural environment.
6. **Ensure that FORA or a similar organization is positioned to coordinate cross-cutting planning and development issues.** The complexity of overlapping planning and development issues on Fort Ord requires a centralized, dedicated regional planning entity to minimize confusion and inefficiency. The prospective “sunset” of FORA, pending legislative efforts to extend the life of the organization, would shift the Fort Ord jurisdictions into a traditional LAFCO-led process where annexations involve requiring property tax sharing to fund common requirements, such as the Habitat Conservation Plan and other cross-cutting CEQA requirements.

Rather, FORA's (or successor organization's) role and responsibilities should be expanded to facilitate implementation of BRP and countywide economic development objectives. Several economic studies have cited the need for more inter-jurisdiction collaboration and a cohesive strategy for countywide economic development. Most of the development that occurs in the Peninsula area will be on former Fort Ord lands. An expanded coordination role for FORA or its successor would be based on the following considerations:

- a. FORA has a track record of working cooperatively with the local jurisdictions and has the ability to tie various economic and environmental objectives together. Ensuring that the emerging health care, education, research and development and other emerging industry sectors continue to develop and thrive, will require a concerted effort to align local officials. Significant and careful attention to land use adjacencies is required to avoid conflicts and maximize complementary, synergistic uses.
- b. Earlier engagement in local land use decision making and more intensive scrutiny at the consistency determination stage may be necessary to ensure adherence to the BRP vision.
- c. An expanded role in overseeing marketing and branding of the former Fort Ord, made particularly important by the recent **National Monument** designation, is needed.
- d. Incentives for beneficial development through FORA fee adjustments, deferrals, subsidies, and other means (e.g., targeted infrastructure investments) should be further considered in CIP reviews.

- 7. To the degree possible given market and economic conditions, near term redevelopment efforts should be focused on paved and built areas to remove visual blight and improve the ability of the former Fort Ord to attract new employment generating uses.** Focusing near-term redevelopment efforts on blighted (paved) areas will create a more attractive urban form with the potential to catalyze future growth opportunities.

Related to this concept, reliance on land sales to fund building removal should be reexamined. In the near term, residual land values are expected to be low to nonexistent, limiting the funds that may be available from this source. The availability of property tax funding remains unresolved, which further limits the ability to incent development. FORA should examine other means by which building removal can take place. An increased pace of building removal will not only assuage visual blight issues, but will improve safety and make the area more attractive to investors.

- 8. A renewed focus on new funding sources open to FORA, jurisdictions, and developers is needed to overcome the potential loss of tax increment.** Current prospects include the potential for Infrastructure Financing Districts (IFDs) to be used more effectively (see SB 214, AB 485, and AB 910), by amending voter approval requirements, extending the maximum term of bonds issued, expanding facility eligibility, and the inclusion of several other provisions. In addition, new legislation proposed by Senator Pro tem Steinberg (SB 1156) would offer redevelopment-like powers to jurisdictions and military base reuse communities reinforcing the priorities of SB 375, including mixed use, transit-oriented projects that are increasingly attractive to younger and older consumers and discussed further as an area to emphasize on Fort Ord. Finally, FORA has been pursuing vital base reuse legislation to ensure that LRA's, if not their member jurisdictions, have access to tax increment financing throughout the State.
- 9. Slower growth on Fort Ord may require adjustments to the Capital Improvement Program (CIP) and the Habitat Conservation Plan (HCP).** Presently, these documents assume a more rapid rate of development absorption on Fort Ord than the findings of this market analysis suggest. Pending further review and discussion of growth dynamics, potential adjustments may include delaying certain capital expenditures until required by new development. However, it should be noted that off-site (regional) demands also affect the timing of capital improvements, and HCP funding ramps up as development occurs (i.e., mitigation is not required until the impact takes place). It is anticipated that this topic will be explored in more detail once any planning implications of the BRP reassessment are more fully understood.