DRAFT 06.22.15

DESIGN FORT ORD

FORT ORD REGIONAL URBAN DESIGN GUIDELINES

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FORT ORD REGIONAL URBAN DESIGN GUIDELINES

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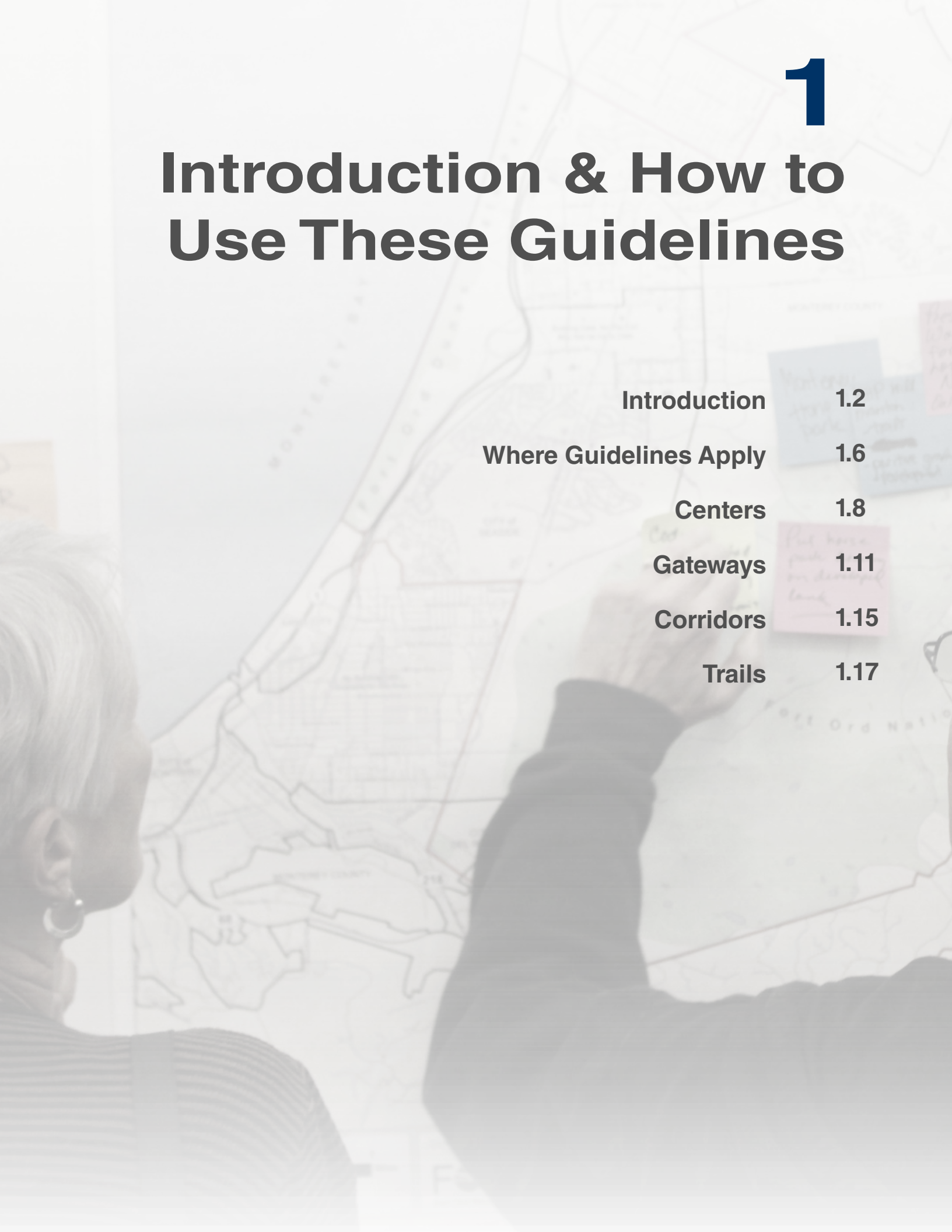
Introduction & How to Use These Guidelines



Introduction

The Fort Ord Reuse Authority (FORA) is helping guide growth on the former Fort Ord with Regional Urban Design Guidelines (RUDG). FORA is responsible for planning, financing, and implementing reuse and recovery programs described in the 1997 Base Reuse Plan (BRP) and the 2012 Reuse Plan Reassessment Report.

The Guidelines must meet the individual community objectives of participating municipalities while also ensuring that new development across former Fort Ord lands be cohesive, attractive, functional and sustainable.

The design guidelines are intended to further the following six design principles included in the BRP:

- ***Design Principle 1***. Create a unique identity for the community around the educational institutions.
- ***Design Principle 2***. Reinforce the natural landscape setting consistent with Peninsula character.
- ***Design Principle 3***. Establish a mixed-use development pattern with villages as focal points.
- ***Design Principle 4***. Establish diverse neighborhoods as the building blocks of the community.
- ***Design Principle 5***. Encourage sustainable practices and environmental conservation.
- ***Design Principle 6***. Adopt regional urban design guidelines.

"Design a man-made environment worthy of the natural place."

- 2015 charrette participant

These guidelines set standards for the following types of focus areas:

- ***Centers***
- ***Gateways***
- ***Corridors***
- ***Trails***

Nine development guidelines make up the RUDG:

- ***Street Connectivity***
- ***Fronts Face Fronts***
- ***Primacy of Open Space***
- ***Scale of Public Space***
- ***Walkable Streets***
- ***Legible Centers***
- ***Mix of Building Types***
- ***Context Sensitive Trails***
- ***Customized Gateways***

How to Use the Design Guidelines

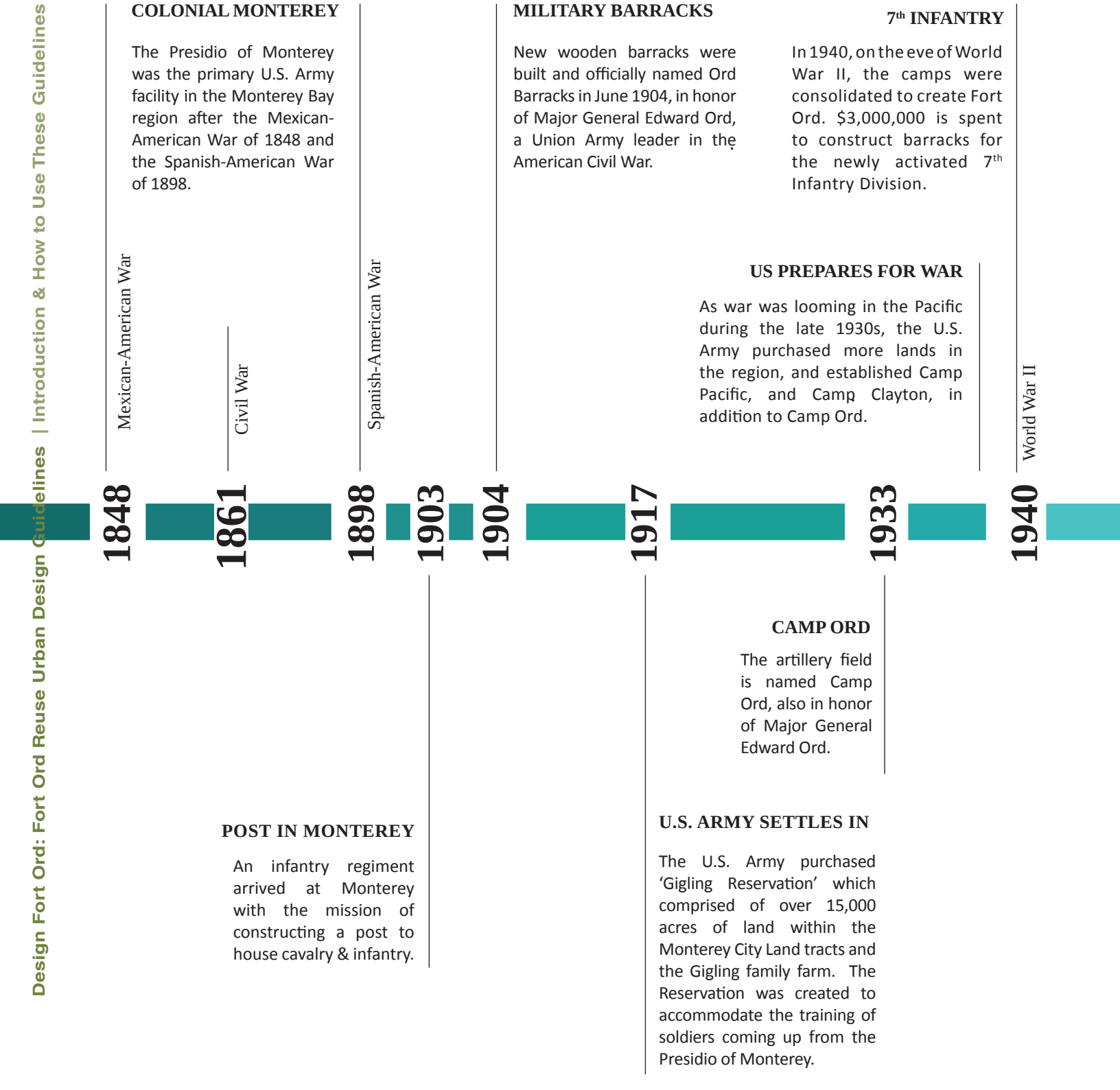
1. Locate your development site in the "Where Guidelines Apply" portion of Chapter 1 and determine if your site includes a center, gateway, corridor, or trail.

2. Use the Applicability Matrix in Chapter 3, Regional Guidelines, to determine the guidelines which apply to your site.

3. Review the applicable guidelines in Chapter 3. This section describes in detail the purpose, applicability, and requirements of each type of guideline.

4. Consult Chapter 2, Vision, for suggested, but non-binding approaches to complying with the guidelines. The guidelines recognize that every design problem has many possible solutions.

5. For more about the economic basis of the guidelines see Chapter 4, Market & Economics. For more on the public process that generated the guidelines see Chapter 5, Public Process.



FORT ORD HISTORIC TIMELINE

The design guidelines begin a new chapter in the long story of Fort Ord. The guidelines build from a discussion that has taken place over many years and adds specificity to Base Reuse Plan goals.

POST-WORLD WAR II

Following World War II in 1945, Fort Ord expanded its role as a soldier training center.

VIETNAM WAR

Fort Ord trained tens of thousands of soldiers to fight in the Vietnam War during the 1960s to 1970s.

FORT ORD CLOSES

On September 30, 1994, the flag was lowered and Fort Ord closed its doors. This would be the largest base closure in U.S. history.

CSUMB OPENS

When Congress decided to shut down Fort Ord, the local community proposed the base be converted into a university. In June 1994, that plan was approved and Cal State Monterey Bay opened.

BASE REUSE PLAN

On June 13, 1997 the Base Reuse Plan for the former Fort Ord was adopted as a comprehensive plan for the redevelopment of the area.

1945 | 1950 | 1960 | 1980 | 1994 | 2009 | 2014

Vietnam War

Korean War

KOREAN WAR

Fort Ord acts as a staging area for troops preparing for deployment, training thousands of soldiers in the early 1950's.

FORT ORD DUNES STATE PARK

In 2009 the Fort Ord Dunes State Park, 979 acres of parkland along the California coastline, opened to the public.

FORT ORD NATIONAL MONUMENT

In 2012, over 14,500 acres of former Fort Ord lands were proclaimed as a National Monument offering hiking trails and serving as a nature preserve.

ARMY INNOVATION

During the 1980s and early 1990s, Fort Ord created the Lightfighters: a brand of light infantry designed for rapid deployment on short notice to any military theater as needed.

FORA RUDG

The Fort Ord Reuse Authority moves to establish Regional Urban Design Guidelines for the former Fort Ord as dictated in the 1997 Base Reuse Plan.

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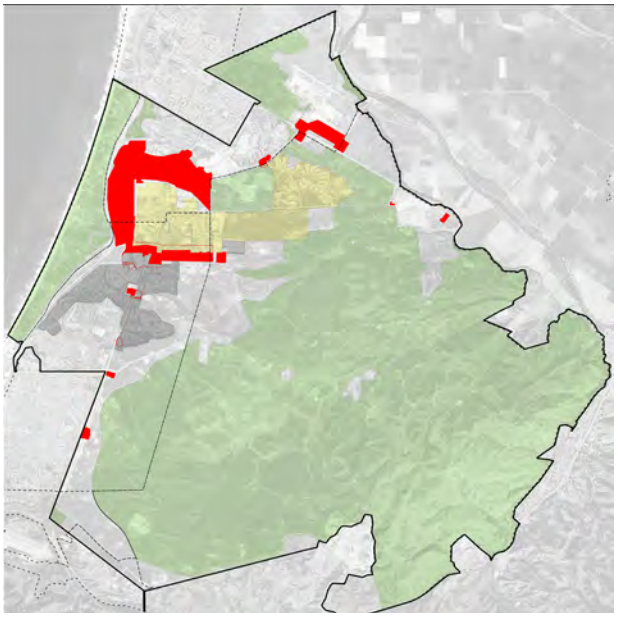
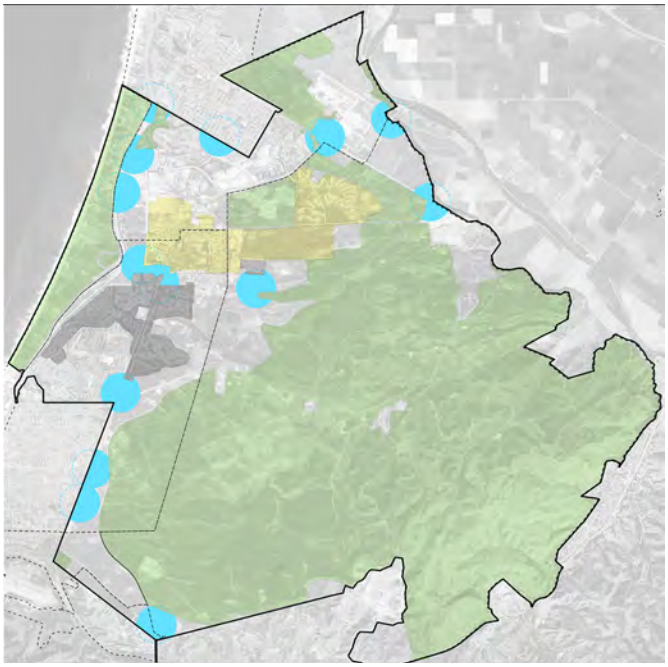
Where Guidelines Apply

The RUDG are intended to guide physical improvements within the former Fort Ord. The centers, gateways, corridors, and trails overview maps below show pertinent areas. The different types of focus areas are described on the following pages.

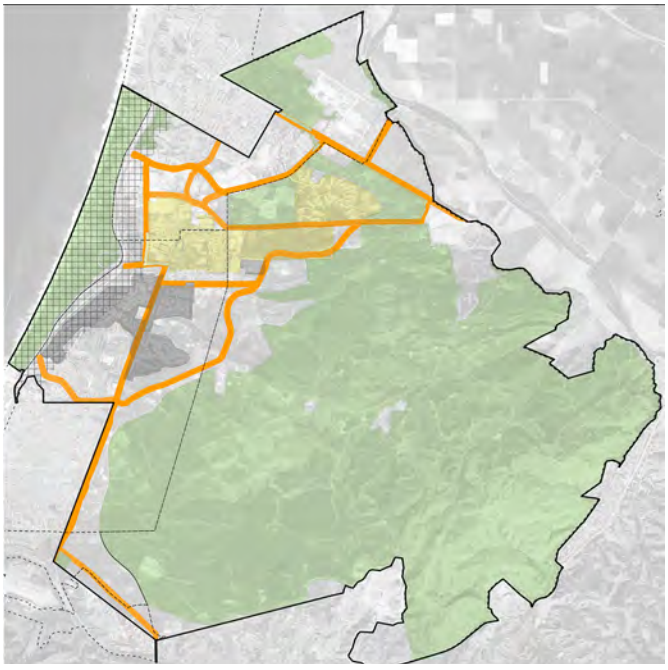
centers overview map



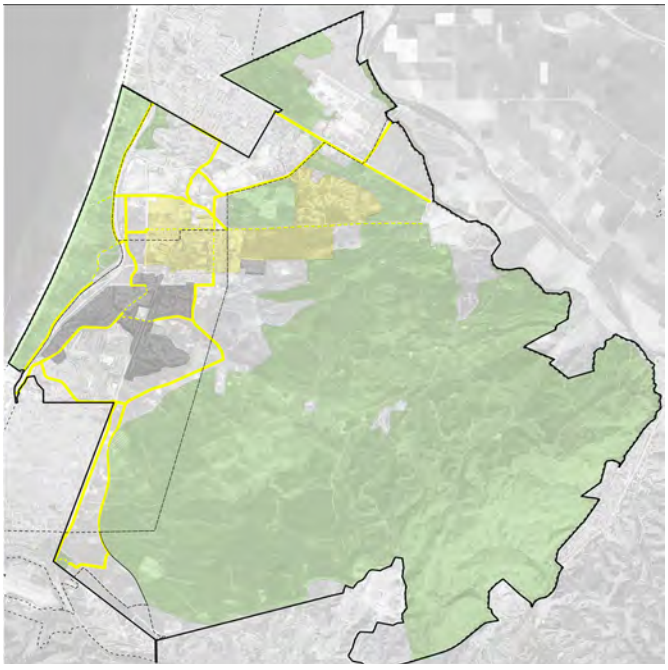
gateways overview map

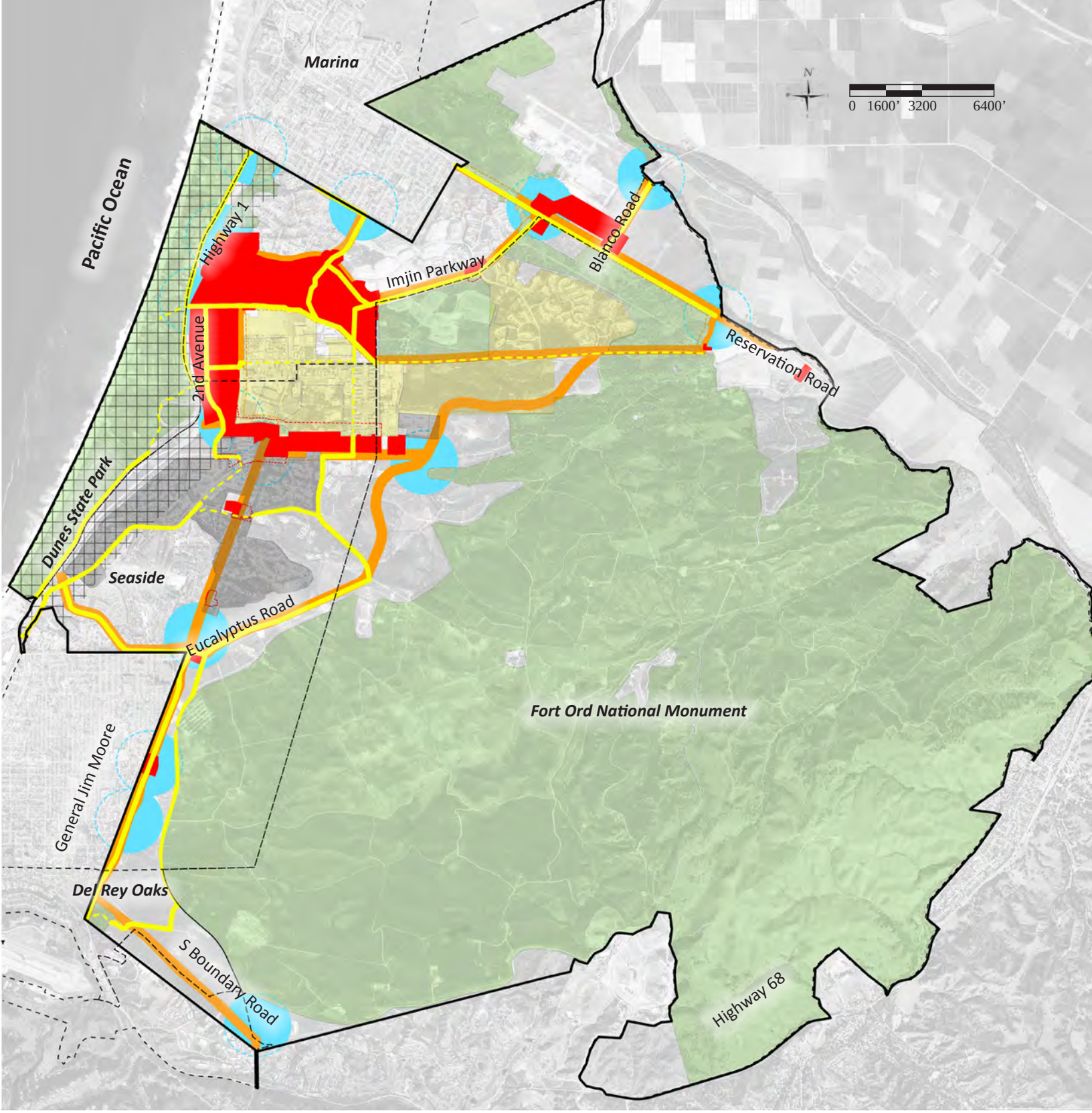


corridors overview map



trails overview map





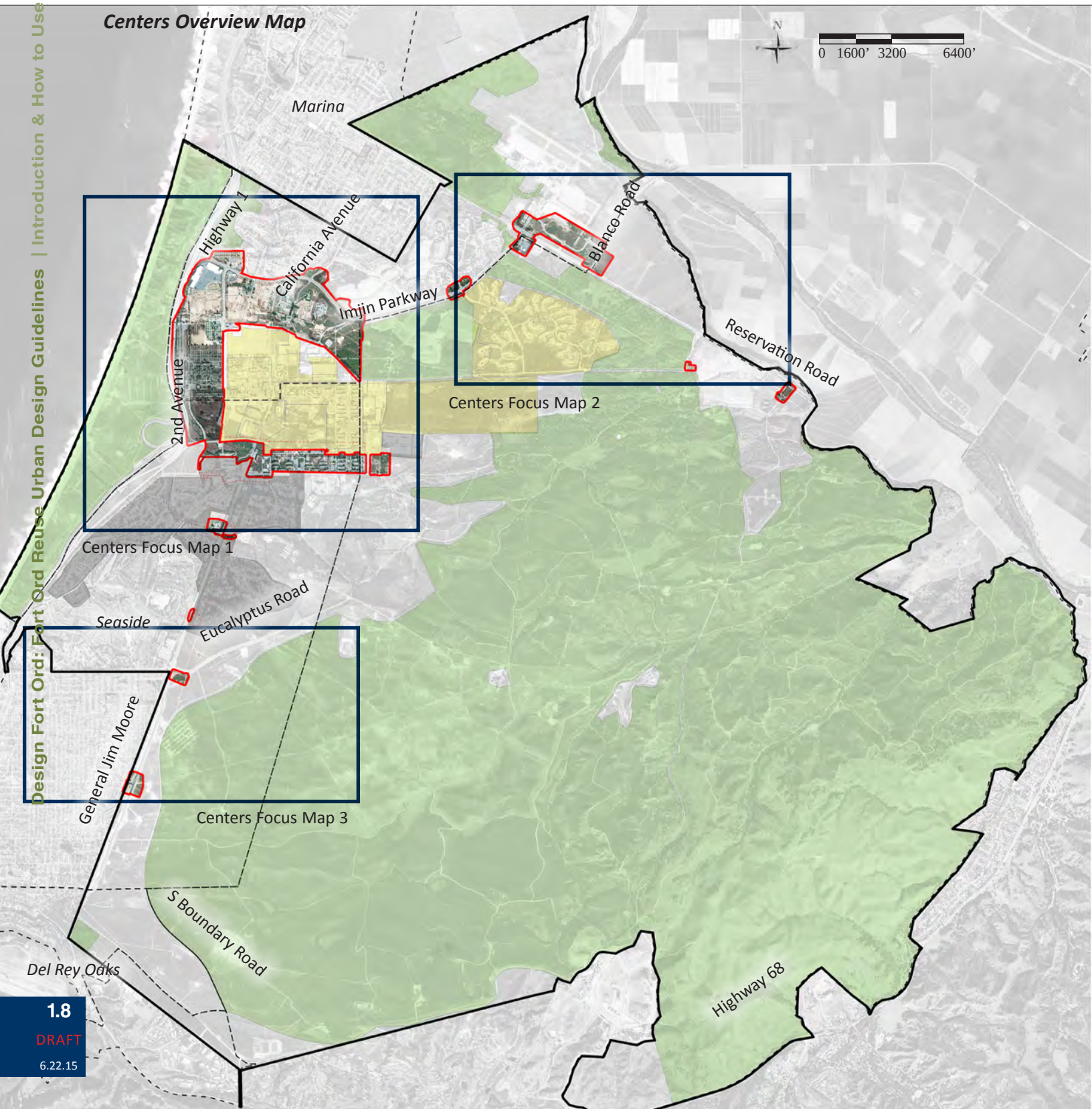
combined center, gateway, corridor & trail overview map

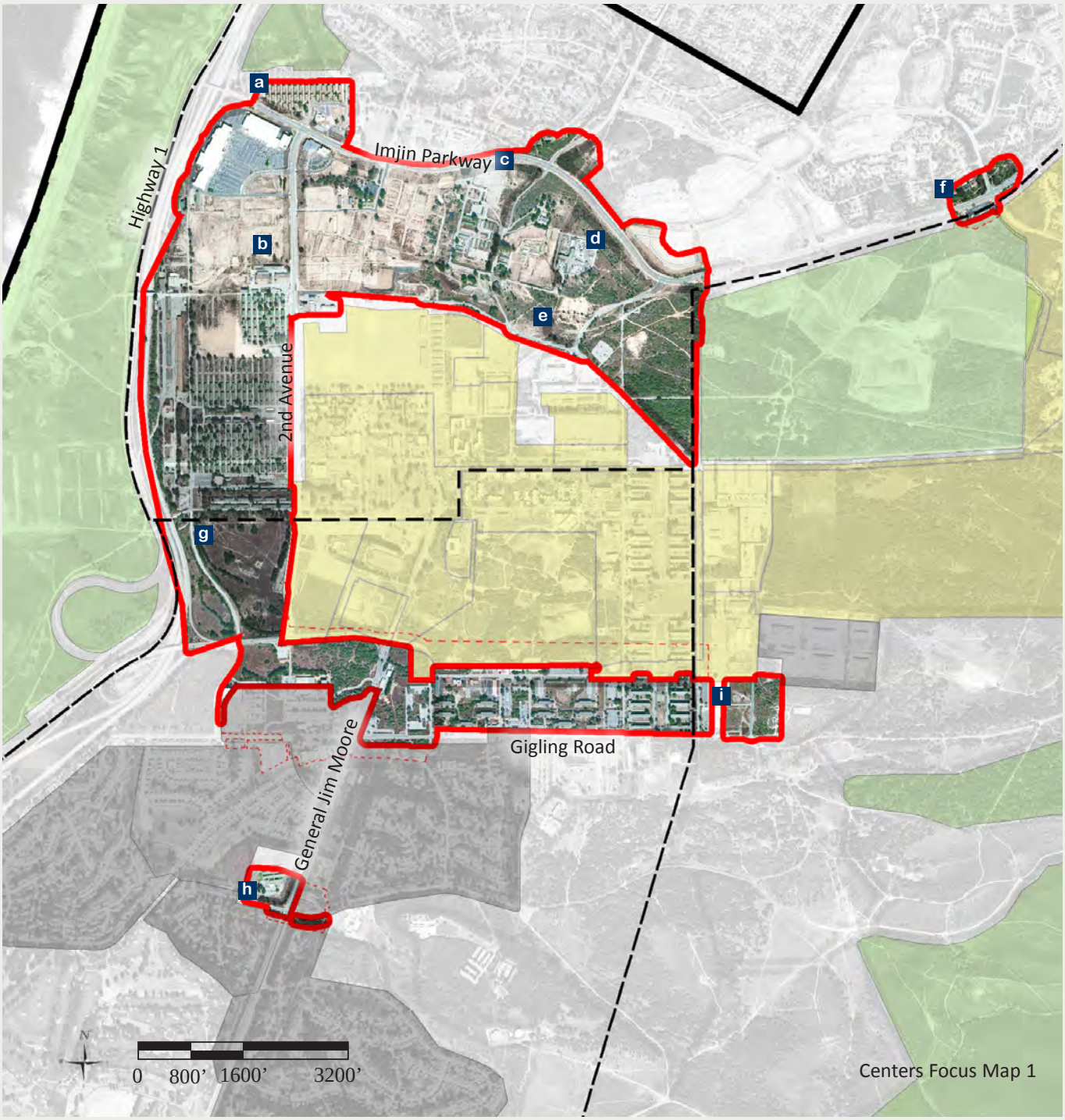
Legend

- Centers
- Gateways
- Corridors/Regional Streets
- Trails
- National Monument
- Highway 1 Guidelines Area

Centers

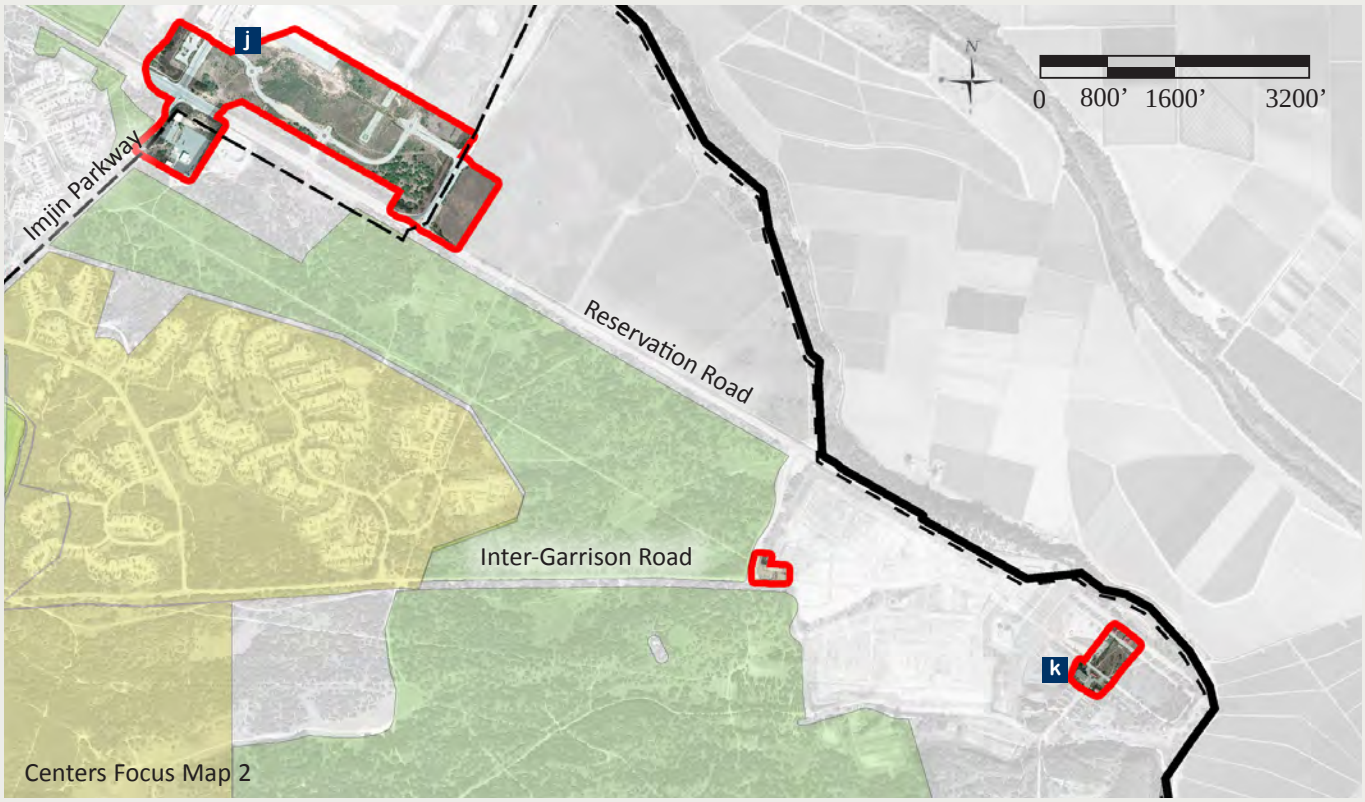
Well-defined centers are crucial to defining a complete community character. Centers are the main points of interest in neighborhoods and communities, and act as gathering spaces for residents, while also attracting visitors. Centers should include a variety of uses, including commercial, retail, and residential, along with clearly defined public spaces. The Centers Overview and Focus Area Maps below suggest a number of sites that should be developed as Centers.



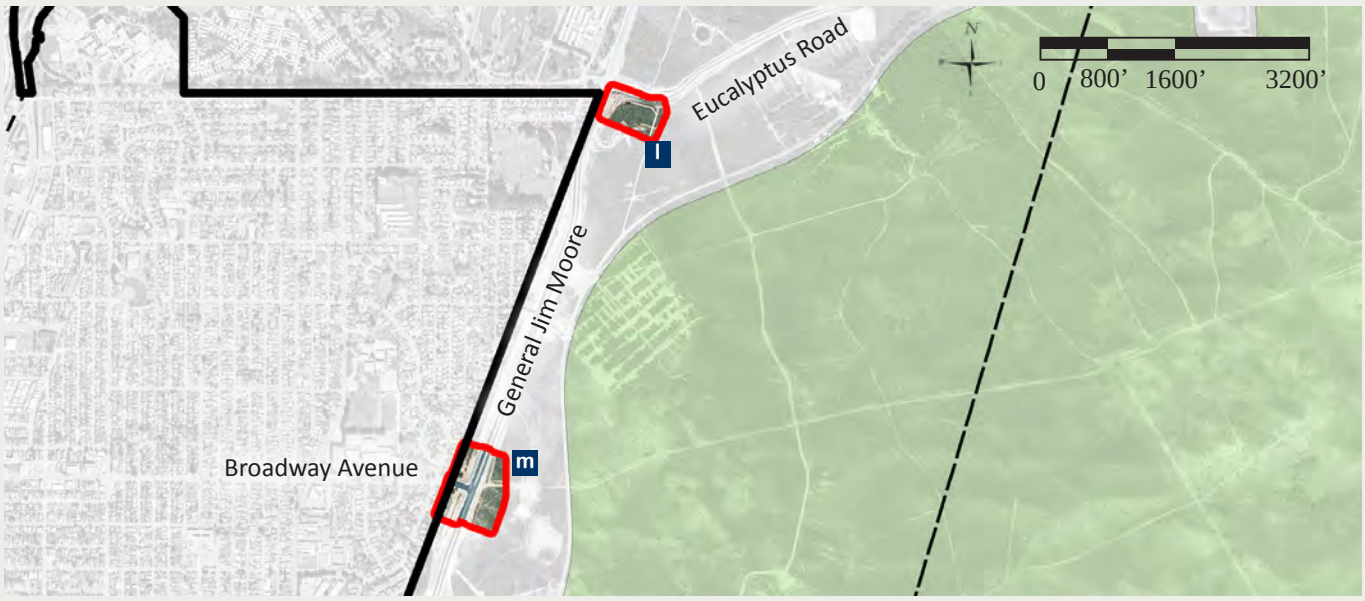


Legend

- a The Dunes Center
- b Water City Center
- c California Center
- d Imjin Center
- e Imjin Road/8th Street Center
- f Imjin Parkway/Abrams Drive Center
- g Lightfighter Drive Center
- h General Jim Moore/Normandy Road Center
- i Gigling Road/8th Avenue Center



Centers Focus Map 2



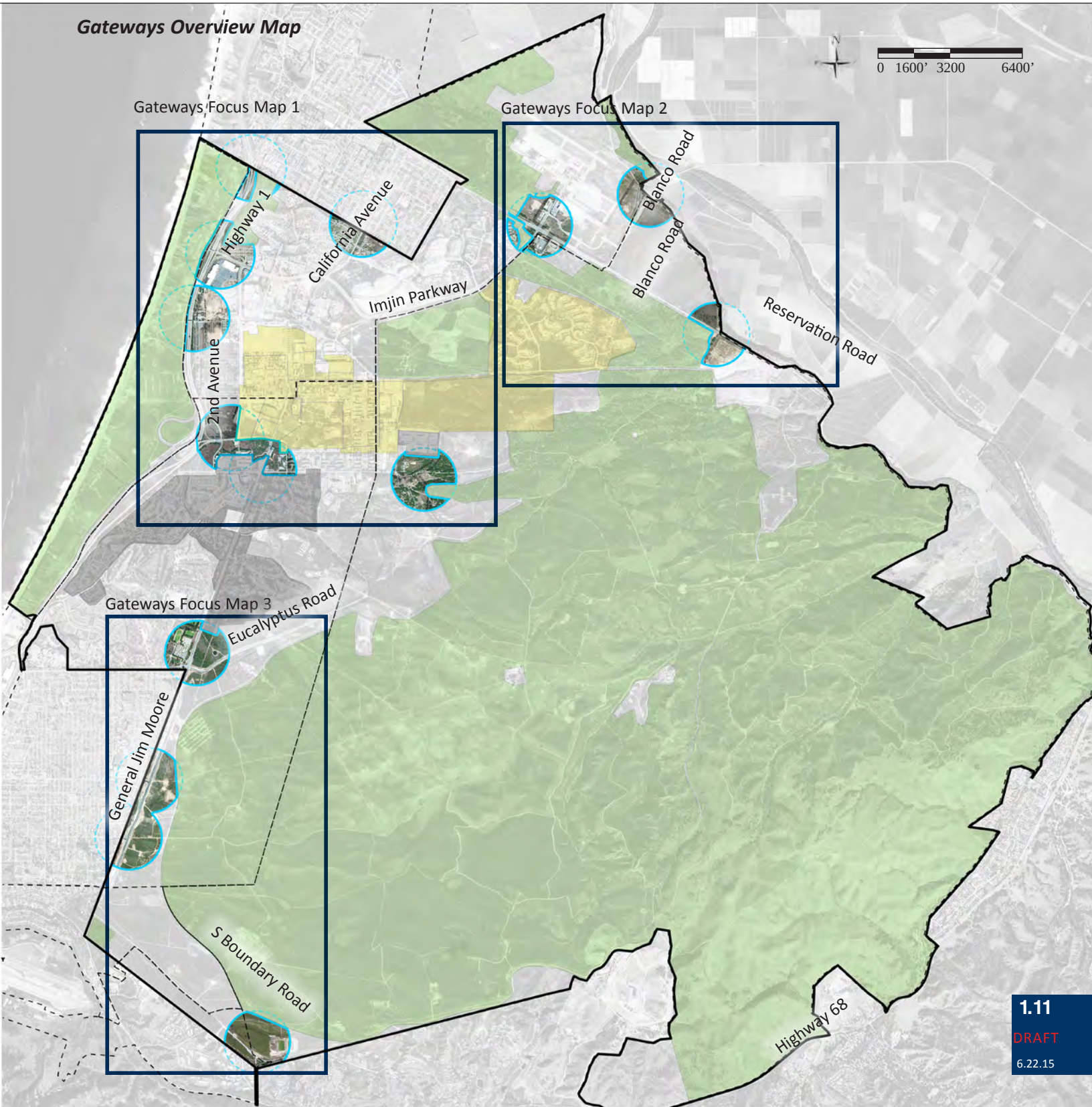
Centers Focus Map 3

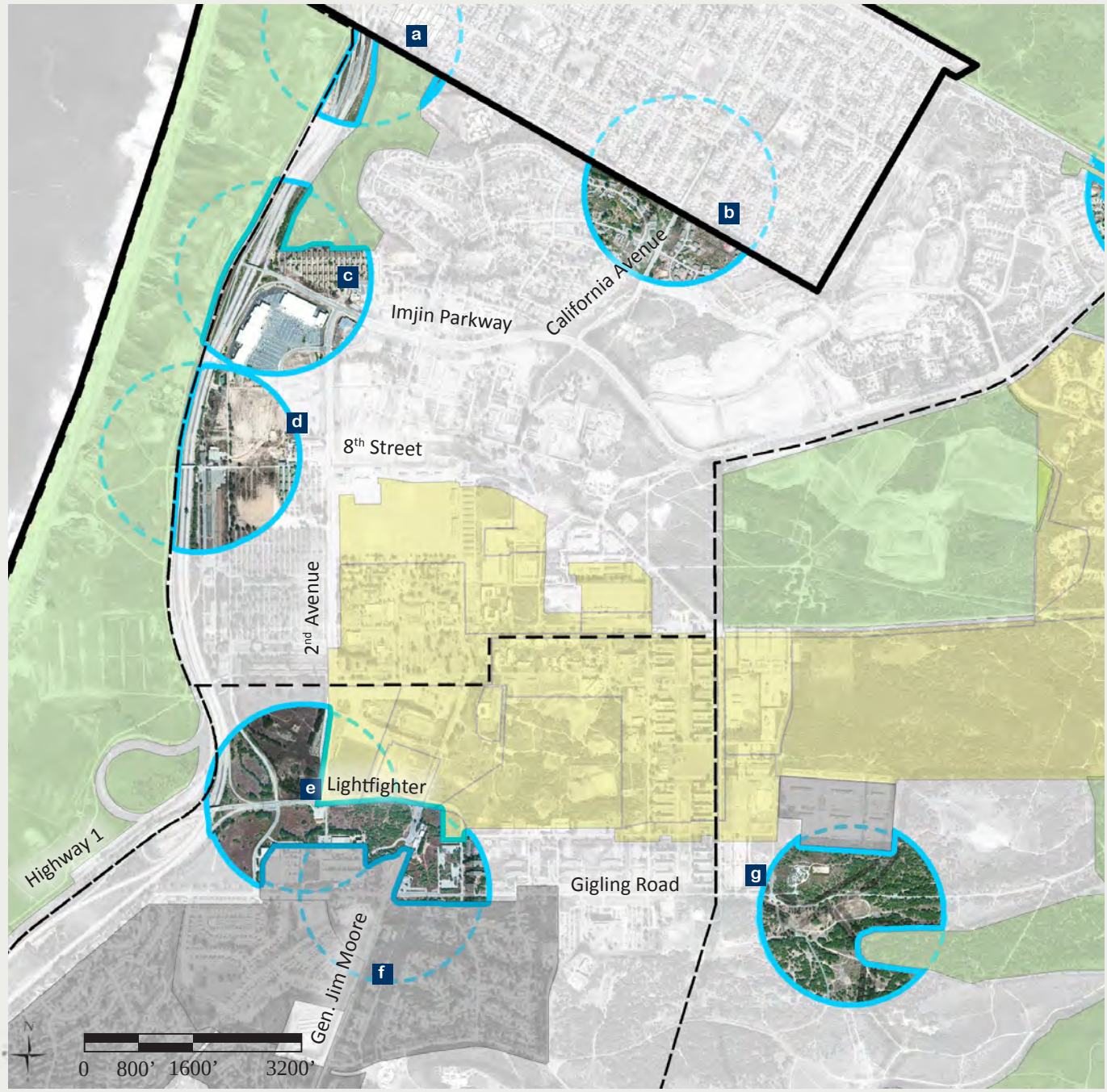
Legend

- j Marina Airport Center
- k East Garrison Center
- l General Jim Moore/Eucalyptus Road Center
- m Broadway Avenue/General Jim Moore Center

Gateways

Gateways provide a sense of arrival and signal that one is entering or leaving a defined location. Gateways should be located around points of significance, such as entries into the National Monument, or transitions between Centers. Gateways steer the first impression of a location, and should therefore be designed to establish the character of the surrounding area. The Gateways Overview Map suggests a number of sites that may be developed as Gateways.

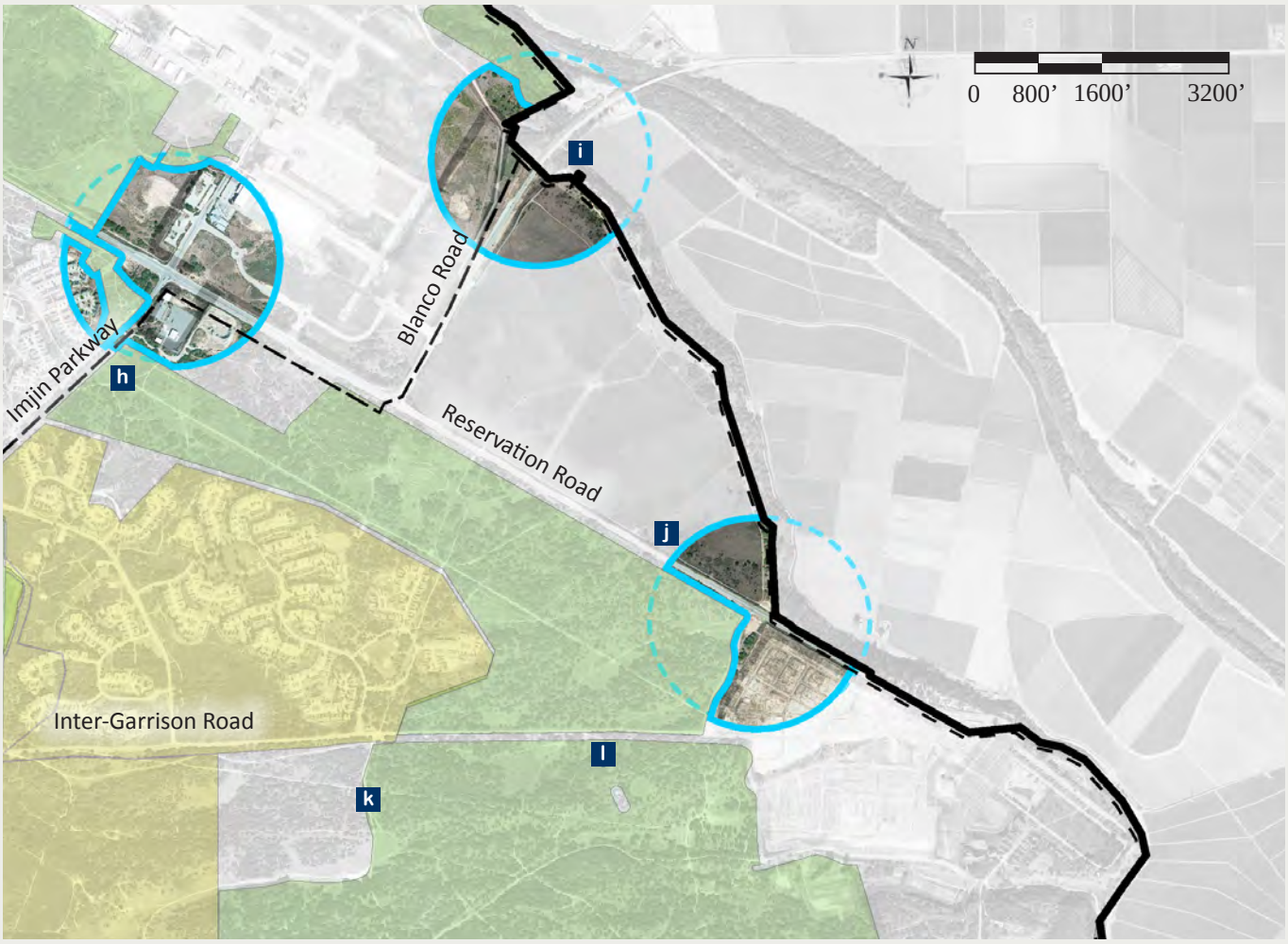




Gateways Focus Map 1

Legend

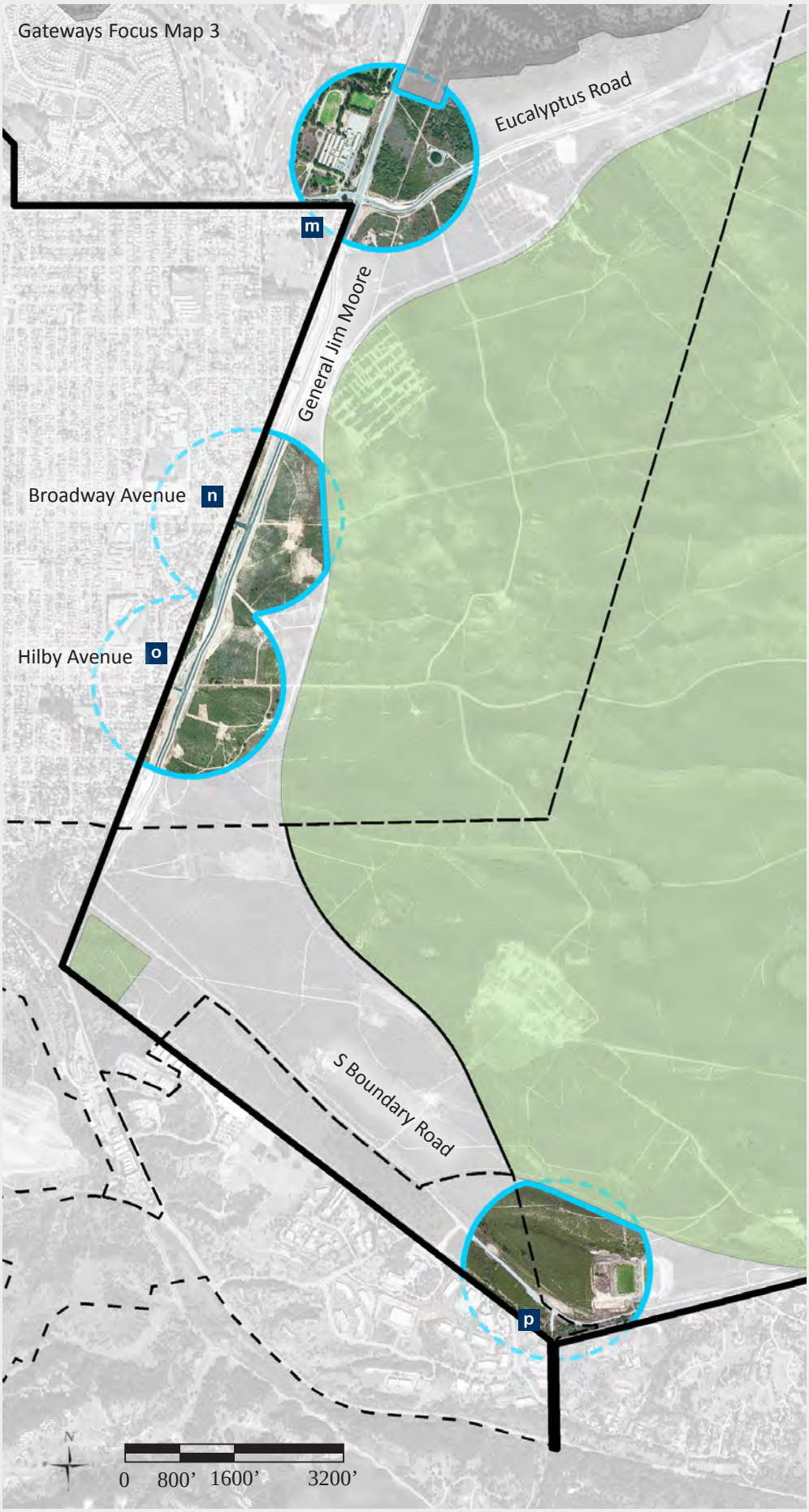
- a North Highway 1 Gateway
- b California Gateway
- c Imjin Gateway
- d 8th Street Gateway
- e Lightfighter Gateway
- f General Jim Moore Gateway
- g Gigling Road Gateway



Gateways Focus Map 2

Legend

- h Imjin/Reservation Gateway
- i Salinas River Gateway
- j Reservation Road Gateway
- k Inter-Garrison Road Gateway
- l East Garrison Gateway



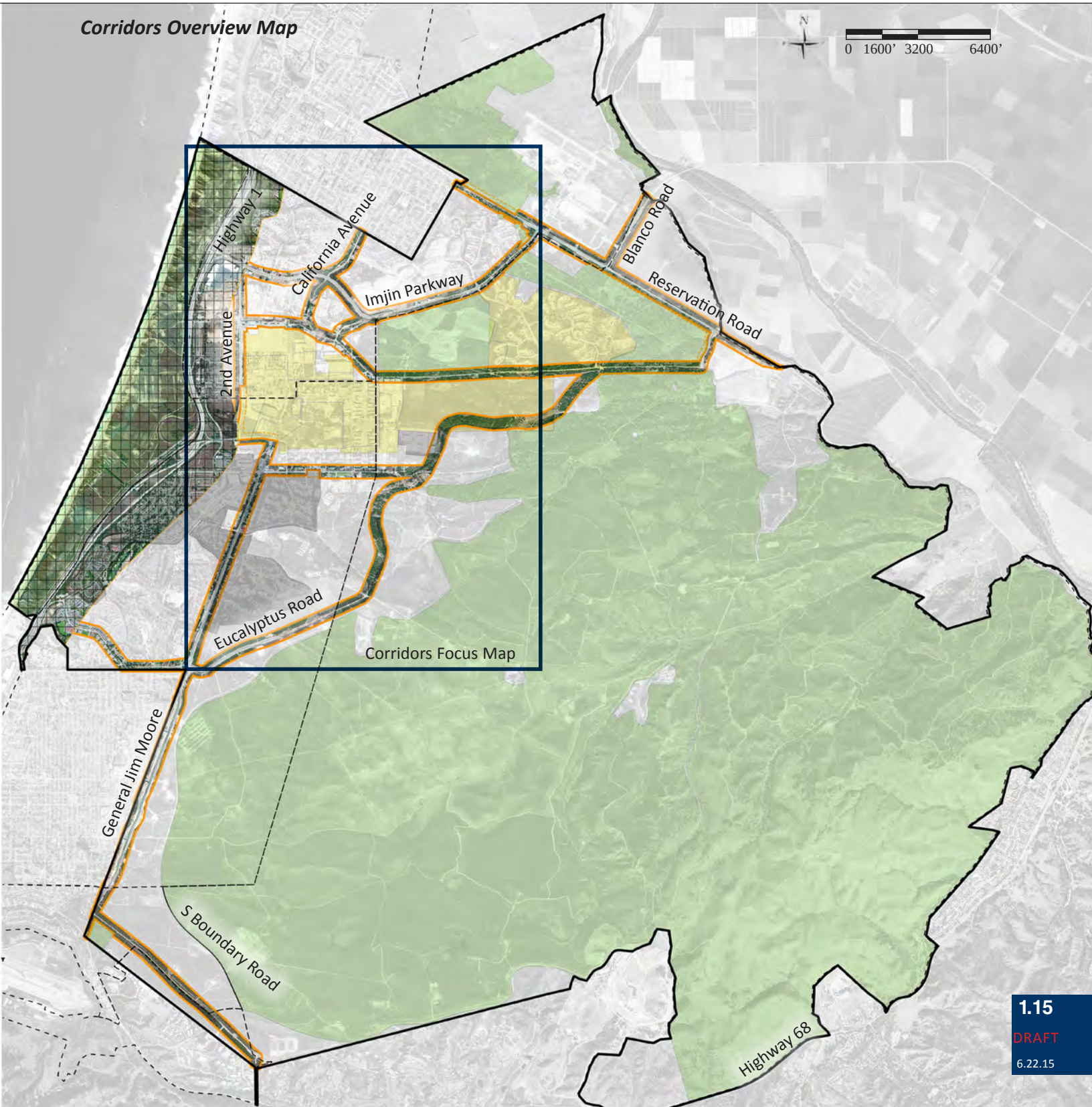
Legend

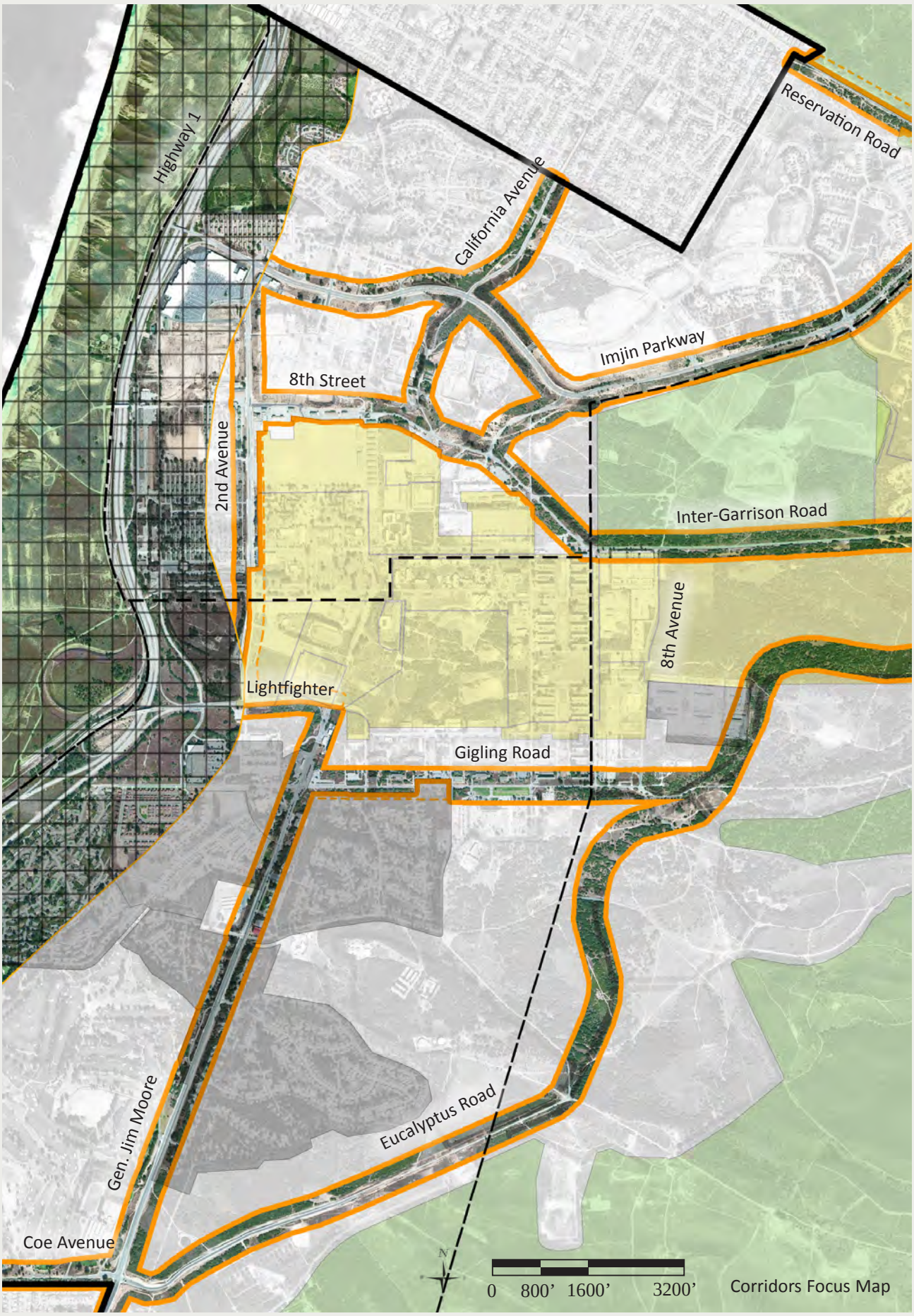
- m Eucalyptus Gateway
- n Broadway Gateway
- o Hilby Avenue Gateway
- p South Boundary Gateway

Corridors

Thoroughfares that play an essential role in enabling mobility from one area to another may also be called a corridor. Successful corridors will include a variety of transportation methods catering to motorists, pedestrians, and transit users. A corridor network is the basis for a complete transportation framework. The scale of corridors will vary and their intensity should be determined by level of usage and location. The Corridors Overview Map provides an overview of corridors within the former Fort Ord, followed by the Corridors Focus Map, which shows a closer look at potential corridor connections.

Corridors Overview Map

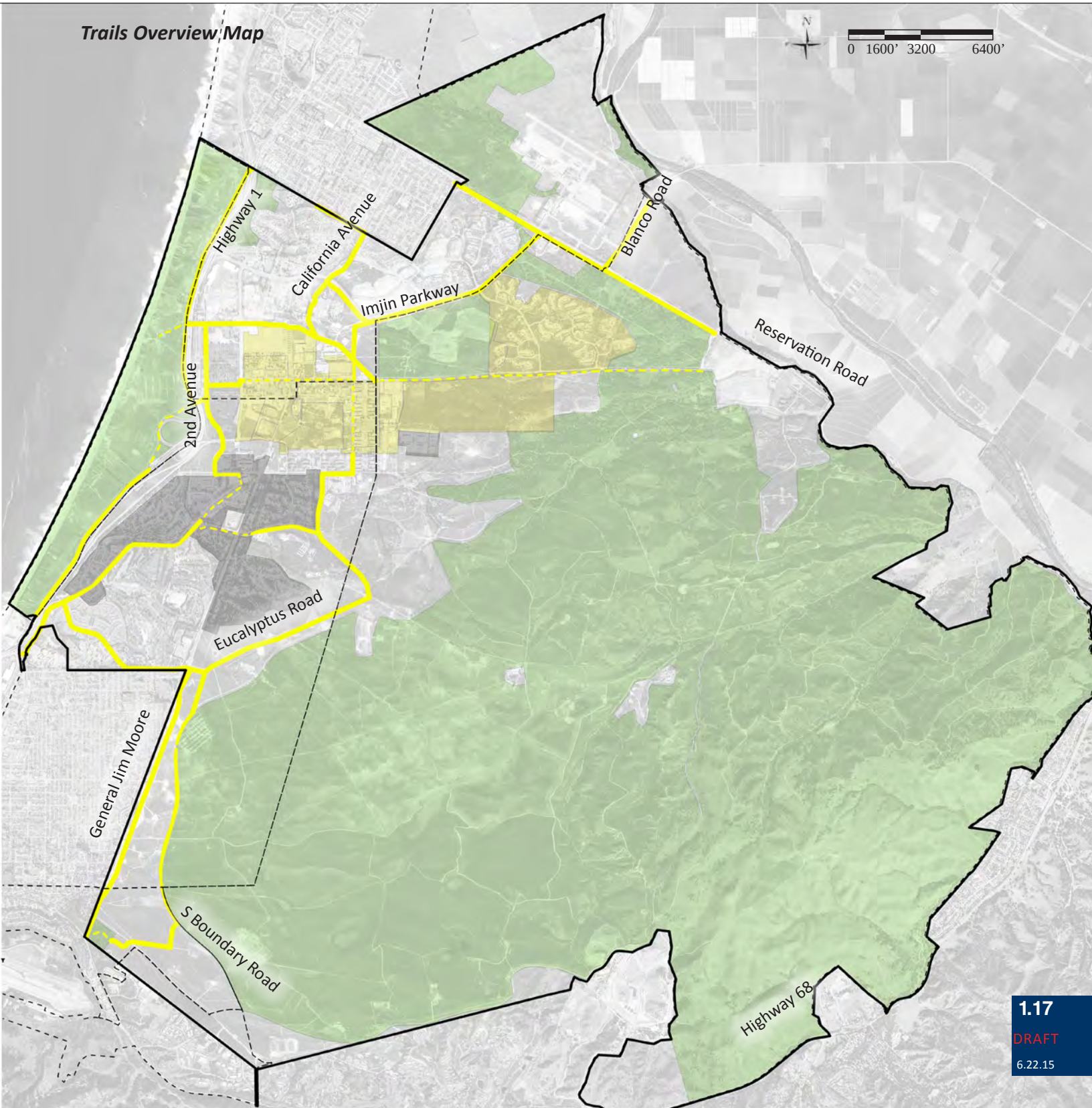




Corridors Focus Map

Trails

The 1997 Base Reuse Plan provides general guidance on the creation of an interconnected set of bike/pedestrian trails to link the new communities, campuses, and recreation amenities on the former Fort Ord. The plan calls for three major trails (12' wide - paved)and four minor trails (10' wide - paved). Specific alignments from the general guidance are currently part of ongoing regional trail planning. Trails and trailheads should take into account their surroundings, from trails along major thoroughfares to natural trails entirely within the natural preserve. The trails overview map suggests locations where the existing trail system can be expanded to connect to Centers, Gateways, Corridors, and other natural areas.



2
Vision

Building the Vision

Decades of suburban development throughout the Monterey Bay region have led to the gradual erosion of the natural landscape. Reestablishing the traditional development pattern of the region means using the Regional Urban Design Guidelines to create urban-style streets, parks and building types.

New development could capitalize on this unique location situated between the Monterey Bay and the natural landscape of the Fort Ord National Monument and seek to establish or take advantage of connections between the two.

During the charrette, the design team demonstrated the principles of the urban design guidelines by focusing on three main areas that are illustrated in the following pages: Del Monte/2nd Ave in Marina; Reservation and Imjin area; and Seaside East along the General Jim Moore corridor.

Grow, but Protect & Enhance Character

Even as new growth comes to the region, a sustained effort is needed to protect the existing character that has long attracted people to the region. There is not a lot of urbanistic value in preserving or restoring buildings in places throughout former Fort Ord. In some cases the buildings were grouped within a street grid designed to maximize pedestrian mobility. However, the age of the structures and their intended use justifies demolition and reconstruction to more adequately reflect and meet the region's needs.

Maximize Connectivity

An interconnected network of walkable streets is vital to the health of towns and neighborhoods. Existing connections to the Dunes State Park, the National Monument or CSUMB could be improved by clearly demarcating areas where pedestrians and cyclists could share the streets with automobiles. The connection to the Dunes State Park across Highway 1 at 8th Street, for instance, could benefit significantly from streetscape and signage improvements. In other locations, such as at Del Monte Boulevard in Marina, connections should be established that keep traffic on local streets and serve to bridge the gap within the same community.

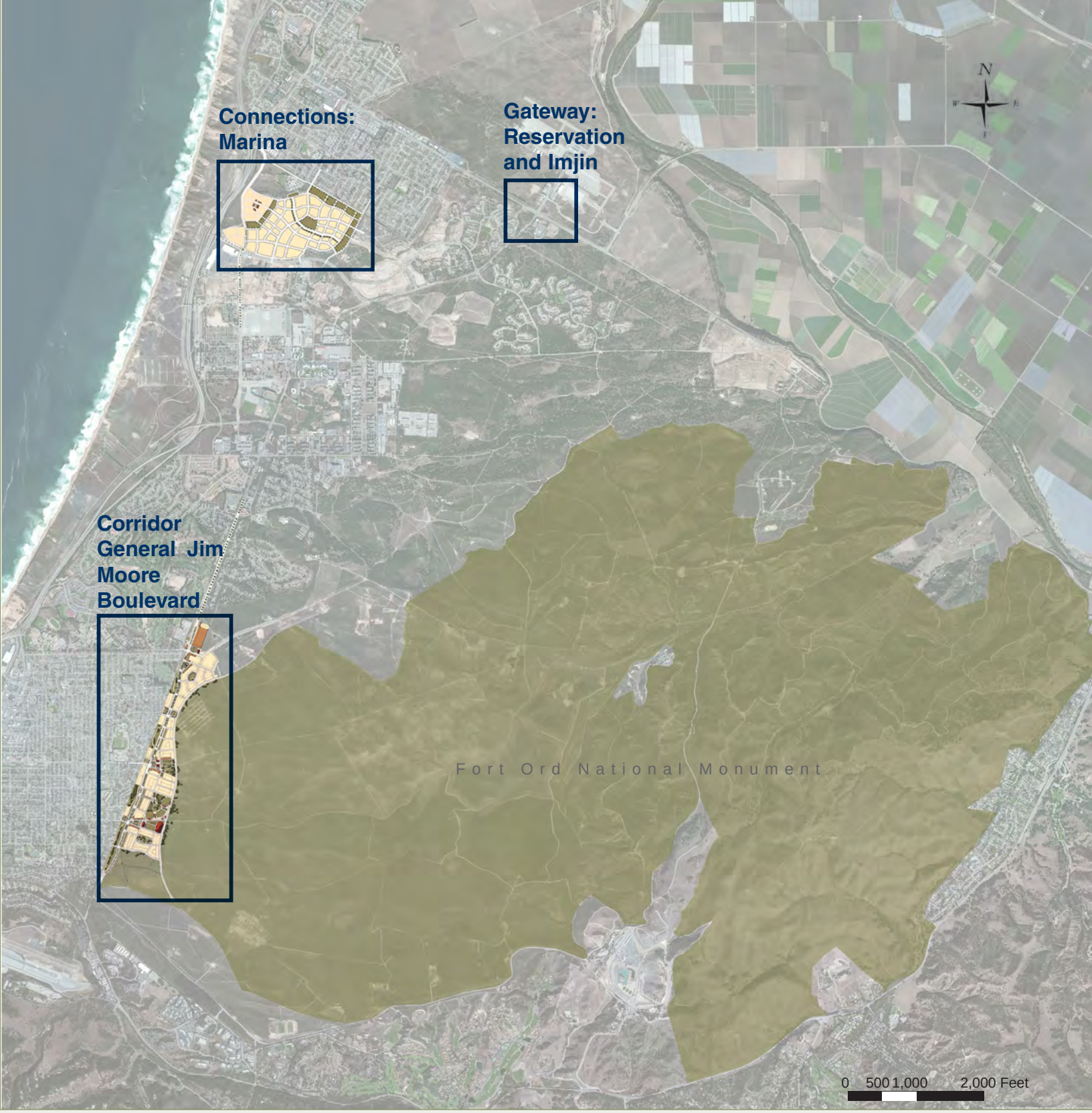
Build Truly Great Streets

Building great streets goes beyond a simple "complete streets" approach. Great streets means creating places where people want to be, places that are safe, comfortable, interesting and beautiful. Existing streets can be retrofitted with wider sidewalks, world-class bike infrastructure, shade trees, better lighting and buried or relocated overhead utilities.

top: A new connection could be created to link the current commercial heart of Marina on Del Monte Boulevard to the newly developing areas along Imjin Parkway.

middle: A major gateway to the City of Marina could be created at the intersection of Reservation Road and Imjin Parkway/Road.

bottom: New development along General Jim Moore Boulevard could open framed views of the National Monument.



above: The map illustrates the location of the three areas that were used as examples during the Charrette process to demonstrate how the nine guidelines could be applied to a town center, gateway and corridor respectively from top to bottom.

Connections: Marina

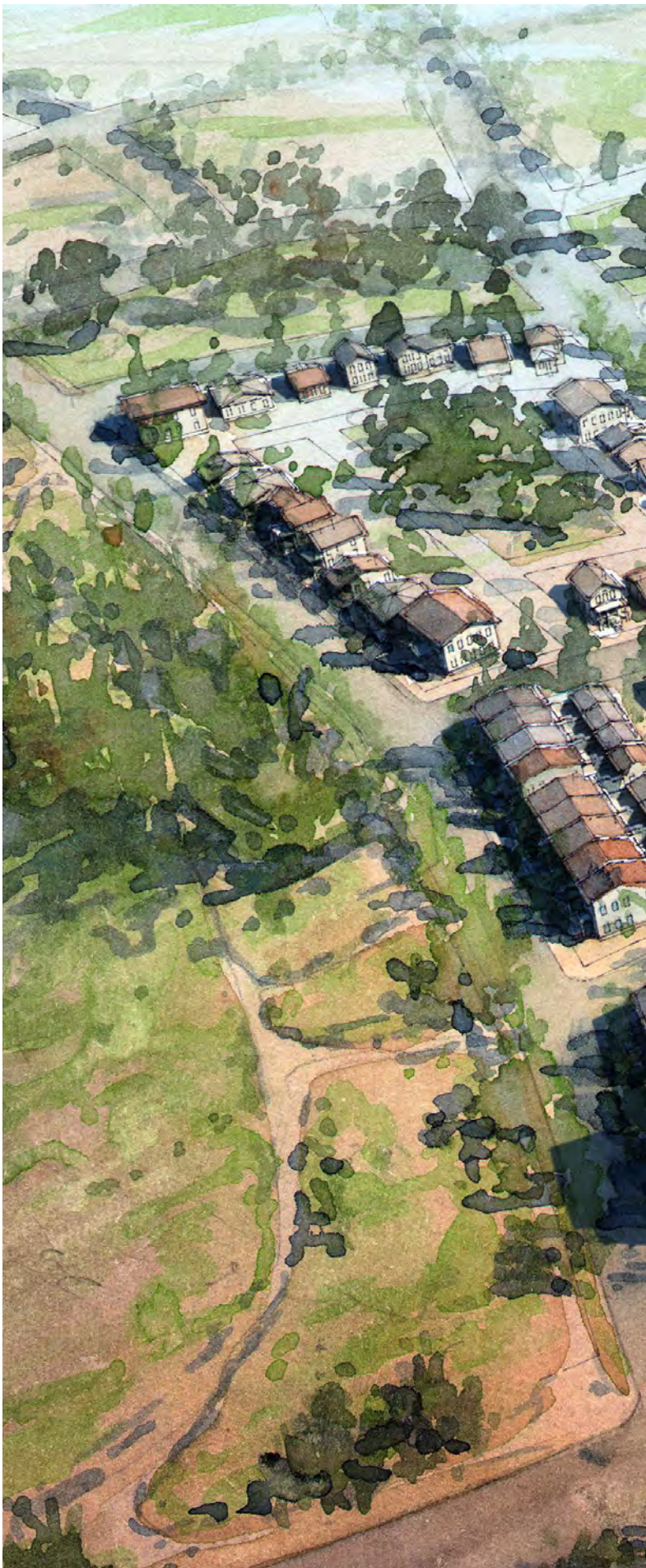
Del Monte / 2nd Avenue Connection

The City of Marina has an opportunity to create a direct connection between its current commercial heart on Del Monte Boulevard to the newly developing areas south along Imjin Parkway and 2nd Avenue. With careful planning, a new street can connect the southern end of Del Monte Boulevard to the north end of 2nd Avenue. This new north-south route would run parallel to Highway 1, and give the option to travelers currently forced to use the highway for local trips.

Ideally, this major new connection could be supplemented with a web of additional secondary connections to further distribute car trips and to increase walkability.

New development could be in the form of complete neighborhoods, composed of interconnected networks of blocks and streets, and populated with a diverse range of street-oriented buildings. Each new neighborhood could have a clearly defined center, which could feature a mix of uses catering to local needs.

A well-appointed trail system could connect important destinations. Trail systems could be located in a combination of broad green belts forming the edges of neighborhoods, and integrated into neighborhood streets on more formal greenways.




Del Monte / 2nd Av

Marina Illustrative Plan

Key Recommendations

- **a** A new street connects from the southern end of Del Monte Boulevard to the North end of 2nd Avenue.
- **b** A trail system connects important destinations. They combine broad green belts and formal greenways.
- **c** New development takes the form of complete, compact, connected neighborhoods with identifiable centers and edges.
- **d** Public parks and greens are integrated into neighborhoods.

Legend

- New Blocks
- Open Space
- Buildings

Marina Sample Regulating Plan

Legend

Civic Space | Natural | Edge | General | Center

The sample regulating plan shows potential character districts, transects, or zones. This graphic can be used as a foundation for a more complete plan of the Cypress Knolls new community .

This graphic is itself not a regulation, but more a demonstration of how a walkable mixed use diverse community could be created in future phases.

Gateway: Reservation and Imjin

Northeast Gateway

Reservation Road is a major thoroughfare through the City of Marina. Where it intersects Imjin Road and Imjin Parkway there is an opportunity to create a gateway to multiple destinations: to the City of Marina airport north of the intersection, to the City of Marina's downtown to the east, to East Garrison to the west and to university housing, the Dunes at Monterey Bay and CSUMB to the southeast along Imjin Parkway.

New commercial development, including commercial and office space, along Reservation Road could create a more fine grained, interconnected network of small walkable blocks and streets. A connected pattern of blocks and streets will distribute traffic, provide additional options for pedestrians and cyclists, and create a diverse range of street addresses for different uses and building types. At the same time, the fronts of buildings could face toward streets and public spaces to activate public spaces and enhance the overall walkability of the area so that driving does not have to be the only way to get around.

Reservation Road, a major street can be retrofitted as a multi-way boulevard to accommodate traffic while also encouraging walking and biking. Side access lanes along the boulevard provide a low speed environment with on-street parking facing the fronts of adjacent buildings. Street trees could line all public streets in order to provide shade and comfort to pedestrians, as well as visual friction to slow down the speed of vehicular traffic. Covered walkways and arches integrated in to the design of buildings would provide additional shade, which would create an inviting destination for pedestrians. Drivers would park their vehicles in the parking allocated behind the buildings, easily accessible through side streets away from the intersection.

Prominent public spaces at all four corners of the intersection and the possible addition of a roundabout would be an opportunity to situate gateway monuments. Special attention could be given to creating monuments that reflect the rich history of the former Fort Ord.


Imjin Parkway
Imjin Road

Corridor: General Jim Moore Boulevard

Gateway to the Monument

The town of Seaside will acquire a developable swath of land between its current eastern boundary at General Jim Moore Boulevard and the edge of the scenic Fort Ord National Monument. The National Monument boasts spectacular recreational biking and hiking trails that serve as an amenity for the region. If carefully planned, new development forming the connection between the Town of Seaside and the Monument can accentuate the lasting benefit of this proximity.

Conditions exist for new development to form visual gateways to the Monument in a number of locations at streets intersecting General Jim Moore Boulevard. Possibilities for compelling new gateways exist at: Ord Grove Avenue, San Pablo Avenue, Broadway Avenue, Hilby Avenue, Kimball Avenue, and Plumas Avenue, among possible others.

Broadway Avenue forms one of Seaside's grandest ascending vistas to the Monument. Special attention could be paid to crafting an architectural arrangement at the east end of the street to both terminate the grand vista down the street and to frame the longer view to the Monument. This could be accomplished dramatically with a building that has substantial mass such as a hotel with focal towers. The view looking back down Broadway Avenue to the ocean from the new gateway terrace would encapsulate a spectacular vista across the Town, all the way to Monterey Bay.


General Jim Moore Boulevard
Broadway Avenue

Seaside East Illustrative Plan

Key Recommendations

a. A focal termination of Broadway Avenue with framed views to the National Monument

b. New gateway to the National Monument.

c. A slow, scenic street forms the edge of the neighborhood, and creates a buffer between development and the Monument.

d. New public parks and recreational facilities are designed to fit in with neighborhood, and add value to adjacent development.

e. A new center is created at the intersection of Eucalyptus Road and General Jim Moore Boulevard with enough room for a possible convention center.

f. Neighborhood greens are distributed throughout the neighborhoods.

Legend

- New Blocks
- Open Space
- Buildings
- Civic Buildings

Seaside East Sample Regulating Plan

The sample regulating plan shows potential character districts, transects, or zones. This graphic can be used as a foundation for a more complete plan of new development in Seaside east of General Jim Moore boulevard.

This graphic is itself not a regulation, but more a demonstration of how a walkable mixed use diverse community could be created in future phases.

Legend

- Civic Space
- Natural
- Edge
- General
- Center

Envisioning Great Main Streets

2nd Avenue change over time

While 2nd Avenue currently includes a number of strong features, including streetlights, bike lanes and a multi-use trail, the street requires additional elements to function as a truly pedestrian and bike friendly space. Crosswalks, marked bike crossings, and pavers at intersections provide visual cues for drivers to slow down. The multi-use trail can also be augmented to feature a two-way bike path adjacent to a separate dedicated pedestrian walkway.

Regularly planted drought-resistant street trees provide shade as well as a layer of protection between people and moving cars. Ground planting can soften and beautify the experience of the street while reducing the need for water-consumptive turf.

While improvements to the 2nd Avenue thoroughfare may begin within the right-of-way, full transformation of the street into a pedestrian and bike friendly public space requires coordinated development improvements on adjacent parcels. Fronts of new buildings must shape and face the street with plentiful doors and windows. Buildings provide additional shelter for pedestrians from the sun with awnings and projecting balconies. Buildings with these important features can be configured in a broad array of appropriate architectural styles.

Current conditions at 2nd avenue and 8th street.

By planting trees for shade, extending the median to intersect a painted crosswalk, making curb cut enhancements, and extending the bike lane along the right of way, this intersection begins to look more pedestrian-friendly.

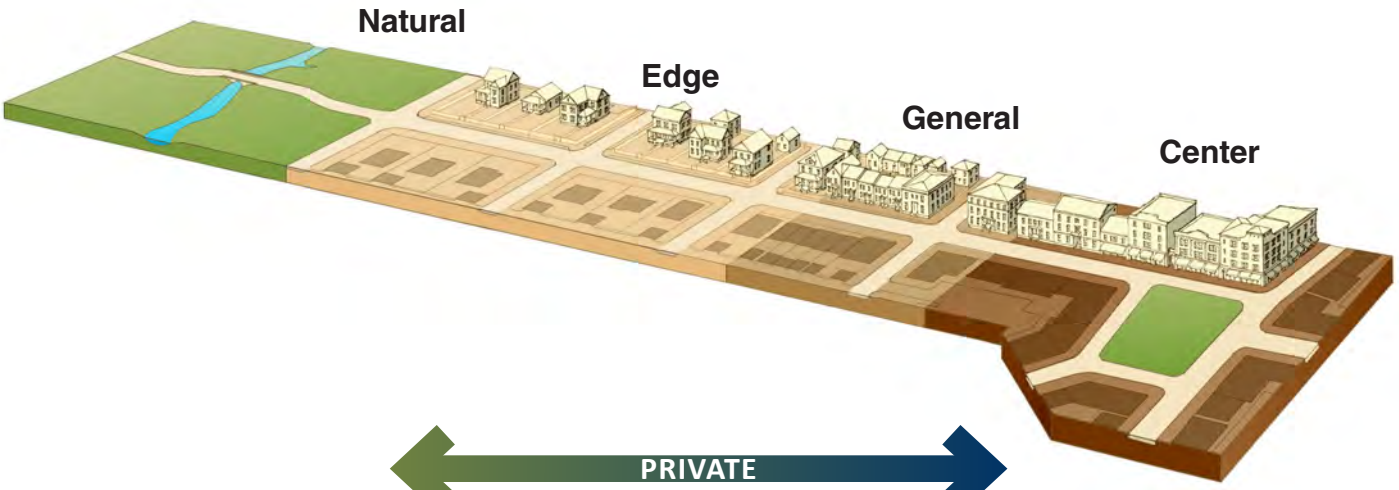
Front facing mixed use development builds upon the pedestrian orientation of the street and creates a destination.

New development justifies the revitalization of existing structures. The redevelopment of the skating rink on the west side of 2nd avenue creates an additional attraction making this intersection a desirable destination.

The mixed-use development on the east side of 2nd avenue can vary in character and number of floors while achieving the same desired walkability.

Character Areas

Illustrative plans were created for several areas and shown in this chapter. Alongside the illustrative plans were sample regulating plans shown with a gradation of purple based on character and intensity.



PRIVATE

LESS DENSITY	MORE DENSITY
PRIMARILY RESIDENTIAL USE	PRIMARILY MIXED-USE
SMALLER BUILDINGS	LARGER BUILDINGS
MORE GREENSPACE	MORE HARDSCAPE
DETACHED BUILDINGS	ATTACHED BUILDINGS
ROTATED FRONTAGES	ALIGNED FRONTAGES
YARDS & FRONTAGES	STOOPS & SHOPFRONTS
DEEP SETBACKS	SHALLOW SETBACKS
ARTICULATED MASSING	SIMPLE MASSING
WOODEN BUILDINGS	MASONRY BUILDINGS
GENERALLY PITCHED ROOFS	GENERALLY FLAT ROOFS
SMALL YARD SIGNS	BUILDING MOUNTED SIGNAGE
LIVESTOCK	DOMESTIC ANIMALS

PUBLIC

ROAD & LANES	STREETS & ALLEYS
NARROW PATHS	WIDE SIDEWALKS
OPPORTUNISTIC PARKING	DEDICATED PARKING
LARGER CURB RADII	SMALLER CURB RADII
OPEN SWALES	RAISED CURBS
STARLIGHT	STREET LIGHTING
MIXED TREE CLUSTERS	SINGLE TREE SPECIES

CIVIC

LOCAL GATHERING PLACES	REGIONAL INSTITUTIONS
PARKS & GREENS	PLAZAS & SQUARES

LESS DENSE


Mixed use at corner


Neighborhood center


Public space


Civic space

MORE DENSE

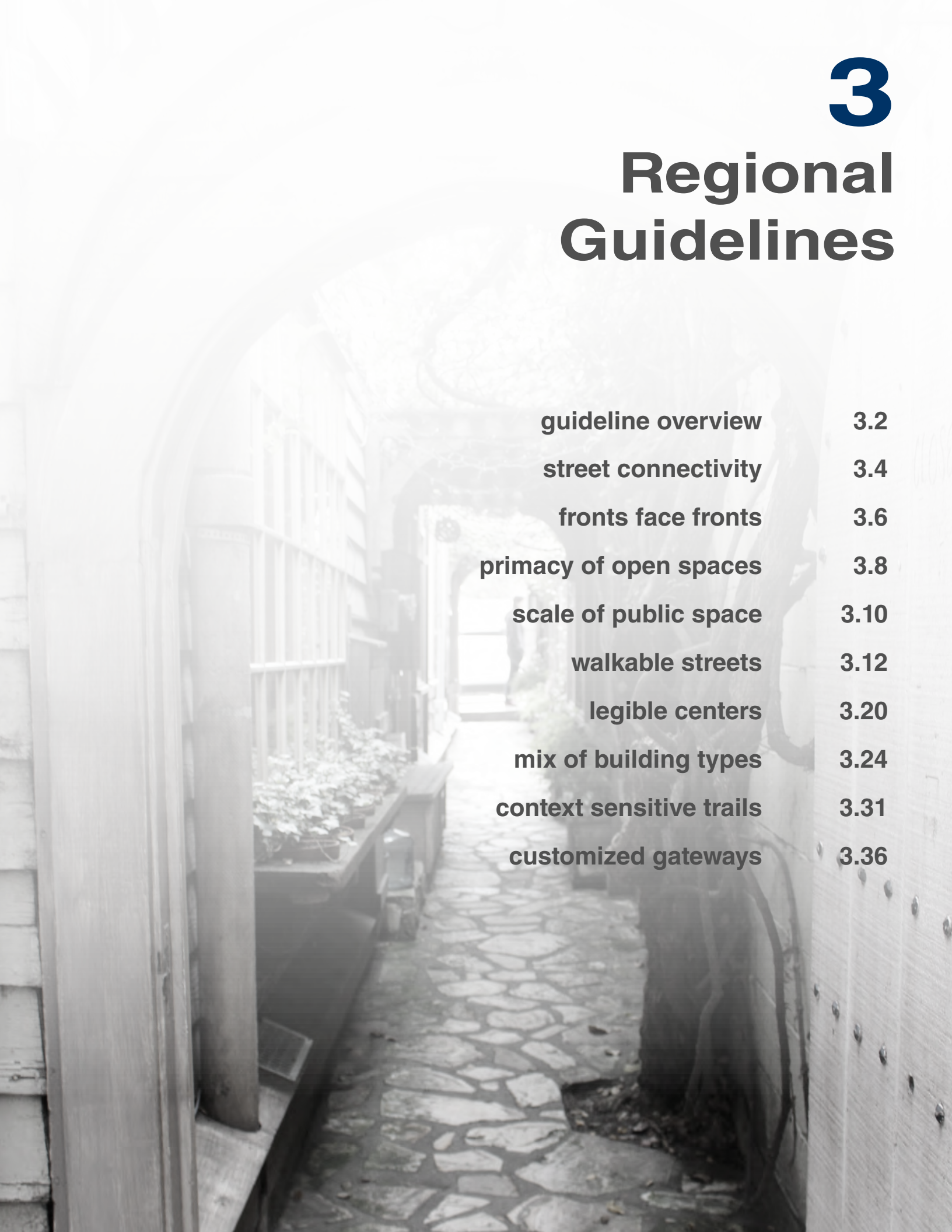

Mixed use

Town center


Public space


Civic space

3
Regional Guidelines



Guideline Overview

Out of a regional conversation about the kinds of places residents, property owners and stakeholders want to see came the design guidelines. Here's a summary of those guidelines:

• Street Connectivity

A complete and connected street network enables a sense of cohesive community, rather than multiple disjointed pods of development. The street network should include a variety of thoroughfare types, from large-scale transit corridors to small, low-traffic neighborhood streets. A well-connected road system disperses traffic and enables more mobility.

• Fronts Face Front

Building fronts facing fronts create a welcoming aesthetic to a neighborhood or street. By ensuring that the fronts of buildings face one another, a complete streetscape is defined, with visual interest for passers-by, while also activating the public space of the street. At the same time, eyes-on-the-street, from residents and business owners provide a safer environment.

• Primacy of Open Spaces

Public open spaces act as the heart of communities. They provide gathering spaces for residents and visitors. Open spaces can be designed in many forms. Civic spaces are generally located in the most desirable location within a city center to encourage maximum usage.

• Scale of Public Space

Properly scaled public spaces maximize investment. Examples of public spaces that were built too large or too small for the purposes they were to serve can be found in communities all around the country. Public space should be commensurate with their surroundings and intended use.

• Walkable Streets

Streets are first and foremost public spaces. Until recently, streets were designed primarily around the automobile, creating thoroughfares that discourage all others modes of transportation such as pedestrians and cyclists. The public is now pushing for more mobility options and the tide is turning towards complete streets that meet the needs of multiple types of commuters.

• Legible Centers

Centers should be obvious. A well-designed community will lead directly to a center using roads, building types, and overall design intensity as guidance that leads one to the core of the community. Centers generally contain the greatest range of uses, and are defined by the public spaces included within them.

• Mix of Building Types

While consistency is essential in defining community character, using a range of building types avoids "sterile" and unwelcoming development. Buildings should be designed to serve a variety of uses such as residential, commercial, mixed-use, live-work, and so on. Buildings should also be designed to be able to be reutilized and evolve over time.

• Context Sensitive Trails

The Fort Ord National Monument is home to miles of trails, all of which play a part in preserving the natural beauty of the region. Trails are not a one-size-fits all concept, however. Trails that see traffic and high usage rates should be formalized through the creation of trailheads and provision of amenities. Trails centrally located within the Monument should remain as close to their natural state as possible, maintaining the ecological health of the preserve.

• Customized Gateways

Gateways provide the visual signal that one has arrived at a destination. The lands of former Fort Ord include many kinds of places. The destination itself should guide the design of the Gateway. Contextual design celebrates the range of attractions within the region.

Applicability Matrix:

The nine principles apply differently to Centers, Gateways, Corridors and Trails. The list below provides a summary. The guidelines in Chapter 2, Regional Guidelines, contain much more detail.

	Focus Area			
Guidelines	Centers	Gateways	Corridors	Trails
Street Connectivity	X	X	X	
Fronts Face Front	X	X	X	
Primacy of Open Spaces	X	X		
Scale of Public Space	X	X		
Walkable Streets	X	X	X	
Legible Centers	X	X		
Mix of Building Types	X	X		
Context Sensitive Trails				X
Customized Gateways		X		

Street Connectivity

Purpose

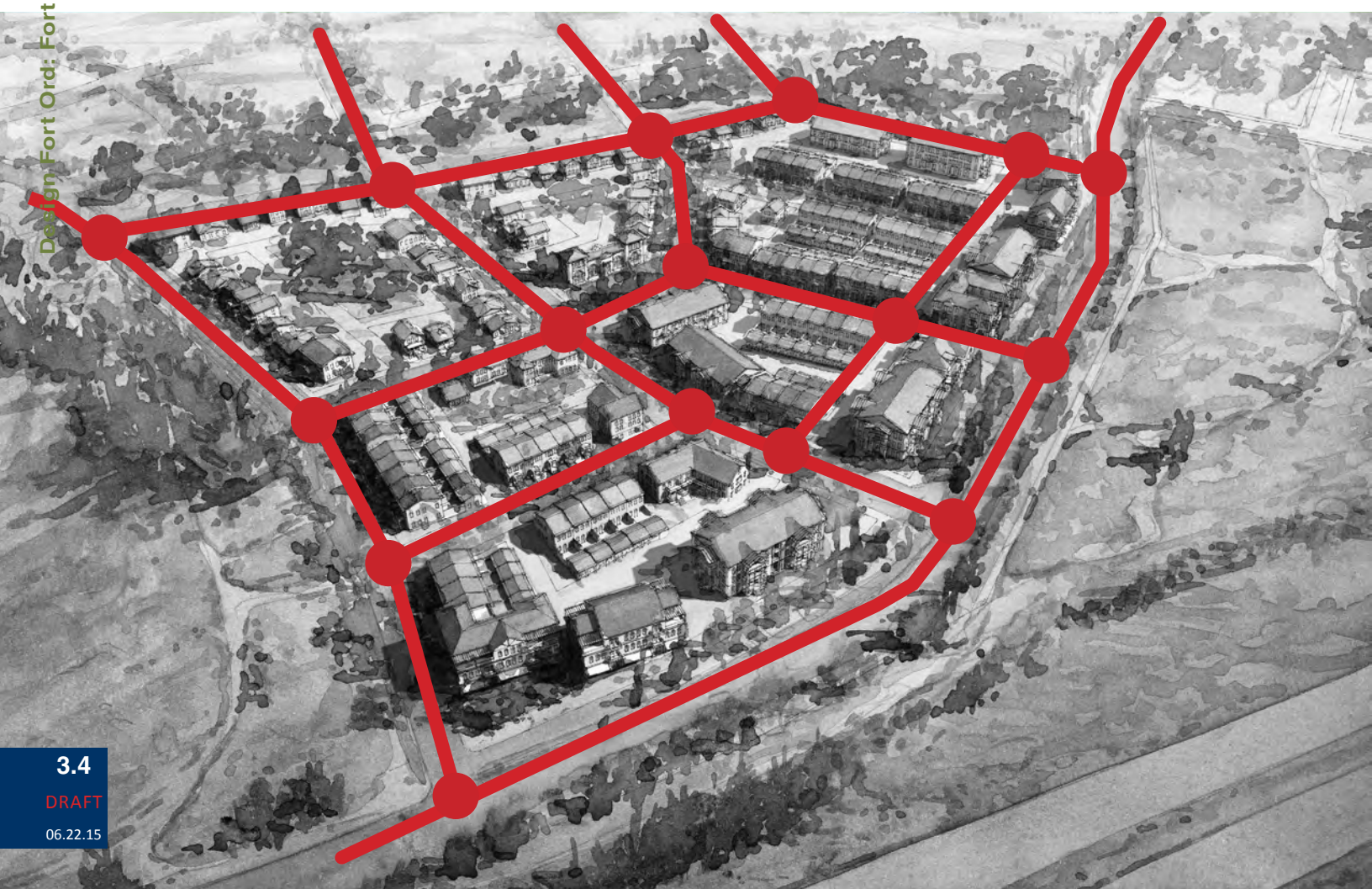
The Network

Streets should be continued through developments and allow connections to future development in order to allow all of former Fort Ord to be accessed by new investment. An interconnected network of streets offers high capacity without an overreliance on expensive, wide, disruptive arterials. Dead-ends and culs-de-sac should only be permitted when unavoidable due to environmental constraints.

Block Size

In the Monterey Bay region the walkable parts of towns and cities are found where the blocks are the smallest. The neighborhoods of Seaside have blocks that are less than 1,800 feet in perimeter, in Downtown Monterey the blocks are typically less than 1,200 feet, and in Carmel-By-The-Sea they are 900 feet (counting breaks from pedestrian passages). People who live in areas with finely grained street networks walk more and drive less than people in large-block downtowns or suburban cul-de-sac suburbs.

Seaside
A network of connected streets with relatively small lot sizes makes Seaside a walkable community.



Application

This guideline applies to:

- Centers
- Gateways
- Corridors

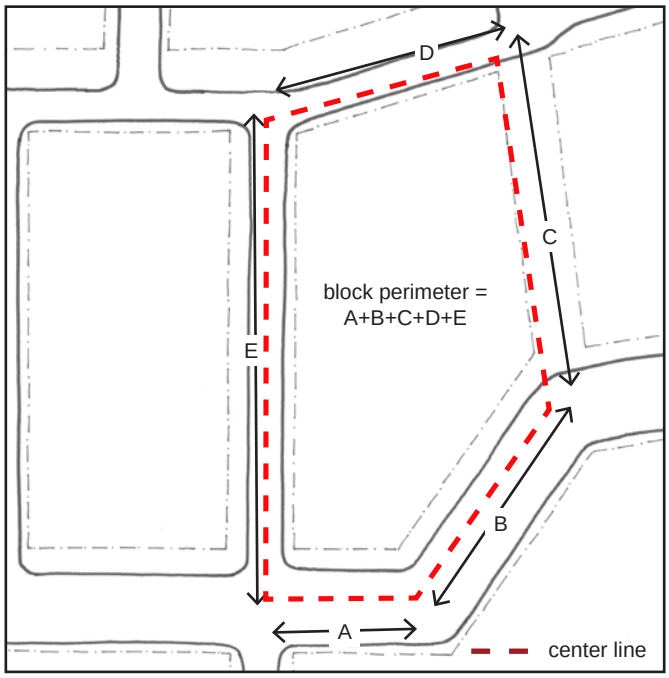
Intent

To create walkable block sizes and an interconnected network of streets to increase the aesthetics, walkability, livability, sociability, and sustainability of neighborhoods while maximizing the public infrastructure investment of regional corridors on former Fort Ord lands.

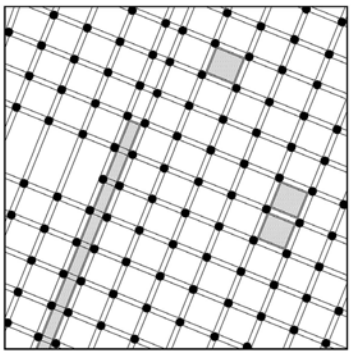
Requirements

1. Only allow dead-ends and cul-de-sacs when unavoidable due to physical obstacles like slopes steeper than 15%, utility rights-of-way, existing limited-access motor vehicles rights-of-way, and parks and dedicated open space.
2. All new neighborhood streets must connect to adjacent streets where connecting street stubs are available.
3. A minimum of 25% of new roadways must end in street stubs to allow for future connections when there is not existing adjacent development.
4. Require a maximum average block perimeter size of no more than 2,400 linear feet.
5. Design projects such that the internal connectivity of streets is at least 140 intersections per square mile. Do not count streets that lead to cul-de-sacs. Count only those streets that are not gated and open for use by the general public.
6. Bend streets with restraint. Exaggerated curves are disorienting and difficult to connect to networks adjacent to the site.

Measurement

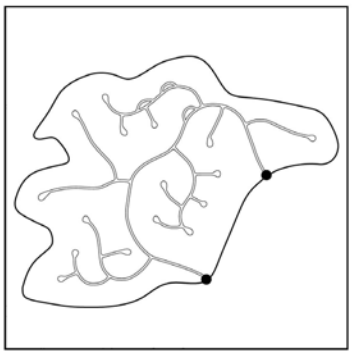


Block perimeter measurements are taken along the center lines between right-of-ways regardless of roadway pavement locations.



Portland, Oregon

Total # of Street Intersections:	102
Area of Sample Site:	0.23 sq. mi.
Connectivity (inters. / sq. mi.) =	443.5



Irvine, California

Total # of Street Intersections:	2
Area of Sample Site:	0.23 sq. mi.
Connectivity (inters. / sq. mi.) =	8.7

Intersection density measurements are taken by identifying the center of a proposed new development, creating a one mile square block around that center and counting every intersection with the exception of those that lead to cul-de-sacs. Alleys and pedestrian passages are counted.

Fronts Face Fronts

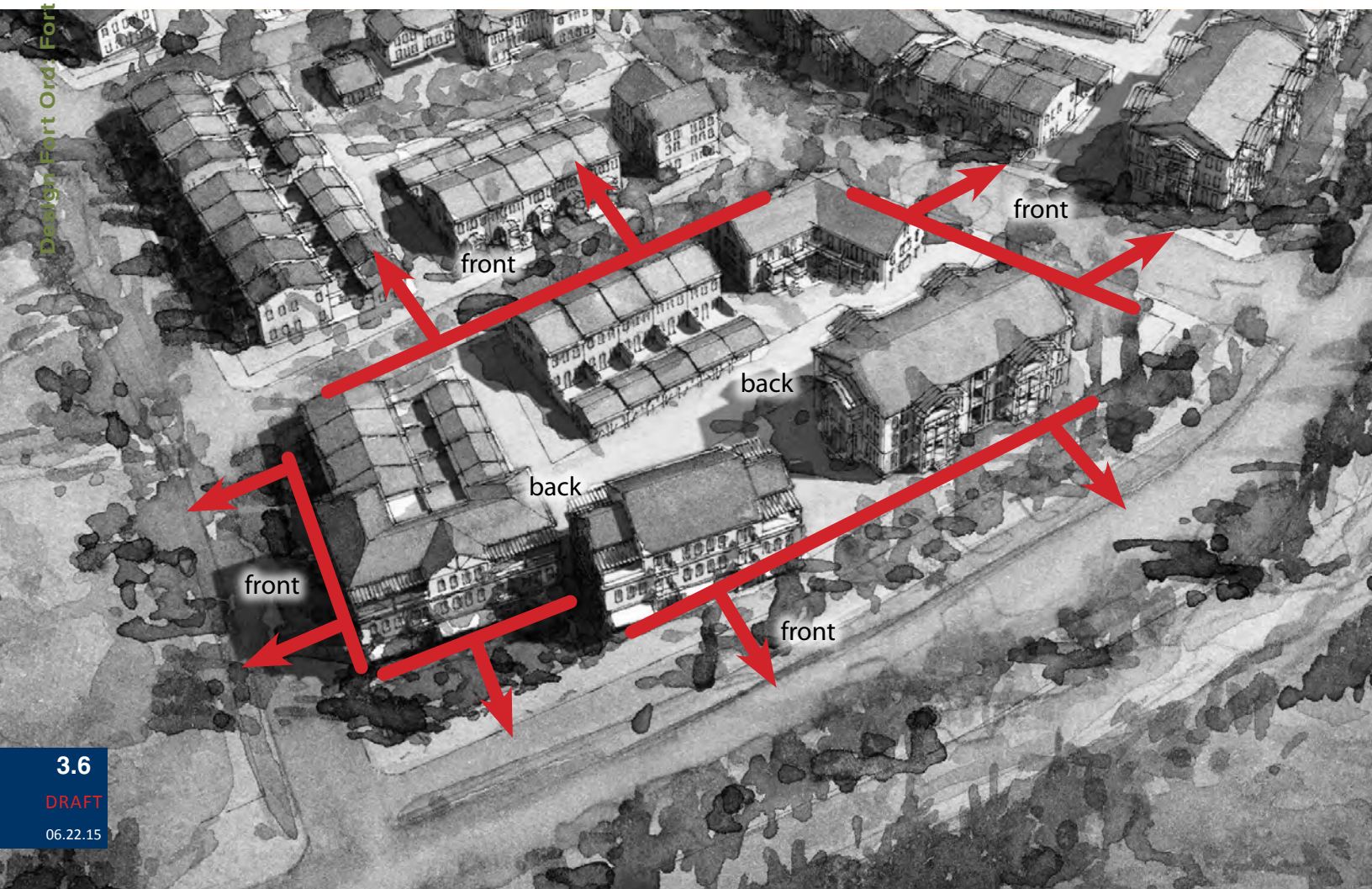
Purpose

Building orientation is the first step in making great streets and public spaces. Buildings have fronts, sides, and backs; the appropriate and most carefully designed fronts of buildings should face streets and public spaces. The rear and sides of buildings, which often incorporate a building's service functions and typically have less doors and windows, should not face the public realm. The front façade of all buildings shall be built parallel to a front lot line or to the tangent of a curved front lot line.

Reestablish the relationship between the fronts and backs of buildings to ensure that public spaces have natural surveillance from buildings and to avoid the blighting influence of the backs of buildings facing public spaces. Fronts of buildings shall face fronts of other buildings; fronts may face sides where necessary; but fronts may never face the back of buildings.

Buildings with frontage on two thoroughfares, shall have their building front onto the thoroughfare most likely to accommodate pedestrian traffic.

Ocean Avenue in Pacific Grove
The discipline of fronts-facing-fronts, as found without exception in historic Pacific Grove, creates streetscapes in which pedestrians are always looking at interesting front facades.



Application

This guideline applies to:

- Centers
- Gateways
- Corridors

Intent

To Reestablish the relationship between the fronts and backs of buildings to insure that public spaces have natural surveillance from buildings and to avoid the blighting influence of the backs of buildings facing public spaces.

To improve aesthetics and avoid the creation of places where garage doors, service entrances, blank walls, or parking lots are the dominant visual image on the streetscape.

To improve public health by providing safe, appealing, and comfortable street environments that encourage daily activity and avoid pedestrian injuries.

To promote walking that reduces vehicle miles travelled.

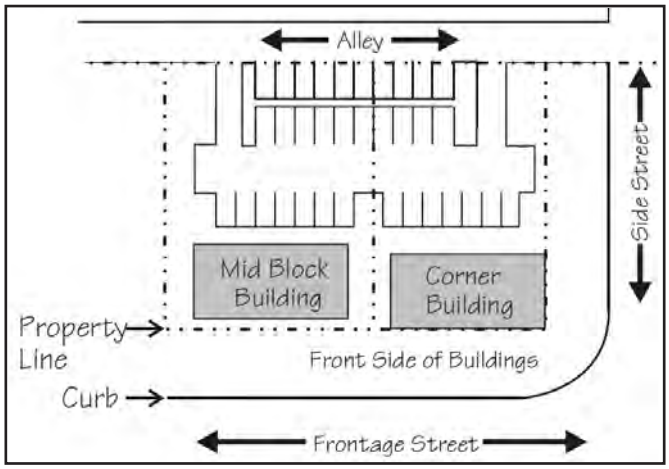
Requirements

1. The façade of the principal building shall be built parallel to a front lot line or to the tangent of a curved front lot line.
2. Building fronts display a building's principal façade and must face either streets or public spaces.
3. Fronts of buildings should face fronts of other buildings; fronts can face sides where necessary; fronts may never face backs.
4. Secondary entrances shall be permitted on side and/or rear façades.
5. Buildings with frontage on two thoroughfares, shall have their building front on the thoroughfare most likely to accommodate pedestrian traffic
6. Site all buildings on streets, not within parking lots. All parking lots shall be located behind buildings.

Measurement

Fronts facing Fronts	Acceptable (Preferred)
Backs facing Backs	Acceptable (Preferred)
Fronts facing Sides	Acceptable
Sides facing Backs	Acceptable
Fronts facing Backs	Discouraged

Building Orientation Configurations



Parking should be located behind structures, ideally along an alley and shared among businesses.

Primacy of Open Spaces

Purpose

Open Space

Public open space plays an important role in providing light, air, landscaping, and an experience of nature. Public parks, plazas, and streetscapes serve as the "living room" for community life — the places where the public can meet, interact, and gather. Open space also contributes to higher real estate value while sustaining the environment.

A range of parks from tot-lots and ballfields to community gardens and dog parks should be distributed throughout new development. It is also important is that public spaces are within walking distance of community life.

Civic Buildings

The City of Monterey's City Hall is located on Del Ray Park, Seaside's City Hall is within a park, and the Marina Library is located atop Locke Paddon Park. New public buildings should be given honorific locations facing public open space wherever possible. The space becomes a destination and invites people to engage with the space and one another.

Cotton Hall in Monterey, CA
Cotton Hall in Monterey faces Friendly Plaza. This placement communicates a message that the building is accessible by the public.

Application

This guideline applies to:

- Centers
- Gateways

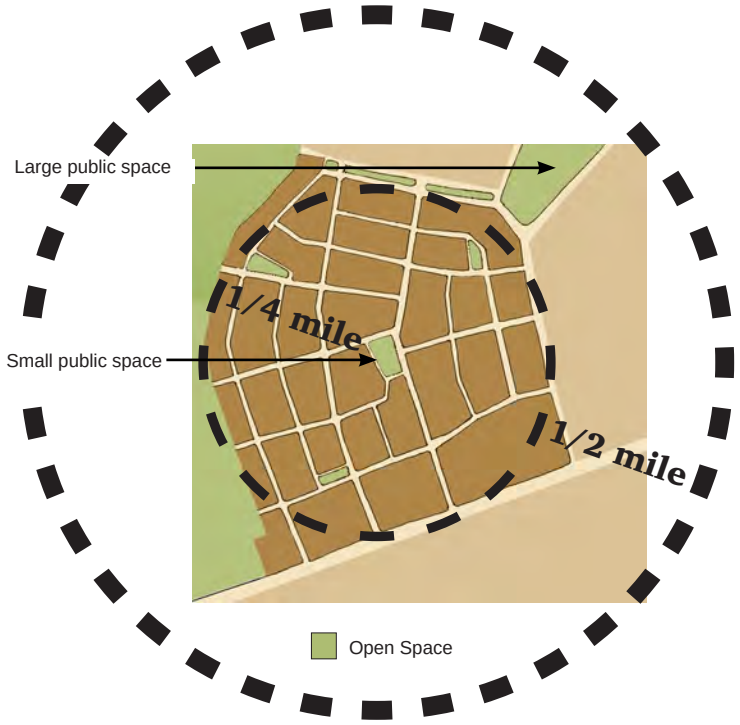
Intent

To improve aesthetics and overall property values while providing for an ample number of functional public spaces.

Requirements

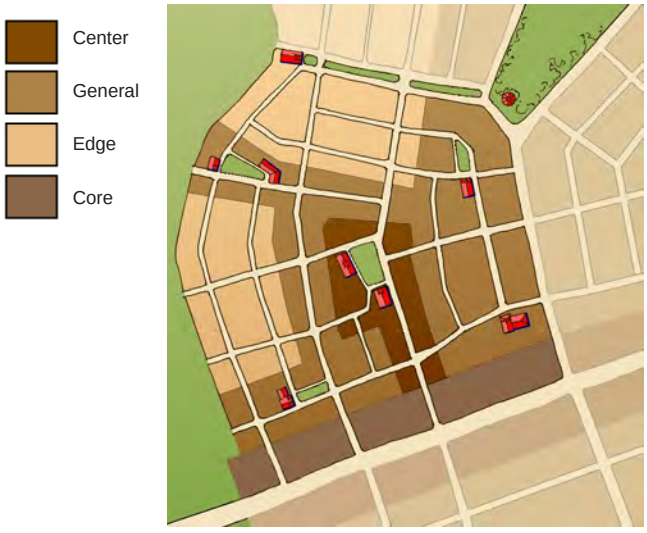
1. Design new subdivisions and new development projects so that a civic or passive-use space, a small public space such as a square, park or plaza of at least 1/6 acre in area lies within a 1/4 mile walk distance of 90% of new and existing dwelling units and non-residential entrances.
2. Design new subdivisions and new development projects so that a publicly accessible outdoor recreation facility at least 1 acre in area, or a publicly accessible indoor recreation facility of at least 25,000 square feet, lies within a 1/2 mile distance of 90% of new and existing dwelling units and non-residential building entrances.
3. Prominent locations, like the end of a street, the top of a hill, or adjacent to a park, should be set aside for civic buildings. Civic buildings should include churches, schools, shared pool facilities, community halls, or simple pavilions.

Measurement



Placement of Open Spaces

Open spaces can vary in size, shape and use, but should be a minimum of a five-minute-walk (1,320 feet) from most dwellings. Larger outdoor recreation areas should be accessible with a ten-minute-walk (2,650 feet). Where possible open space should be located at the physical center of development.



Placement of Civic Buildings

Civic buildings provide a community's social infrastructure. Where possible new civic buildings should be located on open spaces or at the intersection of important streets. Where possible civic buildings should be located at the physical center of development.

Scale of Public Space

Purpose

Public spaces are defined by their size, relationship to buildings, relationship to the streets that surround them, and location on a natural-to-center character district spectrum.

The scale of public space is a reference to the impact that an open space will have within a given context. A small park within a residential community can become a neighborhood center where children play and friends and family get together. A large plaza within an urban municipal center can serve to define the civic center or heart of a village, town or city.

If they are to succeed in their function, open spaces should be based on their context. Too many public spaces go unused because their type is incompatible with their surroundings. Public spaces also go unused when they feel to large for their intended use. Lastly, a diversity of open space types should be used to create options and variety.

Bird's Eye View of Cotton Hall in Friendly Plaza, Monterey, CA
The relationship of the civic buildings to the park and plaza, where the facades face the park, create a sense of accessibility. The smaller open space ties the plaza to the street and serves to define the area as a civic center. This relationship is best understood at the pedestrian scale.

Application & Measurement

This guideline applies to:

- Centers
- Gateways

Intent

Open spaces shall be consistent with context.

Requirements

Urban open space types (plazas and squares) shall be located closer to centers and rural types (greens and parks) shall be located closer to the edge of development.

Park

A *Park* is natural preserve available for unstructured recreation. Its landscape shall consist of paths, trails, meadows, water bodies, woodland, and open shelters, all naturalistically disposed. Parks often have a minimum of 8 acres. Parks should be located at the edges of development.

Green

A *Green* is available for unstructured recreation. A Green may be spatially defined by landscaping rather than building frontages. Its landscape should consist of lawn and trees, naturalistically disposed. The minimum size is often 1/4 acre with a maximum of 8 acres.

Square

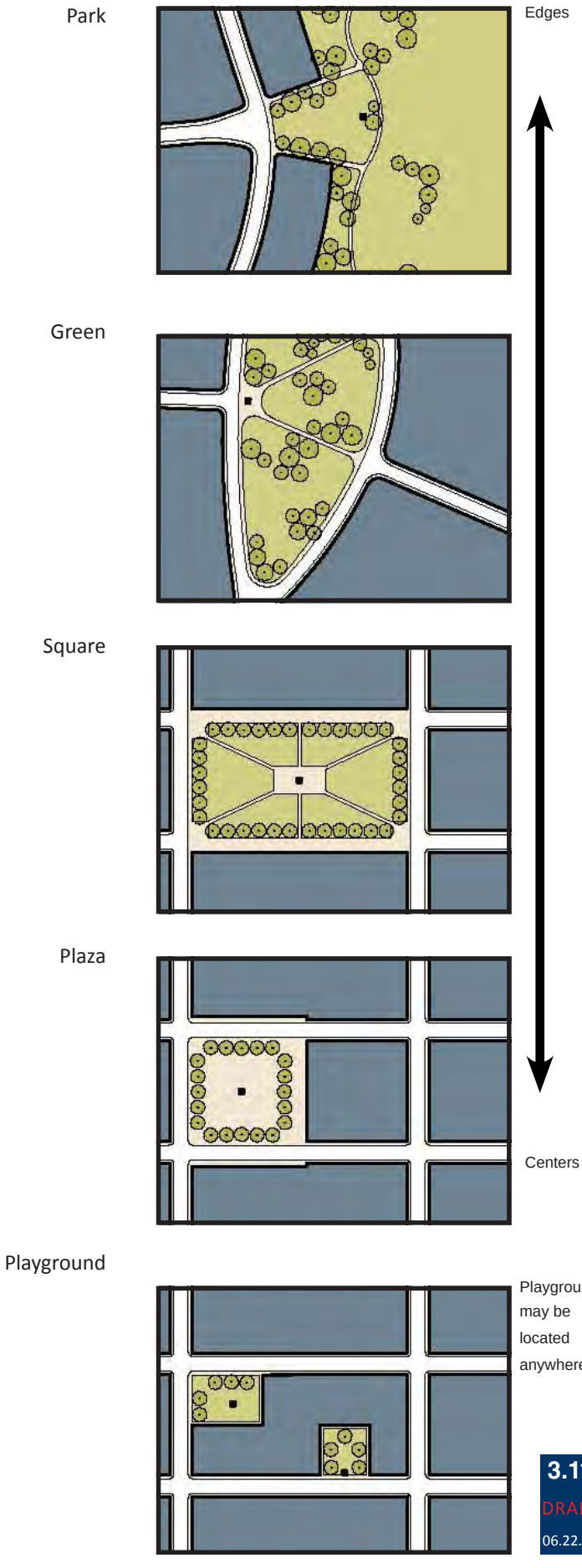
A *Square* is available for unstructured recreation and civic purposes. A square is spatially defined by building frontages. A square does not have to be a square shaped; they come in all kinds of shapes. Squares shall be located at gateways and the intersection of important thoroughfares where possible. An ideal size is 1/4 acre with a maximum of around 3 acres.

Plaza

A *Plaza* is available for civic purposes and commercial activities. A plaza shall be spatially defined by building frontages. Trees are optional. Plazas tend to be hardscaped with brick, stone or even concrete. Plazas should be located at gateways, the intersection of important streets, or in front of civic buildings. The minimum size should be around 1/6 acre with a maximum of around 2 acres.

Playground

A *Playground* is an open space designed and equipped for the recreation of children. A playground should be fenced and may include an open shelter. Playgrounds should be interspersed within residential areas and may be placed within a block. Playgrounds should be included within parks and greens. Playgrounds come in all shapes and sizes. Playground equipment should be shaded.



Walkable Streets

Purpose

A street is often referred to as walkable if pedestrians can walk around safely in an environment that they are likely to walk. A network of streets allows pedestrians, cyclists, and motorist to move safely and comfortably through an area. The maximum average block perimeter to achieve an integrated network is 2,400 feet with a maximum uninterrupted block face of ideally 450 feet with streets at intervals of no more than 600 feet apart along any one single stretch.

When designing streets, we should strive to make them walkable first, accommodate bicycles second, and then add provisions for cars, trucks, and emergency vehicles.

"Design Speed" is the crucial number engineers officially use to configure streets for orderly traffic movement. The chosen design speed must be a low figure, usually less than 25 mph, for a walkable environment.

The slow design speed that characterizes walkable streets results in the conscious choice of features such as narrow curb-to-curb dimensions, street trees, architecture close to the street edge, on-street parking, and relatively tight turning radii.

Lighthouse Avenue, Pacific Grove CA
The west side of Pacific Grove near 16th Street is a great example of a sidewalk that is wide enough to share seating, bike storage and space for people to walk. There is a healthy amount of trees as well, which provide some shade as well as an overall welcoming character to the street.

a narrow streets **b** shade **c** sidewalks **d** crosswalks

Application

This guideline applies to:

- Centers
- Gateways
- Corridors

Intent

To build safe, comfortable, and interesting street environments to encourage daily physical activity.

Requirements

For all projects:

- Continuous sidewalks for walking shall be provided along both sides of regional corridors. New sidewalks must be at least 10 feet wide on retail or mixed-use blocks and at least 5 feet wide on all other blocks.
- Regional corridors may not be faced by parking lots, garages, or service bay openings.
- Street trees must be provided at intervals of no more than 50 feet along regional corridors.
- Street trees shall be noninvasive and drought-tolerant while still providing shade within 10 years of landscape installation.
- On-street parking shall be provided within 1/4 mile of all centers along both sides of the street.
- Within 1/4 mile of Centers all streets shall be designed for a target sped of no more than 25 miles-per-hour. On a multi-way boulevard with through travel lanes separated from access lanes by medians, apply this requirement to its outer access lanes only (through-lanes are exempted), provided pedestrian crosswalks are installed across the boulevard at intervals no greater than 800 feet.
- At-grade crossings with driveways shall account for less than 10 percent of the corridor within 1/4 mile of Centers.

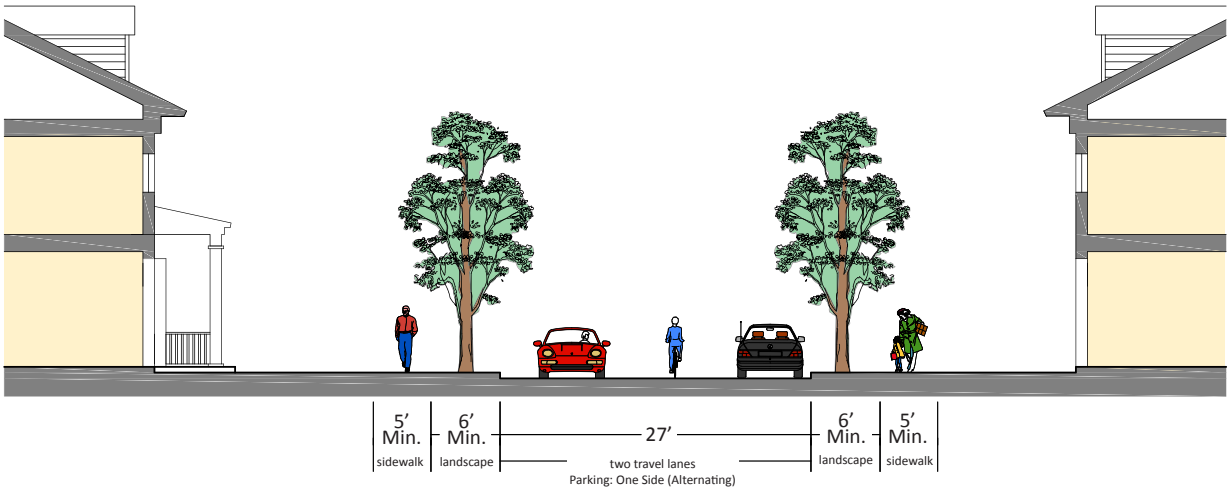
Measurement

There is no one formula for walkable streets. Building great streets goes beyond a simple “complete streets” approach. Great streets means creating places where people want to be, places that are safe, comfortable, interesting, and beautiful. Existing streets can be retrofitted with wider sidewalks, world-class bike infrastructure, shade trees for sidewalks, better lighting, and buried or relocated overhead utilities.

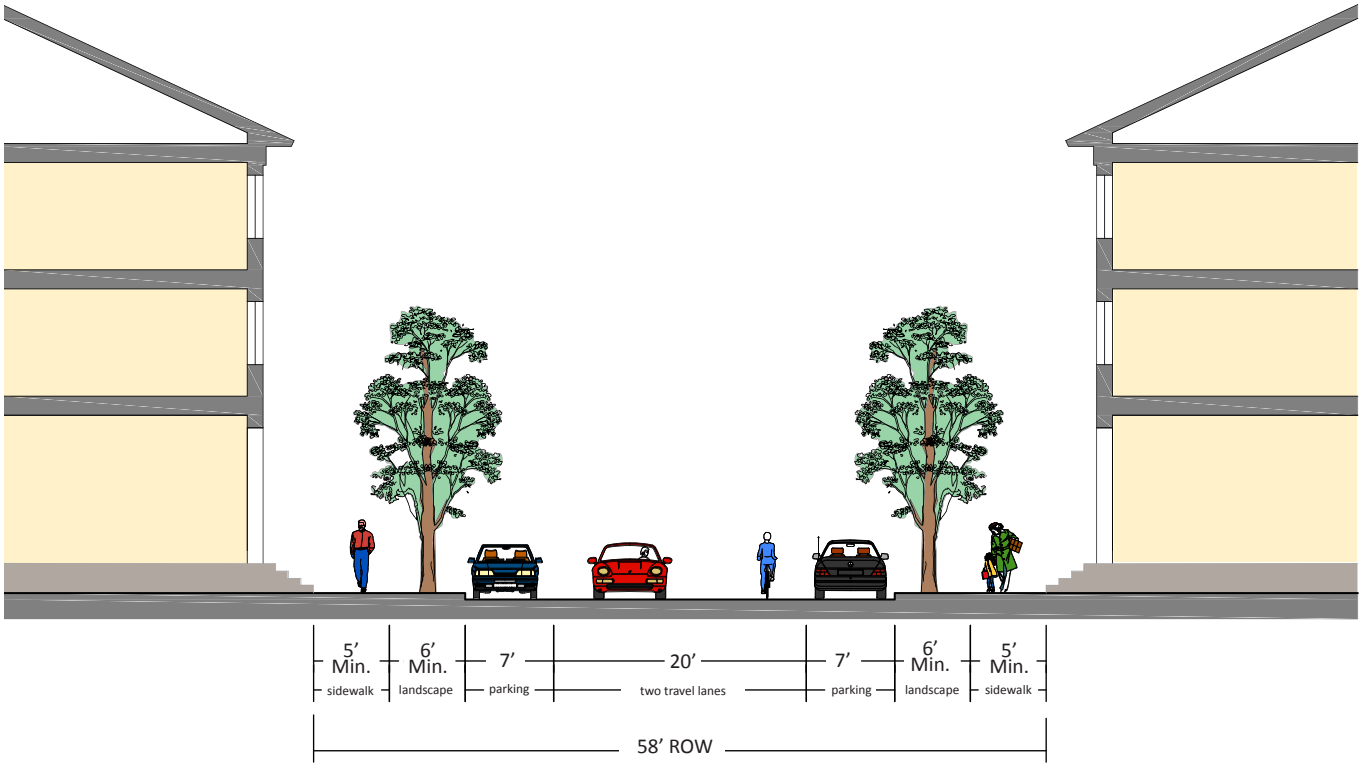
On the following pages designs for sample local streets, main streets, avenues, boulevards and parkways are provided that meet the requirements.

Local Residential

Local Streets provide access to individual lots, accommodate pedestrians and serve as low speed bicycle and vehicle routes. Local streets should be relatively short in total distance related to the other street typologies, and serve as the street that residential development fronts. For multi-family frontages, the parking is accommodated in parallel bays adjacent to distinct travel lanes; for single family frontages, the street is a shared cartway where two moving directions of traffic share space with parked vehicles in a "yield" condition. The streetscape is more formal, with street trees planted with regular spacing, and sidewalks on both sides of the street.



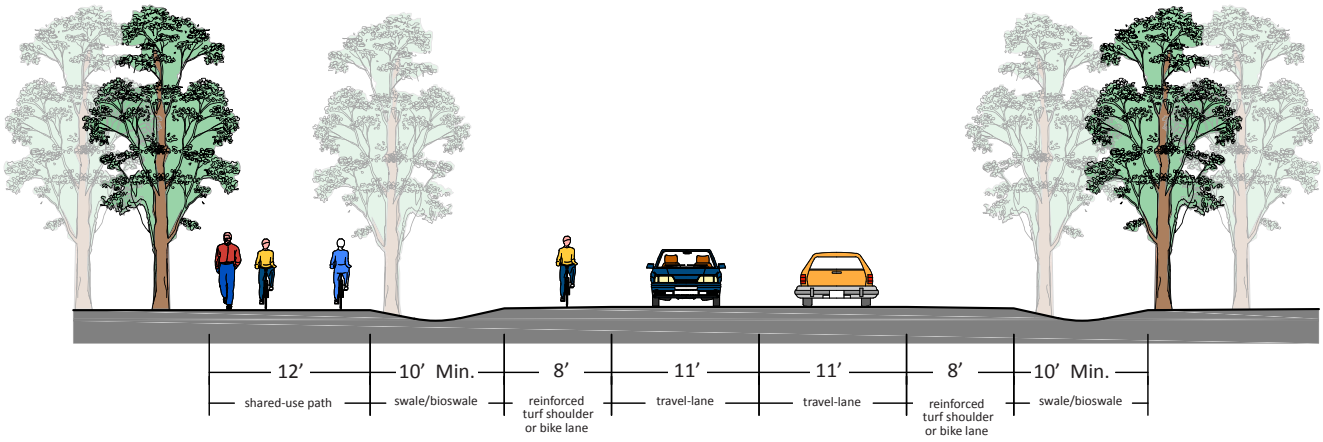
Local Residential, Single Family



Local Residential, Multi-Family

Sensitive Drives

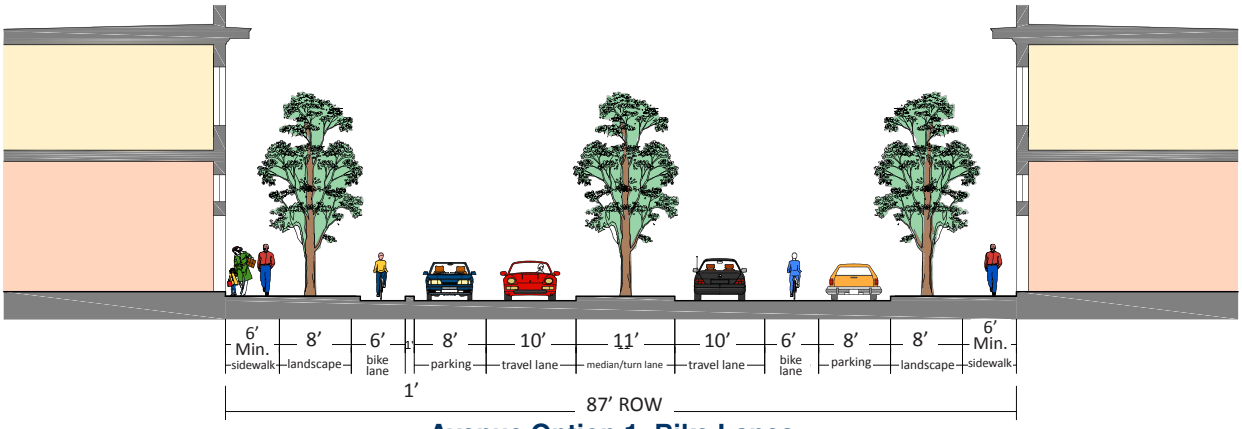
Sensitive streets pass through areas typified by open lands, conservation areas, or parks. They form connections through these sensitive areas while laying lightly on the landscape. Lighting is optional on these facilities, and bicycles and pedestrians are accommodated in an off-road facility such as a shared use path typically on one side of the street. Drainage is accomplished via open swales on the sides of the street, or through rain gardens or bioswales in the same configuration.



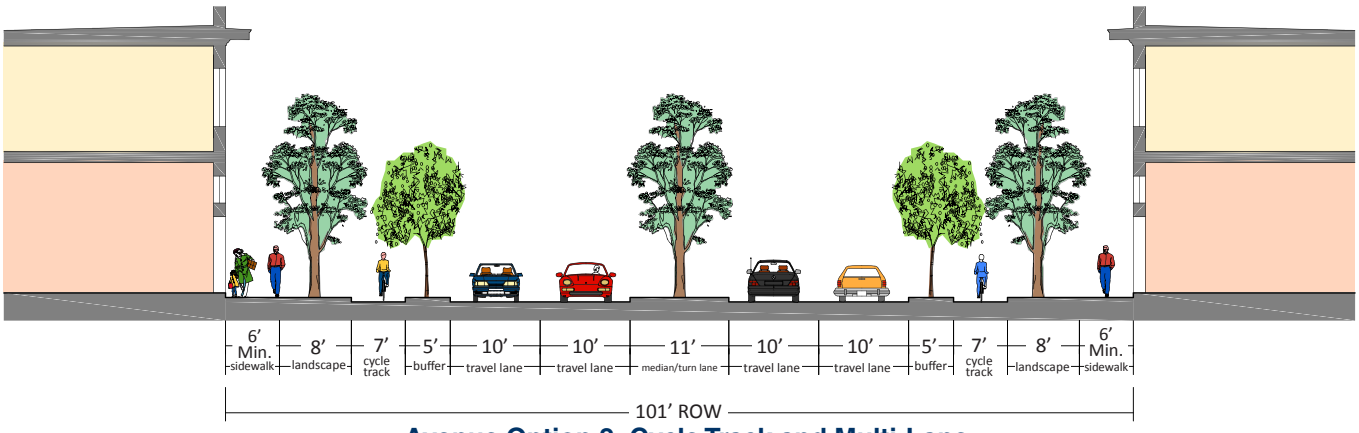
Sensitive

Avenues

An avenue is a walkable, low-speed street that carries a mixture of through and destination traffic. Avenues provide access to abutting commercial, residential, and mixed land uses, and accommodate cars, pedestrians, and cyclists. Avenues can have between two and four travel lanes, and can have planted medians and side planting strips. They may also have on-street parking, and will have sidewalks and some form of on or off-street bicycle accommodations such as bicycle lanes, cycle tracks, or a shared use path. Avenues have sidewalks on both sides of the street, and a more formal planting scheme with trees on a regular spacing. Target speeds for avenues are typically 30 mph or less.



Avenue Option 1: Bike Lanes

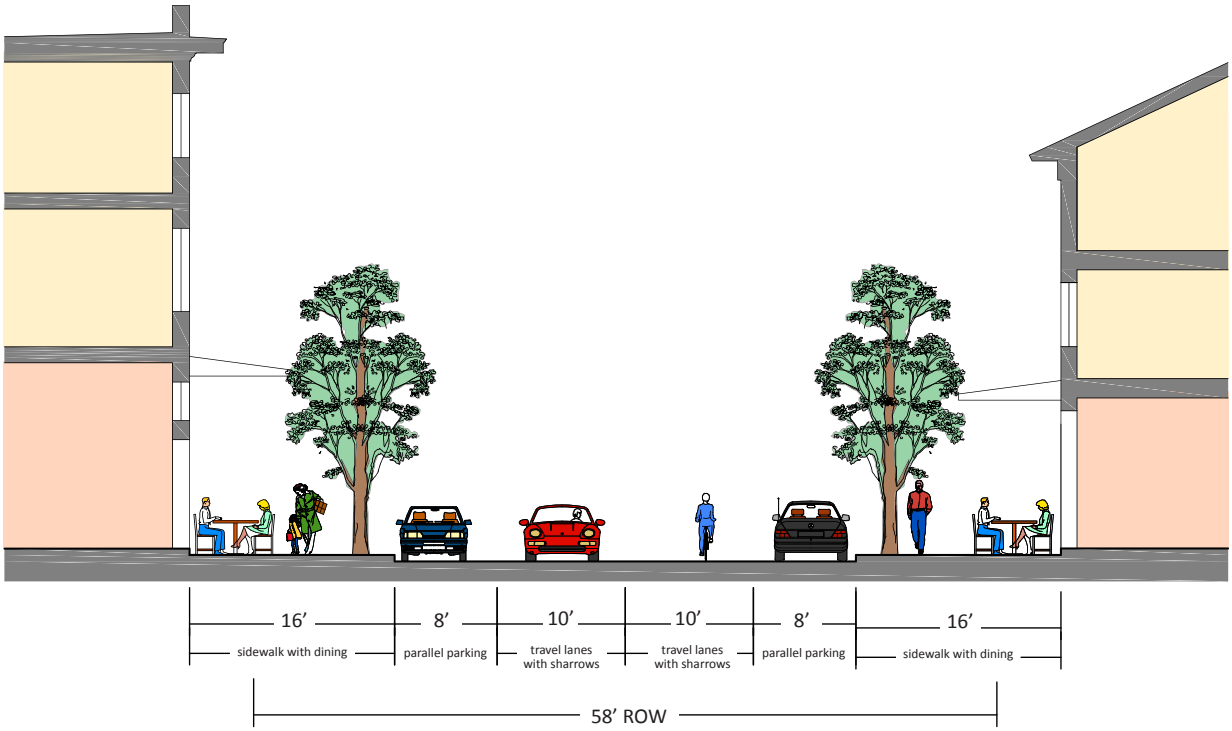


Avenue Option 2: Cycle Track and Multi-Lane

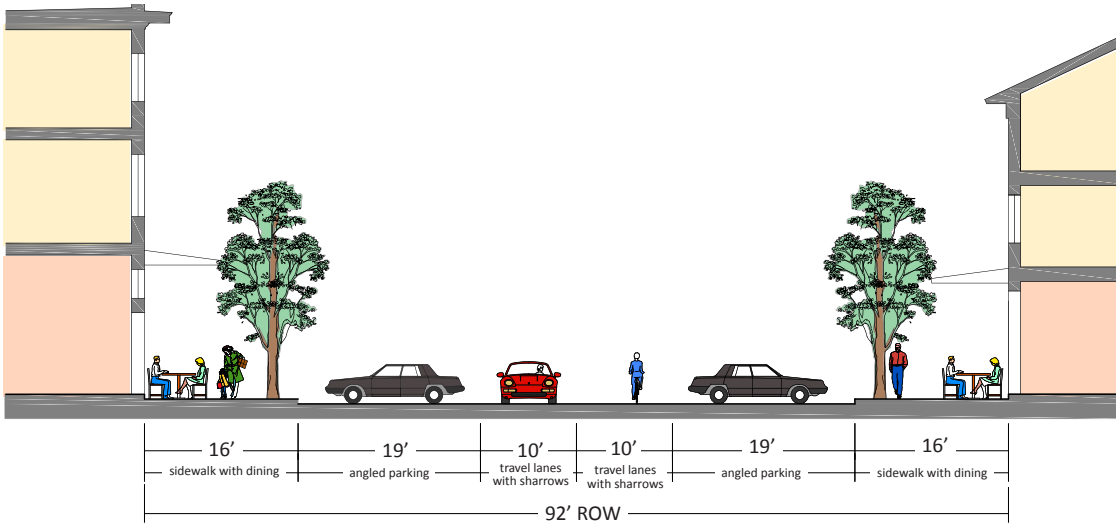
Main Streets

Main Streets are designed to provide connections between neighborhoods and districts, as well as providing access to Avenues and Boulevards from local streets. Main Streets are highly walkable and serve as the primary street for commercial or mixed-use centers. On-street parking is provided in either a parallel or angled configuration. Due to high anticipated pedestrian activity, design speeds are kept low. This condition also allows bicycles to share space with automobiles in general travel lanes, negating the need for distinct bike lanes.

Additional landscaping and traffic calming techniques that are ideal on Main Streets include street trees in grated wells, curb bulb-outs, and a relatively high density of street furniture and public art. Pedestrian-scale street lighting should be installed, and utilities should be located underground, in alleys or along other streets to the greatest extent possible. Sidewalks are required on both sides of the street, and will be at least 16 feet from the back of curb to the building face, to provide space for activities such as outdoor cafes and strolling.



Main Street Option 1



Main Street Option 2

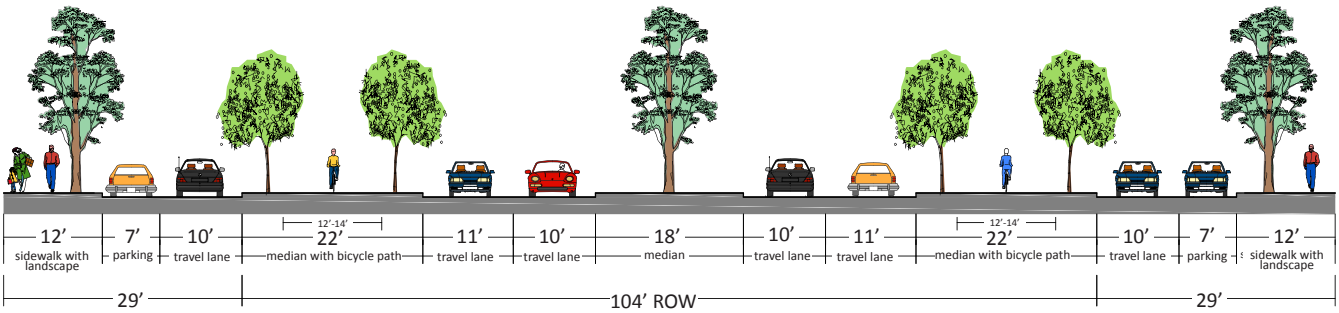
Boulevards

A boulevard is a regional travel facility that typically consists of commercial frontage, with multiple intersections and access to businesses. Boulevards have a more formal streetscape pattern, and occur in primarily developed areas. Boulevards include a closed drainage system. Accommodations for pedestrians and bicycles are in a facility such as a shared use path that is separated from moving traffic. Boulevards can include an access lane to afford local trips an alternate to re-entering the through lanes, and to create store frontage with on-street parking; bicycles are accommodated via sharrows in the access lanes due to their low speed.

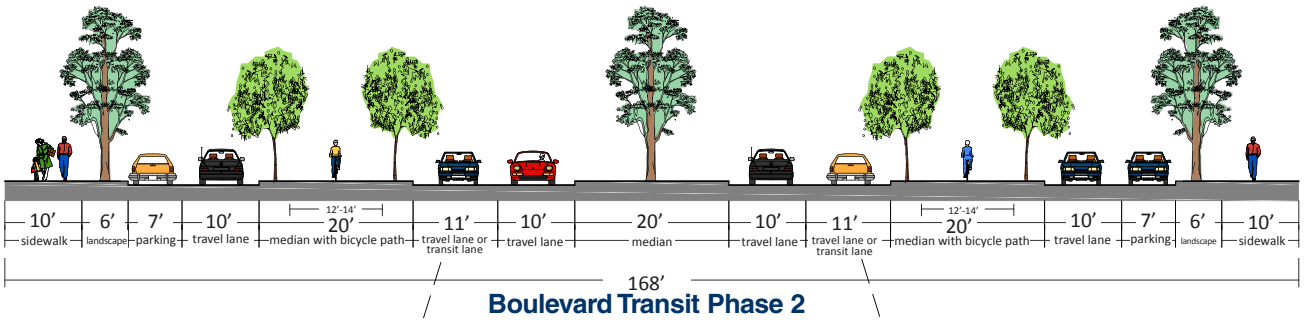
Boulevard (Dedicated Transit Lane)

The boulevard can also include a dedicated transit lane for buses or light rail vehicles, which can either be constructed initially or retrofitted at some point in the future.

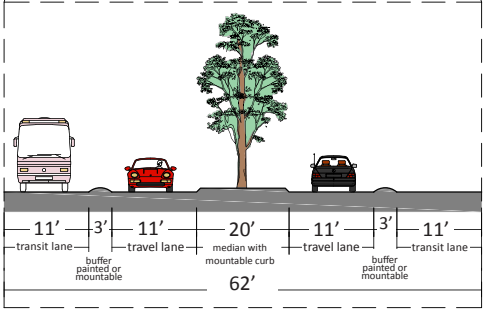
Both boulevards are typically four lanes in width, and occur in built up areas with commercial uses. Target speed for a boulevard is typically between 30 and 40 mph in the through lanes, and 10-15 mph on the access lanes.



Boulevard



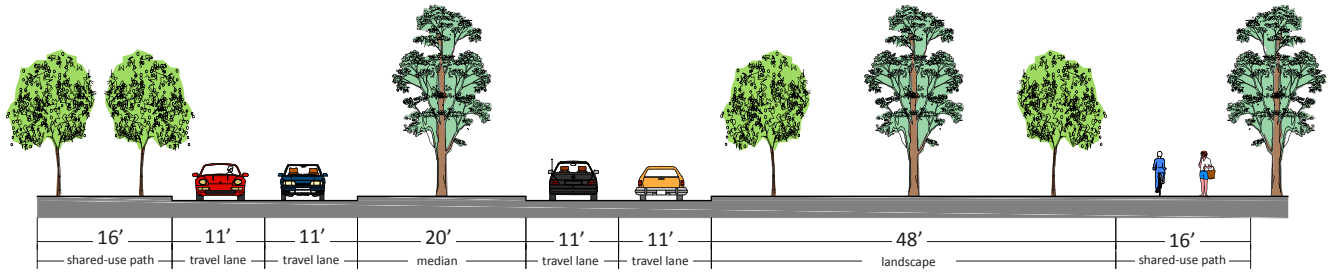
Boulevard Transit Phase 2



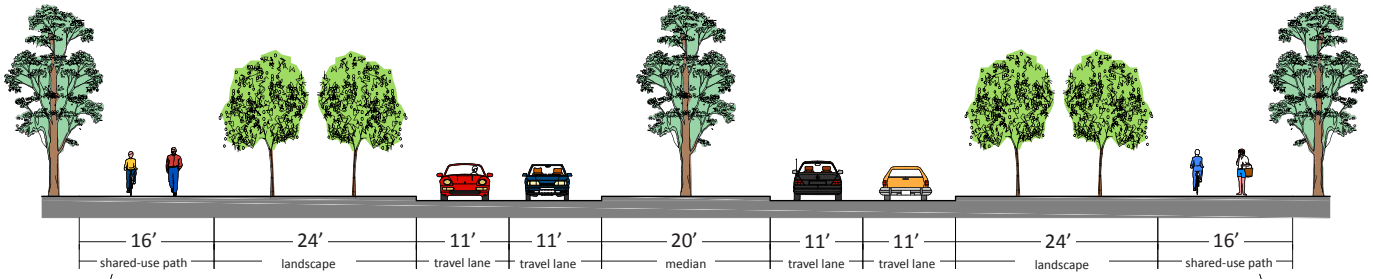
Transit Option

Parkway

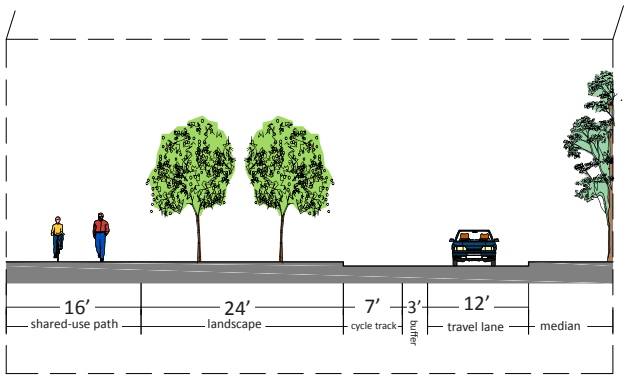
A parkway is a regional facility intended to carry traffic from point to point with little interruption in the way of driveways and intersections. Parkways can occur in both urban and rural contexts, with drainage either accomplished in a closed or open system. Parkways respect the natural environment, with a more natural and informal landscape scheme in keeping with their natural setting. Parkways can have two or four travel lanes, with a target speed of between 30 and 45 mph. Bicycles and pedestrians are accommodated on a separated shared use path, but within the overall right-of-way.



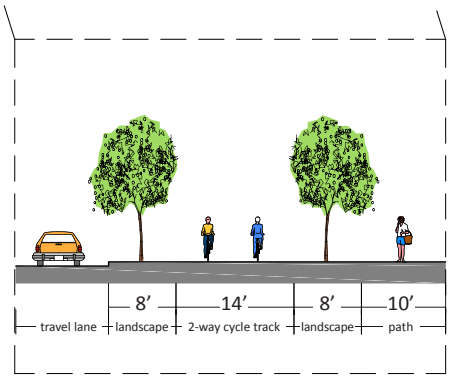
One-Sided Trail Parkway



Two-Sided Trail Parkway



Option 1: 2 - Lane Road with Cycle Track



Option 2: Walking and Cycle Facilities

Legible Centers

Purpose

One should be able to tell when one has arrived to a new destination on the former Fort Ord and when one has reached its center. A proper center has places where the public feels welcome and are encouraged to congregate. Typically, at least one outdoor public environment exists at the center that spatially acts as a well-defined outdoor room.

While an outdoor public environment most often takes the form of a square or plaza, it is also possible to give shape to the center with one great street of continuous shopfronts or a special "four corners" intersection of important streets that include shade and other protection from the elements.

Shopping streets of Carmel-by-the-Sea
It is the storefronts of Carmel-by-the-Sea that let visitors know they have arrived. While the city offers several plazas and small parks, the streets themselves are the most sought-after public space.

Application

This guideline applies to:

- Centers
- Gateways

Intent

To build areas that can be clearly identified as a center and have the characteristics of a destination that people want to go to and can identify as central to the general area.

Requirements

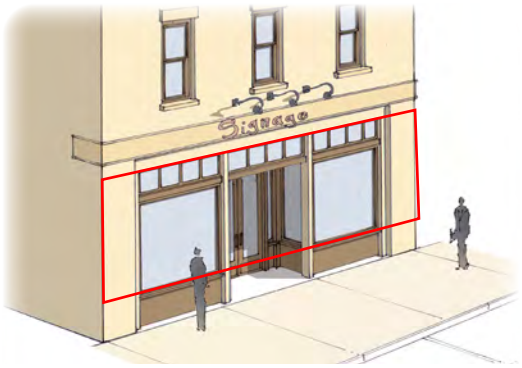
Shopfronts in Centers

- Build retail frontage storefronts (shopfronts) to be functional and attractive.
- Design projects to have 80% of the total linear feet of building facades with ground floor retail or office uses to be no more than 5 feet from the front property line.
- Buildings with ground floor retail or office uses shall have un-tinted transparent storefront windows and/or doors covering no less than 60% of the wall area between 3 and 8 feet above grade.
- Storefront windows shall extend to at least 8 feet above the adjacent sidewalk.
- Entrances shall be placed at a minimum of every 50 feet along the length of a shopfront or series of shopfronts.
- All shopfronts shall be protected from above by either an awning, arcade or marquee.
- The sidewalk adjacent to all shopfronts shall maintain a minimum clear path of five feet.

Public Spaces and Civic Buildings in Centers

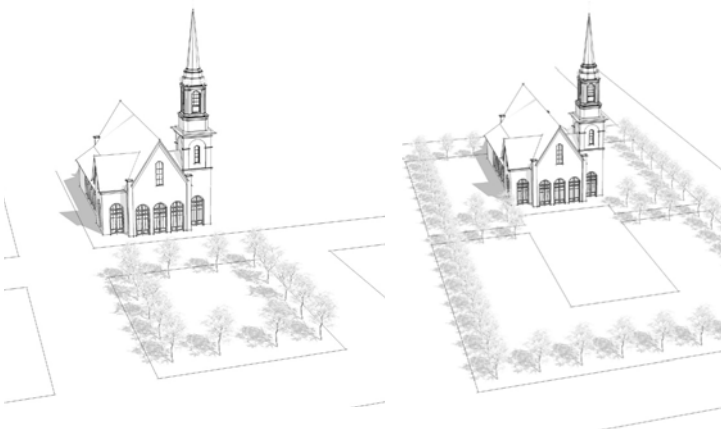
- Designate civic sites in each center and site them memorably.
- Schools, recreational facilities, and places of worship should be embedded within communities or on the edges of communities within walking distance.
- Locate civic buildings on high ground, adjacent to public spaces, within public spaces, or at the terminal axis of a street or long view to increase their visibility.

Measurement



Clear glass is required of 60% of wall area between 3 and 8 feet above the ground.

All shopfronts shall be protected from above by either an awning, arcade or marquee.



Civic building adjacent to a green or within a green tell new arrivals they have reached the center of the community.

Anatomy of a Walkable, Central Retail Environment

Streets like Alvarado Street in Monterey and Lighthouse Drive in Pacific Grove host a flourishing retail environment. Illustrated in the images on the right are a series of shopfront elements, many of which can be added incrementally to commercial streets on former Fort Ord like 2nd Avenue or Imjin Parkway. The sequence demonstrates how each component can positively contribute to the overall composition of the street.

Street lighting and trees are vertical elements which help to define the public realm while also making the pedestrian feel safer and more comfortable. On-street parking allows easy vehicular access to storefronts and also acts as a buffer from traffic that is moving within the roadway. Adding benches, trash bins and planters is a simple way to transform a street into a place; these components prompt the pedestrian to linger next to the retail shops. Providing space on the sidewalk for restaurant dining is another method for activating the public space. Extending sidewalk dining into the on-street parking zone, also known as a "parklet", quickly and affordably maximizes retail opportunities.

1. Street-oriented architecture, wide sidewalks and on-street parking are essential "building blocks".

4. Awnings protect pedestrians from the weather

7. Adding an outside display zone close to the street will increase retail visibility

2. Canopy street trees provide shade and visually define the public space

3. Street furniture helps to transform a sidewalk into a place

5. Appropriately-scaled signage and adequate lighting contribute to the street composition

6. Sidewalk dining activates the public space

8. Parklets that extend into the on-street parking area are an easy way to gain more dining

9. Angled parking adds additional parking spaces

Mix of Building Types

Purpose

New development on former Fort Ord land should mix building types to create centers and neighborhoods which allow a diversity of ages and incomes, and permit residents to trade up or downsize their homes without having to move away. Multi-generational neighborhoods and life-cycle neighborhoods create strong social networks, avoid concentrations of poverty or wealth, and lead to safer communities.

In centers and gateways many activities of daily living should occur within walking distance, allowing independence to those who do not drive, encouraging walking, reducing the number and length of automobile trips, and conserving energy.

Alvarado Street, Downtown Monterey, CA
Almost every kind of building type can be found on Alvarado Street from mixed-use shopfronts to courtyard apartment buildings. On the perpendicular residential streets cottages, apartment houses, duplexes, and single-family houses sit side-by-side.

Application

This guideline applies to:

- Centers
- Gateways

Intent

New centers and gateways should be compact, pedestrian-friendly and mixed-use. Within neighborhoods near centers and gateways a broad range of building types should be available.

Requirements

- All new projects of 500 units or more and all new projects on sites of over 100 acres or more, should provide at least three of the following building types within the project: House, Accessory Dwelling Unit, Cottage, Duplex, Apartment House, Courtyard Apartment, Rowhouse, Mixed-Use Building, Corner Store, Small Market/Gas Station, Park-Under Building, or Large-Footprint Building.

Measurement

A variety of building types are illustrated in the figures that follow. They include House, Accessory Dwelling Unit, Cottage, Duplex, Apartment House, Courtyard Apartment, Rowhouse, Mixed-Use Building, Corner Store, Small Market/Gas Station, Park-Under Building, and the Large-Footprint Building.

Site plans should show lot types and/or building types and all new large projects should demonstrate at least three different kinds of types.

Building Types

The following are descriptions of building/lot types which should be the elements of new centers and gateways.

House
A single-family detached residence which occupies a single building lot.

Typical Height: 1 - 2.5 stories

Typical Lot Frontage Width: 50’ - 80’

Typical Uses: residential

Accessory Dwelling Unit
A subordinate living unit detached from a single-family dwelling that provides basic requirements for independent living. An Accessory Dwelling Unit may be a stand-alone structure, or located above a garage or workshop behind the primary residence.

Typical Height: 1 - 2 stories

Typical Uses: residential

Accessory Dwelling Units shall have a maximum foot print of 800 square feet.

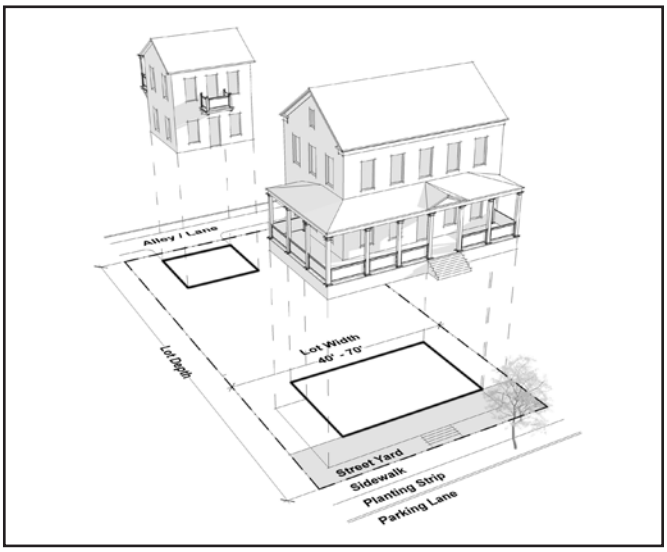
Cottage
A small single-family residence.

Typical Height: 1 - 1.5 stories

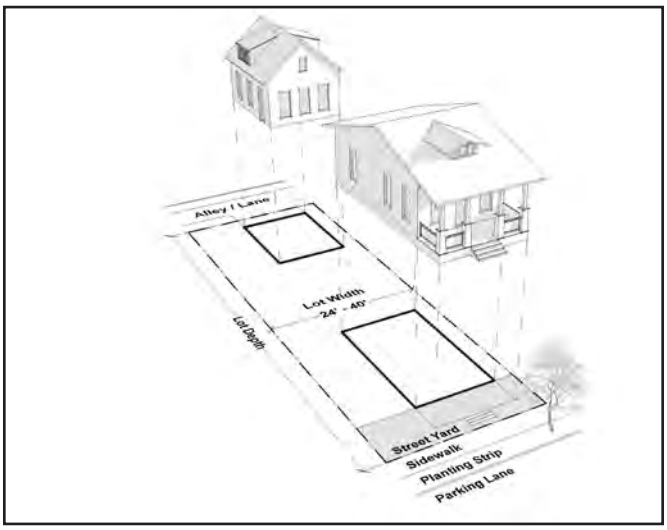
Typical Lot Frontage Width: 25’ - 50’

Typical Uses: residential

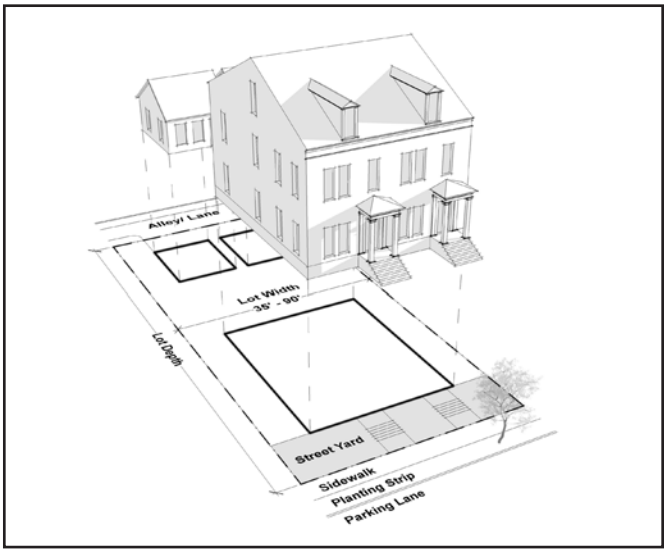
Required Features: A front porch or stoop is required along at least 50% of the building’s street frontage.



House with Rear Accessory Dwelling Unit



Cottage



Duplex

Duplex
Two single-family semi-detached dwelling units which occupy a single building lot.

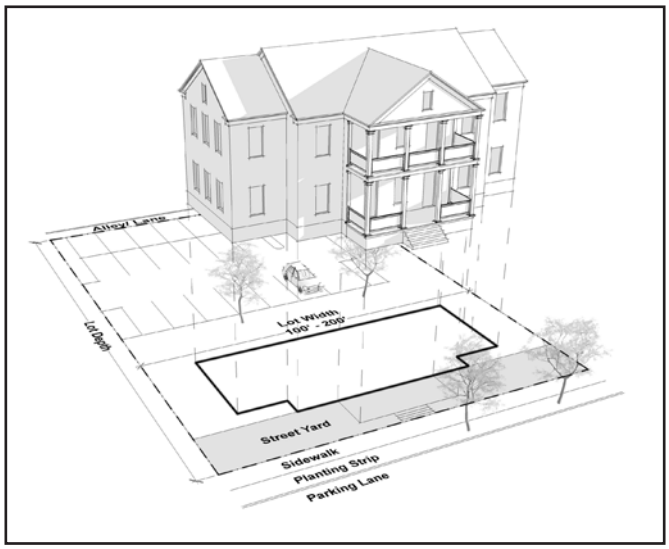
Typical Height: 1.5 - 2.5 stories

Typical Lot Frontage Width: 40’ - 80’

Typical Uses: residential

Each dwelling unit shall have its own primary entrance which must face the street.

Required Features: Stoop or Front Porch



Apartment House

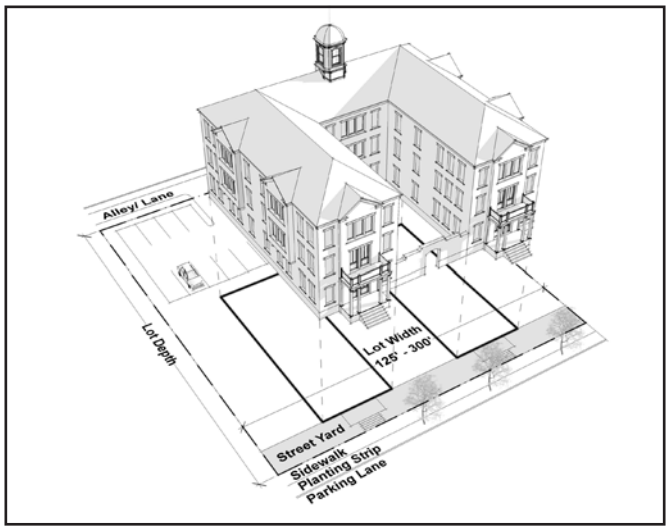
Apartment House
Multi-family attached dwelling units which occupy a single building lot.

Typical Height: 1.5 - 2.5 stories

Typical Lot Frontage Width: 80’ - 150’

Typical Uses: residential

Required Features: Stoop or Front Porch



Courtyard Apartment Building

Courtyard Apartment Building
Apartment building which wraps around a central common courtyard that opens to the street.

Typical Height: 1 - 3 stories

Typical Lot Frontage Width: 100’ - 200’

Typical Uses: residential

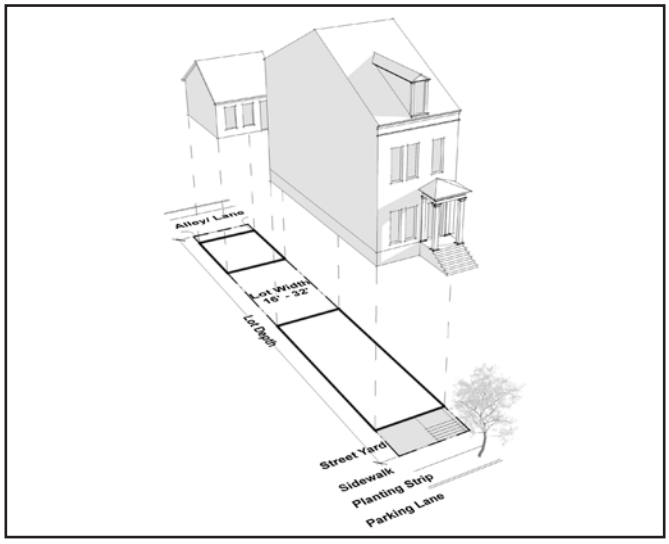
Rowhouse
Also known as a Townhouse. Single-family attached residences which each occupy a single lot.

Typical Height: 2 - 3.5 stories

Typical Lot Frontage Width: 16’ - 32’

Typical Uses: residential

Required Features: Stoop or Front Porch



Rowhouse

Mixed-Use Building

A building type that is mixed-use in nature and features shopfronts along the sidewalk at the street level, with office or residential spaces in the upper floors.

Typical Height: 2 - 5 stories

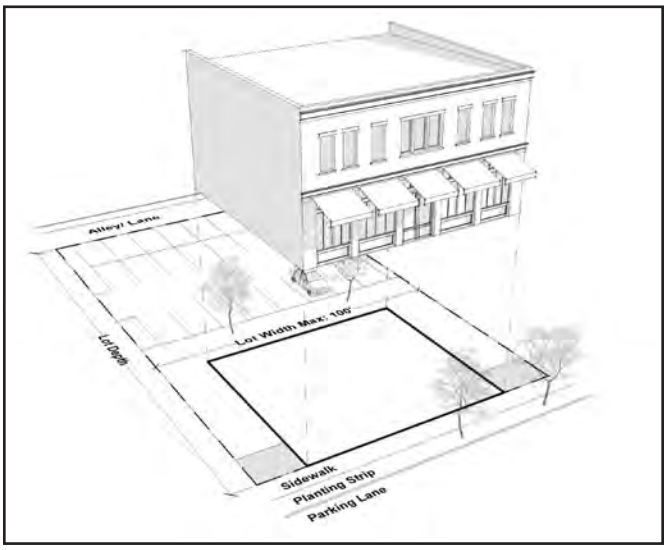
Typical Lot Frontage Width: 40’ - 300’

Typical Uses: retail or office at street level, office or residential in upper levels.

Shopfronts are required along the sidewalk over at least 60% of the building’s primary street frontage.

The sidewalks adjacent to shopfronts must be covered by either arcades or marquees.

Parking shall be located in the rear of the building, out of view from adjacent streets.



Mixed-Use Building

Corner Store

A building type that is mixed-use in nature and features shopfronts along the sidewalk at the street level with residential spaces in the upper floors. This building is specifically designed to fit in character and scale with a single-family residential neighborhood.

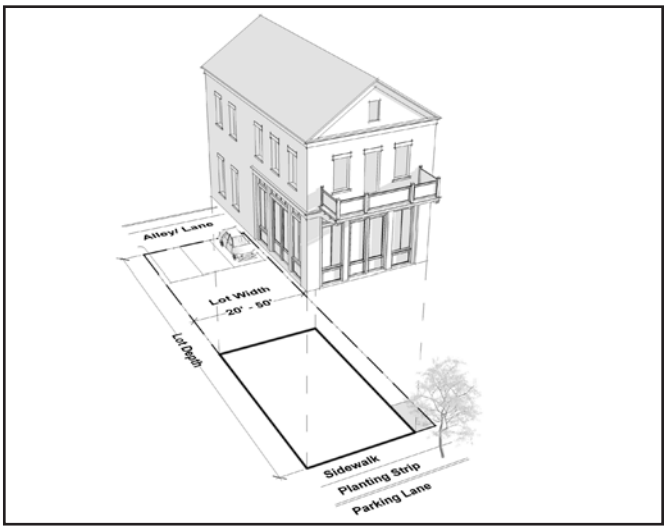
Typical Height: 1 - 2.5 stories

Typical Lot Frontage Width: 20’ - 50’

Typical Uses: retail or office at street level, office or residential in upper levels.

Required Features: Arcade or Awnings.

Parking shall be located in the rear of the building, out of view from adjacent streets.

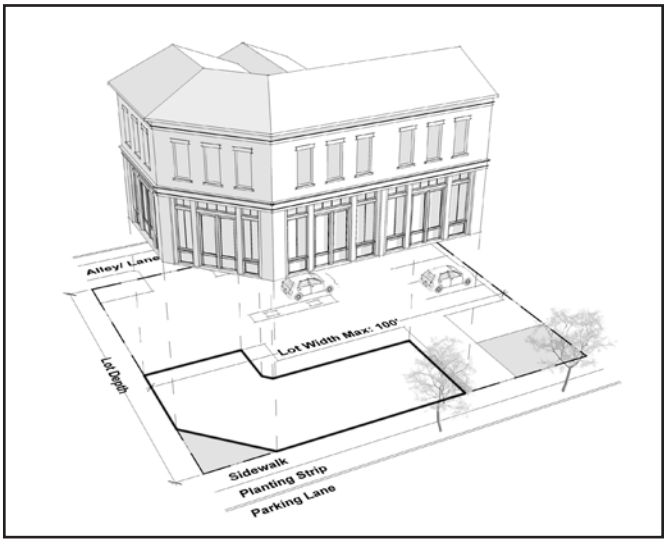


Corner Store

Small Market / Gas Station

A building primarily devoted to the sale of automotive gasoline. The primary building is mixed-use in nature and features shopfronts along the sidewalk at the street level, with office space in the upper floors. Gas pumps are located in the rear of the building.

Typical Height: 1 - 2.5 stories



Small Market / Gas Station

Typical Lot Frontage Width: 50’ - 100’

Typical Uses: retail at street level, office in upper levels.

Shopfronts are required along the sidewalk over at least 60% of the building’s primary street frontage.

Gas pumps and parking shall be located in the rear of the building, out of view from adjacent streets.

Park-Under Building

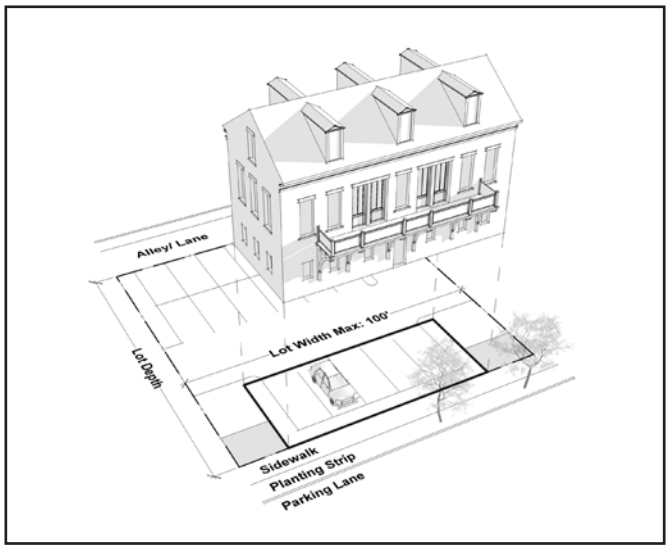
A shallow building type with parking on the ground floor and residential or office spaces in the upper floors.

Typical Height: 2 - 3 stories

Typical Lot Frontage Width: 40’ - 100’

Typical Uses: parking at street level, office or residential in upper levels.

There shall be a minimum of one primary entrance to the building at the ground floor which must face the street.



Park-Under Building

Large-Footprint Building

A large commercial building over 10,000 square feet in footprint.

Typical Height: 1 - 2 stories

Typical Lot Frontage Width: 100’ - 500’

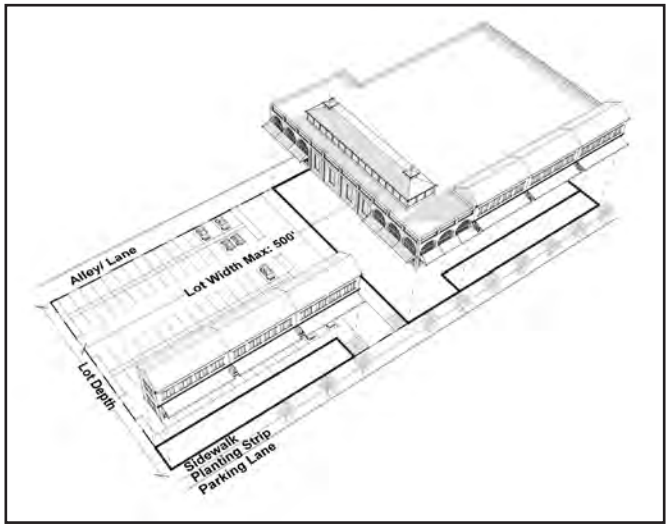
Typical Uses: retail, industrial, office and/or lobby space at street level, office in upper levels

Shopfronts are required along the sidewalk over at least 50% of the buildings street frontage.

The sidewalks adjacent to shopfronts must be covered by either awnings, arcades, or marquees.

Blank walls and parking lots must be masked from the street by Liner Buildings or Park Under Buildings.

If parking is provided on site, it shall be located in the side or rear of the building, out of view from adjacent streets.



Large-Footprint Building

Context Sensitive Trails

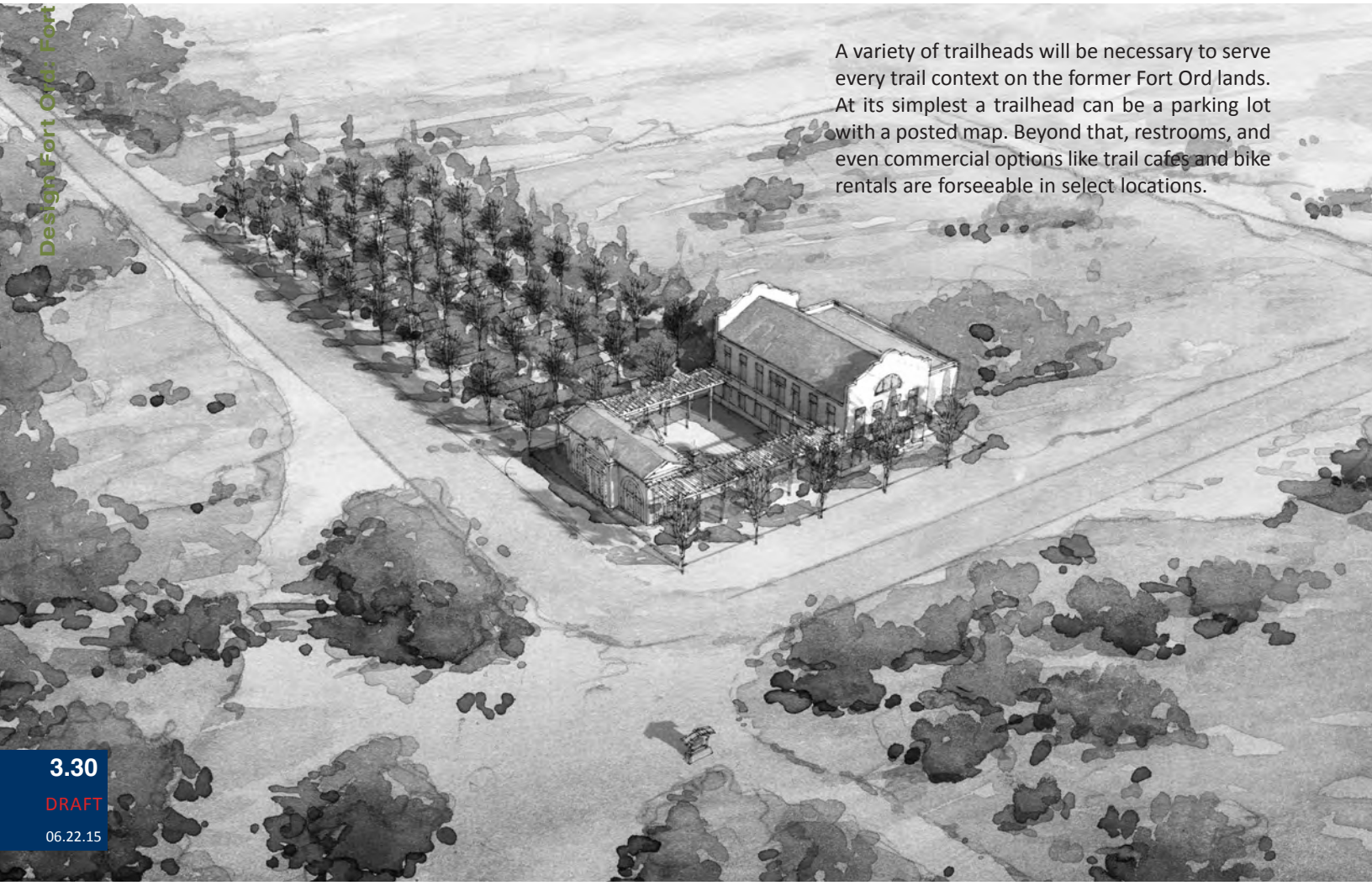
Purpose

The natural environment, and connections with the environment, is part of what makes the Monterey Bay area special. Residents treasure the quality of life associated with living in a place that offers magnificent views and a variety of recreational opportunities. The guidelines seek to increase efforts to protect the natural landscape, increase parks and trails, and preserve long views across open green spaces.

In addition to quality of life, the environment distinguishes Monterey Bay from other regions in the market place. A robust trail system can be an important factor in marketing the unique quality of life to future residents and employers.

The challenge to any large-scale trail or trailhead system in the region is that outside the National Monument much of former Fort Ord is slated for development. Trails must adapt to the local context as they traverse it.

Frog Pond Wetland Preserve, Del Rey Oaks, CA
Trails can be clearly defined and cemented pathways or dirt roads clear of debris. Within the Frog Pond Wetland Preserve, dirt paths can coexist side by side with stairs for pedestrians.



A variety of trailheads will be necessary to serve every trail context on the former Fort Ord lands. At its simplest a trailhead can be a parking lot with a posted map. Beyond that, restrooms, and even commercial options like trail cafes and bike rentals are forseeable in select locations.

Application

This guideline applies to:

- Trails

Intent

To build safe, comfortable, and interesting trail systems.

Requirements

For all projects:

- Continue to incorporate trails and trailheads into new development in accordance with locally-adopted plans.
- Municipalities should continue to investigate diverse, new funding sources and methods for preserving open space in partnership with regional not-for-profit organizations and individual property owners.

Measurement

A variety of trail types are necessary as trails traverse through urban, suburban, emerging suburban, and rural areas. Three possible trail section approaches are illustrated on the following pages. They are a starting point for site planners as they consider connections to the larger system.

Site plans will need to show more than green lines that show trails. Detailed cross-sections of trails as they travel through sites will be helpful for reviewers and trail advocates.

Rural Corridor Trail

The intent of this trail cross-section is to show a trail that is parallel to but separated from a roadway so as to embrace the open space in a rural setting. The trail should meander within the separation to follow contours in terrain, introduce new spaces hidden from previous sections, or go around or over hills to create vistas and viewpoints.

Both horizontal and/or vertical separation from the roadway are important to creating a user experience that is secluded from the roadway noise. Included are the design elements and spacing that can contribute and create a pleasant, user friendly experience for people on the corridor on foot, bike, or horse. Paved paths should be used for pedestrians and bicyclists and dirt paths for people on horseback. Trees can be used to help with separation and create view corridors and shade opportunities. It is important that trees be setback from equestrian users so they are not impacted by branches on horseback.

Greenway Corridor Trail

The intent of this trail cross-section is to show various types of trails that are separated within a linear park or "Greenway".

Included are the design elements and spacing that can contribute and create a pleasant, user friendly experience for people on the corridor on foot, bike, or horse. Paved paths should be used for pedestrians and bicyclists and dirt paths for people on horseback.

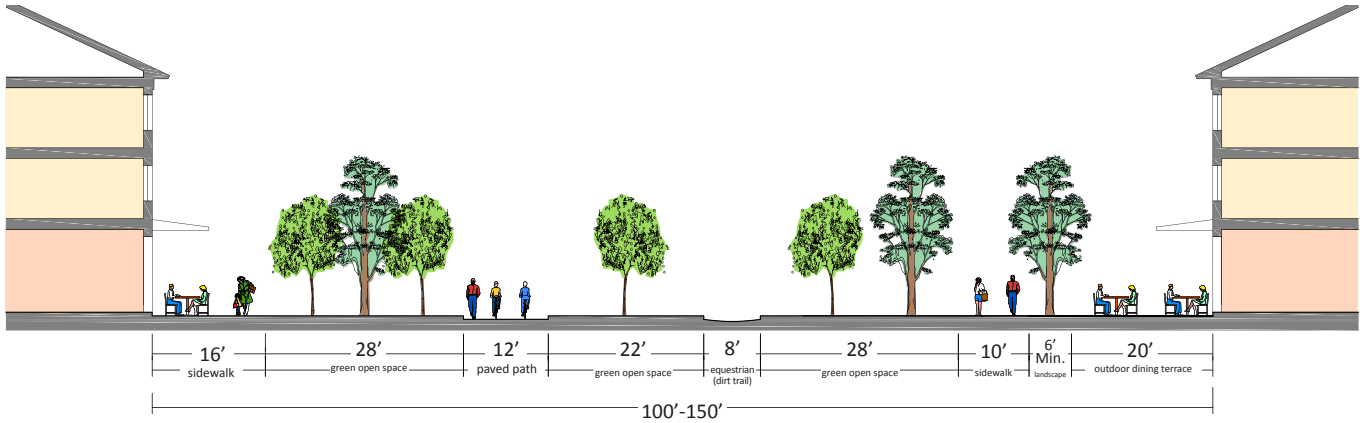
Roadways serving vehicles would be outside this corridor on the other side of the buildings. When the backs of the buildings back up to the greenway linear park it is important for these buildings to create activation and "eyes" on this corridor by having outdoor dining, benches, tables, and storefronts/backs that are open to the corridor and embrace the potential residents, recreational users, active transportation users that are all potential customers that will travel along this greenway.

Trees can either create linear corridors and/or be clustered to provide areas or rooms of open space.

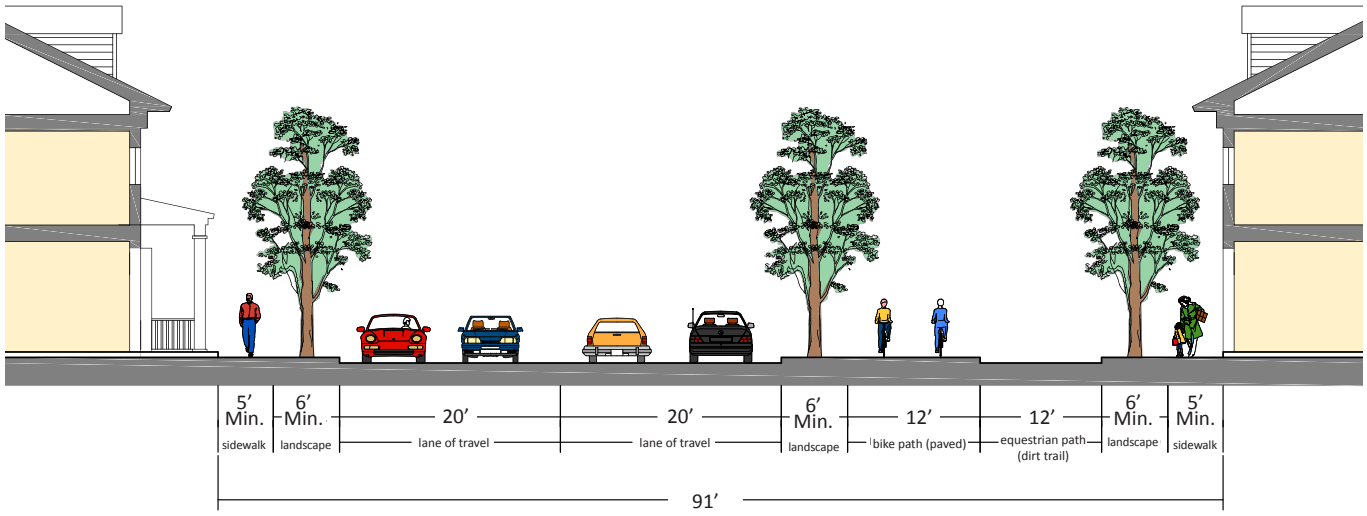
Urban Corridor Trail

The intent of this trail cross-section is to show a trail parallel to a roadway and the design elements and spacing that can contribute and create a pleasant, user friendly experience for people on the corridor on foot, bike, or horse. The cross-section should have a balance and separation between motorist users and active users. Tree lined roadways and trails help define the corridors and space and also provide shade. Special consideration should be provided at roadway crossings and also connecting trails with storefronts. However the trail is separated from the sidewalk serving storefronts or residential homes.

Rural Corridor Trail



Greenway Corridor Trail



Urban Corridor Trail

Native, Noninvasive, and Drought-Tolerant Species

To preserve the environmental quality and biodiversity of the Monterey Bay region, native vegetation should be used to maintain the natural character of the Fort Ord Monument. Ideal plant species will thrive in low-water conditions and serve a variety of needs, including shade, soil conservation, and aesthetic improvements. The following is a list of potential plant types. This list is not exhaustive and may be revised.

Strong-Performing Trees

Common Name	Scientific Name
Pink Melaleuca	*Melaleuca nesophila*
Catalina Ironwood	*Lyonothamnus floribundus*
New Zealand Christmas Tree	*Metrosideros excelsa*
Monterey Cypress	*Cupressus macrocarpa*
Red Gum	*Eucalyptus camaldulensis*
Manna Gum	*Eucalyptus viminalis*
Red Ironbark	*Eucalyptus sideroxylon*
Monterey Pine	*Pinus radiata*
Red Flowering Gum	*Eucalyptus ficifolia*
Water Gum	*Tristaniopsis laurina*
California Sycamore	*Platanus racemosa*
Aristocrat Pear	*Pyrus calleryana 'Aristocrat'*
Chanticlear Pear	*Pyrus calleryana 'Chanticlear'*

Accent Trees

Common Name	Scientific Name
American Agave	*Agave americana)*
Foxtail Agave	*Agave attenuata)*
Renegade Cordyline	*Cordyline 'Renegade'*
Sunburst Pinwheel	*Aeonium 'Pinwheel'*
Coral Aloe	*Aloe striata*
Torch Aloe	*Aloe arboresens)*
Pig's Ear	*Cotyledon orbiculata*
Gopher Spurge	*Euphorbia rigida*
Blue Chalk Sticks	*senecio mandraliscae*
Catalina Ironwood	*Lyonothamnus floribundus*
Eastern Redbud	*Cercis canadensis*
Texas Redbud	*C. canadensis texensis*
Purple Hop Bush	*Dodonaea viscosa 'Purpurea'*
Nichol's Willow Leaf	*Eucalyptus nicholii*
Silver Dollar Gum	*Eucalyptus polyanthemos*
Flowering Crabapple	*Malus species*
Cajeput Tree	*Melaleuca quinquenervia*
Flowering Plum	*Prunus cerasifera*

Shrubs and Bushes

Common Name	Scientific Name
Flax	*Phormium 'Cream Delight'*
New Zealand Wind Grass	*Stipa arundinacea*
Feather Grass	*Stipa ichu*
Deer Grass	*Muhlenbergia rigens*
Feather Reed Grass	*Calamagrostis 'Karl Forster'*
Cape Reed	*Chondropetalum tectorum)*
Dwarf Mat Rush	*Lomandra 'Breeze'*
Yarrow	*Achillea millefolium*
Statice	*Limonium perezii*
Bulbine	*Bulbine 'Hallmark'*
Beach Primrose	*Camissonia cheiranthifolia)*
Lion's Tail	*Leonotis leonuris*
Rosemary	*Rosmarinus 'Tuscan Blue*
Dwarf Coast Rosemary	*Westringia 'Smokey'*
Pigeon Point Coyote Brush	*Baccharis 'Pigeon Point'*
Grevillea Lanigera	*Woolly Grevillea*
Arcthostaphylos	*Manzanita*
Valley Violet	*Ceanothus Maritimus*
Little Sur Manzanita	*Arctostaphylos edmundsii*
Bearberry	*Arctostaphylos uva ursi*
Bush Anemone	*Carpenteria californica*
Monterey Ceanothus	*Ceanothus arboreus*
Lilac	*Ceanothus 'Conch*
Monterey Ceanothus	*Ceanothus rigidus*
Sageleaf Rockrose	*Cistus salviivolius*
Bush Poppy	*Dendromecon rigida*

Monterey Cypress

Blue Chalk Sticks

Valley Violet

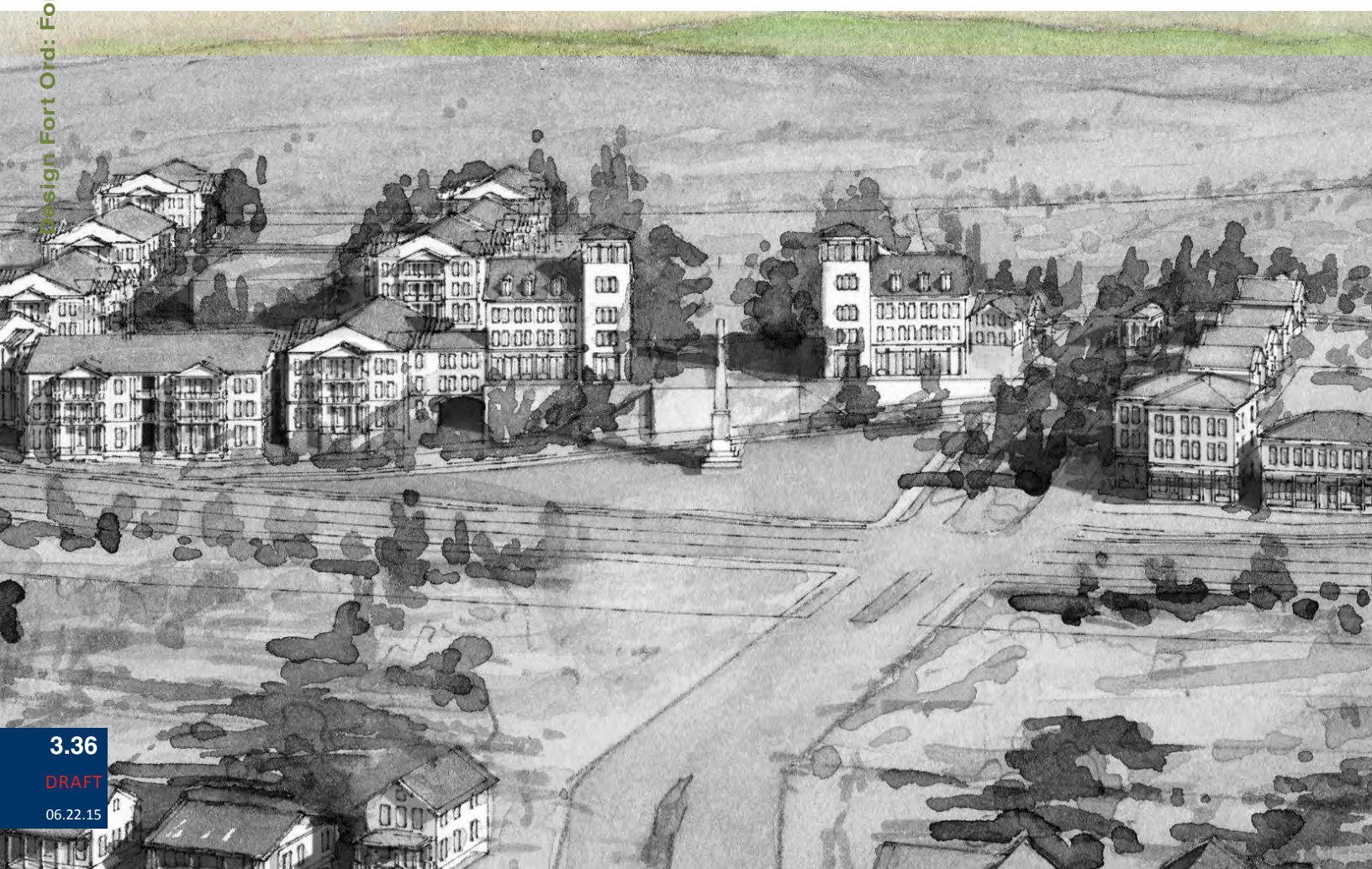
Customized Gateways

Purpose

Gateways aims to aid navigation and make a positive and lasting impression for visitors. Roundabouts, landmarks, archways, signature parks, signature streets are already used by the various municipalities throughout the Monterey Bay region.

The iconic nature of the region, and the variety of municipalities and experiences one finds on former Fort Ord lands require thoughtful, specialized approaches to gateways in order to create lasting impressions on residents and visitors.

Traffic circle on Reservation Road in Marina, CA
A traffic circle can provide a sense of entry. Drivers slow and plantings and civic art located within the center becomes a focal point.



Application

This guideline applies to:

- Gateways

Intent

To create a sense of arrival to the various places, existing and proposed, on former Fort Ord lands.

Requirements

For all projects:

- New projects located at Gateway locations should seek to create an experience of arrival. From modest signage, to changes in roadway patterns, to grand statuary, different areas of former Fort Ord will require different approaches.

Measurement

A variety of entryways that are well-designed, welcoming, and varying in scale should be used on former Fort Ord lands. Signage, roundabouts, archways, signature parks, and even monuments are all appropriate.

Seaside Highlands, Coe Avenue Gateway, Seaside, CA
A gateway can be an elaborate composition of plazas and buildings or can be as simple as a sign. The gateway to the Seaside Highlands neighborhood includes landscaping, the name of the development with lettering affixed to a masonry wall and two portico-style arches that frame the pedestrian paths on either side of Coe Avenue. The right-of-way is lined with pavers which distinguishes it as separate from Monterey Road, the roadway that leads into the neighborhood is paved in asphalt.

Korean War Memorial, Washington, DC
During the charrette one person suggested creating statuary to commemorative the multiple military campaigns that units trained for at Fort Ord. The Korean War Memorial in Washington D.C. or the famous Vietnam War Memorial statue at Arlington National Cemetery are good examples of what should be commissioned and placed at key locations throughout the former Fort Ord. The statuary should be used as gateway or monument and serve to commemorate the history of the area.

4

Market & Economic Report

Introduction

Strategic Economics assessed historic and projected demographic and employment growth trends in Monterey County, evaluated local real estate market conditions, and interviewed local brokers, developers, and economic development professionals. The analysis also included a review of the BRP, the 2012 Base Reuse Plan Reassessment (which included an extensive market and economic analysis[1]), and other previous studies related to economic trends, the real estate market, and development at the former Fort Ord. This report builds on the findings from the 2012 analysis, as well as on the many other market and economic analyses that have been conducted in recent years for Fort Ord[2], but provides updated data and information that are specifically targeted towards informing the design guidelines.

The remainder of this introduction provides a summary of key findings from the report. The "Development Context" section describes the development context in the former Fort Ord, including the economic opportunities and barriers that continue to shape the base's ongoing reuse. The "Demographic & Employment Trends" section reviews demographic, housing stock, and employment trends in Monterey County, and discusses the implications for residential and commercial development at Fort Ord. The "Residential Market" and "Commercial Market" sections review recent trends in the residential and commercial real estate markets, respectively, including a discussion of the short- and long-term potential for the market to deliver different types of development in Fort Ord.

1 - Economic & Planning Systems, Inc, " Fort Ord Base Reuse Plan Reassessment - Market and Economic Analysis"

2 - For example, these include the Monterey County Business Council, "Monterey County Economic Report: Competitive Clusters -- Status Report for 2010-2011;" Monterey County Health Department, "Strategic Plan: 2011-2015;" Urban Design Associates, "UC Monterey Bay Education, Science, and Technology Center Visioning Process," prepared for UC Santa Cruz and FOR A, November 2011; SRI International, "Economic Opportunities in Monterey County," prepared for the Monterey County Economic Development Committee, August 2011; SRI International, "Monterey County Economic Development Strategy: Monterey County Priority Economic Opportunities," prepared for the Monterey County Economic Development Department and the Economic Development Committee of the Monterey County Board of Supervisors, August 2013; Bay Area Economics, "Opportunities Analysis for Sites at Marina Municipal Airport Economic Development Area," prepared for City of Marina, June 2007; and reports conducted by Bay Area Economics and The Clark Group for FORA on affordable housing development.

FORA REGIONAL URBAN DESIGN GUIDELINES

Summary of Key Findings

This section summarizes the key conclusions from the analysis. The following sections provide additional data and information on each of the findings discussed below.

Build-Out Of The Base Reuse Plan

The Base Reuse Plan was based on assumptions about the pace of population and employment growth in Monterey County that have proven overly optimistic. The pace of growth envisioned in the 1997 BRP was based on projections that the Association of Monterey Bay Area Governments (AMBAG) published for the county in 1995. However, regional population and employment growth has been slower than was originally anticipated, and AMBAG's projections have been revised downwards over time. To date, only 7 percent of the new housing units and 16 percent of the new commercial square feet that the BRP projected would be built by 2015 have been completed.

At the rate of growth that is now projected, build-out of the Base Reuse Plan is expected to take 20 to 30 years. AMBAG currently projects that the North Peninsula cities – including Seaside, Marina, Del Rey Oaks, and Sand City – will add no more than 200 to 300 housing units per year on average through 2035, and about the same number of jobs. At this rate of growth, it will take 20 to 30 years to build-out the remaining 5,700 housing units that the BRP envisioned for Fort Ord, even if the base were to capture 100 percent of new development in the North Peninsula. The number of housing units in the West Peninsula cities of Monterey, Carmel, and Pacific Grove is expected to barely grow at all by 2035, reflecting the fact that these cities are largely built-out and are very constrained by their limited water supply.

While the many economic development initiatives on former Fort Ord are gradually adding jobs, no single project will replace the army's role as an economic generator for the region. At the height of military activity, Fort Ord supported approximately 14,500 military jobs, 3,800 civilian jobs, and a total population of 31,270 residents[3]. The Base Reuse Plan projected that the former Fort Ord would support approximately 18,000 jobs by 2015. However, as of 2013, there were an estimated 4,100 full-time equivalent jobs on the former Fort Ord.[4] California State University at Monterey Bay (CSUMB) – the largest current employer on the base – employs 700 full time workers and 1,000 part-time employees, and is expected to grow to approximately 1,000 full time workers in the foreseeable future. Early reports suggest that the Veteran's Medical Clinic that is currently under construction will support around 100 new jobs[5]. While not insignificant, these increments of growth (a few hundred jobs at a time) are small compared to the thousands of jobs lost with the base closure.

The real estate market in Monterey County has not proven robust enough to support the land values that were expected when the BRP was drafted, limiting FORA's ability to complete necessary improvements to the base. The BRP assumed that land sale proceeds would be significant and that 50 percent of these proceeds would be allocated to fund building removal. Many developers negotiated to assume the cost of blight removal themselves, in lieu of cash payments for the land, because this arrangement was less expensive for the developers and helped make their projects more financially feasible. However, given the slower than anticipated market growth, low real estate values after 2008, the discovery of unexpected levels of hazardous materials, and increased predevelopment costs due to delays, many developers have been unable to proceed with building removal and development despite the fact that there was no upfront land cost. These same challenges also made developers more sensitive to costs associated with the Community Facilities District (CFD) Special Taxes and impact fees, which remain a key component of the plan to pay for base-wide improvements. FORA has significantly reduced CFD payments (by 27 percent, as of the 2012 Capital Improvement Program) to incentivize development.

3 - Economic & Planning Systems, Inc., "Ford Ord Base Reuse Plan Reassessment – Market and Economic Analysis," prepared for Fort Ord Reuse Authority, August 15, 2012.

4 - Fort Ord Reuse Authority, "Annual Report: FY 2012-2013."

5 - Philip Molnar, "Marina Clinic for Veterans, Active Military Breaks Ground," Monterey Herald, November 11, 2013, http://www.montereyherald.com/general-news/20131111/marina-clinic-for-veterans-active-military-breaks-ground.

Given the challenging market conditions, it is increasingly clear that public investments need to be phased and targeted to create an environment that is supportive for new development. Certain activity centers are emerging as places with more market strength, including The Dunes at Monterey Bay and East Garrison. Prioritizing investments – including place-making improvements as well as blight removal – that support and nurture these nodes can help ensure that scarce public dollars are used efficiently in the short-term, and will support the long-term build-out of the entire Base Reuse Plan. The Regional Urban Design Guidelines can help create a framework for phasing and prioritizing investments to support development at these emerging centers.

Improving the cohesiveness and connectivity among the emerging neighborhoods and activity centers within and adjacent to Fort Ord can help support the overall success of development. While certain areas within Fort Ord are beginning to emerge as activity centers – particularly The Dunes, CSUMB, and East Garrison – these centers are surrounded by blighted buildings and vacant land, making them feel isolated. Moreover, while FORA and the other jurisdictions have begun to invest in bicycle and pedestrian infrastructure, routes between The Dunes and CSUMB remain underdeveloped. Traveling to surrounding activity centers such as downtown Marina, the Sand City Retail Center, and Ryan Ranch, typically requires a car. The Regional Urban Design Guidelines can help coordinate and align existing transportation planning efforts to improve these connections, and provide guidelines to ensure that new private development contributes to a cohesive community with a special character and identity.

Housing Market Findings

The existing housing stock in Seaside and Marina is relatively affordable, predominantly single-family, and serves as an important source of housing for service workers employed on the Peninsula. Nearly half of all housing units in the North Peninsula were built in the 1960s and 1970s, the period when Seaside and Marina experienced significant population growth associated with the expansion of Fort Ord. Many of the housing units built during this era were small, low-cost, single-family homes, and many of these are now being rented and are in need of repair or renovation. The older, rented homes in Seaside and Marina provide one of the few sources of affordable, market-rate housing for service workers employed in the Peninsula. In the wake of the housing market crash that began in 2007 and 2008, there has been a significant increase in the number of investors purchasing single-family homes and placing them on the rental market. Investors have focused on Marina and Seaside in particular due to their affordability and proximity to service jobs in the West Peninsula.

Seaside and Marina have not historically attracted many second homebuyers and retirees. While the high cost of housing in the West Peninsula is supported by a large percentage of second homes and wealthy retirees, there has been less demand to date from these types of buyers in Marina, Seaside, and Fort Ord. Local brokers noted that the majority of second homebuyers considering options in the Peninsula are looking for the lifestyle and amenities associated with Carmel, Pebble Beach, and surrounding affluent communities. Anecdotally, brokers suggest that in some communities in Carmel and Pebble Beach, 60 percent or more of housing units are owned by second homeowners and are not occupied full-time. In comparison, second homeowners are thought to account for around 10 to 20 percent of the market in Seaside and Marina.

The first two major residential projects to commence development in Monterey County since the recession are both located on Fort Ord. There are currently two residential projects underway on the former Fort Ord: East Garrison and The Dunes. The projects are both in their preliminary phases, which include market-rate, for-sale single-family homes as well affordable rental units. The for-sale component of both projects is predominantly composed of single-family detached units, although The Dunes also includes some duets (attached single-family homes). At East Garrison, permits for 170 single-family units have been pulled; approximately 50 units are completed and 70 sold (including pre-sales), with more are under construction. Model homes at The Dunes are under construction, with sales expected to begin in February 2015.

Despite the new construction at East Garrison and The Dunes, absorption of new, market-rate housing units in the Peninsula has been slower than AMBAG household growth projections would suggest. As discussed above, AMBAG projects that the North Peninsula cities will add approximately 200 to 300 households a year between 2010 and 2035. However, actual absorption of new, for-sale, market-rate homes in Fort Ord has totaled fewer than 50 units a year since marketing for new units at East Garrison began in mid 2013, and is projected to reach approximately 100 units per year with the completion of additional homes at East Garrison and The Dunes in the next few years. (Approximately 170 affordable rental units have also been completed and occupied in the past two years.) The other residential projects in the planning pipeline for the former Fort Ord are currently stalled due to financing, entitlement, water, environmental, or other factors, but could be completed in the medium- to long-term.

The slow development and absorption of new market-rate units reflects slow regional population growth, the lingering effects of the recession, a mismatch between the incomes of Monterey County residents and the prices that are needed to support new development, and the challenges associated with construction on Fort Ord. New construction has been slow to occur on the base, in part as a result of regional economic conditions, including slower than expected population growth, relatively low household incomes in the region, and the effects of the recent recession. Moreover, there is a significant gap between local incomes and new home prices. For example, only 11 percent of Monterey County households can afford a home priced at $650,000, the cost of a higher-end new home in East Garrison[6]. Other factors contributing to the challenge of development on Fort Ord include the lack of cohesive neighborhoods, poorly ranked local school districts, and relatively high sales prices that are driven in part by high construction costs associated with blight removal and the prevailing wage requirement.

To some extent, slow absorption rates may also indicate a mismatch between demand and the supply of new units that have entered the market to date. To date, only single-family homes with three or more bedrooms have been completed on Fort Ord. These units have proven most attractive for move-up buyers and former renters from within the county, as well as families and older couples relocating from communities outside the area. There may also be demand for smaller, lower cost units – for example, from younger people creating new households by moving out of their parents' home or graduating from CSUMB, or from senior households who would like to move from a single-family home to a smaller unit – that is not being met by the new, single-family housing that on the market. Because the amount of recently completed development in Monterey County is so small, however, the market for smaller and attached units remains largely untested.

In the near-term, single-family homes are expected to account for most new development; market-rate multi-family development will only become economically viable when unit values increase significantly. Market-rate development on Fort Ord is likely to continue to take the form of single-family units (including attached and detached) in the short-term. To the extent that there is a growing segment of the market that is interested in higher-intensity development, prices will need to increase before this type of product will be financially feasible to build. Current single-family sales prices are adequate to cover the cost of construction – which, on a per-square-foot basis are typically lower for single-family homes than for multi-family development – and are projected to offer an acceptable return on investment for single-family homebuilders. However, rents and sales prices are not expected to reach the level required to support multi-family construction costs, including providing an acceptable rate of return for the developer, for at least the next five years.

Vertical mixed-use development is also unlikely to be economically viable in the short- to mid-term. Like other types of multi-family development, mixed-use development will be challenging because it is more expensive to build on a per-square-foot basis, and thus requires higher prices to be financially feasible than the market currently supports. In addition, there is limited demand for additional retail space on the former Fort Ord, and retailers prefer to locate in highly visible, concentrated activity nodes near large, brand-name anchor tenants. These location considerations are often difficult to accommodate in a vertical mixed-use format.

6 - Based on calculation by Strategic Economics. Only 11 percent of Monterey County residents earned $150,000 or more in 2012, the approximate income required to afford a home priced at $650,000.

Absorbing the housing development anticipated in the BRP will likely require attracting segments of the housing market not currently active in the North Peninsula, including retirees and second homebuyers. Given the relatively low incomes in the North Peninsula and slow pace of household growth and employment that is projected over the coming decades, Fort Ord will need to attract buyers from outside the region in order to fully realize the community's vision for the base reuse. Although Seaside and Marina had historically struggled to attract retirees and second homebuyers, Fort Ord could prove attractive for moderate-income buyers from inland Monterey County or other parts of the Central California, who are looking for a second home or retirement community located near the coast that is relatively affordable compared to communities such as Carmel and Pebble Beach.

Attracting and retaining members of the Millennial generation will also be critical to the long-term economic revitalization of the North and West Peninsula area. In many other parts of the country, people in their 20s and 30s (the Millennial generation) have been driving demand for new housing. In the North and West Peninsula, however, the population under age 45 has been decreasing since the 1990s. In order to stabilize or reverse the decline in young people and retain CSUMB graduates and other younger households over time, the region will need to provide housing and neighborhoods that meet their preferences, as well as good jobs and high-quality K-12 schools for families with children. In order to help grow the base of high-quality jobs and retain more young workers, the County Economic Development Department, CSUMB, UC MBEST, and individual cities' economic development staff are working to capitalize on key employment sectors already present in the county, including pursuing approaches to expand education, health, and hospitality employment as well as research and development opportunities in agriculture and marine research.

The Regional Urban Design Guidelines represent an opportunity to help make Fort Ord more attractive for Millennials, families, and older second homebuyers and retirees, as well as more functional for an aging population. Surveys indicate that Baby Boomers and Millennials are less interested than other age groups in traditional, auto-dependent suburbs, and instead prefer locations with easy access to amenities and a broader range of mobility options such as walking and public transit[7]. Creating more cohesive, pedestrian-oriented neighborhoods with improved connections to retail and other activity centers could help make Fort Ord more attractive for these buyers.

"the slow pace of projected population and employment growth suggests that demand for regional-serving retail will not increase significantly in the near- to mid-term"

7 - See, for example, American Planning Association, Investing in Place: Two Generations' View on the Future of Communities, May 2014, http://www.planning.org/policy/polls/investing/pdf/pollinvestingreport.pdf.

Commercial Real Estate Market Findings

Monterey County's commercial real estate markets have generally been flat over the last five years, and the slow pace of development is expected to continue in the foreseeable future. There have been some modest improvements in the industrial and hotel markets in recent months, but a significant supply of existing vacancy space, low rents, and a significant sublease market in most commercial markets suggest that the pace of new construction will continue to be slow in the coming years. Demand for new, multi-tenant speculative commercial buildings in particular is not expected for the next five to 10 years.

The existing supply of office space in the market in and around Fort Ord is likely to accommodate most of the increased demand associated with knowledge-based employment growth for the coming decade. Monterey County has lost employment in traditional office-based employment sectors (i.e., information, financial services, and professional services) since 2000. Long-term employment projections forecast that future job growth in the county will be concentrated in the leisure and hospitality, education and health care, retail, and agriculture industries, which typically do not generate significant demand for office space. Expectations that CSUMB or the University of California Monterey Bay Education, Science, and Technology Center (UC MBEST) would generate demand for new research facilities requiring office or flex/light industrial space have not come to fruition, and the institutions have scaled back their growth projections over time. Given the large amount of vacant office space on the market, any spinoff associated with UC MBEST, CSUMB, or other institutions (such as medical offices associated with the Veteran's Clinic) in the next five to ten years will likely be absorbed by existing buildings. However, if various economic development efforts are successful, this trend could change over the longer term.

While vacancy rates for industrial space have declined in recent years, rents remain too low to support new, speculative industrial development. The only light industrial development that is expected to locate on or near Fort Ord in the next five to ten years will be tied to niche or specialized users with outside funding, such as UC MBEST or the motor sports facility that is planned adjacent to the Ryan Ranch Business Park. Other build-to-suit facilities may be developed in the future, but are difficult to predict based on current growth projections.

S**ome hotel development may occur on Fort Ord in the near term, reflecting local and regional growth in the tourism industry.** Leisure and hospitality is one of the industries that have driven job growth in Monterey County in recent years. Hotels and other visitor-serving accommodations remain a strong and improving sector in the Peninsula economy, and two hotel projects are in the approvals process on the former Fort Ord. These hotel projects are expected to augment the area's identity as a destination from which to explore the Monterey Peninsula, and will meet an underserved niche for college graduations and events.

Additional large-scale, regional-serving retail projects are unlikely to be feasible in the near- to mid-term. Between The Dunes Retail Center and the Sand City Retail Center, the North Peninsula trade area appears to be saturated with existing supply of regional-serving, big box retail. Moreover, the slow pace of projected population and employment growth suggests that demand for regional-serving retail will not increase significantly in the near- to mid-term. Although several additional large-scale retail projects were proposed on Fort Ord prior to the recession, these are now on hold and are unlikely to be feasible given current market conditions.

However, it may be possible to attract a small grocery store, restaurants, or other convenience-oriented shops serving the area near CSUMB, East Garrison, and The Dunes. Dining and food and beverage establishments on Fort Ord land are undersupplied and offer one area for near-term retail growth. The Dunes Phase 2 is targeting the pent-up demand for restaurants, but there may be additional demand for this type of retail space, especially as the number of residents and workers on the base increases incrementally over time. Demand for dining and food and beverage uses is likely to be strongest in the area closest to CSUMB, East Garrison, and The Dunes, where there is a growing critical mass of population and employment and an existing concentration of retail activity.

Development Context

The former Ford Ord encompasses 28,000 acres located within unincorporated Monterey County and the cities of Seaside, Marina, Del Rey Oaks, and Monterey. At the height of military activity, Fort Ord supported approximately 14,500 military jobs, 3,800 civilian jobs, and a total population of approximately 31,270 residents[8]. When the military base closed in 1994, the county lost a major economic driver. The cities of Marina and Seaside were particularly affected, as their economies were most closely linked to the base. This section describes the development that has occurred in the former Fort Ord in the years since the base's closure, including the opportunities and barriers that continue to shape the potential for the base's reuse.

Major Activity Centers In & Around the Former Fort Ord

As illustrated in Figure II-1, the majority of Fort Ord land has been retained as permanent open space, including the Fort Ord National Monument. When the base closed, the State of California created California State University at Monterey Bay (CSUMB) to help catalyze new economic development activity in the area. The university currently has an enrollment of 6,600 students and 700 staff, and is projected to grow to 9,000 students and 1,000 staff within the next several years. Depending upon state funding availability, the university's enrollment may increase to 12,000 students over the next decade.

Other than the university, little new development had occurred on the former base until recently. However, in the past few years, several new retail, housing, and health care facilities have begun construction or been completed. In particular, The Dunes on Monterey Bay is emerging as a hub of activity. The development opened in 2007 with a 380,000 square foot regional shopping center. In subsequent years, the 35,000 square foot Peninsula Wellness Center and a 108-unit affordable apartment project were also completed. Construction is nearing completion on a five-screen movie theater, a 148,000 square foot Department of Defense/ Veteran's Medical Clinic, and model homes for Phase 1 of a planned for-sale housing project. A 21,000 square foot food court and hotel is also planned.

The other major development project that is underway is East Garrison, a residential community that is entitled for up to 1,472 housing units, including a mix of single- and multi-family. The first project, completed in 2013, was a 66-unit affordable apartment development. Permits for 170 single-family units have been pulled; of these, approximately 50 units are completed and more are under construction.

Figure II-1 shows these emerging activity centers on the former Fort Ord, as well as the major office and retail centers that are directly adjacent to the base. These include Ryan Ranch, the largest office and light industrial park on the North Peninsula; and the Sand City Retail Center, a regional-serving shopping center anchored by Costco and Target. These activity centers are a critical part of the overall market context for future development on Fort Ord land.

While some new development has begun, the pace of this activity has been significantly slower than originally projected. As shown in Figure II-2, the BRP originally projected that by 2015, build-out of the former Fort Ord would include 10,816 occupied housing units (including 6,160 new units and 4,656 rehabilitated existing units), 4.6 million square feet of commercial space, and 1,750 hotel rooms. To date, only 7 percent of the projected new housing units and 10 percent of the office/light industrial space has been completed. With the completion of The Dunes Retail Center, nearly half the retail space has been developed. No hotels have been built on Fort Ord, although several projects are going through the planning process that, combined, would add a few hundred rooms. The following section describes some of the opportunities and constraints that have influenced Fort Ord's build-out, and will continue to affect development potential in the future.

Housing Construction (Dunes at Monterey Bay)

8 - Economic & Planning Systems, Inc., 2012.

Figure II-1 Major Activity Centers in and around Fort Ord (Existing and Under Construction)

Figure II-2 Status of the Fort Ord Base Reuse Plan

	Projected 2015 Development per the 1997 BRP	Built as of (2013/2014)	Percent Built Out
Housing Units			
New Housing	6,160	433	7%
Existing Housing			
Military Housing	1,590	1,590	100%
CSUMB Housing	1,253	1,253	100%
Other(a)	1,813	1,413	78%
Total	10,816	4,689	43%
Commercial Space			
Light Industrial/Office/R&D (sq. ft.)	3,856,500	391,300	10%
Retail (sq. ft.)	757,000	368,000	49%
Total	4,163,500	759,300	16%
Hotel (rooms)	1,750	0	0%
Jobs (Full Time Equivalents)	18,342	4101	22%
CSUMB Students (b)	25,000	6,631	27%

(a) Includes 400-unit Cypress Knolls project, which was originally intended to be rehabilitated and reused but, due to deterioration over time, must now be torn down and redeveloped.

(b) CSUMB was originally planned to grow to 25,000 students; however, plans have been scaled back and the university is now expected to reach a total of 9,000 to 12,000 students over the next decade.

Sources: Base Reuse Plan; 2013 Annual Report; FORA, Developer Surveys, July 1, 2014; Strategic Economics, 2014.

Development Constraints & Opportunities

The former Fort Ord has a number of opportunities for new development, but also faces significant barriers to change. Some of the key opportunities and constraints are discussed below, based on interviews with local developers, brokers, and economic development professionals, as well as a review of past studies.

Opportunities

- **Land and roadway facility capacity**: While many areas of the Peninsula have limited capacity to grow, Ford Ord benefits from its abundant land situated at the gateway to the Peninsula. Moreover, past investments in roadways have helped create significant capacity for new development (for example, along Second Avenue in Seaside and Marina). Therefore, traffic congestion, a common concern confronting most new development in California, is unlikely to be a major issue for future development within Fort Ord.
- **Education and health institutions:** Four institutions of higher learning have been established in the former Fort Ord, including CSUMB, the University of California Monterey Bay Education, Science, and Technology Center (UC MBEST), Monterey Peninsula College (community college), and the Monterey College of Law. CSUMB in particular has the potential to serve as a new anchor for economic development, although (as discussed below), the university has scaled back its growth projections. The base is also beginning to attract a cluster of health and wellness institutions, including the Peninsula Wellness Center and the Veteran's Health Clinic.
- **Recreational opportunities:** The Fort Ord National Monument and the Fort Ord Dunes State Park have the potential to attract a wide range of visitors for bicycle, pedestrian, and equestrian use.
- **Existing regional economic strengths in education and health, tourism, and agriculture:** Previous regional economic studies have identified education and research, health care, tourism, and agriculture as the sectors that drive Monterey County's economy[9]. With a number of complimentary education and health institutions, and opportunities to expand recreational tourism opportunities, Fort Ord has the potential to absorb demand from these sectors as they grow.

Challenges

- **Slower population and employment growth than originally anticipated:** Population and employment projections for the county have shifted downwards since the BRP was written in 1997, suggesting that the build-out of the Base Reuse Plan will take significantly longer than was originally anticipated. The revised projections in part reflect the effects of the recession that began in 2007/08, which had a profound impact on the area's economy. However, while the economy is beginning to recover from the worst effects of the recession, Monterey County has generally grown more slowly than the state over the past several decades.
- **Reduced growth projections for the educational institutions:** UC MBEST was originally expected to add several million square feet of office and light industrial space on a 500-acre campus. However, the original 39,000 square foot facility struggled to attract tenants, and budget cuts in the UC system caused the center to reduce staffing. In recognition of these challenges, the center's 2011 visioning exercise concluded that total market demand for new R&D/flex space at UC MBEST over the next 20 years would not exceed 296,000 square feet, occupying 27 acres (less than 10 percent of the amount of development that was originally projected for 2016). The 2011 demand estimate assumes that UC MBEST captures half of the 1,400 to 1,800 new jobs projected for Monterey County in business and professional services over a 20-year timeframe. Meanwhile, CSUMB had originally projected full enrollment of 25,000, but water limitations, development costs, and state funding limitations have lowered the University's desired enrollment size to approximately 9,000 to 12,000 students and an estimated staff of 1,000.

9 - SRI International, "Monterey County Economic Development Strategy: Monterey County Priority Economic Opportunities," prepared for the Monterey County Economic Development Department and the Economic Development Committee of the Monterey County Board of Supervisors, August 2013; Economic & Planning Systems, Inc., 2012.

- **Blight removal:** The BRP envisioned that new development would help pay for removing dilapidated and vandalized buildings. However, the market has not proven strong enough to support this plan. The BRP provided for the allocation of 50 percent of land sale proceeds to fund building removal. In many cases, developers agreed to assume the cost of blight removal themselves, rather than provide upfront cash payments for the land. However, as a result of slow growth, low market values, the discovery of unexpected levels of hazardous materials, and increased costs of business due to delays, many developers have been unable to proceed with their projects despite the fact that they did not have to pay for the land. Currently, about 60 percent of blighted buildings have been removed or reused by FORA, CSUMB, private developers, and other partners[10].
- **Development cost:** The Market and Economic Analysis conducted as part of the 2012 Base Reuse Plan Reassessment identified high Community Facilities District (CFD) Special Taxes and impact fees as barriers to development, particularly for attached development products with lower unit values (for which fees make up a higher percentage of the value). In recognition of this barrier, FORA has significantly reduced CFD payments (by 27 percent, as of the 2012 Capital Improvement Program). However, the requirement that developers pay federal prevailing wage rates for new construction projects is still considered a significant cost burden to developers. Because this requirement raises project costs, higher rents and sales prices are required in order for development projects to be financially feasible.
- D**evelopment risks:** Fort Ord is perceived to be a cumbersome and costly location in which to obtain development approvals. Developers cite overlapping jurisdictions, FORA's review process, and stringent CEQA requirements as major challenges to obtaining entitlements. Moreover, developers believe that environmental concerns and a strong anti-growth sentiment add to increased risks of lawsuits and project delays. Negative perceptions and actual restrictions on water allocations further add to developer risk. Finally, the fact that FORA sunsets in 2020 creates uncertainty regarding the ability of individual land use jurisdictions to coordinate on base-wide issues (such as building removal, habitat management, transportation and transit, and water augmentation) in the future.
- **Infrastructure deficits:** As discussed above, concerns about Fort Ord's long-term water supply add to the perceived risk of developing on the former base. The anticipated development build-out for Fort Ord requires 9,000 acre-feet per year (AFY), including 6,600 AFY in existing groundwater supply and an additional 2,400 AFY that has not yet been obtained. The current build-out uses approximately 2,000 AFY (30 percent of the existing groundwater supply, or 22 percent of the projected 9,000 AFY). FORA has worked with the Marina Coast Water District (MCWD) to develop a water augmentation plan; however, implementation of the plan has been on hold due to the recession and settlement negotiations[11]. In addition to the long-term concerns about water availability, local economic development professionals report that the slow Internet connection in and around the base poses a barrier to business attraction.
- **Need for improved place-making and transportation connectivity:** While certain areas within Fort Ord are beginning to emerge as activity centers – particularly, The Dunes, CSUMB, and East Garrison – these centers are surrounded by blighted buildings and vacant land, making them feel isolated. Moreover, while FORA and the other jurisdictions have begun to invest in bicycle and pedestrian infrastructure, routes between The Dunes and CSUMB remain underdeveloped. Traveling to surrounding activity centers such as downtown Marina, the Sand City Retail Center, and Ryan Ranch, typically requires a car. Improving the connections among all of these activity centers could help support the success of the newly emerging nodes on Fort Ord.

10 - Fort Ord Reuse Authority, "Annual Report: FY 2012-2013" and "Regional Urban Design Guidelines on the Former Fort Ord: Request for Proposals," 2014.

11 - Fort Ord Reuse Authority, "Capital Improvement Program: Fiscal Year 2012/13 through 2021/22," approved by the FORA Board June 8, 2012.

CONCLUSION

The Regional Urban Design Guidelines (RUDG) offer the opportunity to build on the opportunities described above, while addressing some of the constraints that are holding back new development. In particular, the RUDG are intended to address the place-making and connectivity challenges discussed above by providing guidance on the overall look and feel of development and public spaces within Fort Ord, improving multimodal connections among the base's emerging activity centers, and enhancing the trail system. In addition, to the extent that local jurisdictions "buy in" to the design guidelines and adopt them locally, the RUDG have the potential to reduce some of the uncertainty around development entitlements (in the short- to medium-term) and the future direction of the base after FORA sunsets (in the long-term).

However, in order to ensure that the RUDG are realistic and implementable, the guidelines should take into account the expected slow pace of future growth and development in the region generally and in Fort Ord specifically.

"... the Regional Urban Design Guidelines are intended to address the place-making and connectivity challenges..."

Demographic & Employment Trends

Demand for new residential and commercial space is, fundamentally, driven by household and employment growth. Understanding the rate of regional population and employment growth, the location of that growth within the region, and the types of households and industries that are driving change is therefore key to understanding the rate and type of change that Fort Ord has experienced in the past, and is likely to experience in the future. This chapter provides an overview of demographic and employment trends in Monterey County (also known as the Salinas metropolitan statistical area, or MSA). For the purposes of the analysis, Strategic Economics defined three key submarkets within the region:

1. North Peninsula, including the cities of Marina, Seaside, Del Rey Oaks, and Sand City.
2. West Peninsula, including the cities of Monterey, Carmel, and Pacific Grove.
3. Salinas Valley, including the cities of Salinas, Gonzales, Greenfield, Soledad, and King City. For some key indicators of growth, the City of Salinas is discussed separately from the other Salinas Valley communities.

The North Peninsula includes the vast majority of Fort Ord; a small amount of the base is also located in the City of Monterey. Therefore, the discussion below focuses on understanding the North Peninsula's role in the region, and specifically the implications of regional growth patterns for Fort Ord's redevelopment.

DEMOGRAPHICS

Historic Population Trends

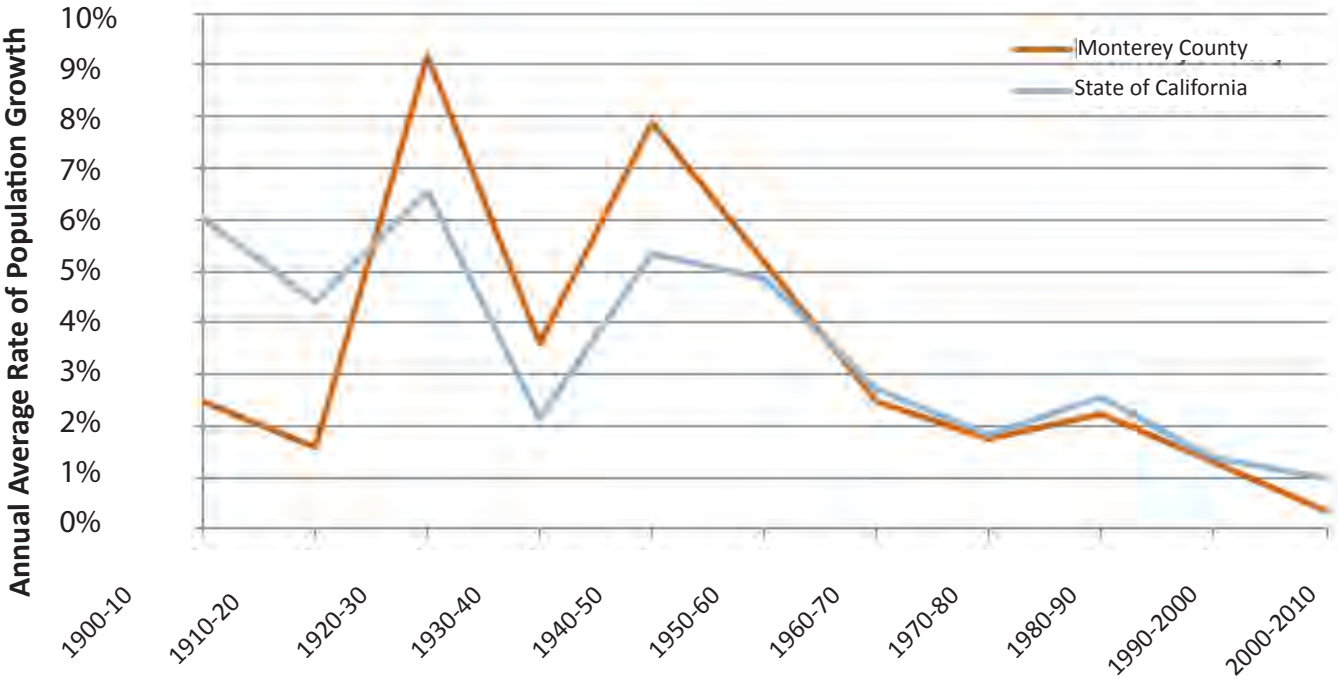
After growing rapidly for many decades, Monterey County is now growing more slowly than the state as a whole. As shown in Figure III-1, the county's population grew rapidly through the first half of the 20th Century. However, since the 1960s, the county has been growing more slowly than the State of California over all. As of 2010, the county had a total population of 415,000.

Between the official opening of the military installation in 1940 and its closure in 1994, Fort Ord's expansion drove the growth and economic development of the North Peninsula. Figure III-2 shows historic population growth for each of the Monterey County submarkets, as well as some of the major events in the history of Fort Ord and the development of the North Peninsula. The Army began using the future Fort Ord for training purposes in the early 1900s. After the Army purchased the land that was to become Fort Ord in 1917, the area continued to be used as a training camp until it officially became a military base in the early 1940s. Over the following decades, the base expanded rapidly as Fort Ord became the nation's primary basic training center during the Vietnam War. Population growth in the North Peninsula – and, to a lesser extent, the West Peninsula – mirrored the base's growth. After 1975, with the end of the war, the pace of growth in Fort Ord and surrounding cities began to slow.

Population in the North and West Peninsula declined significantly following the base closure, and has not recovered. After the base closed in 1994, the population of the North Peninsula fell by nearly 20 percent, from a peak of 67,190 in 1990 to 54,700 by 2010. Over the same time period, the population in the West Peninsula declined by 11 percent (Figure III-2).

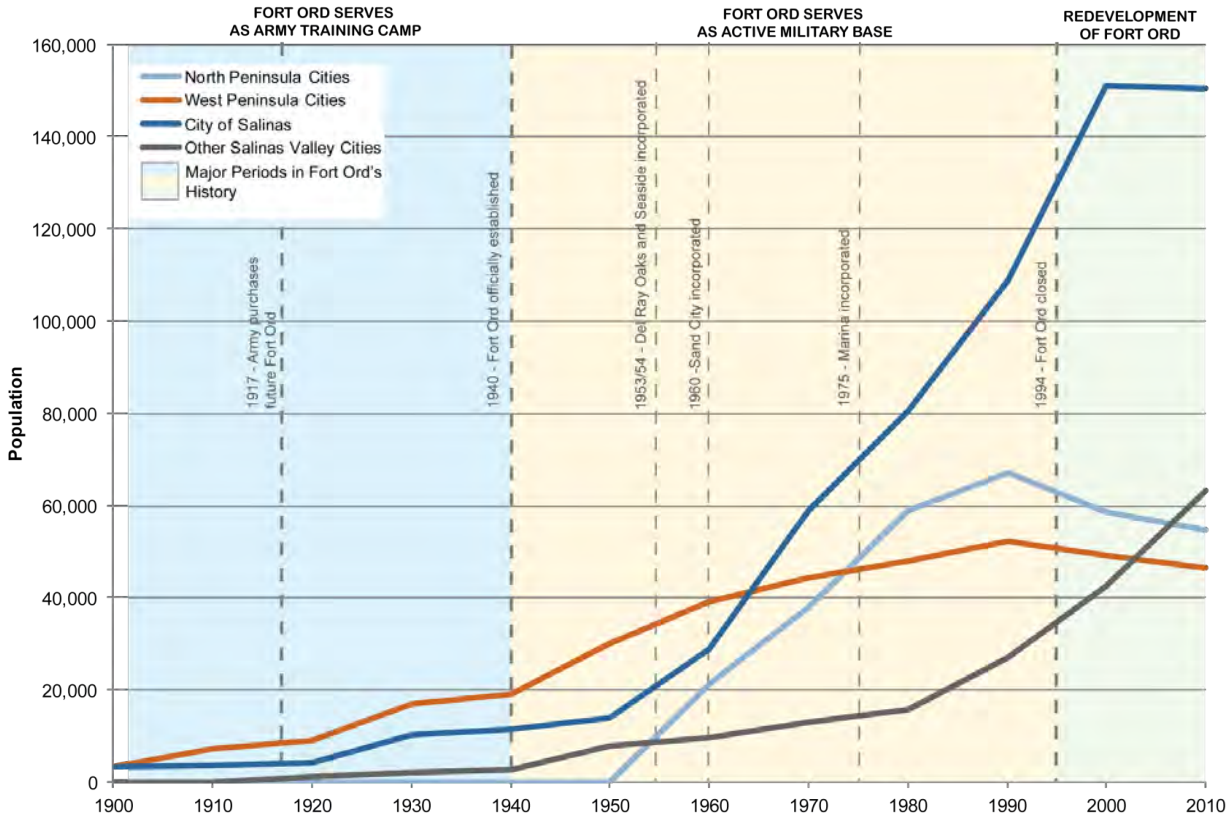
The growth driver within Monterey County has gradually shifted from Fort Ord and the North and West Peninsula to the City of Salinas and other Salinas Valley cities. The City of Salinas has served as the region's major population and economic center since the 1960s. While the North Peninsula's population growth began to slow in the 1980s and then declined, the City of Salinas and the other Salinas Valley Cities continued to expand rapidly through 2000 (Figure III-2).

Figure III-1 Historic Population Growth Rates (Annual Average Percent Change): Monterey County Compared to the State of California, 1990-2010



Sources: California Department of Finance, Historical Census Populations of California, Counties, and Incorporated Cities, 1850-2010; Strategic Economics, 2014

Figure III-2. Historic Population Growth by Submarket and Major Events in the Development of Fort Ord and the North Peninsula



Note: Figure is based on total population in incorporated cities at the time of each Decennial Census; for example, the City of Marina was incorporated in 1975, so Marina's population is included in the North Peninsula beginning in 1980.
Sources: California Department Finance, Historical Census Populations of California, Counties, and Incorporated Cities, 1850-2010; Strategic Economics, 2014.

Existing Population & Household Characteristics

Within Monterey County, there is significant variation in population and household characteristics. Figures III-3 and III-4 compare key demographic and household characteristics in the North Peninsula, West Peninsula, and Salinas Valley to the county and the state as a whole for 2012. In general:

- **The North Peninsula has a relatively young, racially and ethnically diverse population, and is home to many families.** The demographic and household makeup of the North Peninsula is generally similar to the state and county as a whole, although the North Peninsula does have a slightly higher share of residents aged 18 to 34 (29 percent of the population) compared to the county and the state as a whole (26 and 25 percent, respectively) – likely reflecting the concentration of students. Compared to the West Peninsula, the North Peninsula cities are home to a larger share of children under 18 years; a larger share of African-Americans, Asians and Pacific Islanders, and Hispanics; and a lower share of people who have continued their education beyond high school (Figure III-3). On average, households in the North Peninsula are larger than in the West Peninsula, with more families with children and relatively fewer single-person and roommate households (Figure III-4).
- **The West Peninsula's population is older, less diverse, and more highly educated, with more single-person and roommate households.** Compared to the other submarkets in Monterey County and the state as a whole, the West Peninsula has a relatively low share of children; a high share of adults aged 55 and over; and fewer African-Americans, Asians and Pacific Islanders, and Hispanics. Half of all West Peninsula residents have a Bachelor's or post-graduate degree (Figure III-3). The West Peninsula also has a relatively low share of families with children, and a higher share of single-person households than the state as a whole (Figure III-4).
- **The Salinas Valley has a predominantly Hispanic population, is home to many families with children, and has low rates of educational attainment.** The Salinas Valley has a much younger population than the other Monterey County submarkets or the state as a whole, many more residents who have not graduated from high school, and larger household sizes (Figures III-3 and III-4).

Over time, the North and West Peninsula's population has aged, while the number of families with children has declined. Figures III-5 and III-6 show the change in population by age group and households by type, respectively, for the three submarkets and the county. Overall, the North Peninsula has seen significant declines in population, especially in the population under 18, 18 to 34, and 34 to 44. Meanwhile, the population 45 and over has increased as the Baby Boomer cohort (born between 1946 and 1964) has aged. This pattern is similar to the West Peninsula, which has seen a decline in all age groups under 54, while the Salinas Valley has remained more attractive for younger age groups (Figure III-5). The number of families with children has also declined in the North Peninsula, while the number of householders living alone and other non-families has increased – reflecting the overall aging of the population (Figure III-6). To some extent, this pattern reflects the overall aging of the state's population. At the state level, however, the number of families with children has remained stable even as the population has aged and the number of families without children and single-person households has increased.

While there is significant income diversity among the North Peninsula cities, most have relatively low median incomes compared to the county and the state as a whole. Figure III-7 shows median household incomes by city in 2012, compared to the county- and state-wide medians. The median household income in Del Rey Oaks is among the highest in the county at over $80,000 a year. However, median incomes in Marina, Seaside, and Sand City range from approximately $42,300 to $54,000 a year, well below the county and state medians. Residents of West Peninsula cities tend to have higher incomes, while incomes in the City of Salinas are relatively low.

Figure III-3. Population Characteristics: Submarkets, County, and the State of California, 2012

	North Peninsula		West Peninsula		Salinas Valley		Total County		State of California	
	#	% of Total	#	% of Total	#	% of Total	#	% of Total	#	% of Total
Age										
Under 18 years	13,593	25%	7,166	15%	67,338	32%	111,291	27%	9,282,806	25%
18 to 34 years	15,788	29%	12,172	26%	61,236	29%	108,639	26%	9,268,304	25%
35 to 44 years	7,483	14%	5,661	12%	30,333	14%	54,964	13%	5,199,915	14%
45 to 54 years	7,280	13%	5,950	13%	24,682	12%	53,192	13%	5,224,402	14%
55 to 64 years	5,596	10%	6,947	15%	16,050	8%	43,285	10%	4,049,135	11%
65 years and older	5,134	9%	9,131	19%	14,114	7%	44,828	11%	4,300,506	12%
Total	54,874	100%	47,027	100%	213,753	100%	416,199	100%	37,325,068	100%
Race										
White	32,678	60%	38,317	81%	154,370	72%	309,794	74%	23,252,553	62%
Black or African American	4,426	8%	1,100	2%	5,885	3%	12,568	3%	2,254,160	6%
Asian or Pacific Islander	7,221	13%	3,917	8%	12,769	6%	28,172	7%	5,065,779	14%
Other Race or Two or More Races	10,549	19%	3,693	8%	40,729	19%	65,665	16%	6,752,576	18%
Total	54,874	100%	47,027	100%	213,753	100%	416,199	100%	37,325,068	100%
Ethnicity										
Hispanic or Latino	19,669	36%	6,198	13%	164,195	77%	185,997	45%	14,024,109	38%
Not Hispanic or Latino	35,205	64%	40,829	87%	49,558	23%	230,202	55%	23,300,959	62%
Total	54,874	100%	47,027	100%	213,753	100%	416,199	100%	37,325,068	100%
Educational Attainment (for Population 25 Years and Over)										
Less than High School Graduate	8,227	24%	1,894	5%	52,806	43%	76,433	30%	4,577,493	19%
High School Graduate or Equivalency	7,190	21%	4,925	14%	27,202	22%	52,006	20%	4,988,559	21%
Some College or Associate's Degree	11,225	33%	10,427	30%	28,875	24%	70,240	27%	7,206,710	30%
Bachelor's Degree or Higher	7,704	22%	17,380	50%	13,018	11%	59,862	23%	7,344,555	30%
Total	34,346	100%	34,626	100%	121,901	100%	258,541	100%	24,117,317	100%

Note: Submarkets exclude unincorporated areas.
Sources: US Census American Community Survey 5-Year Estimates, 2008-2012; Strategic Economics, 2014.

Figure III-4. Household Characteristics: Submarkets, County, and the State of California, 2012

	North Peninsula		West Peninsula		Salinas Valley		Total County		State of California	
	#	% of Total	#	% of Total	#	% of Total	#	% of Total	#	% of Total
Total Households	17,743	100%	21,411	100%	52,147	100%	125,123	100%	12,466,331	100%
Average Household Size	3.0		2.1		3.8		3.2		2.9	
Household Type										
Families with Children	5,935	33%	4,314	20%	25,816	50%	46,155	37%	4,137,409	33%
Families without Children	6,186	35%	6,809	32%	16,305	31%	44,236	35%	4,412,625	35%
Householder Living Alone	3,958	22%	8,508	40%	7,617	15%	26,992	22%	3,030,438	24%
Other Non-Family Households	1,664	9%	1,780	8%	2,409	5%	7,740	6%	885,859	7%
Total	17,743	100%	21,411	100%	52,147	100%	125,123	100%	12,466,331	100%

Note: Submarkets exclude unincorporated areas.

Sources: US Census American Community Survey 5-Year Estimates, 2008-2012; Strategic Economics, 2014.

Figure III-5. Change in Population Age Distribution Over Time: Submarkets and the County, 1990-2012

	Population			Percent Change	
	1990	2000	2012	1990-2000	2000-12
North Peninsula					
Under 18 years	18,528	15,289	13,593	-17%	-11%
18 to 34 years	28,350	18,438	15,788	-35%	-14%
35 to 44 years	8,953	9,817	7,483	10%	-24%
45 to 54 years	4,120	6,475	7,280	57%	12%
55 to 64 years	3,740	3,752	5,596	0%	49%
65 years and older	3,499	4,937	5,134	41%	4%
Total Population	67,190	58,708	54,874	-13%	-7%
West Peninsula					
Under 18 years	9,087	8,096	7,166	-11%	-11%
18 to 34 years	17,122	12,283	12,172	-28%	-1%
35 to 44 years	8,448	7,564	5,661	-10%	-25%
45 to 54 years	4,716	7,865	5,950	67%	-24%
55 to 64 years	4,274	4,764	6,947	11%	46%
65 years and older	8,663	8,705	9,131	0%	5%
Total Population	52,310	49,277	47,027	-6%	-5%
Salinas Valley					
Under 18 years	44,702	64,144	67,338	43%	5%
18 to 34 years	43,406	57,940	61,236	33%	6%
35 to 44 years	18,314	29,526	30,333	61%	3%
45 to 54 years	10,216	19,006	24,682	86%	30%
55 to 64 years	8,232	9,820	16,050	19%	63%
65 years and older	10,811	13,089	14,114	21%	8%
Total Population	135,681	193,525	213,753	43%	10%
Monterey County					
Under 18 years	97,951	114,050	111,291	16%	-2%
18 to 34 years	116,059	107,744	108,639	-7%	1%
35 to 44 years	52,319	61,978	54,964	18%	-11%
45 to 54 years	29,785	49,251	53,192	65%	8%
55 to 64 years	24,849	28,440	43,285	14%	52%
65 years and older	34,697	40,299	44,828	16%	11%
Total Population	355,660	401,762	416,199	13%	4%
State of California					
Under 18 years	7,750,725	9,249,829	9,282,806	19%	0%
18 to 34 years	9,098,628	8,595,092	9,268,304	-6%	8%
35 to 44 years	4,639,321	5,485,341	5,199,915	18%	-5%
45 to 54 years	2,902,569	4,331,635	5,224,402	49%	21%
55 to 64 years	2,233,226	2,614,093	4,049,135	17%	55%
65 years and older	3,135,552	3,595,658	4,300,506	15%	20%
Total Population	29,760,021	33,871,648	37,325,068	14%	10%

Sources: US Decennial Census, 1990, 2000 and American Community Survey 5 Year Estimates, 2008-2012; Strategic Economics, 2014.

Figure III-6. Change in Household Types Over Time: Submarkets and the County, 1990-2012

	Population			Percent Change	
	1990	2000	2012	1990-2000	2000-12
North Peninsula					
Families with Children	9,599	6,733	5,935	-30%	-12%
Families without Children	5,787	5,961	6,186	3%	4%
Householder Living Alone	2,923	3,446	3,958	18%	15%
Other Non-Families	1,015	1,222	1,664	20%	36%
Total Households	19,324	17,362	17,743	-10%	2%
West Peninsula					
Families with Children	5,332	4,588	4,314	-14%	-6%
Families without Children	7,223	6,972	6,809	-3%	-2%
Householder Living Alone	7,491	8,366	8,508	12%	2%
Other Non-Families	2,298	2,275	1,780	-1%	-22%
Total Households	22,344	22,201	21,411	-1%	-4%
Salinas Valley					
Families with Children	20,043	24,597	25,816	23%	5%
Families without Children	10,621	13,767	16,305	30%	18%
Householder Living Alone	7,276	7,441	7,617	2%	2%
Other Non-Families	2,098	2,039	2,409	-3%	18%
Total Households	40,038	47,844	52,147	19%	9%
Monterey County					
Families with Children	47,334	47,411	46,155	0%	-3%
Families without Children	35,681	40,520	44,236	14%	9%
Householder Living Alone	22,999	25,748	26,992	12%	5%
Other Non-Families	6,951	7,557	7,740	9%	2%
Total Households	112,965	121,236	125,123	7%	3%
State of California					
Families with Children	3,853,394	4,117,036	4,137,409	7%	0%
Families without Children	3,286,000	3,803,013	4,412,625	16%	16%
Householder Living Alone	2,429,867	2,708,308	3,030,438	11%	12%
Other Non-Families	811,945	874,513	885,859	8%	1%
Total Households	10,381,206	11,502,870	12,466,331	11%	8%

Sources: US Decennial Census, 1990, 2000 and American Community Survey 5 Year Estimates, 2008-2012; Strategic Economics, 2014.

Figure III-7 Median Household Income for Selected Cities, 2012

	Median Household Income
North Peninsula	
Del Rey Oaks	$80,417
Marina	$54,038
Seaside	$50,587
Sand City	$42,292

West Peninsula	Median Household Income
City of Monterey	$63,072
Carmel	$75,582
Pacific Grove	$68,213
City of Salinas	$50,587
Monterey County	$60,143
State of California	$61,400

Sources: US Census American Community Survey 5-Year Estimates, 2008-2012; Strategic Economics, 2014.

Projected Population Growth

While projection sources differ slightly, Monterey County is not expected to reach half a million people until 2035. Figure III-8 compares three population projection sources for Monterey County: the Association of Bay Area Governments (AMBAG), the California Department of Finance, and the commercial forecasting firm Woods & Poole. All three are fairly similar, and show Monterey County reaching 500,000 by approximately 2035. This represents an annual average growth rate of about 0.7 percent a year, significantly faster than the average growth rate for the county between 2000 and 2010 (0.3 percent a year), but slower than the average growth rate between 1990 and 2000 (1.3 percent a year).

Current projections are much more conservative than when the Base Reuse Plan was written, and have also been revised downwards since the Base Reuse Plan Reassessment Report was completed in 2012. In 1995, when the Base Reuse Plan was written, AMBAG projected that Monterey County would reach 500,000 residents before 2015. As of the 2012 Reassessment Report Market Study, AMBAG was projecting that the county would reach this benchmark in 2025, and the Department of Finance's projections were even more aggressive[12].

AMBAG currently projects that the North Peninsula will add fewer than 300 housing units per year on average, while the West Peninsula housing stock will barely grow at all by 2035. Figure III-9 shows forecasted population and housing unit growth by submarket, based on AMBAG's projections (AMBAG is the only source that provides city-level projections). The North Peninsula is expected to grow slightly faster than the county; however, this still amounts to fewer than 300 new housing units per year. At this rate of growth, the North Peninsula will not reach its peak, 1990 population level again until nearly 2030, while the West Peninsula will not achieve 1990 population levels until after 2035. According to AMBAG planners, the slow growth rate of projected for the West Peninsula reflects the fact that these cities are largely build-out, slow-growth communities with significant water constraints.

At this rate of growth, build-out of the Base Reuse Plan will take 20 to 30 years. Assuming that the North Peninsula cities grow at a rate of 200 to 300 housing units per year, it will take 20 to 30 years to build-out the remaining 5,700 housing units that the BRP envisioned for Fort Ord – even if the former Fort captures 100 percent of new development in the North Peninsula.

12 - The 2012 Reassessment Report Market Study used AMBAG's 2008 projections; this report relies on AMBAG's 2014 Regional Growth Forecast.

EMPLOYMENT

Regional Employment Trends

Figure III-8. Comparison of Population Projection Sources: Monterey County, 1990-2035

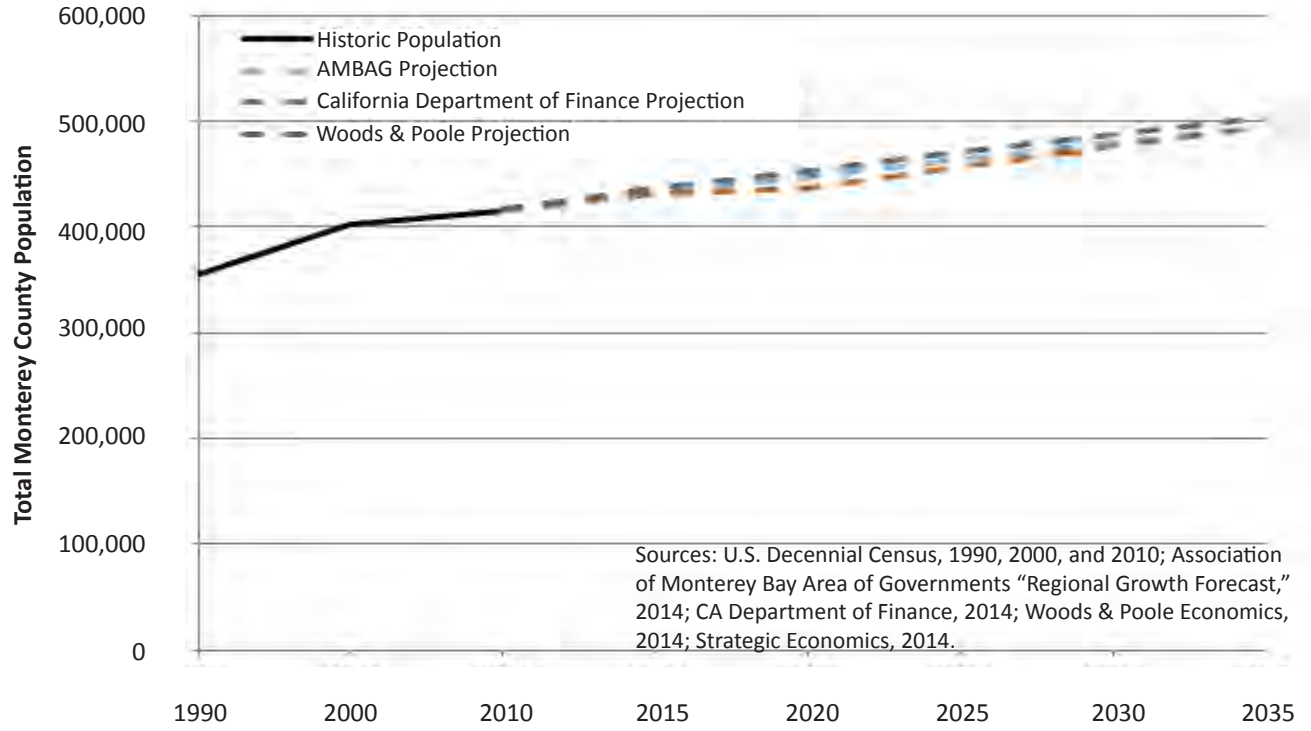


Figure III-9. Projected Population and Housing Unit Growth by Submarket (AMBAG)

	Actual		Projected		Annual Average Change			Annual Average Percent Change		
	2000	2010	2020	2035	2000-10 (Actual)	2010-20 (Projected)	2020-35 (Projected)	2000-10 (Actual)	2010-20 (Projected)	2020-35 (Projected)
Population										
North Peninsula	58,708	54,701	60,372	71,499	-401	567	742	-0.7%	1.0%	1.2%
West Peninsula	49,277	46,573	46,939	51,594	-270	37	310	-0.5%	0.1%	0.7%
Salinas Valley	193,525	213,570	237,358	267,689	2,005	2,379	2,022	1.0%	1.1%	0.9%
Unincorporated County	100,252	100,213	102,847	104,304	-4	263	97	0.0%	0.3%	0.1%
Total County	401,762	415,057	447,516	495,086	1,330	3,246	3,171	0.3%	0.8%	0.7%
Housing Units										
North Peninsula	20,367	19,421	22,141	25,611	-95	272	231	-0.5%	1.4%	1.0%
West Peninsula	24,749	25,170	25,251	25,897	42	8	43	0.2%	0.0%	0.2%
Salinas Valley	49,475	55,486	60,377	66,749	601	489	425	1.2%	0.9%	0.7%
Unincorporated County	37,117	38,971	39,337	39,735	185	37	27	0.5%	0.1%	0.1%
Total County	131,708	139,048	147,106	157,992	734	806	726	0.6%	0.6%	0.5%

Sources: US Decennial Census, 2000 and 2010; Association of Monterey Bay Area Governments, 2014; Strategic Economics, 2014.

There are approximately 170,000 to 180,000 jobs in Monterey County in an average year, but employment varies significantly by season and various sources report significantly different job numbers. Because agricultural employment accounts for approximately 30 percent of all jobs in Monterey County and many agricultural jobs are seasonal, overall employment numbers are very cyclical. In addition, because the two biggest employment categories in Monterey County – agriculture and government – are both challenging to measure[13], various data sources differ significantly in how much employment they report for the county[14]. Excluding farm employment, there are about 125,000 to 130,000 jobs in the county. Of these, about 90,000 to 95,000 are in private (non-government) industries.

13 - Many sources struggle to measure agricultural employment because of its cyclical, temporary nature; sources may also vary in the extent to which they capture undocumented workers. Some data sources report government work all at one central location (e.g., all state workers in Sacramento); others are more accurate in assigning government workers to actual work locations.

14 - This report relies primarily on employment estimates from the California Economic Development Department (EDD) and Association of Monterey Bay Area Governments (AMBAG). As the regional metropolitan transportation organization and council of government, AMBAG has taken the closest, most detailed look at Monterey County employment. The EDD provides additional historical data at the county level, and are generally similar to the figures reported by AMBAG. The following sections also include data from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) dataset, which is the best available source for understanding commute patterns and where employment is located within cities. Other data sources considered include the American Community Survey, County Business Patterns, and Quarterly Workforce Indicators; these sources report significantly different employment numbers and were eventually excluded from the analysis.

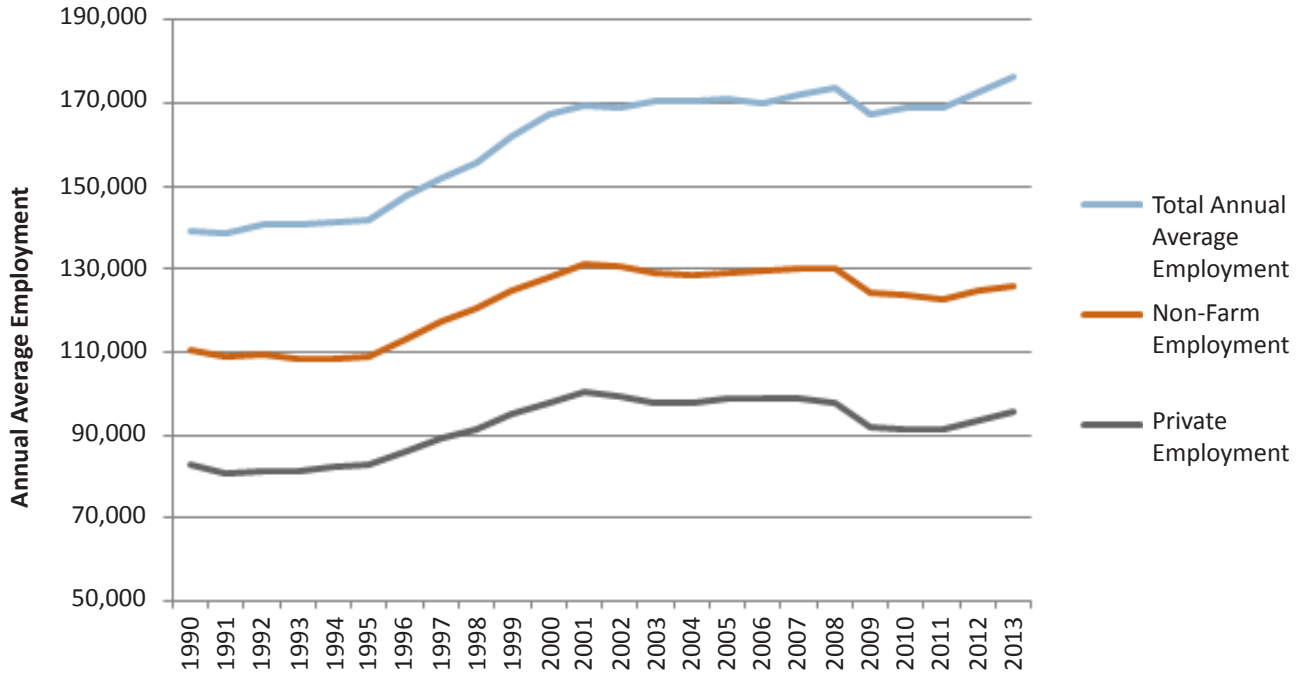
Employment in Monterey County grew significantly in the late 1990s, and then stabilized in the early 2000s before declining again during the recession. Figure III-10 shows total annual average employment in Monterey County, total annual average non-farm employment, and total private employment from 1990 through 2013. The closure of Fort Ord resulted in the relocation of 13,500 active duty military jobs and an additional loss of 4,500 civilian jobs[15]. As demonstrated by the population trends discussed above, the base closure had significant local economic impacts in the North and West Peninsula. At the county level, however, growth in private employment – particularly farm employment – resulted in a net increase of nearly 30,000 jobs to the Monterey County economy between 1990 and 2000. Following 2000, employment remained generally stable until the national recession began in 2007.

Monterey County has recovered more slowly than the state from the recession, but employment has generally been increasing since 2011 and the unemployment rate is declining. Figure III-11 compares annual (year-over-year) change in non-farm employment in the county to the state as a whole. Figure III-12 compares the county and state unemployment rates since 2000. Beginning in 2011, Monterey County began to experience positive job growth; however, the county's economy has recovered slowly compared to the state as whole (Figure III-11). Unemployment has also started to decline, although it remains above the statewide average (Figure III-12).

Monterey County's economic recovery has been driven by

15 - FORA, "Regional Urban Design Guidelines on the Former Fort Ord: Request for Proposals," May 2014.

Figure III-10 Annual Average Employment: Monterey County, 1990-2013

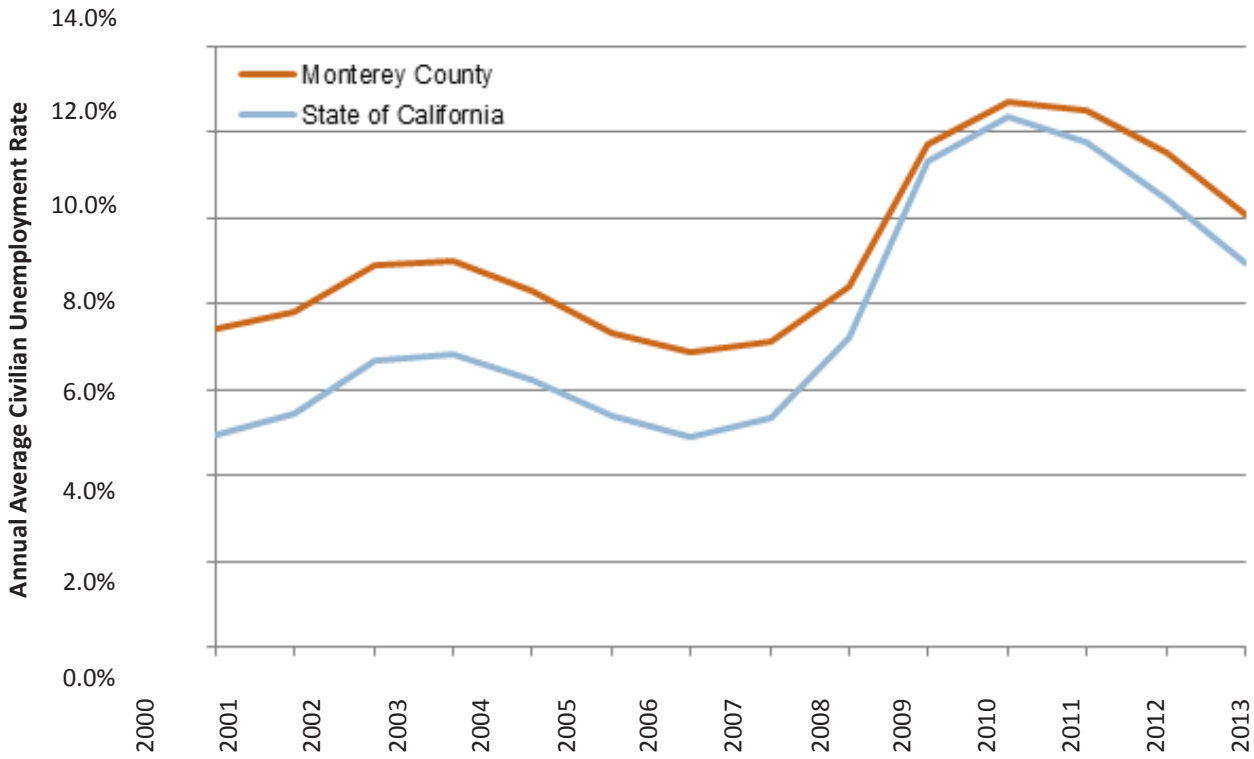


Sources: California Employment Development Department, "Industry Employment & Labor Force - by Annual Average." Salinas MSA (Monterey County), October 2014; Strategic Economics, 2014. Employment is not seasonally adjusted.

Figure III-11 Year-Over-Year Change in Annual Average Non-Farm Employment: Monterey County and the State of California, 1990-2013

Sources: California Employment Development Department, "Industry Employment & Labor Force - by Annual Average." Salinas MSA (Monterey County), October 2014; Strategic Economics, 2014. Employment is not seasonally adjusted.

Figure III-12 Annual Average Civilian Unemployment Rat, 2000 -2013



Sources: California Employment Development Department, "Industry Employment & Labor Force - by Annual Average, " Salinas MSA (Monterey County) and State of California, October 2014; Strategic Economics, 2014.

growth in the agriculture, education and health services, leisure and hospitality, and retail industries. Figure III-13 shows employment in Monterey County by industry for 1990, 2000, 2010 and 2013. Agriculture and government are the largest categories of employment, followed by leisure and hospitality. Between 2010 and 2013, as the economy began to recover from the recession, agriculture, education and health services, leisure and hospitality, and retail saw the most significant increases in employment. Agriculture and education and health are also the only sectors that experienced significant, net employment increases between 2000 and 2010.

Employment in the knowledge-based industries – which drive demand for office space – has declined since 2000. Knowledge-based jobs include employment in information, finance, and professional and business services. In 2013, there were 16,800 jobs in these industries in Monterey County – fewer than in 1990, when knowledge-based industries accounted for 17,300 jobs (Figure III-13).

Figure III-13. Employment by Industry: Monterey County, 1990-2013

	Annual Average Employment				Percent of Total Employment				Annual Average Percent Change		
Sector	**1990**	**2000**	**2010**	**2013**	**1990**	**2000**	**2010**	**2013**	**1990-2000**	**2000-10**	**2010-13**
Agriculture & Resources[(a)]	29,000	39,200	45,300	50,900	21%	23%	27%	29%	4%	2%	4%
Construction	4,700	6,300	4,100	4,400	3%	4%	2%	2%	3%	-3%	2%
Industrial[(b)]	16,300	16,800	13,800	14,400	12%	10%	8%	8%	0%	-2%	1%
Retail	14,700	16,400	15,200	16,200	11%	10%	9%	9%	1%	-1%	2%
Knowledge-Based Services[(c)]	17,300	22,000	17,500	16,800	12%	13%	10%	10%	3%	-2%	-1%
Education & Health Services	8,400	12,100	15,700	16,900	6%	7%	9%	10%	4%	3%	3%
Leisure & Hospitality Services	17,800	20,000	20,000	21,800	13%	12%	12%	12%	1%	0%	3%
Other Services	3,500	4,200	4,600	4,800	3%	3%	3%	3%	2%	1%	1%
Government	27,700	30,400	32,600	30,200	20%	18%	19%	17%	1%	1%	-2%
Total	**139,400**	**167,400**	**168,800**	**176,400**	**100%**	**100%**	**100%**	**100%**	**2%**	**0%**	**2%**

(a) Include agriculture, mining, and logging.
(b) Includes manufacturing, wholesale trade, transportation, warehousing, and utilities.
(c) Includes information, financial activities, and professional and business services.
Sources: California Employment Development Department, "Industry Employment & Labor Force - by Annual Average," Salinas MSA (Monterey County) and State of California, October 2014; Strategic Economics, 2014.

Employment by Submarket

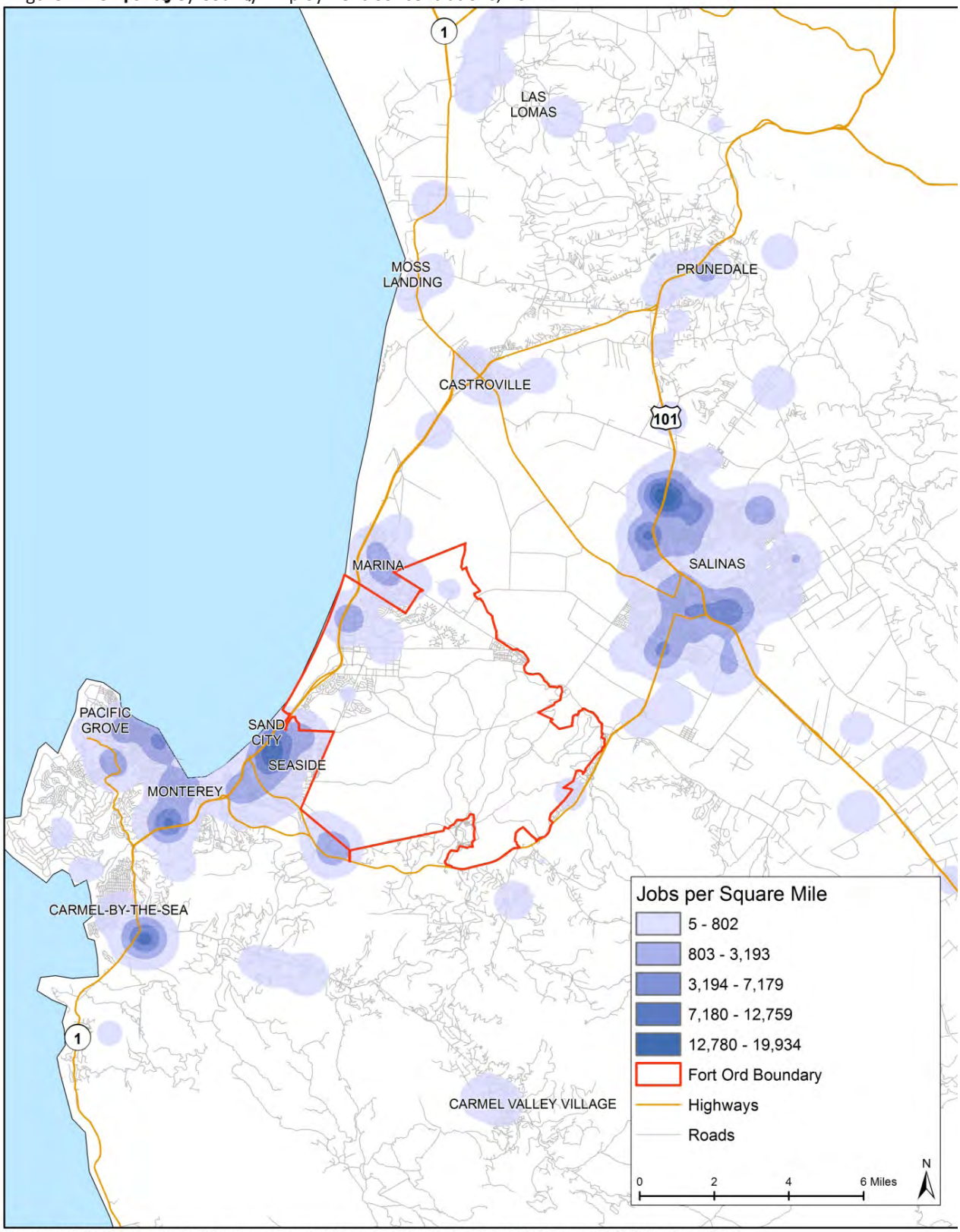
- The City of Salinas is the largest employment center in the county, followed by the City of Monterey. Figure III-14 shows total employment numbers by submarket and city; Figure III-15 provides a map of where employment is most concentrated within the county. As shown, the City of Salinas accounts for 54,500 jobs, or nearly 30 percent of the county's employment; the next largest employment center is the City of Monterey at 26,900 jobs or 15 percent of county employment. In total, there are fewer than 7,000 jobs in the North Peninsula cities, or about 4 percent of county employment.

Figure III-14 Employment by Industry: Monterey County, 1990-2013

Submarket/City	Employment	Percent of Total County Employment
City of Salinas	54,504	30%
West Peninsula		
Monterey	26,933	15%
Pacific Grove	8,792	5%
Carmel-By-The-Sea	2,282	1%
Subtotal	38,007	21%
North Peninsula		
Seaside	7,790	4%
Marina	4,951	3%
Sand City	1,562	1%
Del Rey Oaks	414	0%
Subtotal	6,927	4%
Other Salinas Valley		
Greenfield	6,934	4%
King City	4,273	2%
Gonzales	2,922	2%
Soledad	2,572	1%
Subtotal	9,767	5%
Unincorporated County	58,071	32%
Total Monterey County	182,000	100%

Sources: Association of Monterey Bay Area Governments, "Regional Growth Forecrast", 2014, Strategic Economics, 2014.

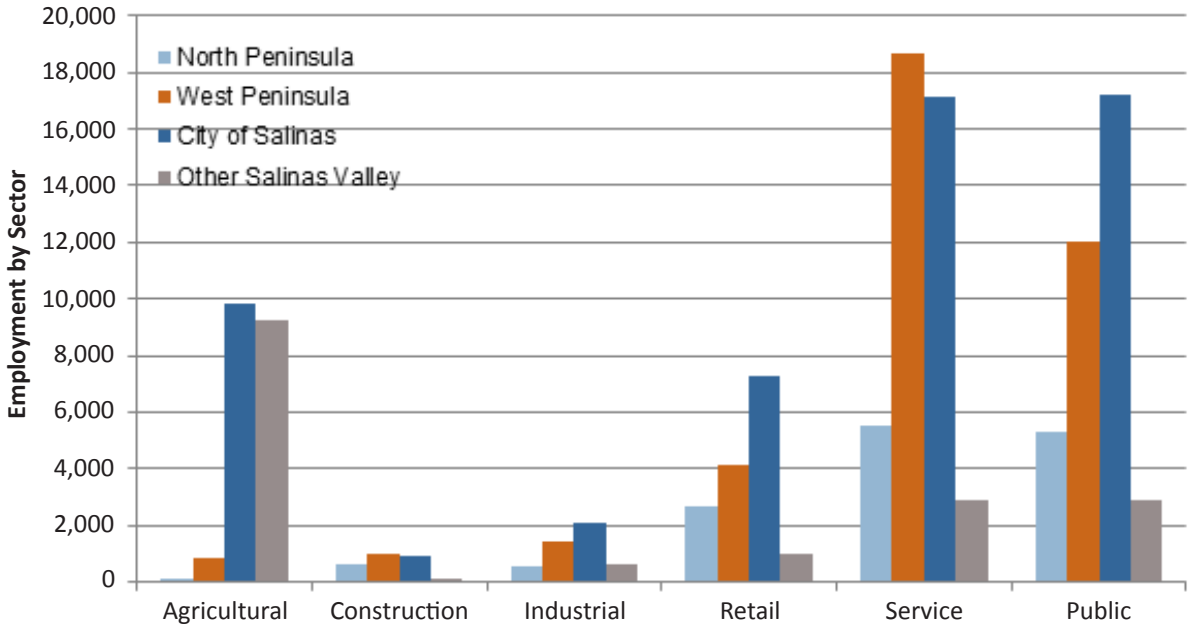
Figure III-15 Monterey County Employment Concentrations, 2011



Sources: US Census Longitudinal Employer-Household Dynamics "On the Map", 2011; US Census TIGER Line Data, 2013.

Most jobs in the North Peninsula are in the service, public, and retail sectors. Figure III-16 compares the employment in the submarkets by sector, using the sectors for which AMBAG reports data. While the service, public, and retail sectors account for most of the employment in the North Peninsula, the West Peninsula and Salinas have significantly more employment in each of these sectors. In particular, Salinas has by far the most public sector and retail jobs. Other data sources suggest that, for all submarkets, leisure and hospitality account for most of the service-sector employment shown in Figure III-16. Education and health care employment are included in AMBAG's estimate of public sector employment.

Figure III-16 Employment by Industry and Submarket, 2010



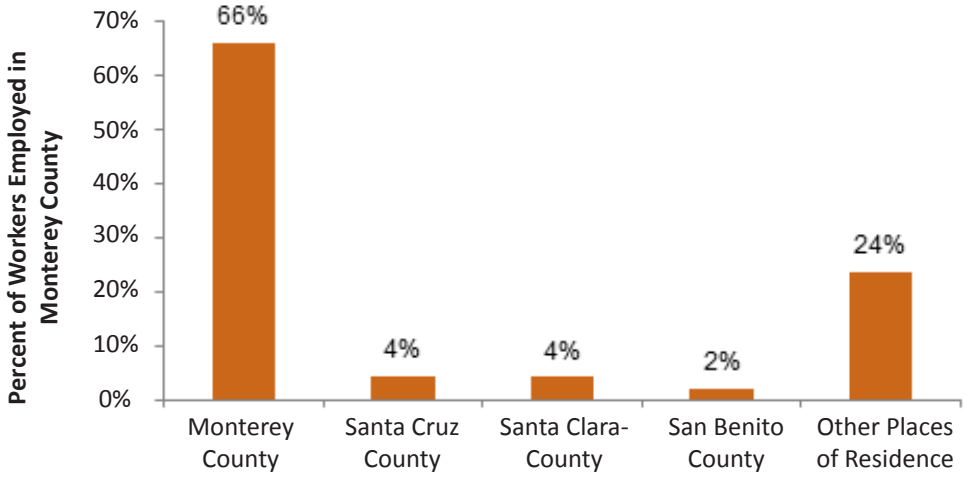
As reported by AMBAG, the construction sector includes mining, logging, and construction employment; the industrial sector includes manufacturing employment; the retail sector includes wholesale and retail trade employment; the service sector includes transportation, warehousing and utilities, information, financial activities, professional business services, leisure and hospitality, and other services; and public includes education and health care as well as government employment.
Sources: Association of Monterey Bay Area Governments "Regional Growth Forecast", 2014; Strategic Economics, 2014.

Commute Patterns

Monterey County commute patterns are relatively self-contained; 66 percent of workers employed in Monterey County in 2011 also lived there, while only 34 percent commuted in from other counties. In comparison, 36 percent of workers employed in Santa Cruz County commuted in from outside the county, while 38 percent of workers employed in Santa Clara County lived in another county. For workers employed in Monterey County who lived outside the county, the most common places of residence were Santa Cruz, Santa Clara, and San Benito Counties (Figure III-17).

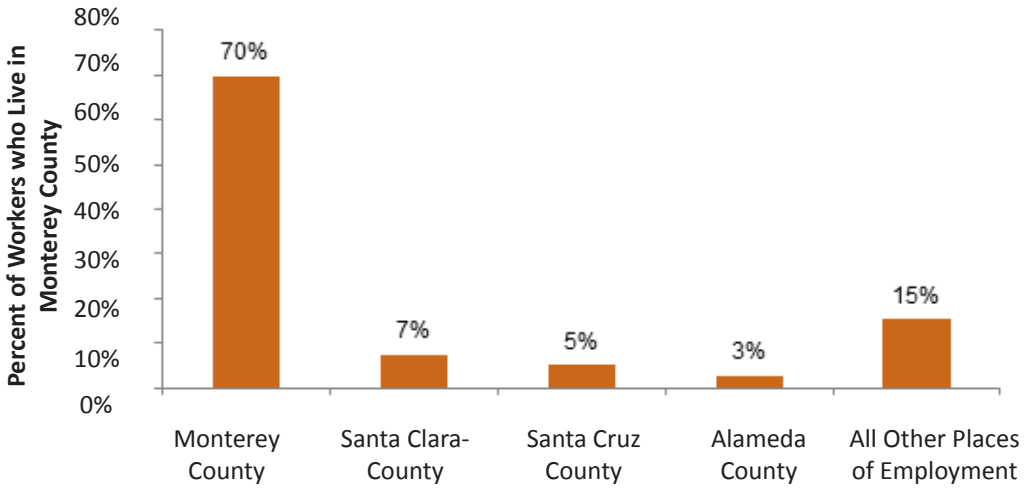
A high share (70 percent) percent of workers who live in Monterey County have found work in the county. This is similar to the share of Santa Clara County's employed residents who work in the county where they live (70 percent), and significantly higher than the share of employed residents in Santa Cruz County who work in the county where they live (54 percent). Among Monterey County workers who commuted to jobs outside of the county, the top commute destinations were Santa Clara County, Santa Cruz County, and Alameda Counties (Figure III-18).

Figure III-17 Top Counties Where Workers Employed in Monterey County Lived, 2011



Sources: US Census Longitudinal Employer-Household Dynamics "On the Map", 2002 and 2011; Strategic Economics, 2014.

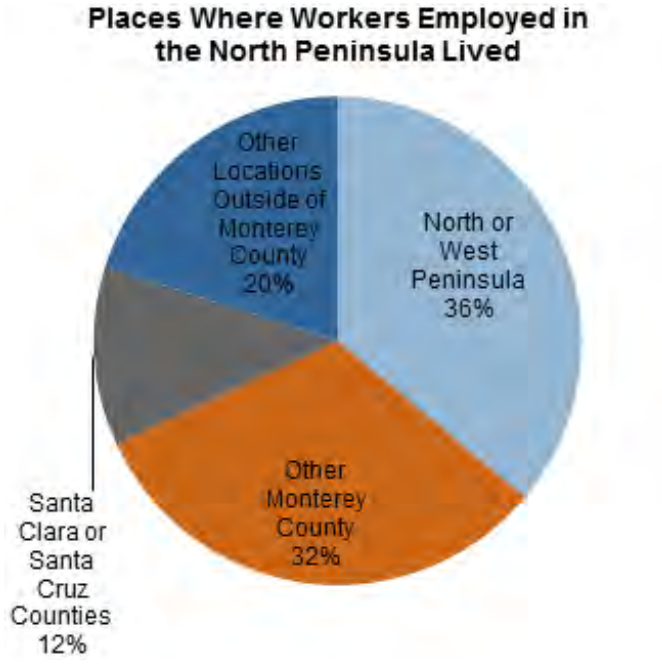
Figure III-18 Top 5 Counties Where Workers Employed in Monterey County Lived, 2011

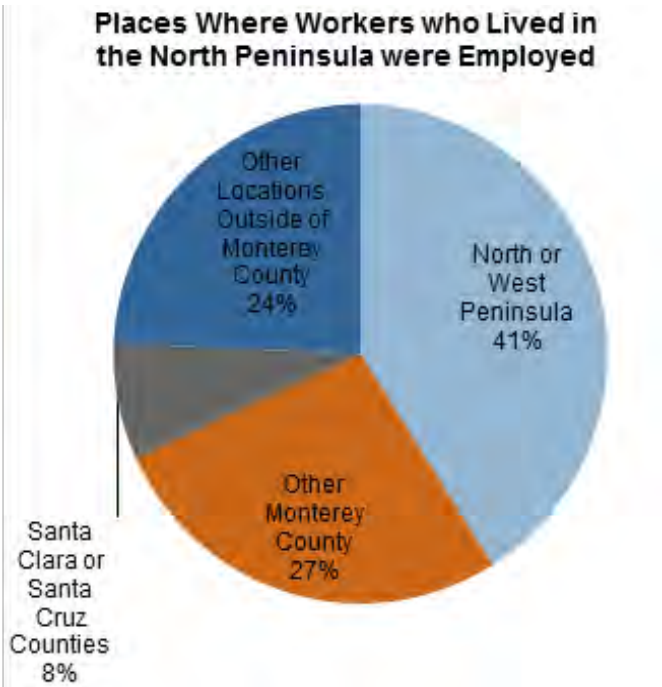


Sources: US Census Longitudinal Employer-Household Dynamics "On the Map", 2002 and 2011; Strategic Economics, 2014.

The majority of workers who live or work in the North Peninsula also commute within Monterey County. Figure III-19 shows where workers employed in the North Peninsula lived, and where workers who lived in the North Peninsula were employed. As for the county as a whole, the majority of commutes are occurring within Monterey County.

Figure III-19 Places where Workers employed in North Peninsula Lives





Sources: US Census Longitudinal Employer-Household Dynamics "On the Map," 2011; Strategic Economics, 2014.

Employment Projections

Various data sources report significantly different current employment, and project varying rates of employment growth. Figure III-20 compares the employment projections published by AMBAG, the California Economic Development Department (EDD), and Woods & Poole[16]. Woods & Poole is significantly more aggressive than the two government sources in both the current employment estimate, and in the projected rate of growth. AMBAG and EDD's projections are fairly similar.

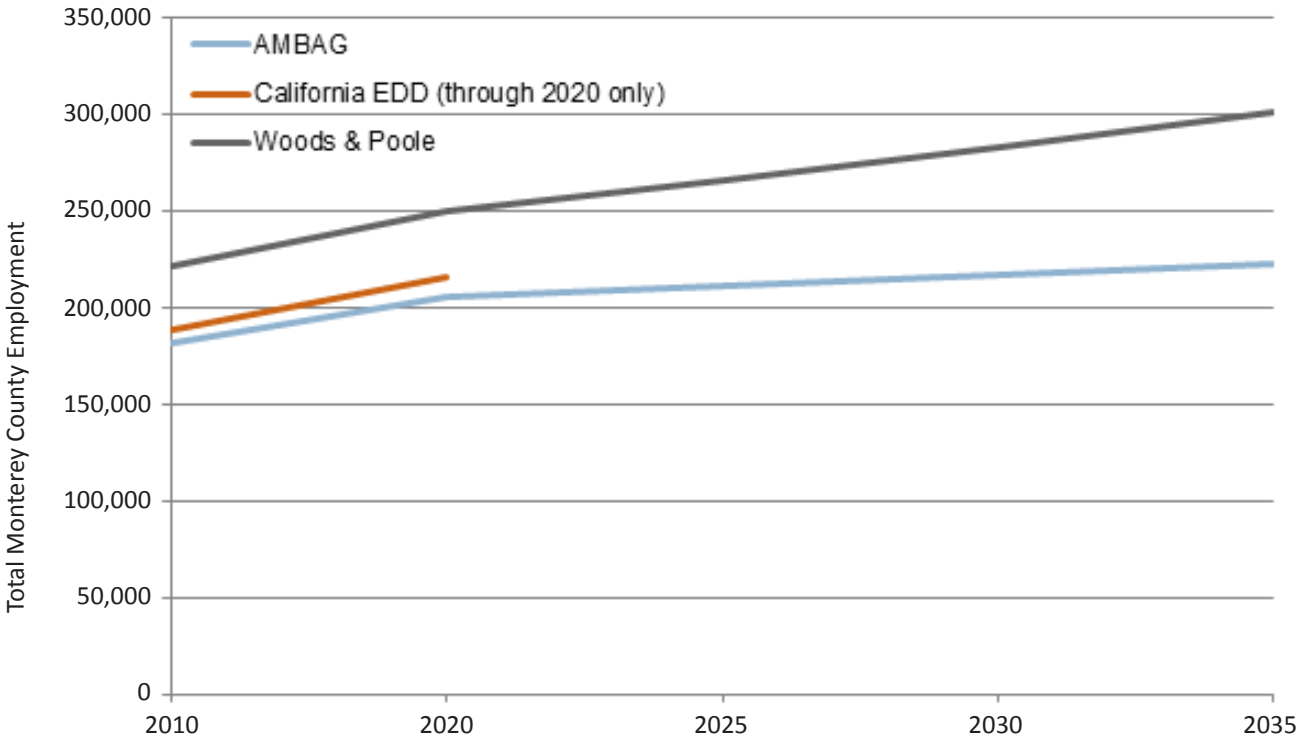
Like the population projections, the employment projections have been revised downwards. In 1995, when the Base Reuse Plan was written, AMBAG projected that Monterey County would exceed 221,000 jobs by 2015. In comparison, the most recent AMBAG forecasts project that the county will not reach that level until 2035.

Service and public sector jobs are expected to drive the county's future employment growth. Figure III-21 shows forecasted employment growth by sector, based on AMBAG's projections. The service and public sectors are projected to growth the fastest, followed by retail and agriculture.

AMBAG currently projects that the North Peninsula will add 230 to 265 jobs per year through 2035, while the West Peninsula and Salinas Valley will add more jobs. Figure III-22 shows forecasted employment growth by submarket. The North Peninsula is expected grow at roughly the same annual average rate as the other major submarkets between 2010 and 2020 (1.6 percent a year), and slightly faster between 2020 and 2035 (1.2 percent a year). However, this rate of growth only translates to less than 300 jobs per year on average.

16 - Note that EDD only projects employment through 2020.

Figure III-20 Comparison of Employment Projection Sources: Monterey County, 2010-2035



Sources: Association of Monterey Bay Area Governments "Regional Growth Forecast", 2011; CA Economic Development Department, 2014; Woods & Poole Eocnomics 2014; Strategic Economics, 2014

Figure III-21 Projected Monterey County Employment Growth by Sector (AMBAG)

	Employment			Annual Average Change		Annual Average Percent Change	
Sector	**2010**	**2020**	**2025**	**2010-20**	**2020-35**	**2010-20**	**2020-35**
Agricultural	45,100	47,432	48,666	233	82	0.5%	0.2%
Construction	4,300	5,902	6,226	160	22	3.7%	0.4%
Industrial	5,600	5,651	5,425	5	-15	0.1%	-0.3%
Retail	20,100	23,306	23,869	321	38	1.6%	0.2%
Service	60,900	71,430	77,805	1,053	425	1.7%	0.6%
Public	46,000	52,256	60,146	626	526	1.4%	1.0%
Total	182,000	205,977	222,137	2,398	1,077	1.3%	0.5%

As reported by AMBAG, the construction sector includes mining, logging, and construction employment; the industrial sector includes manufacturing employment; the retail sector includes wholesale and retail trade employment; the service sector includes transportation, warehousing and utilities, information, financial activities, professional and business services, leisure and hospitality, and other services; and public includes education and health care as well as government employment.

Sources: Association of Monterey Bay Area Governments, 2014; Strategic Economics, 2014.

Figure III-22 Projected Monterey County Employment Growth by Submarket (AMBAG)

	Employment			Annual Average Change		Annual Average Percent Change	
	2010	2020	2025	2010-20	2020-35	2010-20	2020-35
Employment							
North Peninsula	14,717	17,034	21,006	232	265	1.6%	1.6%
West Peninsula	38,007	44,055	48,897	605	323	1.6%	0.7%
Other Salinas Valley	71,205	81,890	88,791	1,069	460	1.5%	0.6%
Unincorporated County	58,071	62,998	63,443	493	30	0.8%	0.0%
Total County	182,000	205,977	222,137	2,398	1,077	1.3%	0.5%

Sources: Association of Monterey Bay Area Governments, 2014; Strategic Economics, 2014.

CONCLUSION

Monterey County's economy is relatively small, slow growing, and self-contained. The county is home to 415,000 residents and 170,000 to 180,000 jobs, of which approximately 30 percent are agricultural and 20 percent are in the public sector. With the notable exceptions of agriculture and tourism, most employment in the county is in industries that support the local population, including health care, education, and retail, rather than in industries that are exporting goods or services to other places. Most of the workforce lives within the county boundaries. Although Monterey County grew rapidly through mid-20th century, in more recent decades the pace of growth has been significantly slower than the statewide average.

Fort Ord's expansion between World War II and the end of the Vietnam War drove population growth and development in the Peninsula; since that time, the momentum of growth within Monterey County has increasingly shifted towards Salinas. The development of Seaside and Marina was particularly tied to the military's activities at the Fort. Since the base's closure in the 1990s, population in the North Peninsula has declined by 20 percent. The closure of the army base also affected the West Peninsula, which experienced a smaller but still significant population decline of 11 percent between 1990 and 2000. Even prior to the base closure, the City of Salinas was growing more quickly than the Peninsula, and this trend is expected to continue.

Overall, the population in the North and West Peninsula has been declining since 1990, with the greatest decreases seen among the younger age groups. The overall shrinking and aging of the population suggests that there are limited work opportunities for recent graduates and working households.

Employment growth in the North Peninsula will likely be slow, and driven by resident-serving industries such as education, health care, and retail. These industries have experienced some growth in recent years, and are projected to continue growing modestly in the future. The leisure and hospitality industry is also expected to grow. However, traditional office-based employment sectors (i.e., information, financial services, and professional services) have lost jobs since 2000, and may take longer to recover.

Population and employment projections for the county have been shifted downwards over time, suggesting that the build-out of the Base Reuse Plan will take significantly longer than was originally anticipated. AMBAG projects that the North Peninsula as a whole will add just 200 to 300 new housing units a year, on average, over the coming decades, and about the same number of jobs. At this rate of growth, build-out of all the new housing units envisioned in the BRP will take 20 to 30 years, assuming that Fort Ord captures 100 percent of new growth. Moreover, as discussed in Chapter V, much of the demand for new employment space in the North Peninsula may be met by filling existing, vacant buildings. The West Peninsula is projected to add jobs at a slightly faster rate, but not to experience significant net new housing development.

Given the slow rate of projected growth, the region should ensure that the development that does occur is designed to meet both regional and local goals. The Regional Urban Design Guidelines can play an important role in focusing growth to desired locations, and ensuring that the quality of new development is high and contributes to the long-term economic revitalization of the North and West Peninsula areas and the vision for the reuse of the former Fort Ord.

Residential Market

The pace of new residential development at Fort Ord and the type of new units that are built (i.e., single-family homes, townhouses, condos, or apartments) will be driven in part by the demographic shifts discussed in the previous chapter, including the rate of population and employment growth as well as household change over time – for example, young adults creating new households by moving out of their parents' home or graduating from CSUMB, families adding children and moving up to larger housing units, and older households downsizing to smaller units. In addition to these local and regional demographic factors, the market for new housing in Fort Ord will also shaped by changing consumer preferences, the attractiveness of Fort Ord to second home-buyers, retirees, and other households from around the region and the state, and the competitive supply of housing units throughout the region (including both the existing housing stock and new housing built in other parts of the region).

This chapter explores all of these factors, and presents an updated assessment of the residential real estate market that builds on the discussion of demographic and employment trends in Chapter III. The analysis also augments the findings from the 2012 Market and Economic Analysis performed as part of the Base Reuse Plan Reassessment, incorporating up-to-date market data as well as qualitative findings from interviews with brokers, developers, and economic development professionals. Following an overview of the existing housing stock and regional housing market trends, the chapter discusses recent market activity on the former Fort Ord and concludes with a summary of implications for the base's long-term reuse and revitalization.

CHARACTERISTICS OF THE EXISTING HOUSING STOCK

Most of the North Peninsula's housing was built prior to 1980, with the greatest number of units dating from the 1960s and 1970s. Figure IV-1 compares housing stock characteristics for the four submarkets, county, and state. Nearly half (44 percent) of all housing units in the North Peninsula were built in the 1960s and 1970s, the period when the submarket – like Fort Ord itself – experienced the most significant population growth. The cities of Seaside and Marina, in particular, grew to meet demand for housing generated by Fort Ord's expansion during this period. A military buildup at the base between 1968 and 1978 resulted in significant additional demand for lower-cost housing for military families. Many of these older, smaller homes are now being rented and are in need of repair or renovation. In comparison, the West Peninsula has relatively more pre-World War II housing (19 percent of units were built prior to 1940) while the Salinas Valley's housing stock is generally newer (approximately 44 percent were built after 1980).

The North Peninsula has a relatively low housing vacancy rate compared to the county and the state. Just 6 percent of housing units in the North Peninsula were vacant in 2012, compared to 10 percent of units in Monterey County and 9 percent in the State of California. In comparison, the West Peninsula had an 18 percent vacancy rate, which may reflect the many homeowners who have retirement or vacation homes that were vacant when the Census data were collected[17]. The relatively low vacancy rate in the North Peninsula likely reflects the relative affordability of the housing stock, as well as the limited housing construction that has occurred in recent decades. Even though the overall population has declined, new households have continued to form and little to no new housing stock has been built to accommodate first-time and move-up buyers and renters. In addition, the older, rented homes in Seaside and Marina provide one of the few sources of affordable, market-rate housing for service workers employed in the Peninsula. The low vacancy rate in the North Peninsula also suggests a smaller second home market in this part of the region compared to the West Peninsula.

The North Peninsula's existing housing stock – including the rental housing stock – is predominantly single-family. As shown in Figure IV-1, over two-thirds (67 percent) of the North Peninsula's housing stock is single-family, similar to the county-wide average (69 percent) and higher than the state as a whole (65 percent). The North Peninsula also has a relatively high share of renters; renters occupy 57 percent of all housing units in the North Peninsula, compared to 49 percent in the county and 44 percent of all housing units statewide. According to local brokers, a sizeable percentage of the rental housing stock is made up of privately owned single-family homes. As discussed below, the rental single-family housing stock has been growing in recent years as investors have purchased foreclosed homes.

17 - The American Community Survey classifies housing units occupied at the time of interview entirely by people who will be there for two months or less as "Vacant - Current Residence Elsewhere." This classification appears to undercount second homeowners, as it only captures those who are occupying their second home at the time of the Census. Units classified as "Vacant- Current Residence Elsewhere" are included in the estimated number of total vacant units.

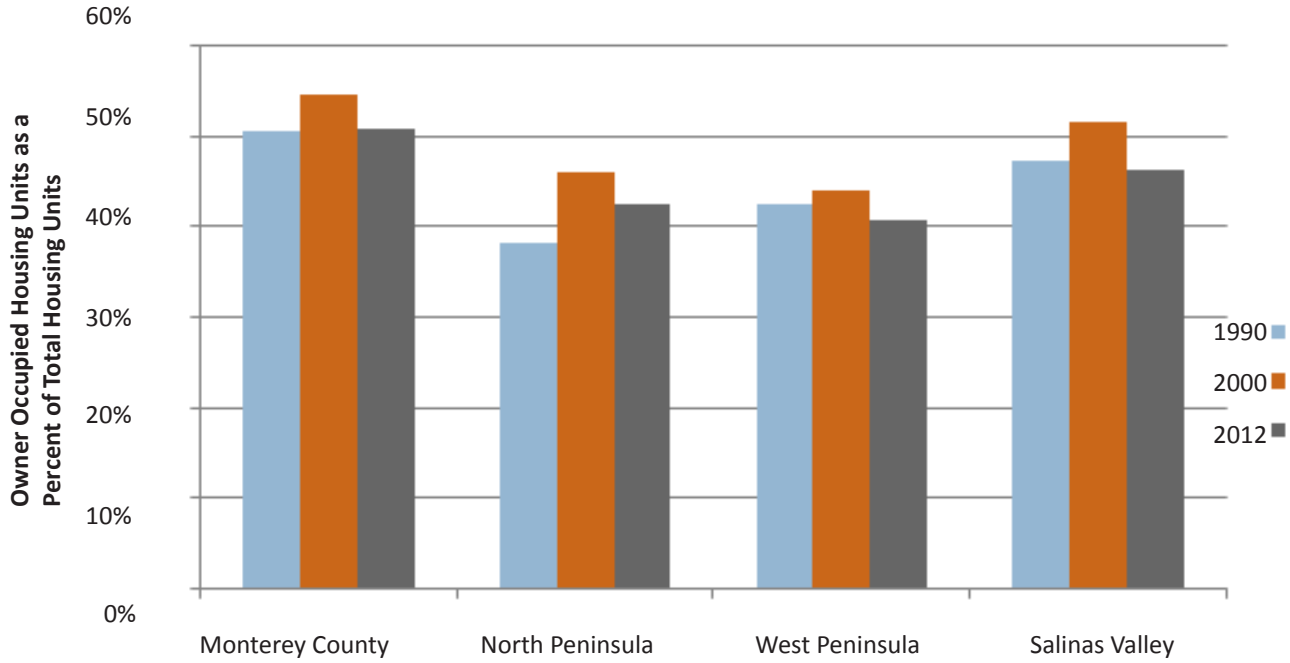
Figure IV-1. Housing Stock Characteristics: Submarkets, County, and the State of California, 2012

	North Peninsula		West Peninsula		Salinas Valley		Total County		State of California	
	#	% of Total	#	% of Total	#	% of Total	#	% of Total	#	% of Total
Occupancy Status										
Occupied	17,743	94%	21,411	82%	52,147	94%	125,123	90%	12,466,331	91%
Vacant	1,167	6%	4,597	18%	3,338	6%	13,963	10%	1,200,895	9%
Total Housing Units	18,910	100%	26,008	100%	55,485	100%	139,086	100%	13,667,226	100%
Tenure										
Owner Occupied	7,555	43%	8,725	41%	23,936	46%	63,463	51%	6,978,397	56%
Renter Occupied	10,188	57%	12,686	59%	28,211	54%	61,660	49%	5,487,934	44%
Total Occupied Housing Units	17,743	100%	21,411	100%	52,147	100%	125,123	100%	12,466,331	100%
Housing Stock by Units in Structure										
1 unit	12,649	67%	15,718	60%	35,748	64%	96,258	69%	8,909,117	65%
2 - 4 units	2,058	11%	3,802	15%	4,989	9%	12,927	9%	1,106,556	8%
5 - 9 units	1,564	8%	2,407	9%	5,463	10%	10,251	7%	830,119	6%
10 or more units	1,837	10%	3,869	15%	7,264	13%	13,987	10%	2,282,957	17%
Mobile home, trailer, other	802	4%	212	1%	2,021	4%	5,663	4%	538,477	4%
Total Housing Units	18,910	100%	26,008	100%	55,485	100%	139,086	100%	13,667,226	100%
Housing Units by Year Built										
Built 2010 Or Later	74	0.4%	0	0.0%	98	0.2%	196	0.1%	26,855	0.2%
Built 2000 To 2009	1,640	9%	1,227	5%	6,542	12%	13,107	9%	1,582,291	12%
Built 1980 To 1999	3,576	19%	3,873	15%	17,981	32%	36,208	26%	3,546,995	26%
Built 1960 To 1979	8,374	44%	8,461	33%	19,166	35%	50,440	36%	4,396,238	32%
Built 1940 to 1959	4,852	26%	7,465	29%	9,113	16%	28,871	21%	2,808,475	21%
Built 1939 Or Earlier	394	2%	4,982	19%	2,585	5%	10,264	7%	1,306,372	10%
Total Housing Units	18,910	100%	26,008	100%	55,485	100%	139,086	100%	13,667,226	100%

Sources: US Census American Community Survey 5-Year Estimates, 2008-2012; Strategic Economics, 2014.

Homeownership rates decline significantly during the recession. As shown in Figure IV-2, homeownership rates in Monterey County increased significantly between 1990 and 2000, especially in the North Peninsula. However, by 2012, homeownership rates had fallen as foreclosed single-family units were transitioned to the rental market. While homeownership rates in the west Peninsula and Salinas Valley are now below 1990 levels, in the North Peninsula a higher share of units are still occupied by homeowners compared to 1990 – presumably reflecting the relative affordability of the North Peninsula market.

Figure IV-2 Homeownership Rates: Submarkets and County, 1990-2012



Sources: US Decennial Census, 1990, 2000 and American Community Survey 5 Year Estimates, 2008-2012; Strategic Economics, 2014

REGIONAL MARKET DYNAMICS

Monterey County saw a huge run-up in prices during the recent housing bubble, driven by speculation, retirees, and second home buyers. Figure IV-3 shows monthly median home sales prices in Monterey County compared to the state of California between 2000 and November 2014. As shown, housing prices increased faster in the county than in the state as a whole during the early 2000s, reaching a peak of over $600,000 in 2005 and 2006. As in many communities, the housing bubble was fueled by speculation in residential property. In addition, brokers reported that the immense wealth generated in Silicon Valley resulted in increasing numbers of households purchasing second or retirement homes in Monterey County.

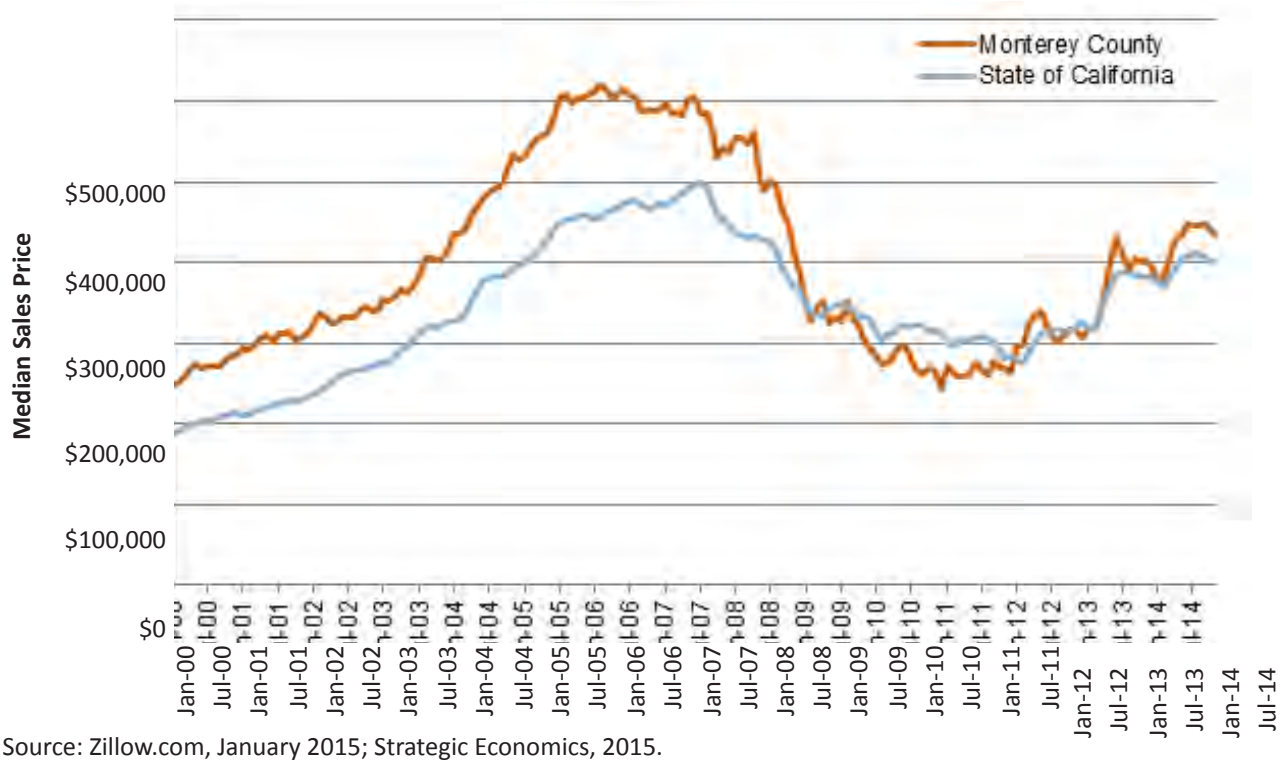
The rapid increase in housing prices was followed by a precipitous decline, from which the region has only recently begun to recover. Between 2006 and 2011, prices in Monterey County dropped by as much as 50 to 60 percent in many communities, to a low of around $260,000 on average for the county overall – slightly below the statewide low (Figure IV-3). Meanwhile, foreclosure activity skyrocketed. As reported in the 2012 Market and Economic Analysis, at the bottom of the housing collapse an estimate 13.5 percent of all households in Monterey County were in some stage of the foreclosure process. Discussions with area brokers suggest that foreclosure rates, at least on the Peninsula, have now stabilized to pre-recession levels.

Home prices began to stabilize in 2011, assisted in part by investors purchasing single-family homes to rent. Anecdotal information from local brokers indicates that, at least initially, the increase in demand was fueled by investors purchasing single-family homes at attractive prices, undertaking small improvements, and returning the homes to the market as rentals. Demand from investors helped stabilize the downward trend in home prices. Seaside and Marina were particularly attractive for this type of investment activity because of the cities' proximity to service jobs on the West Peninsula. The median home price for Monterey County had increased to approximately $460,000 by late 2014, slightly exceeding the statewide median. It is uncertain whether home prices will rebound to their previous highs, but, as discussed below, the reduced prices may be an asset for increasing affordability levels and ownership rates for county residents.

Within Monterey County, there is significant variation in home prices. Figure IV-4 shows median single-family housing price trends for selected communities within Monterey County. Single-family home prices vary dramatically across the region, particularly on the Peninsula where homes sell for well over $1 million in the wealthy communities of Carmel and Pebble Beach, compared to more moderate median prices in most of the North Peninsula. Within the North Peninsula, the median price in the first half of 2014 was approximately $355,000 in Seaside, $423,000 in Marina, $450,000 in the Del Rey Oaks, and $700,000 in the Highway 68 corridor. Median home prices in the Salinas Valley are in the $300,000 range.

Communities in the North and West Peninsula have experienced a more prolonged slump in housing prices compared to the Salinas Valley. The Salinas Valley experienced the sharpest decline in housing prices, with prices falling by 50 to 60 percent between 2007 and 2009. However, Salinas Valley prices began to recover after 2009, and most parts of the Valley have seen sustained price increases since that time. In comparison, prices continued to fall in most North and West Peninsula communities through 2011, and have generally recovered more slowly in the ensuing years (Figure IV-4).

Figure IV-3 Monthly Median Home Sales Prices: Monterey County and the State of California, January 2000-November 2014



Source: Zillow.com, January 2015; Strategic Economics, 2015.

Figure IV-4. Historic Median Single-Family Sales Prices: Selected Markets in Monterey County, 2007- 2014

	Median Sales Price					Percent Change			
	2007	2009	2011	2013	2014*	2007-09	2009-11	2011-13	2013-14
North Peninsula									
Del Rey Oaks	$735,000	$405,000	$385,000	$450,500	$450,000	-45%	-5%	17%	0%
Marina	$580,000	$354,000	$310,000*	$385,124	$423,808	-39%	-12%	24%	10%
Highway 68 Corridor	$932,500	$573,500	$558,000	$600,000	$700,000	-38%	-3%	8%	17%
Seaside/Sand City	$619,000	$270,598	$264,050	$327,400	$355,325	-56%	-2%	24%	9%
West Peninsula									
City of Monterey	$795,000	$520,000	$463,000	$590,224	$635,000	-35%	-11%	27%	8%
Carmel	$1,550,000	$1,240,000	$1,082,500	$1,205,000	$1,350,000	-20%	-13%	11%	12%
Pacific Grove	$805,000	$603,750	$537,500	$682,500	$727,500	-25%	-11%	27%	7%
Pebble Beach	$2,312,500	$1,100,000	$1,104,000	$1,147,500	$1,440,000	-52%	0%	4%	25%
Salinas Valley									
East Salinas	$433,950	$160,000	$174,500	$231,900	$312,000	-63%	9%	33%	35%
North Salinas	$535,000	$209,000	$222,000	$280,000	$319,000	-61%	6%	26%	14%
South Salinas	$540,000	$276,250	$285,000	$390,000	$386,000	-49%	3%	37%	-1%

*Annual data are not available; based on semi-annual data from the January to July period.
Sources: Monterey County Association of Realtors; Strategic Economics, 2014.

Monterey County has a very small for-sale condominium and townhome market. In 2013, 2,788 single-family homes sold in Monterey. In comparison, just 347 common interest development units[18] were sold, accounting for just over 12 percent of total transactions. As shown in Figure IV-5, the majority these units were concentrated in the more affluent communities of Carmel, Pacific Grove, and Monterey. There were also a relatively large number of transactions in Northern Salinas, while very few multi-family ownership homes sold in Marina and Seaside. The small size of the multi-family market, especially in the North Peninsula, likely reflects the area's historically family-oriented communities. Countywide, condo prices averaged $320,000 in 2013; prices were significantly lower in Seaside and Marina.

Within the Seaside/Marina market area, a sizable percentage of the rental stock is made up of privately owned single-family homes. According to local brokers, after housing prices reached their trough in about 2009, there was a significant increase in the number of investors purchasing single-family homes and placing them on the rental market. Investors focused on Marina and Seaside in particular due to their affordability and proximity to service jobs in the West Peninsula. With prices now stabilizing, brokers indicate that this trend has slowed substantially. Older, more run down single-family homes often rent for under $1,500 per month, with rents for homes in better shape currently advertised at about $1,000 for one-bedroom units, $1,600 to $2,600 for two-bedroom units, $2,500 to $3,300 for three-bedroom unit, and $2,100 to $3,400 for four-bedroom units. However, because single-family home rentals are not tracked by market data vendors, data on the rental market in the Peninsula is very limited and incomplete.

18 - Common interest developments (CIDs) include Condominiums and Planned Developments; these two forms of ownership are characterized by common ownership of private residential property and mandatory membership in a homeowner's association.

Figure IV-5 Common Interest Development Sales, 2013

	Closed Sales	Median Sales Price
North Peninsula		
Del Rey Oaks	12	$317,500
Marina	10	$177,000
Seaside/Sand City	8	$250,000
West Peninsula		
City of Monterey	80	$357,500
Carmel	21	$520,000
Pacific Grove	19	$489,500
Pebble Beach	10	$552,000
Salinas Valley		
East Salinas	20	$96,050
North Salinas	44	$97,425
Salinas Monterey Highway	11	$325,000
South Salinas	20	$227,000
Monterey County Total	347	$320,000

Sources: Monterey County Association of Realtors, 2013; Strategic Economics, 2014.

Very few new homes have been built in the county since 2005, although there is significant housing development planned both at Fort Ord and in the Salinas area. As discussed below, the first two residential projects to commence development in Monterey County since the recession are both located on Fort Ord. As discussed in Chapters II and III, the Base Reuse Plan calls for an additional 5,700 new housing units to be built at the former Fort Ord. Several projects were entitled on the base before or during the recession, but put on hold due to poor market conditions including low sales prices and high foreclosure rates. Meanwhile, the City of Salinas recently annexed land to the northwest that is a part of three specific plans that allow for up to 13,000 new housing units.

Although home prices remain lower than before the recession, Monterey County continues to face a significant discrepancy between housing prices and incomes. A report prepared by the Monterey County Association of Realtors notes that only 27 percent of Monterey County households can afford a home priced at $460,000, the median price of a home in the county in October 2014[19]. There is an even more significant gap between local incomes and new home prices, which have sold (at East Garrison) for up to $650,000. Only 11 percent of Monterey County households can afford a home priced at this level[20]. While East Garrison is reportedly doing well and attracting move-up homebuyers from within the county, it remains unclear how deep the market demand will be for new homes priced in the $500,000s and mid $600,000s given the limited number of local households who can afford homes in this price range.

While the high cost of housing in the West Peninsula is supported by a large percentage of second homes and wealthy retirees, there has been less demand to date from these types of buyers in Marina, Seaside, and Fort Ord. Local brokers noted that the majority of second homebuyers in the Peninsula are looking for the lifestyle and amenities associated with Carmel, Pebble Beach, and surrounding affluent communities. The more affordably priced housing stock in Marina and Seaside is typically occupied by first-time homebuyers and renters, including many service workers. Anecdotally, brokers suggest that in some communities in Carmel and Pebble Beach, 60 percent or more of housing units are owned by second homeowners and are not occupied full-time. In comparison, second homeowners are thought to account for around 10 to 20 percent of the market in Seaside and Marina.

19 - To afford a home costing $460,000 -- the median home price in October 2014 – a household would need to have an annual income approaching $100,0000. Only 27 percent of Monterey County households earned more than $100,000 in 2012.

20 - Based on calculation by Strategic Economics. Only 11 percent of Monterey County residents earned $150,000 or more in 2012, the approximate income required to afford a home priced at $650,000.

RECENT MARKET ACTIVITY IN THE FORMER FORT ORD

The first two residential projects to begin construction in Monterey County since the recession are both located on Fort Ord. Figure IV-6 provides a summary of unit types and pricing for East Garrison and The Dunes, the two new single-family development projects that are currently under development on the base. As noted above, the units are on relatively small lots, but are set at price points ranging from the mid $400,000s to mid $600,000s, significantly higher than average prices for older homes in Marina and Seaside. The other residential projects in the planning pipeline for the former Fort Ord are currently stalled due to financing, entitlement, water, environmental, or other factors.

East Garrison, the first project to begin selling new housing on Fort Ord, has primarily attracted families relocating from within the county or outside the region, including some employees at CSUMB and local hospitals and clinics. The East Garrison development is approved for a mix of housing types totaling 1,472 units, with 170 single-family permits pulled for Phase 1. Early marketing began in mid-2013, with the first units occupied in early 2014. The developer indicated that they are pleased with the pace of sales and pricing, with an estimated 50 units built and 70 units sold (including pre-sales). A favorable land basis allowed the developer to initiate the project early in the market recovery. Buyers are attracted to the opportunity to purchase a new home and include a mix of move-up buyers, a limited number of former renters from within the county, and families relocating from communities outside the area including Bakersfield, Sacramento, and Los Angeles. Some homebuyers have moved from Salinas in search of lower crime rates and better schools. Several homes have also been sold to CSUMB professors and those employed in the area's hospitals and clinics. A small number of homes have been sold to families who are still working in the greater region, but intend to retire to the area. However, the housing at East Garrison is family-oriented and is not located near the coast, and has not proven to be particularly attractive for second home buyers or retirees.

Figure IV-6. New Single-Family Development in Fort Ord

Project	Unit Types	Unit Sizes (sq. ft.)	Lot Sizes (sq. ft.)	Asking Prices	Status (As of Late 2014) and Comments
East Garrison (Phase 1)					Phase I includes 170 single-family units. An estimated 50 units built and 70 sold since home sales began in late 2013 (approx. 3-4 units per month). East Garrison also includes Manzanita Place, a 61-unit affordable apartment building occupied summer 2013.
The Monarch	3 bdrms/2.5 bath	1,575 -1,870	2,500 - 4,000	$449,000-$489,000	
The Artisan	3-6 bdrms/3 bath	1,719-2,607	4,000	$499,000-$575,000	
The Heritage	4-6 bdrms/2.5-4bath	1,975-2,877	5,000-6,000	$575,000-$648,000	
The Dunes				Projected:	Phase I is projected to include 108 single-family attached and detached units. Model homes under construction, sales expected to commence in Feb. 2015. Developer projects absorption of 3 units/month. Phase 1 also included 108-unit affordable apartments.
Sea House (duets)	2-4 bdrms/2.5bath	1,523-1,896	2,500	High $400's - $500's	
Surf House	3-4 bdrms/2.5bath	1,928-2,158	5,000	$500's to $600's	

Source: Project Sponsors, 2014; Strategic Economics, 2014.

The Dunes on Monterey Bay has approvals for 1,237 housing units, and may prove more attractive than East Garrison for second home buyers. A 108-unit affordable rental apartment project at The Dunes was completed last year. The for-sale residential component had been on hold for several years during the recession, but the developer believes the market can now support the pricing required to make the project economically viable. Model homes are under construction, with sales projected to commence in February 2015. Phase I includes permits for 108 market-rate, single-family attached and detached units. As noted in Figure IV-6, the single-family duets and detached homes will range from 1,800 to 2,200 square feet and are projected to sell for $500,000 to the mid $600,000s. Sales representatives indicated they are projecting selling between 3 and 4 units per month. Because The Dunes is located nearer to the coast than East Garrison and some units will have ocean views, sales representatives and local brokers are expecting it to attract more second home buyers and retirees.

Both East Garrison and The Dunes include long-term plans for multi-family townhomes and condos, but multi-family development is not expected to be economically viable until prices appreciate significantly. On a per-square-foot basis, construction costs are generally higher for multi-family than for single-family development. The prevailing wage requirement on Fort Ord further increases construction costs. As a result, condominium and townhome prices will need to increase significantly for multi-family development to be feasible, and for the private market to deliver a broader range of housing products. The developer of East Garrison suggested that an attached multi-family project might not be economically viable for a minimum of five years. Given low apartment rents in the surrounding areas, the developers of the two projects do not anticipate introducing a market-rate apartment project for some time.

Fort Ord benefits from having ample vacant available land on which to develop new residential projects, but also faces challenges including high prices for new development relative to local incomes, a lack of cohesive neighborhoods, and poorly ranked schools. Compared to the older homes in the surrounding area, the new homes on Fort Ord are in pristine condition. However, pricing of the single-family units is high relative to existing home prices and household incomes in the surrounding communities, the emerging neighborhoods within Fort Ord are still quite isolated and offer few amenities, and, with the exception of Carmel and Pebble Beach, the county's schools are ranked poorly on statewide ranking scales.

Absorption of new market-rate homes in Fort Ord has totaled under 50 units a year to date, and is projected to reach approximately 100 units per year with the completion of additional homes at East Garrison and The Dunes in the coming years. Since sales began at East Garrison in late 2013, units have sold at approximately 3 to 4 units per month. Sales representatives at The Dunes are projecting a similar absorption rate. Assuming these absorption rates continue, absorption of homes at East Garrison and The Dunes combined is likely to total approximately 100 units per year, suggesting that new neighborhoods will be slow to emerge.

CONCLUSION

The existing housing stock in Seaside and Marina is relatively affordable, predominantly single-family, and serves as an important source of housing for service workers employed on the Peninsula. Nearly half of all housing units in the North Peninsula were built in the 1960s and 1970s, the period when Seaside and Marina experienced significant population growth associated with the expansion of Fort Ord. Many of the housing units built during this era were small, low-cost, single-family homes, and many of these are now being rented and are in need of repair or renovation. The older, rented homes in Seaside and Marina provide one of the few sources of affordable, market-rate housing for service workers employed in the Peninsula. In the wake of the housing market crash that began in 2007 and 2008, there has been a significant increase in the number of investors purchasing single-family homes and placing them on the rental market. Investors have focused on Marina and Seaside in particular due to their affordability and proximity to service jobs in the West Peninsula.

Seaside and Marina have not historically attracted many second homebuyers and retirees. While the high cost of housing in the West Peninsula is supported by a large percentage of second homes and wealthy retirees, there has been less demand to date from these types of buyers in Marina, Seaside, and Fort Ord. Local brokers noted that the majority of second homebuyers considering options in the Peninsula are looking for the lifestyle and amenities associated with Carmel, Pebble Beach, and surrounding affluent communities. Anecdotally, brokers suggest that in some communities in Carmel and Pebble Beach, 60 percent or more of housing units are owned by second homeowners and are not occupied full-time. In comparison, second homeowners are thought to account for around 10 to 20 percent of the market in Seaside and Marina.

Although the first two major residential projects to commence development in Monterey County since the recession are both located on Fort Ord, absorption of new, market-rate housing units has been slower than AMBAG household growth projections would suggest. AMBAG projects that the North Peninsula cities will add approximately 200 to 300 households a year between 2010 and 2035. However, actual absorption of new, for-sale, market-rate homes in Fort Ord has totaled fewer than 50 units a year since new units at East Garrison began marketing in mid 2013, and is projected to reach approximately 100 units per year with the completion of additional homes at East Garrison and The Dunes in the next few years. (Approximately 170 affordable rental units have also been completed and occupied in the past two years.) The other residential projects in the planning pipeline for the former Fort Ord are currently stalled due to financing, entitlement, water, environmental, or other factors, but could be completed in the medium- to long-term.

The slow development and absorption of new market-rate units reflects slow regional population growth, the lingering effects of the recession, a mismatch between the incomes of Monterey County residents and the prices that are needed to support new development, and the challenges associated with construction on Fort Ord. New construction has been slow to occur on the base, in part as a result of regional economic conditions, including slower than expected population growth, relatively low household incomes in the region, and the effects of the recent recession. Moreover, there is a significant gap between local incomes and new home prices. For example, only 11 percent of Monterey County households can afford a home priced at $650,000, the cost of a higher-end new home in East Garrison[21]. Other factors contributing to the challenge of development on Fort Ord include the lack of cohesive neighborhoods, poorly ranked local school districts, and relatively high sales prices that are driven in part by high construction costs associated with blight removal and the prevailing wage requirement.

21 - Based on calculation by Strategic Economics. Only 11 percent of Monterey County residents earned $150,000 or more in 2012, the approximate income required to afford a home priced at $650,000.

To some extent, slow absorption rates may also indicate a mismatch between demand and the supply of new units that have entered the market to date. To date, only single-family homes with three or more bedrooms have been completed on Fort Ord. These units have proven most attractive for move-up buyers and former renters from within the county, as well as families and older couples relocating from communities outside the area. There may also be demand for smaller, lower cost units – for example, from younger people creating new households by moving out of their parents' home or graduating from CSUMB, or from senior households who would like to move from a single-family home to a smaller unit – that is not being met by the new, single-family housing that on the market. Because the amount of recently completed development in Monterey County is so small, however, the market for smaller and attached units remains largely untested.

In the near-term, single-family homes are expected to account for most new development; market-rate multi-family development will only become economically viable when unit values increase significantly. Market-rate development on Fort Ord is likely to continue to take the form of single-family units (including attached and detached) in the short-term. To the extent that there is a growing segment of the market that is interested in higher-intensity development, prices will need to increase before this type of product will be financially feasible to build. Current single-family sales prices are adequate to cover the cost of construction – which, on a per-square-foot basis are typically lower for single-family homes than for multi-family development – and offer an acceptable return on investment for single-family homebuilders. However, rents and sales prices are not expected to reach the level required to support multi-family construction costs, including providing an acceptable rate of return for the developer, for at least the next five years.

Vertical mixed-use development is also unlikely to be economically viable in the short- to mid-term. Like other types of multi-family development, mixed-use development will be challenging because it is more expensive to build on a per-square-foot basis, and thus requires higher prices than the market currently supports. In addition (as discussed in Chapter V), there is limited demand for additional retail space on the former Fort Ord, and retailers prefer to locate in highly visible, concentrated activity nodes near large, brand-name anchor tenants. These location considerations are often difficult to accommodate in a vertical mixed-use format.

Absorbing the housing development anticipated in the BRP will likely require attracting segments of the housing market not currently active in the North Peninsula, including retirees and second homebuyers. Given the relatively low incomes in the North Peninsula and slow pace of household growth and employment that is projected over the coming decades, Fort Ord will need to attract buyers from outside the region in order to fully realize the community's vision for the base reuse. Although Seaside and Marina had historically struggled to attract retirees and second homebuyers, Fort Ord could prove attractive for moderate-income buyers from inland Monterey County or other parts of the Central California, who are looking for a second home or retirement community located near the coast that is relatively affordable compared to communities such as Carmel and Pebble Beach.

Attracting and retaining members of the Millennial generation will also be critical to the long-term economic revitalization of the North and West Peninsula area. In many other parts of the country, people in their 20s and 30s have been driving demand for new housing. In the North and West Peninsula, however, the population under age 45 has been decreasing since the 1990s. In order to stabilize or reverse the decline in young people and retain CSUMB graduates and other younger households over time, the region will need to provide housing and neighborhoods that meet their preferences, as well as good jobs and high-quality K-12 schools for families with children. In order to help grow the base of high-quality jobs and retain more young workers, the County Economic Development Department, CSUMB, UC MBEST, and individual cities' economic development staff are working to capitalize on key employment sectors already present in the county, including pursuing approaches to expand education, health, and hospitality employment as well as research and development opportunities in agriculture and marine research.

The Regional Urban Design Guidelines represent an opportunity to help make Fort Ord more attractive for Millennials, families, and older second homebuyers and retirees, as well as more functional for an aging population. Surveys indicate that Baby Boomers and Millennials are less interested in other age groups in traditional, auto-dependent suburbs, and instead prefer locations with easy access to amenities and a broader range of mobility options such as walking and public transit[22]. Creating more cohesive, pedestrian-oriented neighborhoods with improved connections to retail and other activity centers could help make Fort Ord more attractive for these buyers.

22 - See, for example, American Planning Association, Investing in Place: Two Generations' View on the Future of Communities, May 2014, http://www.planning.org/policy/polls/investing/pdf/pollinvestingreport.pdf.

Commercial Market

This chapter provides an overview of recent commercial trends. The analysis builds on the discussion of employment trends in Chapter III and findings from the 2012 Market and Economic Analysis. The chapter also incorporates updated market data from the commercial vendor CoStar, as well as qualitative findings from interviews with local commercial real estate brokers, developers, and economic development professionals. The following sections provide an overview of regional market dynamics and recent market activity on the former Fort Ord for each major commercial product type envisioned in the Base Reuse Plan (office, retail, hotel, and industrial/flex space). The chapter concludes with a discussion of implications for future development on the base.

Note that the tables below use slightly different submarkets than Chapters III and IV, reflecting the geographies at which CoStar reports data.

OFFICE MARKET OVERVIEW

Regional Market Dynamics

Monterey County's current office inventory totals 7.9 million square feet of rentable building area, with the largest concentration of space in CoStar's North Monterey County submarket and the City of Salinas. As shown in Figure V-1, North County (which includes Ryan Ranch, Moss Landing, the Carmel Valley, and Salinas Valley north of Soledad) has 2.8 million square feet of office space. The City of Salinas is the second largest office market, with 2.1 million square feet, followed by the City of Monterey at just under 2 million square feet of space. Marina and Seaside contain a very small percentage of the county's inventory of office space, with less than 400,000 square feet combined.

Figure V-1 Office Market Statistics, 3rd Quarter 2014

CoStar Submarkets	Rental Building Area		Vacant Sq. Ft.***		Total Vacancy Rate	YTD Net Absorption	Average Asking Rent (per Sq. Ft.
	Total Sq. Ft.	% of Total	Direct	Total			
North Monterey County	2,804,386	35%	194,318	396,676	14.1%	-20,839	$23.20
City of Salinas	2,130,490	27%	96,402	97,352	4.6%	19,520	$19.44
Monterey	1,953,081	25%	123,327	124,327	6.4%	3,464	$21.07
Downtown Salinas	389,673	5%	15,840	17,920	4.6%	2,660	$16.67
Marina/Seaside	376,138	5%	26,693	26,693	7.1%	-245	$16.64
Pacific Grove	166,637	2%	11,880	11,880	7.1%	-4.896	$20.87
Carmel/Pebble Beach	74,783	1%	3,974	3,974	5.3%	-950	$26.40
Soledad	30,632	0%	0	0	0.0%	650	$0.00
South Monterey County**	12,000	0%	2,000	2,000	16.7%	0	$11.93
Total Monterey County	**7,937,820**	**100%**	**474,434**	**681,422**	**8.6%**	**-634**	**$21.30**

*North Monterey County includes Del Rey Oaks, Moss Landing, the Carmel Valley, and the Salinas Valley north of Soledad (excluding the City of Salinas)
**South Monterey County includes the 101 Corridor south of Soledad.
***Direct vacancies are defined as space being offered for lease by the landlord or owner of a building (as opposed to space being offered for sublease by an existing tenant). Total vacant space includes space available for sublease as well as direct vacancies.
YTD: Year to Date
Source: CoStar Group, 2014; Strategic Economics, 2014.

The office market in Monterey County has worsened slightly over last five years, despite the fact that little to no new construction has been added to the supply of space. The county had an overall vacancy rate of 8.6 percent in the third quarter of 2014, up slightly from the 7.5 percent in 2009. Average asking rents have also declined slightly from $22.06 to $21.30. The softness of the market is further demonstrated by the recent increase in subleased space. In 2009, virtually all the available office space was being directly leased; in the third quarter of 2014, 30 percent of the vacant space was comprised of subleased spaces. With an existing vacant inventory of 680,000 square feet of space, the county has an excessive supply of space on the market despite the fact that (according to CoStar), only 15,000 net new square feet of office space has been absorbed since 2009[23].

The Cities of Salinas and Monterey have the lowest vacancy rates (at 4.6 percent and 6.4 percent respectively) in the county, while vacancies in the North Monterey County and Marina/Seaside submarkets are significantly higher. The vacancy rate in North County, which as noted above includes office buildings in Ryan Business Park, was 14.1 percent in the third quarter of 2014. The vacancy rate in Marina/Seaside was just over 7 percent.

While average rents are in the range of $20 to $23 per square foot a year in most of the major office submarkets in Monterey County, rents are much lower in the Marina/ Seaside area. Annualized asking rents average $23 per square foot in the North County, $21 per square foot in Monterey, and $19.40 per square foot in Salinas. However, brokers leasing space in Ryan Ranch indicated they typically lower rents substantially below asking rates to attract tenants. In the smaller Marina/Seaside market, rents average under $17 per square foot per year.

The majority of office tenants are small professional users who require less than 10,000 square feet of space. Brokers note that tenants in multi-tenant buildings include medical practitioners, attorneys, accountants, services and small to medium business owners.

Larger national tenants have been leaving the county, and have not been replaced by similarly sized companies. For example, Capital One vacated a 300,000 square foot building in Salinas, relocating their 800-person operations to Texas. The County of Monterey purchased the vacated building, preventing vacancy rates from increasing significantly as a result. McGraw Hill, which has a 210,000 square foot office building in Ryan Ranch, is in the process of downsizing and relocating out of the area; the building is now largely vacant and is on the market for sale. The 62,500 Monterey Herald building, also located in Ryan Ranch, was also recently vacated by the newspaper. The company will remain in Monterey, but is downsizing. The building was sold to CSUMB for $5.7 million, or $91 per square foot, well below the $7.2 million asking price. CSUMB plans to use the property to accommodate their research space needs, continuing education and other programs. It should be noted that this acquisition was executed in lieu of earlier plans to build new offices on the campus, which was deemed too costly an option.

Ryan Ranch Business Park, which represents the largest multi-tenant office node on the Peninsula and is directly adjacent to the former Fort Ord, has struggled to maintain occupancy and rent levels. The seven-building complex has 177,000 square feet of space and caters to small to medium sized tenants including many professional offices. The complex has a current vacancy rate of 18.6 percent. Asking rents at Ryan Ranch range from $17.40 to $19.80 per square foot, although the leasing agent indicated to attract tenants they often provide some free rent and pay moving expenses. Several spaces have been on the market for years.

The general consensus among local brokers, developers, and local economic development professionals is that the office market is unlikely to improve in the coming five to 10 years. The pessimism regarding the speculative office market is based on the weak market indicators, the localized nature of demand, lack of educated labor pool, and high housing prices. Further, the projected growth in employment is primarily in retail, leisure and hospitality, education and health care, and other services sectors that do not generate significant demand for office space.

23 - Brokers from Cassidy Turley, one of the largest commercial brokers in Monterey, indicated that the CoStar vacancy rates reflect vacancies in all buildings including government tenants. A more accurate regional vacancy rate for private development would exclude these users, resulting in a 2014 office vacancy rate of 14.5 percent countywide. However, CoStar data are used here because they provide more detailed data at the submarket level.

Recent Market Activity in the Former Fort Ord

Expectations that UC MBEST or CSUMB would generate demand for new research facilities requiring office or flex/ light industrial space have not come to fruition. As discussed above, CSUMB recently acquired the former Monterey Herald building. This acquisition is projected to accommodate the university's foreseeable future need for office and research space. UC MBEST's latest visioning report reduced their long-term build-out from several million square feet of office/light industrial space to a 296,000 square foot facility. Moreover, UC MBEST recently vacated an 11,000 square foot office building that they are now trying to sell, and the 26,000 square foot headquarters building is only half leased, with little apparent demand for space.

The existing supply of office space in the market is likely to accommodate most of the increased demand associated with employment growth for the coming decade. The new 148,000 square foot Veterans Medical Clinic will add a substantial number of new employees and an estimated 70,000 patients per year to Ford Ord. Local brokers are hopeful that the project may spin off of some additional demand for small professional offices, and that this may have some positive impact on the area's high vacancy rates.

RETAIL MARKET OVERVIEW

Regional Market Dynamics

In Monterey County, the greatest concentration of retail space is found in and around the City of Salinas, but there is also a significant amount of retail space in and around Fort Ord. Out of a total of 18 million square feet of retail space in the county, Salinas has 6.9 million square feet or 42 percent (Figure V-2). North Monterey County (which includes Del Rey Oaks) and Marina/Seaside/Sand City markets each have approximately 3 million square feet.

The county's retail market is generally stable, but not growing. Current vacancy rates are 3.8 percent, down from 5 percent in 2009. As shown in Figure V-2, retail vacancy rates are fairly consistent throughout the county, although they are somewhat lower in Salinas and higher in the small retail market of Pacific Grove. Asking rents average $17.70 per square foot, slightly below the 2009 average rate of $17.98 per square foot.

The retail market in Marina/Seaside is generally underperforming compared to the county as a whole. Rents in the Marina/Seaside submarket have declined from $17.55 to $16.41 per square foot in the last five years. Vacancies have declined over the same period from 6.4 percent to 4.4 percent, but are still slightly higher than the countywide average of 3.8 percent.

Discussions with retail developers and brokers suggest that the Peninsula has tapped out retail demand. The local retail market benefits from the large number of visitors to the area. However, with just over 100,000 residents the overall size of the local market area is quite small, and most types of retail are already represented in the marketplace. Further, the slow pace of projected population growth will minimize new demand for the next five to 10 years. As new housing is built over time, there may be the potential to support a small additional amount of locally-serving retail.

Figure V-2 Retail Market Statistics, 3rd Quarter 2014

CoStar Submarkets	Gross Leasable Area		Total Vacant Sq. Ft.	Vacancy Rate	Average Asking Rents (per Sq. Ft. per Year)
	Total Sq. Ft.	%of Total			
City of Salinas	6,909,794	38%	201,808	2.9%	$16.09
Other North Monterey County*	3,127,791	17%	142,281	4.5%	$19.05
Marina/Seaside/Sand City	2,974,318	16%	131,714	4.4%	$16.41
Monterey	2,473,392	14%	82,913	3.4%	$17.05
Downtown Salinas	710,571	4%	22,574	3.2%	$18.08
Pacific Grove	670,259	4%	60,571	9.0%	$17.59
Other South Monterey County**	557,583	3%	26,050	4.7%	$12.57
Carmel/Pebble Beach	416,739	2%	12,616	3.0%	$38.38
Soledad	266,416	1%	0	0.0%	$0.00
Totals	**18,106,863**	**100%**	**680,527**	**3.8%**	**$17.70**

*North Monterey County includes Del Rey Oaks, Moss Landing, the Current Moss Landing, the Carmel Valley, and the Salinas Valley

Recent Market Activity in the Former Fort Ord

The Dunes on Monterey Bay came on the market in 2007 with a strong array of tenants including REI, Bed Bath & Beyond, Best Buy, and Target, but the shopping center's leasing agents are struggling to lease out the small amount of space that remains unfilled. Based on discussions with the project's leasing agents, the 365,000 square foot center is doing well. The project is over 95 percent leased. Currently anchor space is leased at $24 per square foot, while the smaller storefronts are renting for $36 per square foot. However, the shopping center's leasing agents are currently having difficulty leasing the last 3,300 square feet of space, particularly given the high rents.

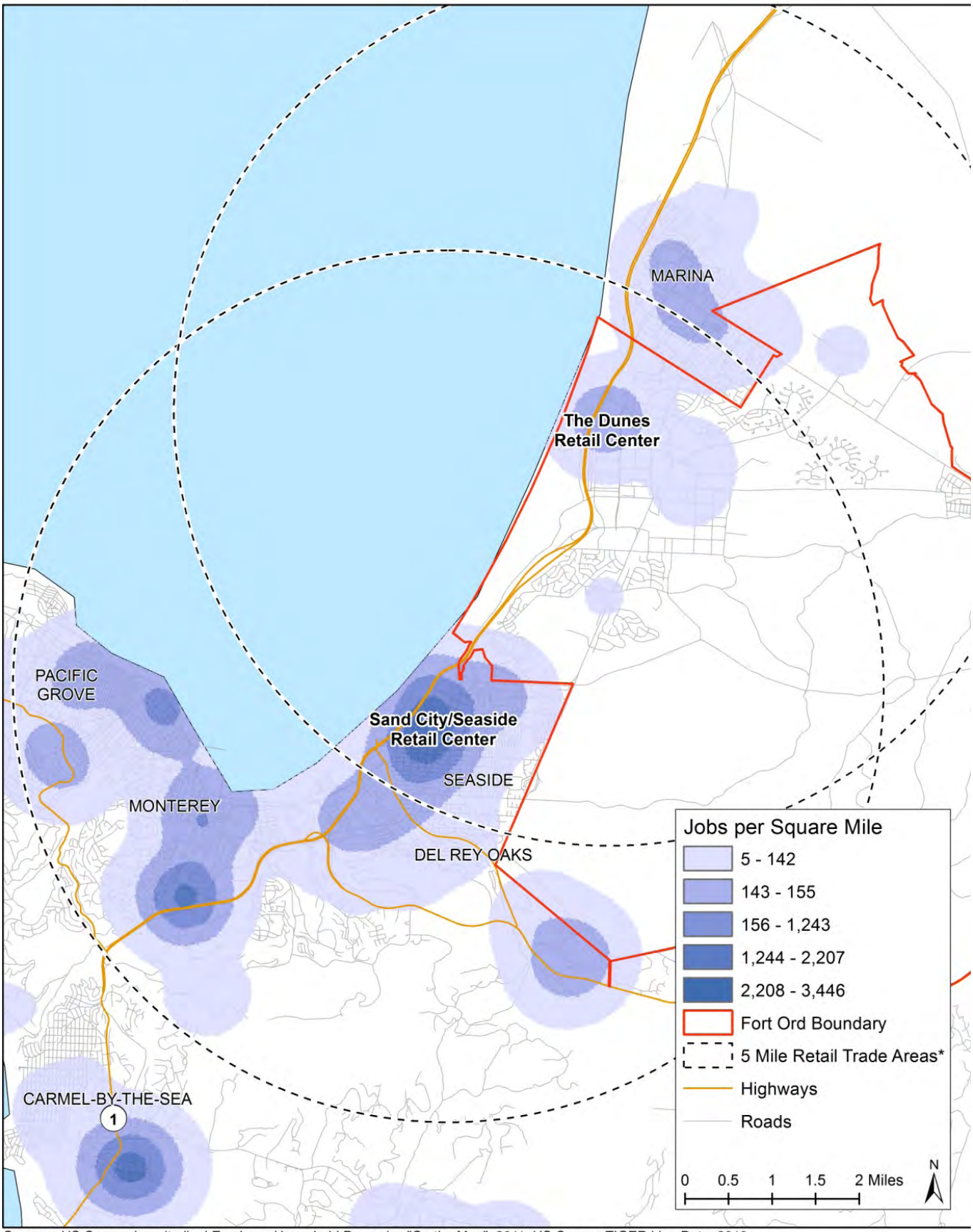
Demand for regional-serving retail centers appears to be saturated. Regional-serving, big box shopping centers like The Dunes typically serve a trade area of approximately 3 to 5 miles. Figure V-3 shows retail employment concentrations within and around the Fort Ord retail market area, which includes The Dunes and the nearby Sand City Retail Center. As shown, the five-mile trade areas for these two centers cover nearly the entire Peninsula, suggesting that there is limited unmet demand for any additional retail of this scale. In addition to the big box centers in Sand City, other shopping nodes within the immediate retail market area include some strip retail on Reservation Road in Marina and Fremont Boulevard in Seaside, and the newly developed convenience retail center at in Stone Creek Village Shopping Center in Del Rey Oaks.

However, dining and food and beverage establishments on Fort Ord land are severely undersupplied and offer one area for ne ar-term retail growth. There currently are no dining or food and beverage outlets near CSUMB and other nearby institutions. The new 150,000 square foot Veterans' Medical Center and multiplex movie theater that are under construction, as well as the planned new hotel at The Dunes, are expected to generate additional demand for this type of retail use.

Phase 2 at The Dunes is targeting this pent-up demand for eating establishments. The master developers of The Dunes have located a retail developer to undertake a 21,000 square foot food court on a 3.7-acre parcel. Leasing agents have already had considerable interest from quick serve restaurants interested in serving lunch and dinner to the area's large numbers of students and employees. Interest from more formal, sit-down restaurants has been limited.

Other than The Dunes Phase 2, most plans for additional retail development on Fort Ord are on hold. The Dunes has approvals to build retail under townhomes and condominiums as part of a town center, but this project is on hold. The plans for East Garrison also included a retail component, with a minimum of 34,000 and up to 110,000 square feet of neighborhood-serving retail. However, the developer does not anticipate that sufficient demand for new retail uses will be generated in the foreseeable future to support the retail component of the project.

Figure V-3 Retail Employment Concentrations, 2011



Sources: US Census Longitudinal Employer-Household Dynamics "On the Map", 2011; US Census TIGER Line Data, 2013.
*5 mile retail trade areas only for The Dunes Retail Center and Sand City/Seaside Retail Center.

HOTEL MARKET OVERVIEW

Regional Market Dynamics

Hotels and other visitor-serving accommodations remain a strong and improving sector in the Peninsula economy. Monterey County has a total of 252 lodging establishments, accounting for 1,204 guestrooms. The vast majority of these are located on the Peninsula, with the majority of those located in Monterey and Pacific Grove. While impacted by the recent recession, the hotel market has improved since 2011. As of October 2014, vacancy rates were at 70 percent, up 1.4 percent from the prior year. The average daily room rate was at $187, a 5.1 percent increase from the previous year.[24]

No new hotels have been built in the county in the previous five years, but several projects are actively pursuing planning approvals. At least two hotels are likely to receive local approvals within the next year, while approval of several other projects is uncertain due to issues including limited water availability, challenges obtaining needed approvals from the Coastal Commission, and other factors.

Recent Market Activity in the Former Fort Ord

Two new hotels are in the approvals process in Fort Ord. The City of Marina recently approved a $1 million incentive package to support development of a 106-room Marriott Springhill Suites Hotel at the Dunes. A second hotel project is undergoing review on the site known as "26 acres" on Lightfighter Drive in Seaside. The developer is proposing a 110-room Hilton Hamptons Inn and Suites for this site. These hotel projects are expected to augment the area's identity as a destination from which to explore the Monterey Peninsula, and will meet an underserved niche for college graduations and events.

INDUSTRIAL MARKET OVERVIEW

Regional Market Dynamics

The overall industrial market in Monterey County has improved over the last year, with increased net absorption and lower vacancy rates. The average, countywide industrial vacancy rate was about 10 percent during the recent recession, but has recently dropped to 5.9 percent (Figure V-4). During the first six months of 2014, the county absorbed 422,000 square feet of industrial space. Discussions with area brokers indicate the majority of this leasing activity was concentrated in the areas surrounding Salinas, and is reflected in the North County numbers.

The industrial market is concentrated in and around the City of Salinas. The City of Salinas and the North Monterey County submarket – which includes the Salinas Valley north of Soledad – account for 16.5 million out of 20 million square feet of space in the county. South County has an estimated 1.5 million square feet of industrial space, while Marina and Seaside combined make up 1 million square feet of the market.

Rents for traditional industrial space are quite low and would prove a barrier for new development on Fort Ord. Annualized rents for industrial space average $5.30 per square foot countywide. Excluding South County (which includes the 101 corridor south of Soledad and is not relevant for Fort Ord), annual asking rents range from $6.41 per square foot in the North County to $9 per square foot in Marina/Seaside. New construction would likely command somewhat higher rent rates as much of the existing inventory consists of older, inferior space. However, local brokers and developers believe that rents would need to be over $15 per square foot in order to support new development.

Most large industrial users cater to agriculture and distribution, and cluster in the Salinas area to have immediate access to trucking routes along Highway 101. According to local brokers, the greatest current demand is for warehouse, distribution, and refrigerated warehouse space, much of it associated with agricultural processing and transportation.

Demand for industrial space on the Peninsula is generally dominated by smaller, local-serving tenants including automotive, contractors, machine shops and warehousing. These tenants are less sensitive to proximity to Highway 101.

24 - Monterey County Convention and Visitor's Bureau, 2014.

The flex/R&D market has been underperforming compared to warehouse space. The flex market comprises only 4 percent of the overall industrial market, with approximately 900,000 square feet of space (Figure V-5). The majority of this space is concentrated near Salinas and other locations within the North County submarket. No new additions to supply have occurred over the last five years. Nonetheless, there are an estimated 140,000 square feet of vacant inventory and an overall vacancy rate of 15.8 percent – up dramatically from 5.1 percent reported in 2009. Rents per square foot average $13.48, and range from $9.40 to $19.60 per square foot, with the lowest pricing found in Salinas, and Monterey commanding the highest asking rents.

Recent Market Activity in the Former Fort Ord

The only light industrial development that is expected to locate on or near Fort Ord in the foreseeable future will be tied to niche or specialized users with outside funding. As discussed in Chapter II, UC MBEST has long had plans to create a R&D office/light park, although those plans have recently been scaled back and it remains uncertain when or if the project will be complete. Meanwhile, a unique light industrial project is under consideration in the City of Monterey adjacent to Ryan Ranch Business Park. The project sponsor is proposing an international, state-of-the-art motor sports facility. Phase 1 includes 250,000 square feet and would employ several hundred workers, with more than three times that amount projected at build-out.

Figure V-4 Retail Market Statistics, 3rd Quarter 2014

	Rentable Building Area				
CoStar Submarkets	Total Sq. Ft.	% of Total	Vacancy Rate	YTD Net Absorption	Average Asking Rents (per Sq. Ft. per Year)
North Monterey County*	12,254,124	61%	1.0%	429,792	$6.41
City of Salinas	4,473,099	22%	1.4%	30,864	$8.32
South Monterey County**	1,472,032	7%	37.1%	1,200	$3.26
Marina/Seaside	1,041,569	5%	6.5%	23,329	$9.05
Soledad	446,885	2%	0.0%	0	$0.00
Monterey	306,046	2%	6.6%	16,452	$13.26
Downtown Salinas	28,416	0%	0.0%	0	$7.08
Pacific Grove	19,946	0%	0.0%	0	$0.00
Total	**20,042,117**	**100%**	**5.9%**	**422,075**	**$5.34**

Figure V-5 Flex/R&D Market Statistics, 2014

	Rentable Building Area				
CoStar Submarkets	Total Sq. Ft.	% of Total	Total Vacancy Sq. Ft.	Vacancy Rate	Average Asking Rents (per Sq. Ft. per Year)
North Monterey County*	580,945	65%	103,756	17.9%	$14.30
City of Salinas	150,853	17%	14,000	9.3%	$9.40
Monterey	84,696	9%	11,633	13.7%	$19.60
Marina/Seaside	52,880	6%	12,445	23.5%	$13.80
Pacific Grove	18,366	2%	0	0.0%	$0.00
South Monterey County**	8,406	1%	0	0.0%	$0.00
Downtown Salinas	2,300	0%	0	0.0%	$0.00
Soledad	0	0%	0	0.0%	$0.00
Total	**898,446**	**100%**	**141,834**	**15.8%**	**$13.48**

*North Monterey County includes Del Rey Oaks, Moss Landing, the Carmel Valley, and the Salinas Valley north of Soledad (excluding the City of Salinas).
**South Monterey County includes the 101 Corridor south of Soledad.
YTD: Year to Date
Source: CoStar Group, 2014; Strategic Economics, 2014.

CONCLUSION

Monterey County's commercial real estate markets have generally been flat over the last five years, and the slow pace of development is expected to continue in the foreseeable future. There have been some modest improvements in the industrial and hotel markets in recent months, but a significant supply of existing vacancy space, low rents, and a significant sublease market in most commercial markets suggest that the pace of new construction will continue to be slow in the coming years. Demand for new, multi-tenant speculative commercial buildings in particular is not expected for the next five to 10 years.

The existing supply of office space in the market in and around Fort Ord is likely to accommodate most of the increased demand associated with knowledge-based employment growth for the coming decade. As discussed in Chapter III, Monterey County has lost employment in traditional office-based employment sectors (i.e., information, financial services, and professional services) since 2000. Long-term employment projections forecast that future job growth in the county will be concentrated in the leisure and hospitality, education and health care, retail, and agriculture industries, which typically do not generate significant demand for office space. Expectations that CSUMB or UC MBEST would generate demand for new research facilities requiring office or flex/light industrial space have not come to fruition, and the institutions have scaled back their growth projections over time. Given the large amount of vacant office space on the market, any spinoff associated with UC MBEST, CSUMB, or other institutions (such as medical offices associated with the Veteran's Clinic) in the next five to ten years will likely be absorbed by existing buildings. However, if various economic development efforts are successful, this trend could change over the longer term.

While vacancy rates for industrial space have declined in recent years, rents remain too low to support new, speculative industrial development. The only light industrial development that is expected to locate on or near Fort Ord in the foreseeable future will be tied to niche or specialized users with outside funding, such as UC MBEST or the motor sports facility that is planned adjacent to the Ryan Ranch Business Park. Other build-to-suit facilities may be developed in the future, but are difficult to predict based on current growth projections.

Some hotel development is likely to occur on Fort Ord in the near term, reflecting local and regional growth in the tourism industry. As discussed in Chapter III, leisure and hospitality is one of the industries that have driven job growth in Monterey County in recent years. Hotels and other visitor-serving accommodations remain a strong and improving sector in the Peninsula economy, and two hotel projects are in the approvals process on the former Fort Ord. These hotel projects are expected to augment the area's identity as a destination from which to explore the Monterey Peninsula, and will meet an underserved niche for college graduations and events.

Additional large-scale, regional-serving retail projects are unlikely to be feasible in the near- to mid-term. Between The Dunes Retail Center and the Sand City Retail Center, the North Peninsula trade area appears to be saturated with existing supply of regional-serving, big box retail. Moreover, the slow pace of projected population and employment growth suggests that demand for regional-serving retail will not increase significantly in the near- to mid-term. As a result, some of the large-scale retail projects that were proposed prior to the recession may not move forward given current market conditions.

However, it may be possible to attract a small grocery store, restaurants, or other convenience-oriented shops serving the area near CSUMB, East Garrison, and The Dunes. Dining and food and beverage establishments on Fort Ord land are undersupplied and offer one area for near-term retail growth. The Dunes Phase 2 is targeting the pent-up demand for restaurants, but there may be additional demand for this type of retail space, especially as the number of residents and workers on the base increases incrementally over time. Demand for dining and food and beverage uses is likely to be strongest in the area closest to CSUMB and The Dunes, where there is a growing critical mass of population and employment and an existing concentration of retail activity.

5
Process

Establishing a Common Vision

Direct community input shaped the ideas and recommendations in the Regional Urban Design Guidelines (RUDG). Under the direction of the Fort Ord Reuse Authority (FORA) and RUDG Taskforce, Dover-Kohl held a public charrette in February 2015. Over the course of nine days, more than 1,200 residents and stakeholders participated in the planning process, including elected officials, neighbors, merchants, developers, and community leaders. Responsible growth requires teamwork; the high level of civic involvement displayed during the charrette process will ultimately guide growth and ensure quality development for future generations of residents.

Charrette Preparation

In August 2014 the planning team began gathering base information and studying both the existing physical and economic conditions of the area, including a thorough review of the original Base Reuse Plan, the Base Reassessment Plan and the Highway 1 Design Guidelines, among others. A series of analysis maps were created in order to better understand the existing conditions.

Project Kick-off

Key members of the Dover, Kohl & Partners team including Jason King, principal with DKP, Dena Belzer, of Strategic Economics, and Bryan Jones of Alta Planning + Design met with FORA staff and the RUDG Task Force on September 21, 2014 to officially kick-off the project. This was a first opportunity for the DKP team and FORA staff to officially meet and discuss the goals and objectives for the RUDG, finalize the project schedule and review how the process would inform the overall document.

Public Outreach

A key element in preparing for the charrette was generating public awareness. FORA staff spread the word about the RUDG planning process through Save the Date cards, e-mail blasts, updates on FORA's website, and extensive use of social media outlets such as Facebook and Twitter.

Online Engagement - MindMixer, an online town hall, was a key component in gathering public input even prior to the charrette. Since its launch in August 2014, over 800 unique visitors have contributed ideas and initiated discussions between neighbors.

What is a Charrette?

Charrette is a French word translating to "little cart." At the leading architecture school of the 19th century, the École des Beaux-Arts, students would be assigned a tough design problem to work out under pressure of time. They would continue sketching as fast as they could, even as little carts carried their work away to be judged and graded. Today, "charrette" has come to describe a rapid, intensive and creative work session in which a team focuses on a particular design problem and arrives at a collaborative solution. Charrettes are product-oriented. The public charrette is fast becoming a preferred way to face the planning challenges confronting American communities.

top: Design Fort Ord Kick-off Workshop
middle: Seaside Sopher Center Mobile Charrette II
bottom: Marina Library Mobile Charrette

top: During the site visit, the team held several hands-on visioning sessions; *middle*: Site Visit Technical Meetings; *below*: Aerial image from the helicopter tour

Site Visit

A site visit in November 2014, allowed the planning team to meet FORA Staff, the RUDG Taskforce elected officials, residents, developers, and other local stakeholders in preparation for the charrette. Technical meetings were also held with members of the California State University at Monterey Bay (CSUMB), Monterey County, and the Association of Monterey Bay Area Governments (AMBAG), and the Monterey Salinas Transit Authority (MSTA) to discuss topics such as regional transit, trails and trail head development, development, and habitat conservation. The various, initial hands-on visioning sessions, meetings and interviews helped the team to grasp the dynamics of the former Fort Ord and gain a better understanding of the challenges facing the region.

The site visit included a helicopter tour guided by Josh Metz, Senior Planner with FORA, to get a first hand look at the region and potential focus areas. The flight path covered the entire perimeter of the former base, taking off from the Marina Airport and circling the area in clockwise fashion, which allowed the team to appreciate the diversity of the region's natural and built environment.

The Charrette

Touring the Region

The charrette began on the Morning of Monday, February 2, 2015 with the full consultant planning team meeting at the FORA offices for a group briefing and tour of the region. The design team was given an overview of the former Fort Ord and the base closure process to date at FORA offices by Executive Director Michael Houlemard. Senior Planner Josh Metz gave a tour of the FORA offices which was also the location of the open studio, numerous technical meetings, and both larger public sessions, the Kick-off and Hands-On Design Session at the beginning of the charrette and the Work-in-Progress Presentation at the close of the charrette.

The planning team was led on a van tour, provided by Jonathan Garcia, Senior Planner with For a, of the former Fort Ord and its surrounding areas. The team first visited the northern section of the fort including the former barracks off of Imjin Parkway, the Marina Heights project, the Marina Airport and East Garrison. The team the visited the housing in the Schoonover Road area and the CSUMB campus.

The team had a chance to see a full spectrum of old military facilities, new housing developments, new buildings, building reuse, trails and new transit corridors such as General Jim Moore Boulevard and Imjin Parkway as well as older corridors such as Inter-Garrison Road.

RUDG Educational Forum

In the afternoon of the first day, an Educational Forum was held in Carpenter's Hall, next to the FORA offices focusing on the benefits of urban design for beauty, function, and economic vitality. The session began with an overview charrette process for the creation of the RUDG, including the scheduled dates for the multiple hands-on design sessions, the open house and Work-in-Progress presentations.

Victor Dover provided background information on traditional town building, delving into the possibilities and goals of urban design in a Food-for-Thought presentation designed to inspire stakeholders to envision participants about what gateways, centers, corridors and trails could become in the future.

Peter Katz, Strategic Consultant, addressed the implications of design on the economic vitality of the region and the importance of developing an environment that will help attract and retain college students, entrepreneurs and provide jobs for the region.

top: Stakeholders discuss key concepts in a break-out group.

middle: A full house listened to Victor Dover discuss the importance of design during the RUDG Educational Forum.

bottom: Members of the audience were invited to ask questions at the RUDG Educational Forum.

facing page: A trail in the foothills of the Fort Ord National Monument.

City Council Briefings

Victor Dover and Jason King briefed City Council members of Marina, Seaside and Monterey on the Charrette process, its purpose and timeline. Council members were invited to participate in the many scheduled hands-on design opportunities or to drop into the studio to see what the team was working on and provide their input.

Hands-on Design Sessions

Five separate Hands-on Design Sessions were held during the first week of the charrette at Carpenter's Hall, Marina Library, CSUMB Student Center and two at the Seaside Sopher Center.

The first, on Monday, February 2, focused on all of the jurisdictions within the former Fort Ord, while subsequent meetings held on Wednesday, February 4, Thursday, February 5, and Saturday, February 7 concentrated on the immediate vicinity where the hands-on sessions were occurring. Between 50 to 100 members of the community attended each of the meetings.

Each session began with an introduction provided by Senior Planner Josh Metz explaining the planning process and the importance of public involvement to the development of design guidelines that will guide the redevelopment of Fort Ord.

Jason King followed up at each session with a presentation about a range of Urban Design principles intended to get members of the audience thinking about what type of design characteristics could enhance the character and walkability of the region. The audience was polled using keypad devices to gauge participant priorities, with real-time results displayed on the screen. Questions began with demographic query, to find out who was in the room, in terms of tenure, age and occupation.

top: A participant at the Seaside Mobile Charrette presents the five main concepts discussed by her team to the rest of the attendees.

middle: Participants at the CSUMB Mobile Charrette work together in small groups to share their ideas for Fort Ord's future.

bottom: Jason King describes the different charrette events and goals of the Hands-On Design Session.

A community image survey showing images of peer communities around the country, was also a part of the polling process. People were asked to rank each image as “Love it”, “Hate it”, or “No Opinion”. The results of the survey helped to gauge the types of places residents would like to see more of in the region.

Following the presentation the event transitioned to the group table sessions starting with a briefing by Jason King to explain the goals and objectives, introduce participants to the base maps, and set ground rules. Working in small groups of eight to ten people, participants gathered around tables to draw and share their varied ideas for the future of the region overall as well as for the specific area where the meeting was being held. A member of the design team or FORA staff was at each table to hear discussions and help facilitate the conversation.

At the end of the session, a spokesperson from each table presented their table’s map and five big ideas to the entire assembly. Numerous ideas emerged. Some of the big ideas mentioned repeatedly were the need for increased connectivity and the development of a town center near Second Avenue.

In addition to the table maps and group presentations, participants were asked to fill out an exit survey and “one word” cards as an additional way to express their ideas, hopes, and vision for the former Fort Ord.

In addition to the Hands-on design session, Aditi Sharma, Town Planner with DKP, operated a mobile station inside the CSUMB University Center to capture input from busy students rushing to or from classes.

top: A DKP team member set up a booth at CSUMB to allow students pressed for time to contribute their ideas between classes.

middle: A participant at the Marina mobile charrette presents the five key concepts discussed at his table.

bottom: Participants at the Seaside mobile charrette shared a variety of ideas about what should be prioritized in Seaside.

Open Design Studio

From Tuesday February 3, to Wednesday February 11, the design team worked with the community in an open design studio where community members were welcomed to stop in at any time.

The convenient location of the studio, as well as widespread community interest, led to dozens of people participating throughout the week. Visitors to the design studio were welcomed, introduced to the activities taking place around the room and invited to look over the teams shoulders and ask questions. Table drawings and plans from the Hand-on Design Sessions were displayed around the room for easy review as new people became involved.

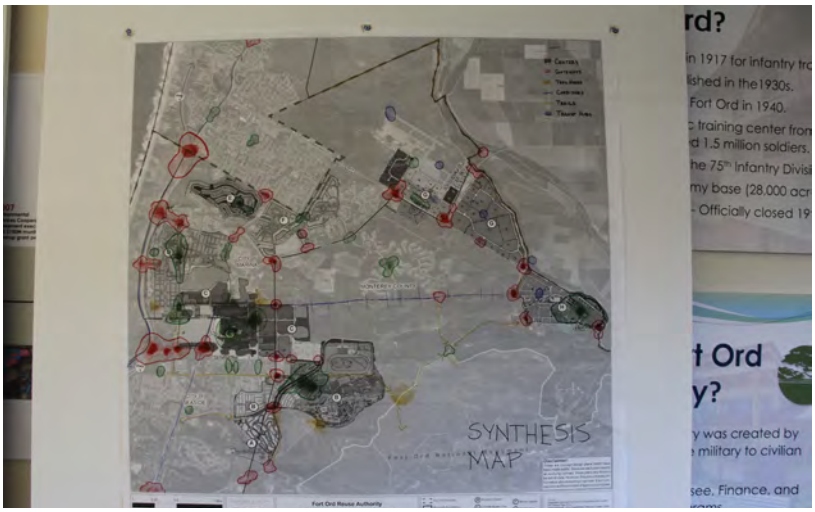
While stakeholders visited the studio, the design team began combining the information gathered at the Hands-on Design Sessions into a single Synthesis Map that included the many ideas heard. The Synthesis Map included locations identified as being gateways to the region, potential centers of activity, where corridors to travel through the region should be, and where trails could be located to accommodate both commuter and recreational biking activities.

In addition, exit surveys captured ideas that had not been discussed during the Hands-on Sessions. These were analyzed and informed the team about other major themes, such as the need for developing signage, commemorative statues, or civic centers to commemorate the rich military history of the Fort.

Many of the ideas discussed at the Hands-on Sessions and in the Open Design Studio became integral to the creation of illustrative concepts and renderings produced to illustrate how the different focus areas could change and/or develop over time in Marina, at Lightfighter drive and on the east side of General Jim Moore Boulevard.

Technical Meetings

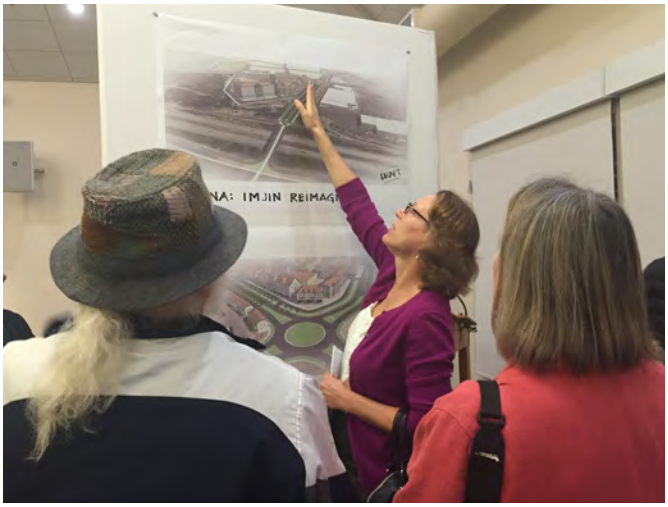
Members of the Dover-Kohl design team met with stakeholders in a series of scheduled technical meetings. The meetings were used to discuss topics such as transportation, development, education, diversity and how they could or could not be affected by the design guidelines. The technical meetings included sessions with staff from the cities of Marina, Monterey, and Seaside as well as members from the RUDG taskforce and county level regional and transportation planners.



top: Creating the preliminary stages of an illustrative concept.

middle: Synthesis Map showing ideas from Hands-On-Design Sessions.

bottom: Technical meetings were held as part of the design studio.



top: Victor Dover welcomes stakeholders to the Open House

middle: Open House at Carpenter's Hall

bottom: Participants were able to provide comments at the Open House

The technical meetings helped to further shape the elements that should be incorporated into the Design Guidelines and to ensure that the ideas being processed were balanced by the awareness of many viewpoints.

Other team members such as economists Dena Belzer and Alison Nemirow of Strategic Economics, transportation specialists Wade Walker and Brian Jones of Alta Planning & Design, and developers John Rinehart of Civitas Consulting and Bruce Freeman of Pinnacle Consulting, participated in most of the technical expertise. Their Expertise was invaluable in strengthening conversations with developers, trail enthusiasts, municipal and county transportation or planning staff of what type of developments the area's market can support to how multi-modal or "Complete Streets" can improve transit alternatives for pedestrians, bikers and drivers alike.

Open House

On Monday, February 9, the team held an Open House. Nearly 100 people attended and were able to preview draft stages of the vision. Maps, street sections, computer visualizations, and draft area plans were pinned up around the room, giving attendees the chance to see where the plan was headed and how their ideas had been incorporated into the vision.

Work-In-Progress Presentation

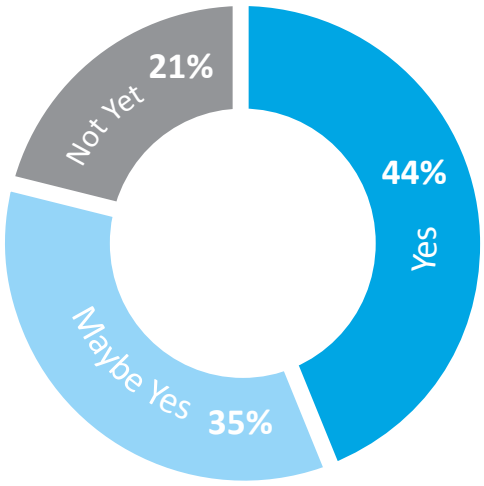
The charrette ended with a Work-in-Progress presentation on the evening of Wednesday, February 11, at Carpenter's Hall. Over 80 stakeholders attended the event to hear and see the shared community vision for the future of Fort Ord. For nearly half the audience, the Work-in-Progress was the first charrette event they had attended.

FORA Executive Director Michael Houlemard opened the meeting, addressing the work completed by the planning team over the past nine days. Following the introduction, Victor Dover and Jason King, presented a summary of the numerous ideas developed during the charrette. The presentation included a draft illustrative map and visualizations of what type of development could result from the Regional Urban Design Guidelines.

Dena Belzer, of Strategic Economics, presented a market analysis of the region, detailing how the vision could be financially feasible, and result in economic prosperity for the area. Bryan Jones from Alta Planning + Design addressed mobility principles that would be key in establishing corridors that could be shared by cars, bicyclists and pedestrians alike.

At the end of the presentation, the audience was asked if they felt the vision was on the right track. 44% of the audience felt that the vision was headed in the right direction, 35% felt that it might be and 21% felt that the vision for the guidelines was not there yet.

DO YOU FEEL
THE DRAFT VISION IS GENERALLY
ON THE RIGHT TRACK?



right: FORA Executive Director Michael Houlemard introduces the planning team.

below: Victor Dover discusses the results of the Charrette process to date.

Community Input: Vision

The following pages document input collected throughout the charrette process that helped shape the overall vision for how the guidelines can improve the character of new development on Fort Ord.

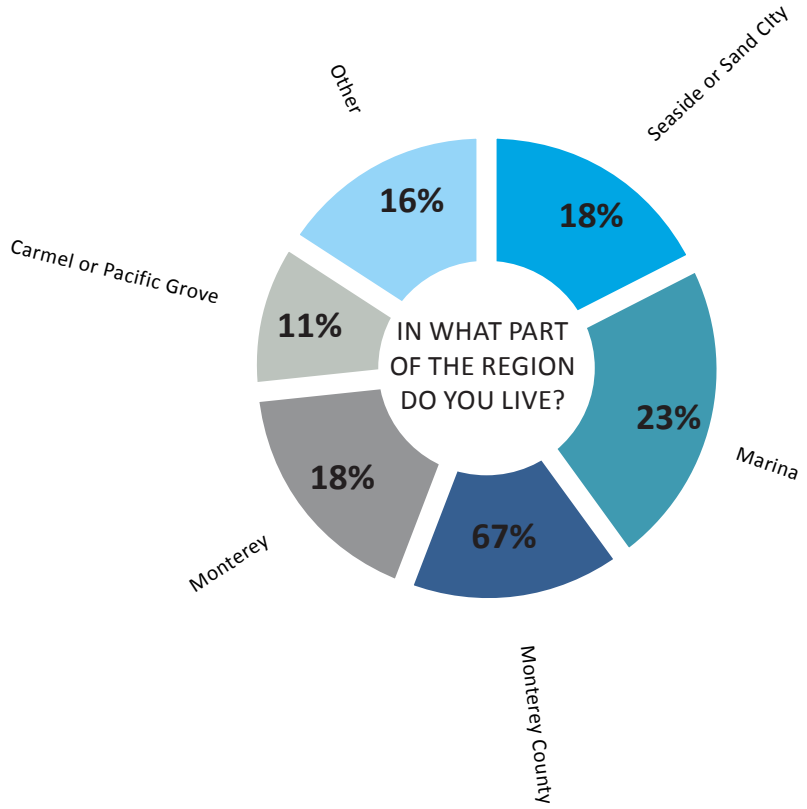
These include:

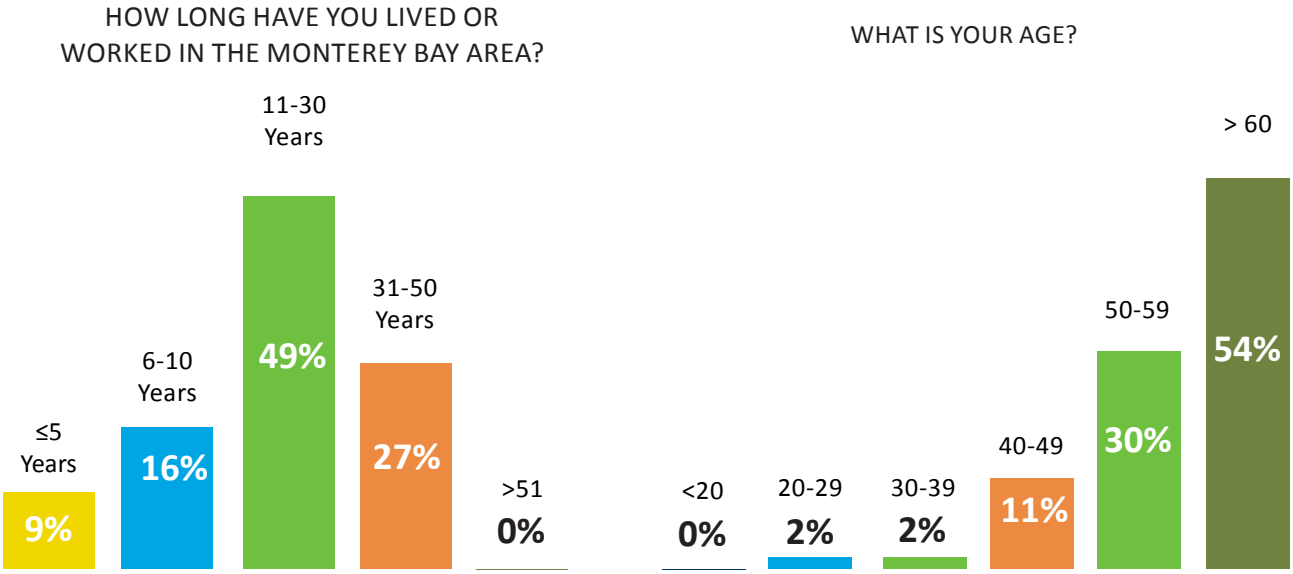
- The Keypad Polling which summarize answers to the questions asked during the introductory presentation at the various hands-on section.
- The synthesis map, a compilation of hands-on map exercises held at the kick-off hands-on session.
- The One-Word word clouds, a compilation of words that hands-on session participants at the Febr used to describe how they envision Fort Ord currently and how they would imagine Fort Ord in the future.

below: DKP Project Director Jason King looks on as a student presents her table's top five ideas.

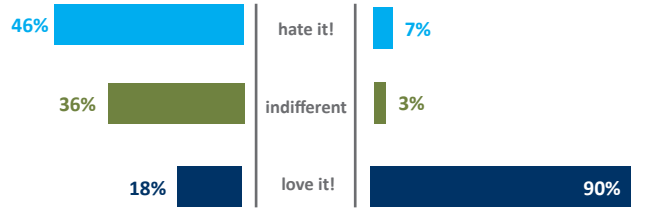
Keypad Polling:

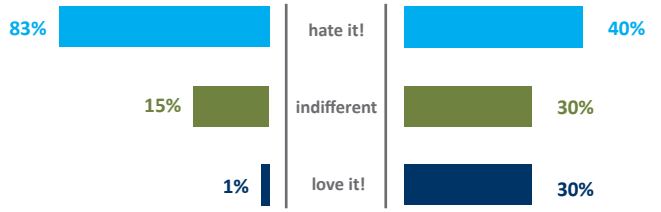
Responses from participants at Kickoff Session on February 2, 2015

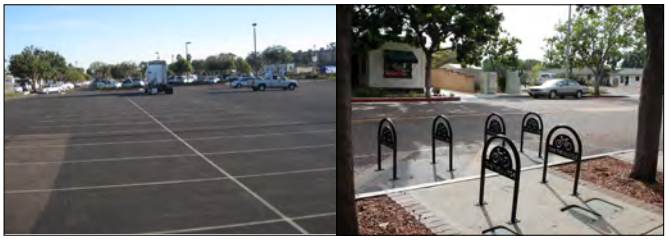


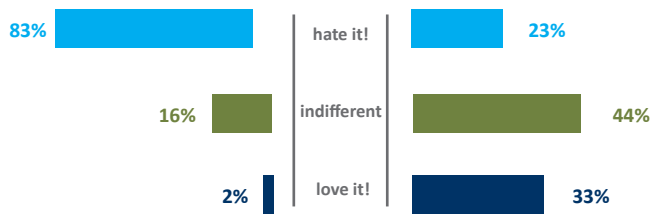


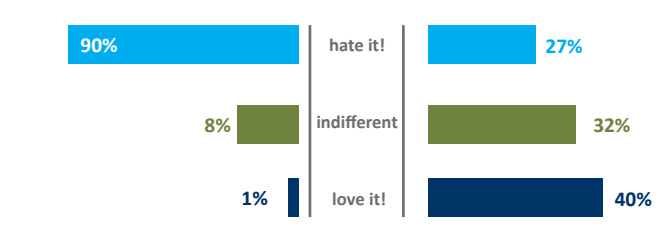
Rating Urban Form: Love It or Hate It

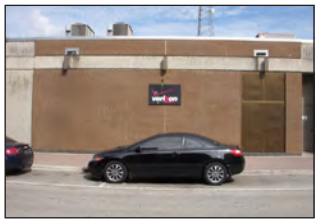


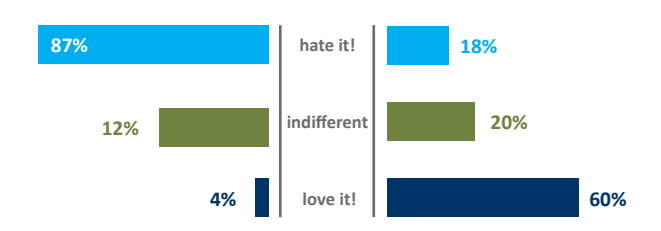






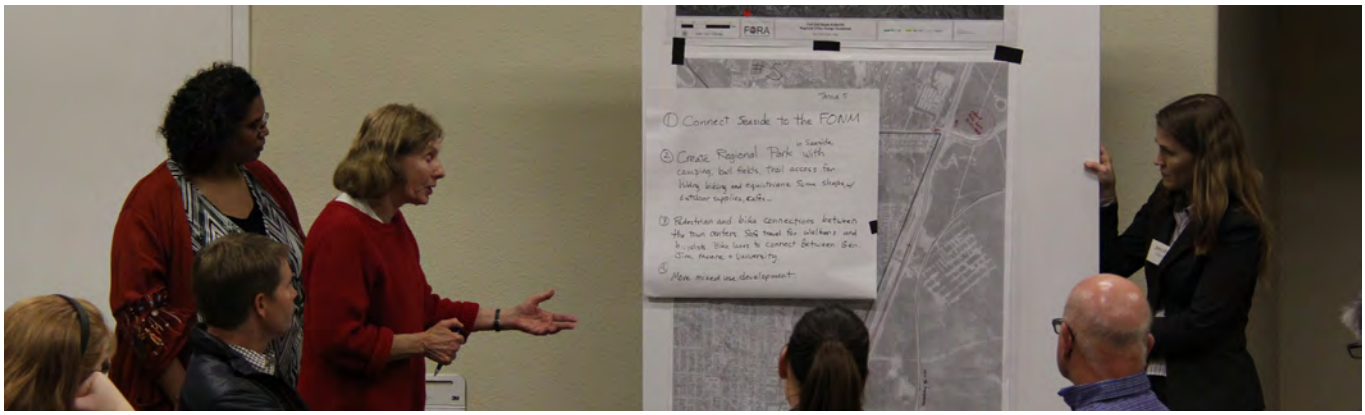


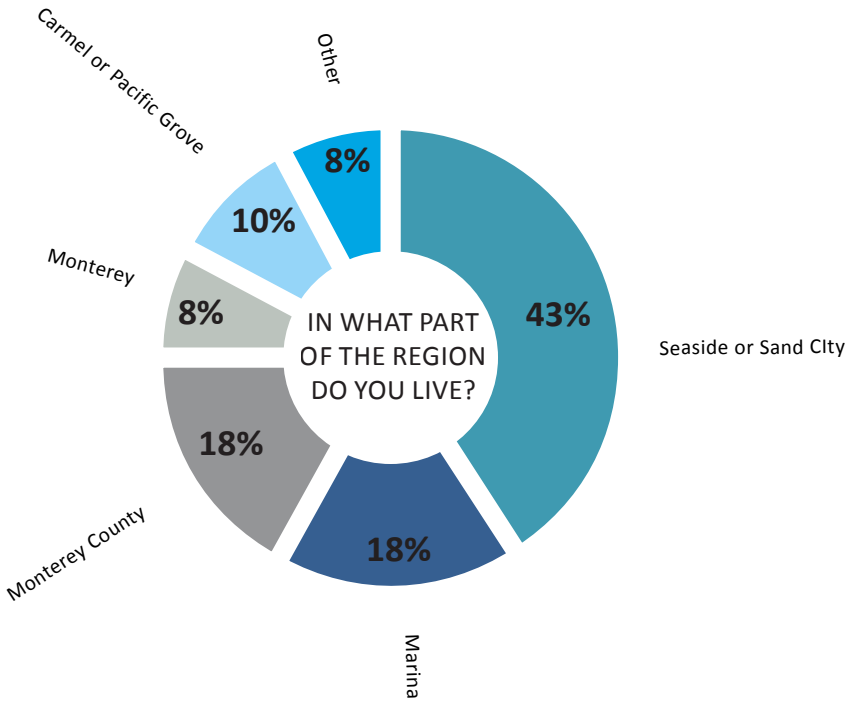


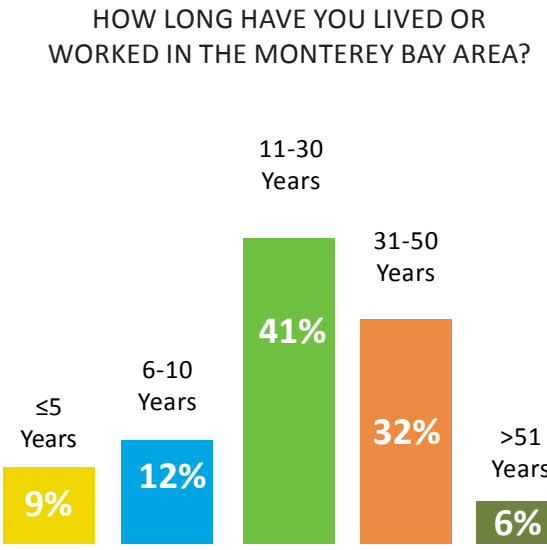


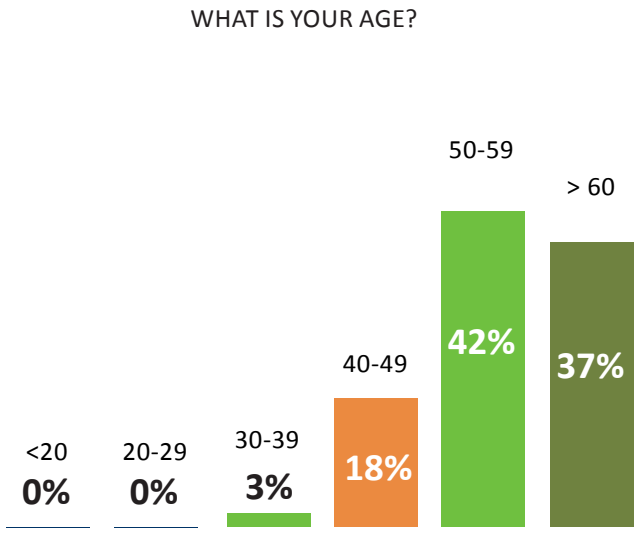
Keypad Polling:

Responses from participants at Seaside Mobile Charrette on February 4, 2015

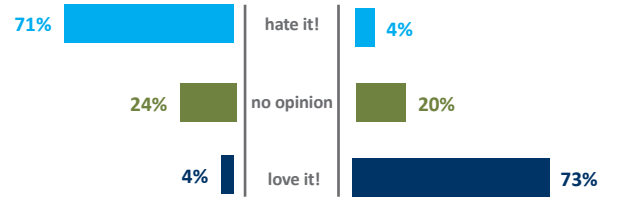


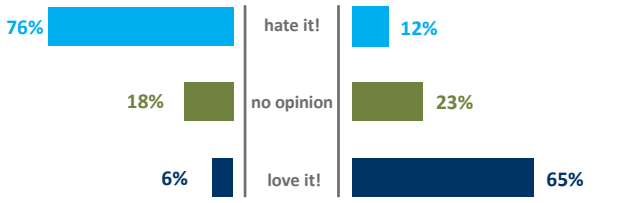


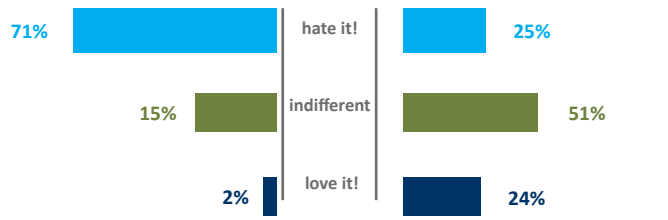


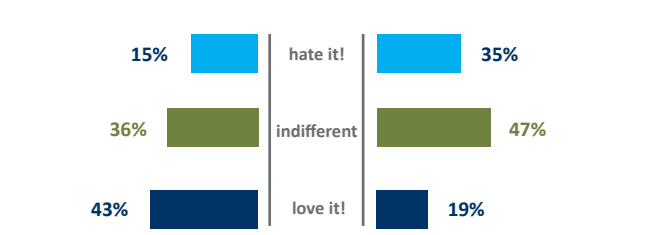


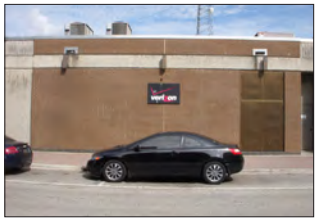
Rating Urban Form: Love It or Hate It

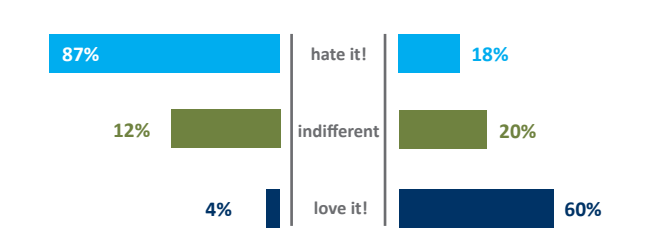






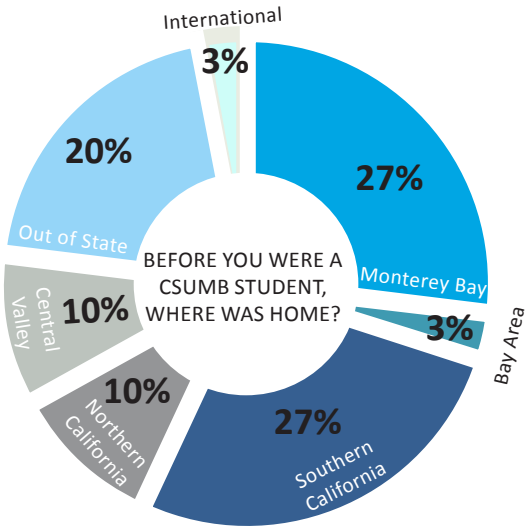


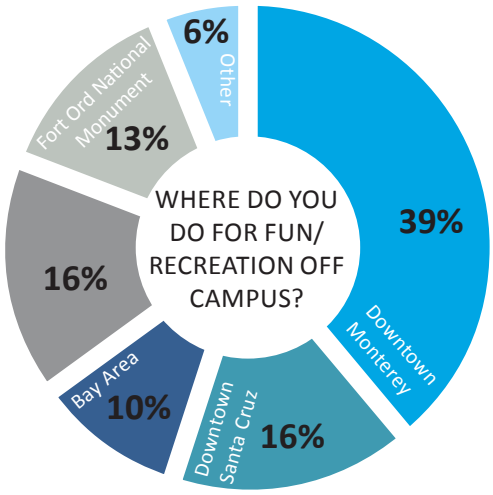


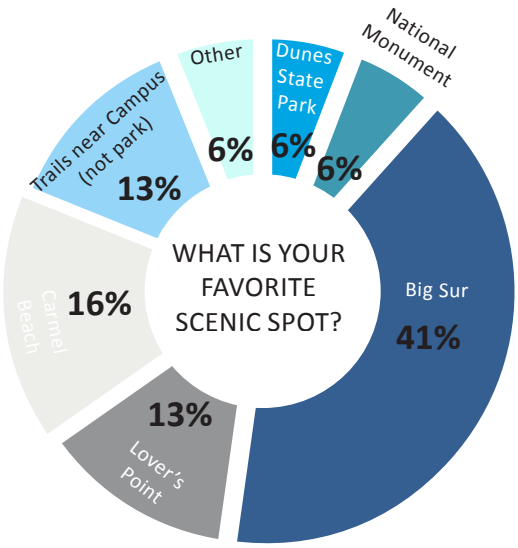


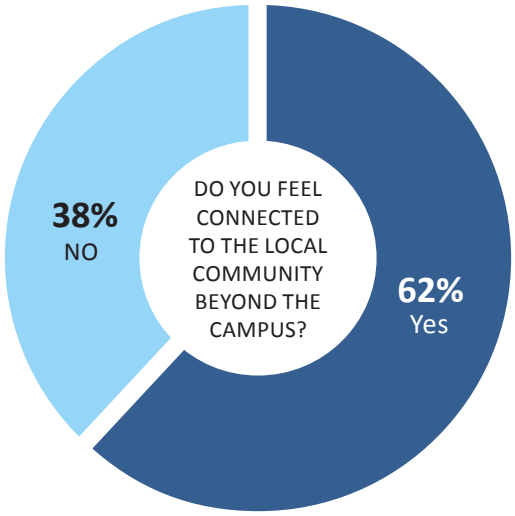
Keypad Polling:

Responses from participants at CSUMB Mobile Charrette on February 5, 2015

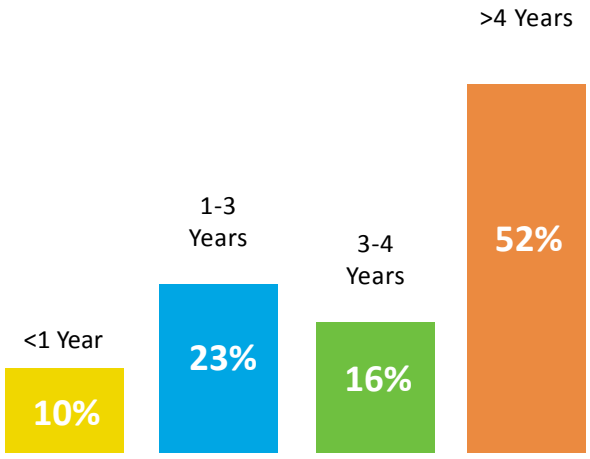




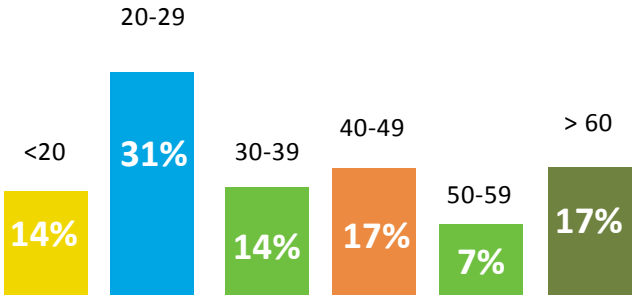




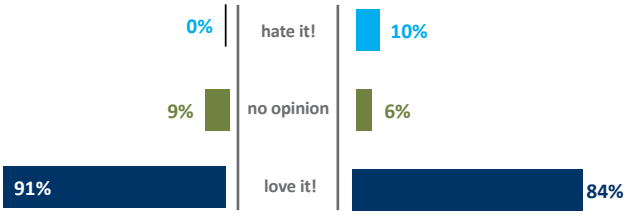
HOW LONG HAVE YOU LIVED IN THE MONTEREY BAY AREA?

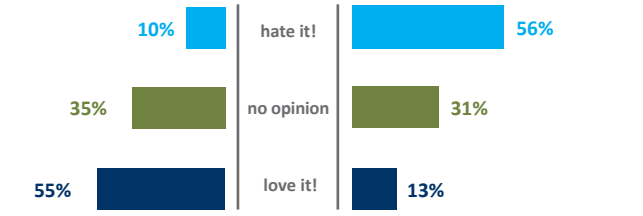


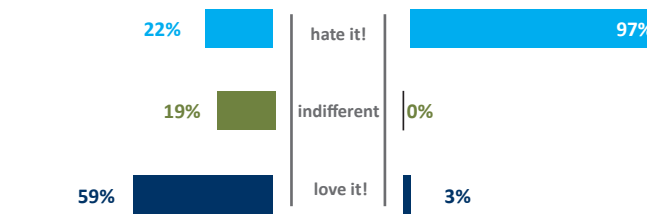
WHAT IS YOUR AGE?

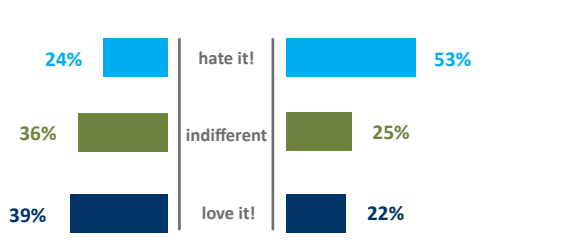


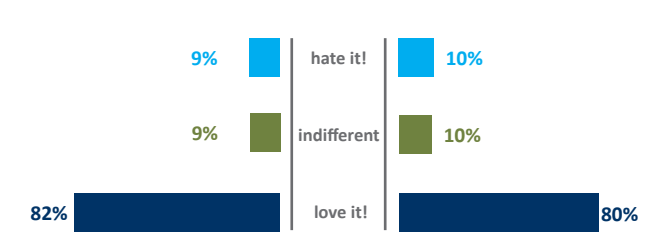
Rating Urban Form: Love It or Hate It





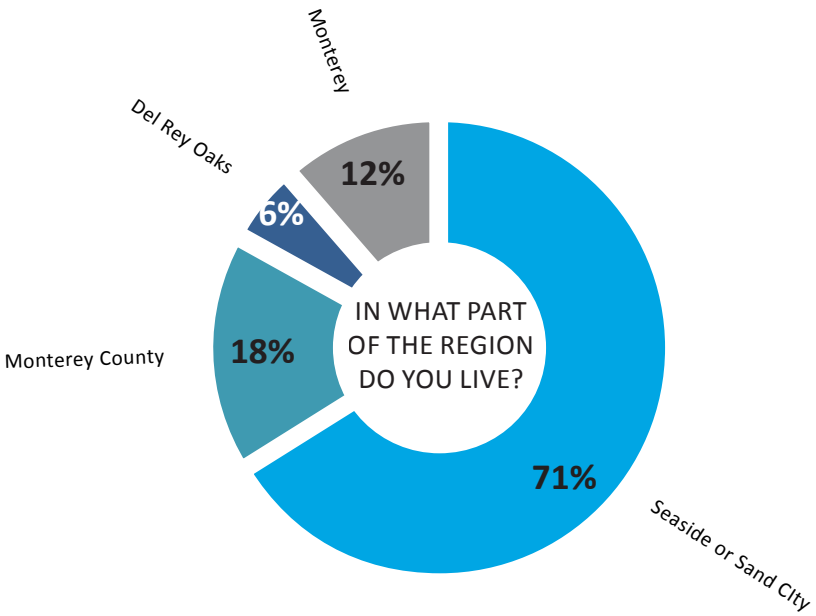


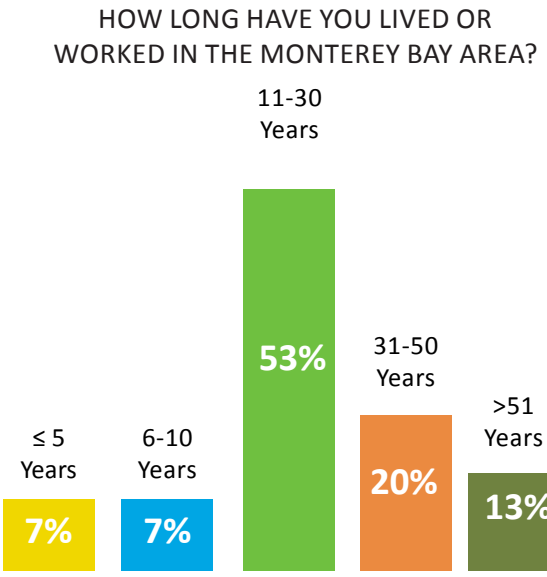


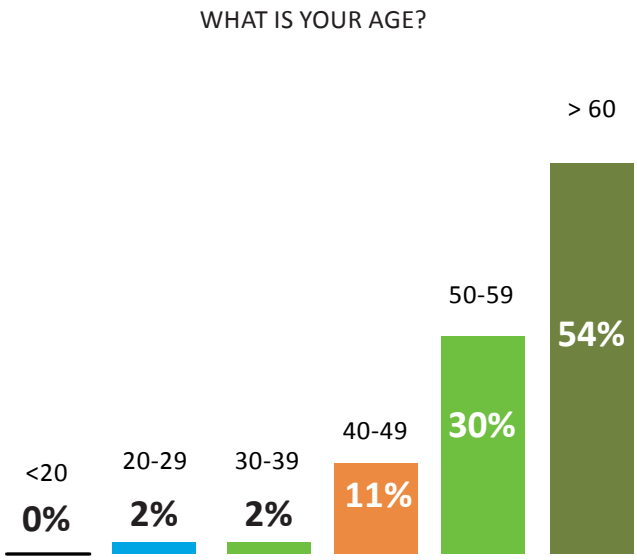


Keypad Polling:

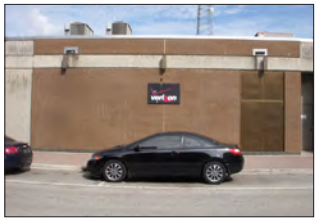
Responses from participants at Seaside Mobile Charrette on February 5, 2015





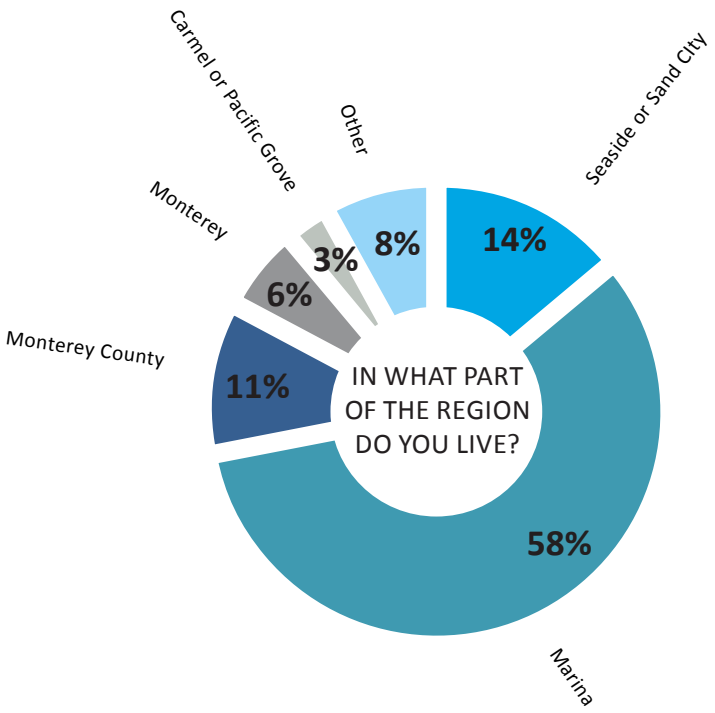


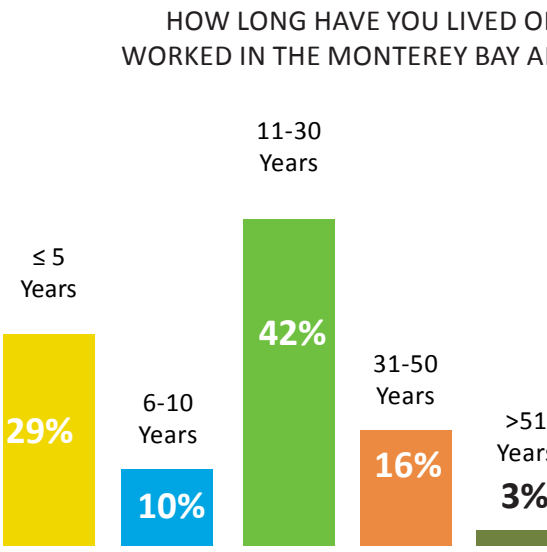
Rating Urban Form: Love It or Hate It

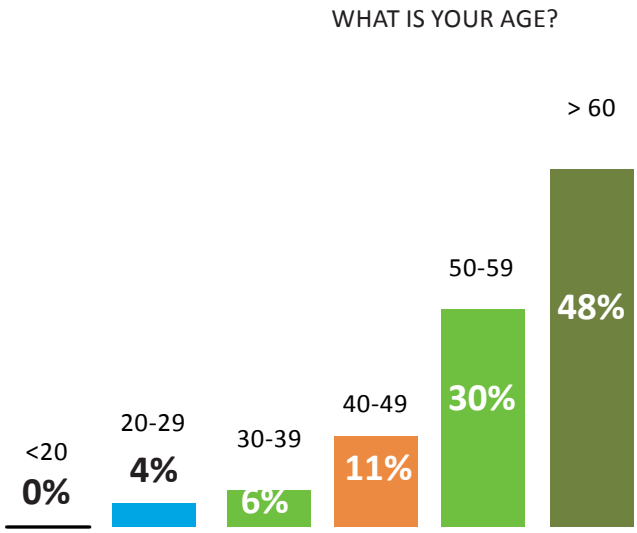


Keypad Polling:

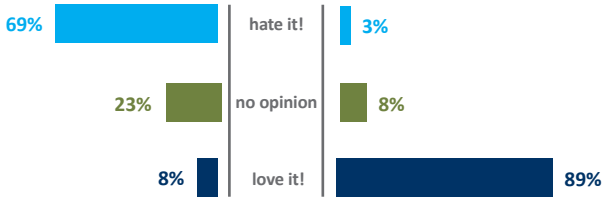
Responses from participants at Marina Mobile Charrette Session on February 7, 2015

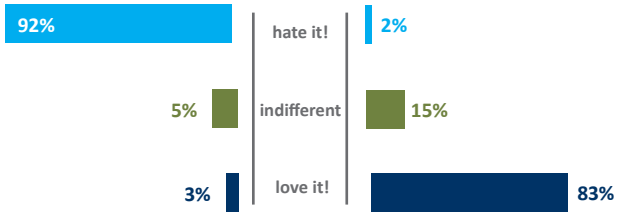


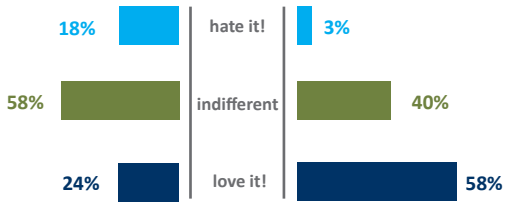


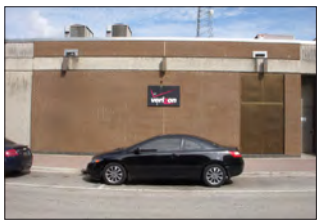


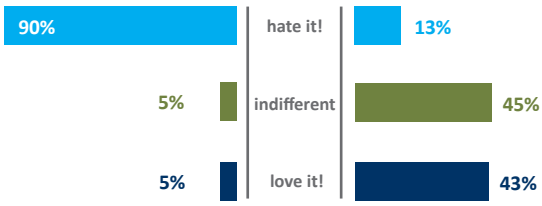
Rating Urban Form: Love It or Hate It









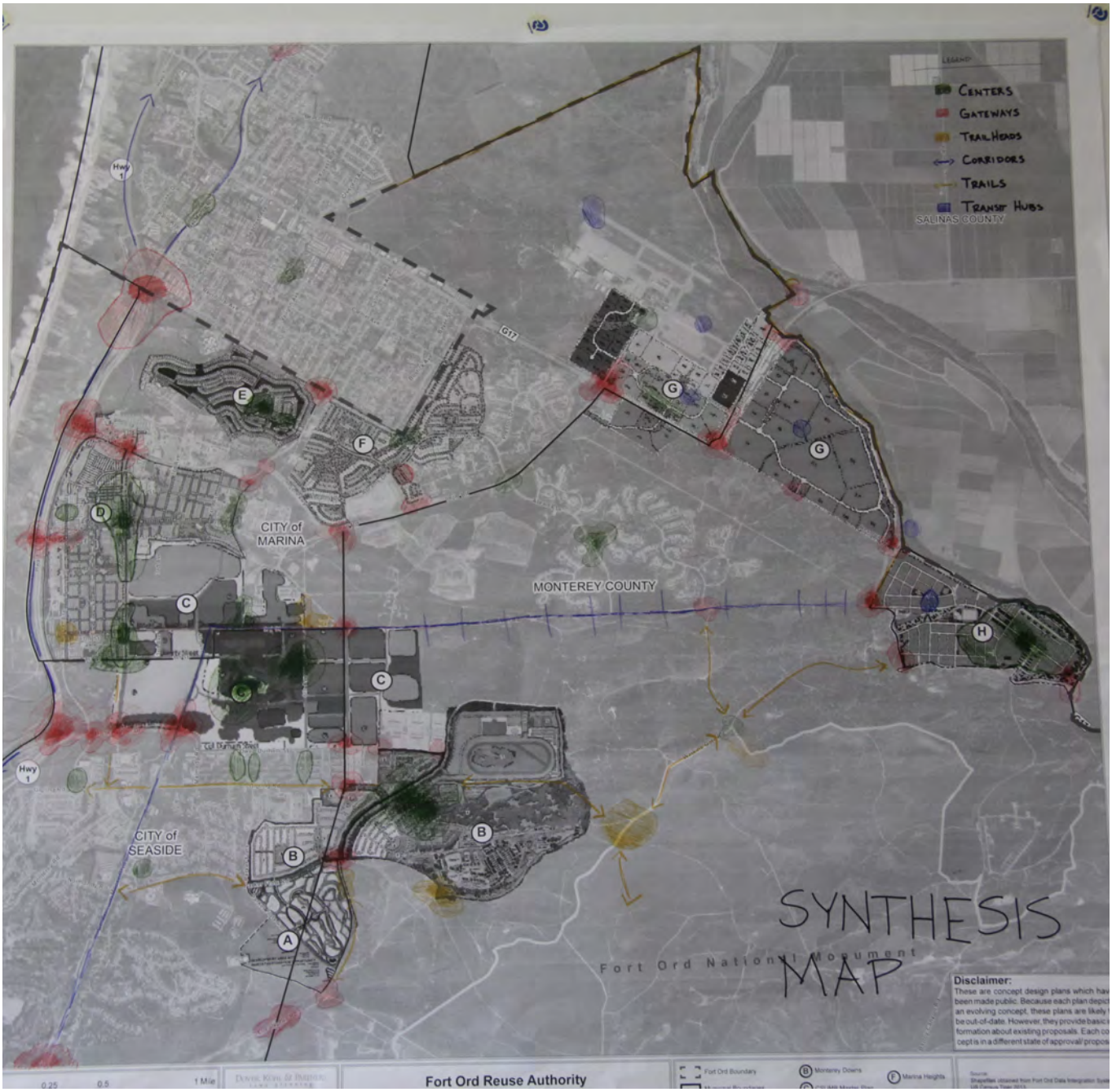


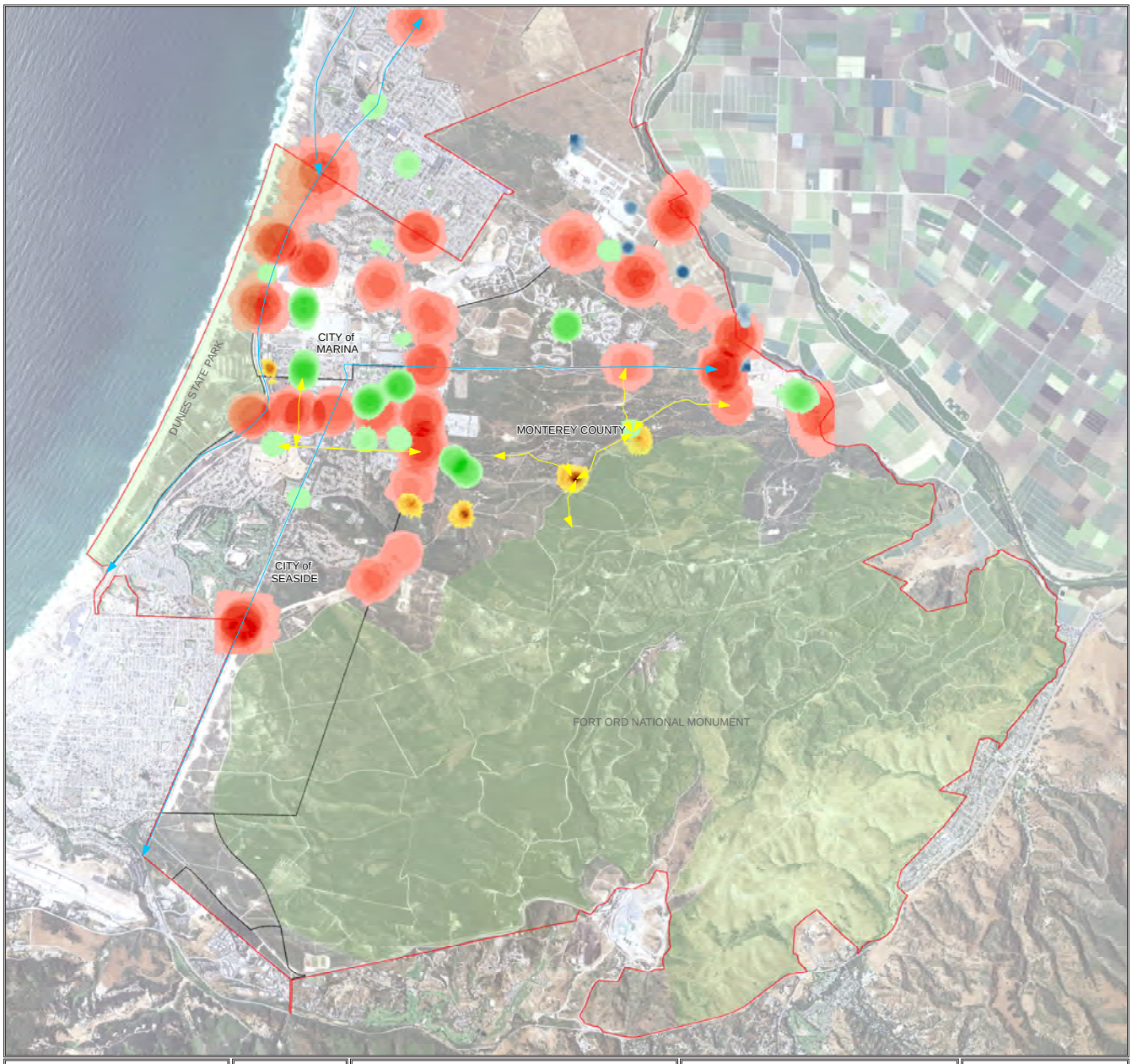
Synthesis Map:

Derived from table exercises at the Kickoff Session on February 2, 2015

During the hands on sessions maps were laid out and participants were asked to use colored dots and markers to locate where they believed that centers, gateways, trailheads, transit hubs, corridors and trails exist in the former Fort Ord study area. During the Charrette, the Dover, Kohl & Partners team created a heat map, which is a way to represent the number or density of dots placed at each location.

The image below depicts the manual version of the synthesis map showing locations people identified at gateways (red), centers (green) and trailheads (yellow). The image on the adjacent page is a digital version of the map produced using geographic information systems (GIS).




DUNES STATE PARK
CITY of MARINA
MONTEREY COUNTY
CITY of SEASIDE
FORT ORD NATIONAL MONUMENT
0
0.5
1
2 Mile
Scale: 1 inch = 1,600 Feet
DOVER, KOHL & PARTNERS
FORA
Fort Ord Reuse Authority
Fort Ord Reuse Authority
Regional Urban Design Guidelines
Synthesis Map
Transit Hubs
Centers
Gateways
Trailheads
Corridors
Trails
Source:
Shapefiles obtained from Fort Ord Data Intergration System, US Census Tiger 2013.
Aerial basemap - Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, and the GIS User Community

One word that comes to mind about the former Fort Ord

Responses from participants at Hands-on Design Session on February 2nd, 2015. The more responses to the one-word card activity the larger the word appears.

NOW:

The roller rink on 2nd Avenue today

IN THE FUTURE:

The roller rink on 2nd Avenue in the future