# PANEL 3: BLIGHT REMOVAL, REMEDIATION & ECONOMICS

#### Fort Ord Reuse: The Economics of Blight Removal and Redevelopment

James R. Musbach, Managing Principal Economic & Planning Systems, Inc. December 12, 2013





## EPS Base Reuse Experience

- Mather Air Force Base (Sacramento, CA)
- McClellan Air Force Base (Sacramento, CA)
- Naval Air Station Alameda (Alameda, CA)
- Fleet Industrial Supply Center (Alameda, CA)
- Treasure Island (San Francisco, CA)
- Hunters Point Naval Shipyard (San Francisco, CA)
- Oakland Army Base (Oakland, CA)

- Fort Ord (Monterey County, CA)
- The Presidio (San Francisco, CA)
- Mare Island Naval Shipyard (Vallejo, CA)
- Marine Corp Air Station (Tustin, CA)
- El Toro Marine Corp Air Station (Irvine, CA)
- Fitzsimmons Army Medical Center (Denver, CO)
- Lowry Airforce Base (Denver, CO)
- Naval Training Center (Orlando, FL)

### Common Base Reuse Challenges

- Environmental Contamination
- Costly Demolition
- Need for Entirely New Infrastructure
- Insufficient Market Support for New Uses
- Multiple Political Constituencies and Agendas
- Lack of Institutional Capacity to Carry Out Redevelopment
- Lack of Adequate Capital for Public Investment
- Private Sector Financial Feasibility

## Fort Ord Specific Challenges

- All of the Above
- Large Property in Primarily Tourist/Ag Economy
- Lingering Effects of "Great Recession"
- Water Supply
- Multiple Jurisdictions with Portions of Base
- FORA Sunsets in 2017
- Land Based Financing for Blight Removal/Infrastructure (Land Sales, Tax Increment)
- Public/Private Partnerships Highly Dependent on Anemic Market

#### Potential Strategies for Implementation

- Establish New JPA to Extend Role of FORA (new financial tools: IFD, Special Legislation, Exogenous Money)
- Seek New Funding for Key Strategic Investment (e.g., voter approved bonds for blight removal at key locations)
- Partner with CUSMB (Hub of Economic Development, Maximize benefits of \$30 million blight removal funding)
- Seek Additional State Funding for Key Blight Removal
- Leverage National Monument Status to Strengthen Regional Marketing for Tourism, Quality of Life
- Placemaking: Build off of CSUMB, national monument, Monterey/Carmel cache, research institutions, environmental quality, emerging communities