

# Building Removal Board Workshop

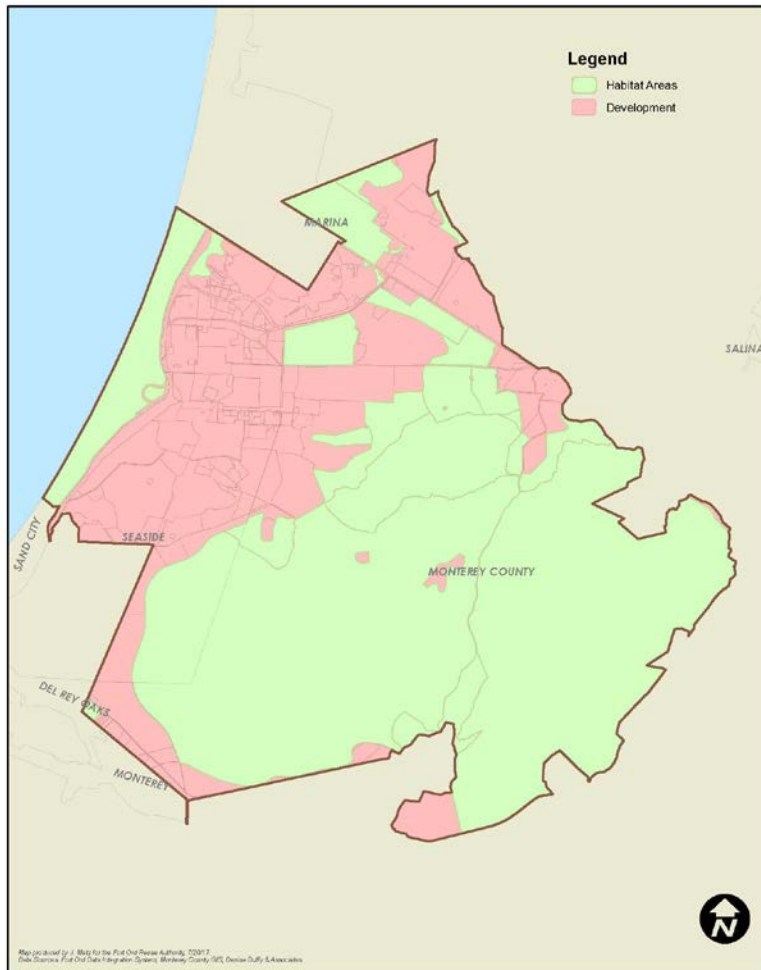
*FORA Staff  
7/26/17*

# Overview – Building Removal

- Introduction
- History
- FORA Removal Actions
- Current Status
- Financing
- Future



# Fort Ord Closure to Reuse



**Figure 1**  
Former Fort Ord Land Use Designations

Land Use	Acres
Habitat Management	17,179
Parks & Open Space	2,014
Visitor Serving	808
Public facilities (including military)	1,072
CSUMB	1,292
POM Annex	782
Rights of Way	1,161
Business Park, Light Industrial, Office, R&D, Retail, Residential	3,571
<b>Total</b>	<b>27,879</b>



# Fort Ord Buildings

- **4,000 Buildings** over 100 SF
- **Issues:**
  - Seismic non-compliance
  - UBC/Foundation non-compliance
  - Outdated infrastructure
  - Hazardous Materials
- **Hazards:**
  - Asbestos
  - Lead-based Paint
  - Other HazMat
- **As Is - Where Is**

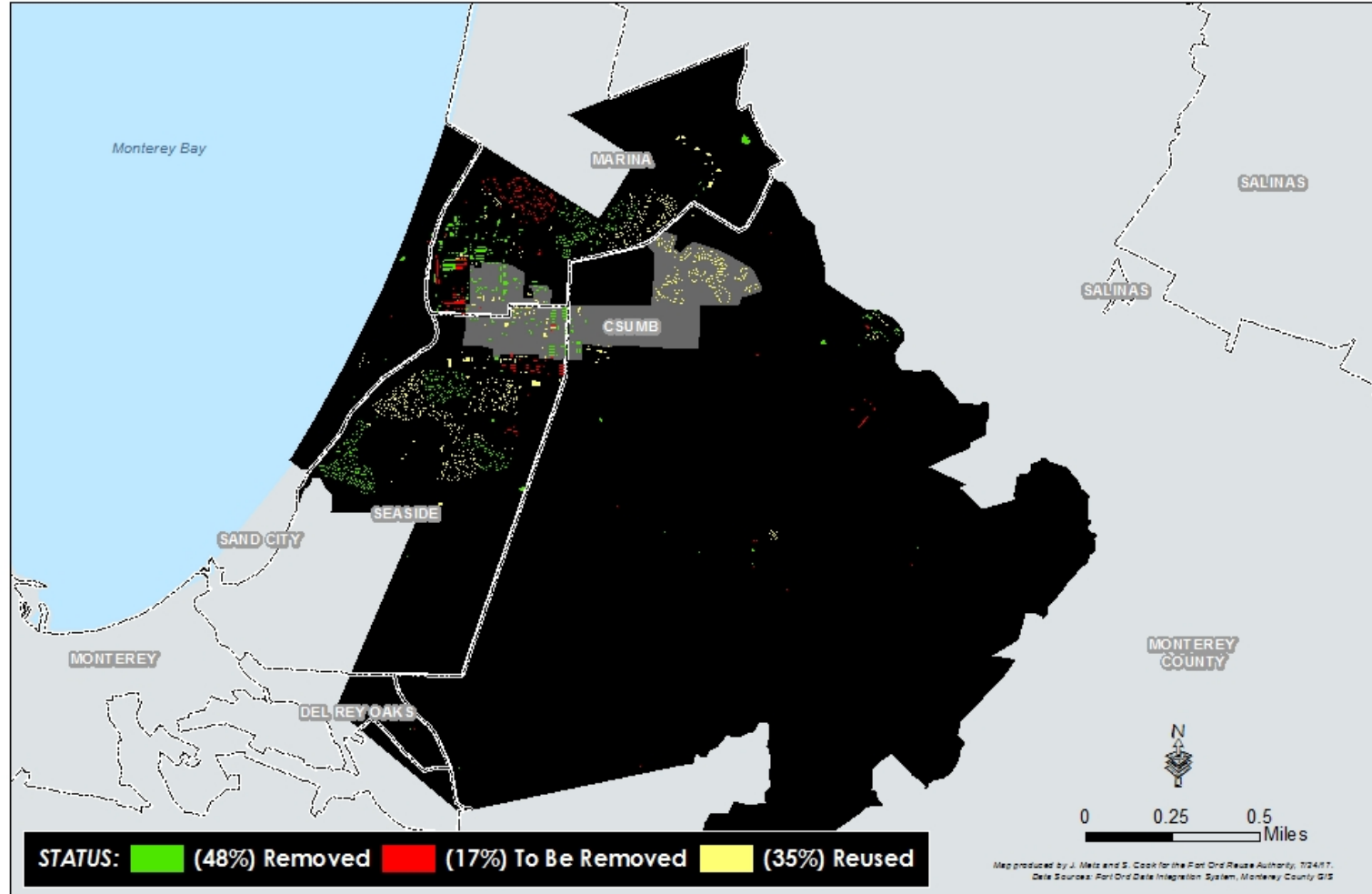




# Building Removal Status Map



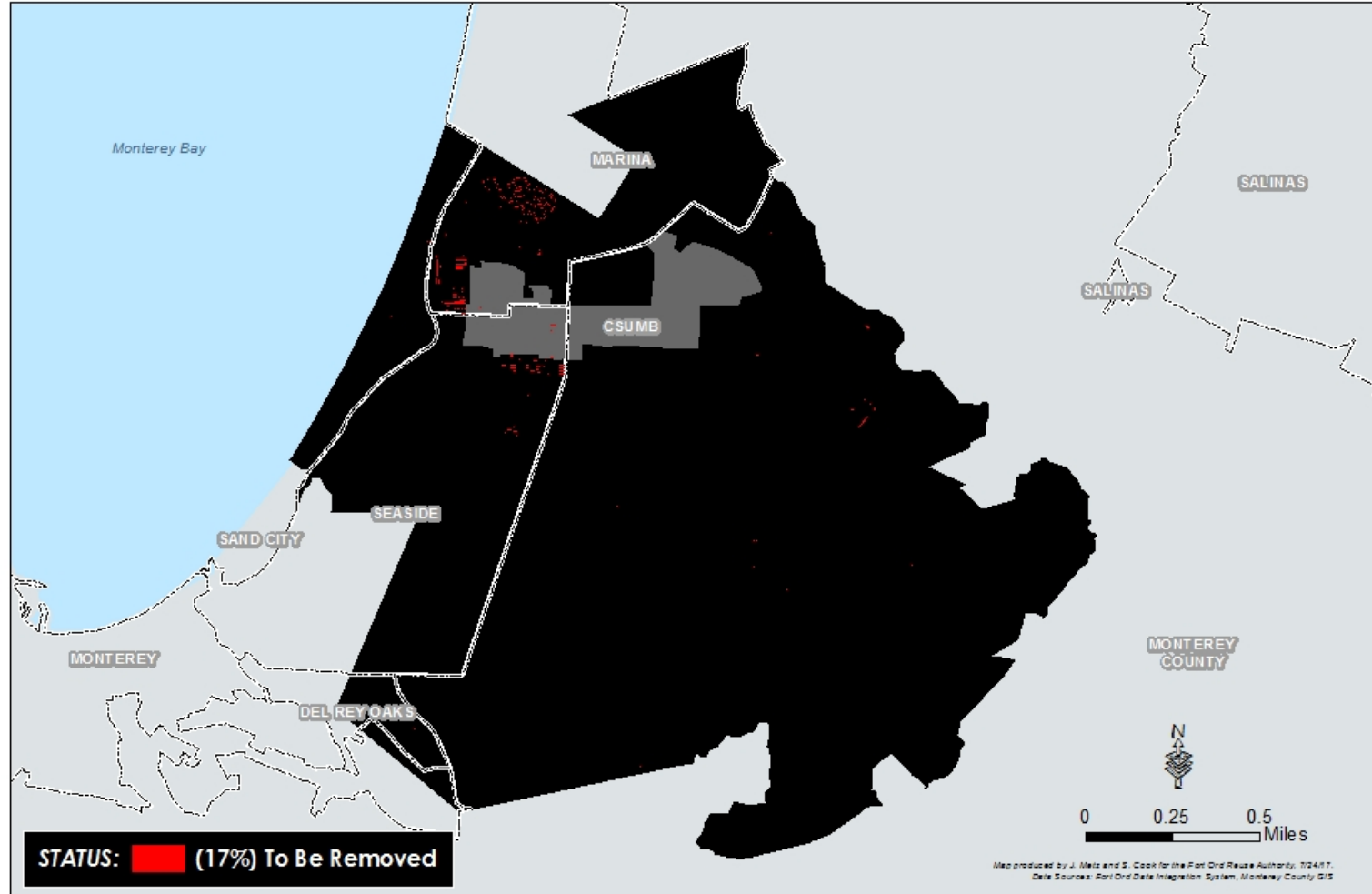
Historic Fort Ord building reuse and removal progress.



# Building Removal Status Map



Historic Fort Ord building reuse and removal progress.



# Building Removal Challenges

- Asbestos
- Lead Based Paint
- Other Hazmat
- Inaccurate Drawings
- Maintenance HazMat Surveys
- Number of Buildings



# Research & Application

Activity	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
FORA Deconstruction	█	█	█	█	█	█	█															
FORA Asbestos		█																				
FORA Reuse Hierarchy			█																			
FORA Contractor Quails			█																			
FORA LBP		█	█	█	█	█	█															
FORA Characterization						█																
FORA Imjin							█															
FORA 2nd Ave								█														
FORA/CSUMB Recovery							█	█	█	█												
FORA/Dunes										█	█	█	█	█	█	█	█	█	█	█	█	█
FORA East Garrison											█	█	█	█	█	█	█	█	█	█	█	█
FORA Imjin Office Park												█	█	█	█	█	█	█	█	█	█	█
FORA ESCARemoval													█	█	█	█	█	█	█	█	█	█
FORA 4470																	█	█	█	█	█	█
FORA/CSUMB Grant App																		█	█	█	█	█
FORA Grant App																				█	█	█
Seaside Surplus II																					█	█

**1996-2005**

1. Demolition Study
2. Pilot Deconstruction
3. CSUMB Wood/LBP
4. Refine Cost Estimate

**2005-2008**

1. Reuse Hierarchy
2. FORA Assistance
3. FORA Hazardous Waste Generator

# Research Benefits

- Building removal cost estimate refined
- Identified select FORA building removal assistance
- Building Reuse Hierarchy
  1. **Renovate** and **reuse** in place
  2. **Relocate** and renovate
  3. **Deconstruct** and **reuse** building materials
  4. **Demolish** and **aggressively recycle**
- Board decision - Sign as Hazardous Waste Generator
  - Dunes – FORA/MCP MOA Agreement





# Hazardous Waste Manifests

## Dunes Example:

- 2,500 manifests x 20 ton per Load = 50K tons x \$22.70/ton Haz. Waste Gen. Fee = **\$1.1M Savings**
- *FORA assumed HazMat liability*



# FORA Policy/Practice

Property Value - \$100	
Building Removal - (\$50)	Net Land Price (\$50)
FORA 50% (\$25)	Juris. Revenue (\$25)

1. Deduct removal costs from *Fair Market Value (FMV)* in Land Sale
2. Board identified some *special projects as base-wide obligations*
  - a. Unique reuse impediments
  - b. Jurisdiction requested assistance
  - c. Work no one else wanted/could do
  - d. Uneven building removal burden



- **Projects:**

- Pilot Deconstruction Project – 1996 thru 2000
- Road Projects – Imjin Parkway, 2<sup>nd</sup> Ave
- Remediation activities - ESCA
- FORA Lease compensation – Granite crushing yard
- Building 4470 - Surplus II

- **Financial Support:**

- Money, Credit, Land Sales Value, FORA HazMat exemption

- **Technical Support:**

- Seaside Highlands, CSUMB, MPC, Chartwell School, Golden Gate University, Marina Heights, E. Garrison

# FORA Building Removal

<b>Projects</b>	
Pilot Deconstruction Project (1996-2000)	11
Road Projects: Imjin Pkwy & 2 <sup>nd</sup> Ave	37
ESCA	6
Lease Compensation	11
<b>Funds or Land Value "Reduction"</b>	
Dunes	393
Sea Haven	290
East Garrison	133
Seaside Highlands	401
<b>Total via FORA Projects or Funds</b>	<b>1282</b>



# FORA Imjin Parkway - 2002



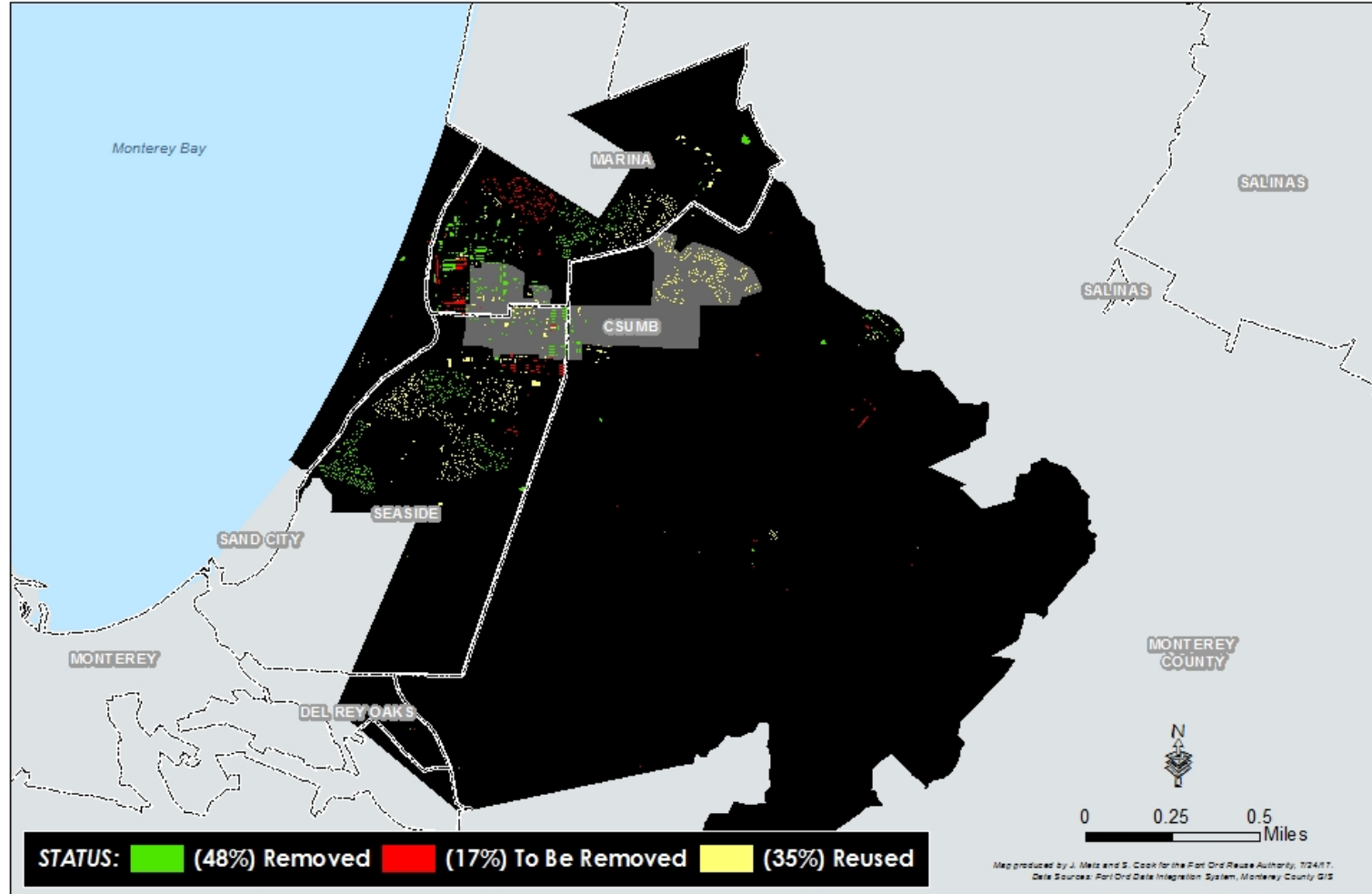




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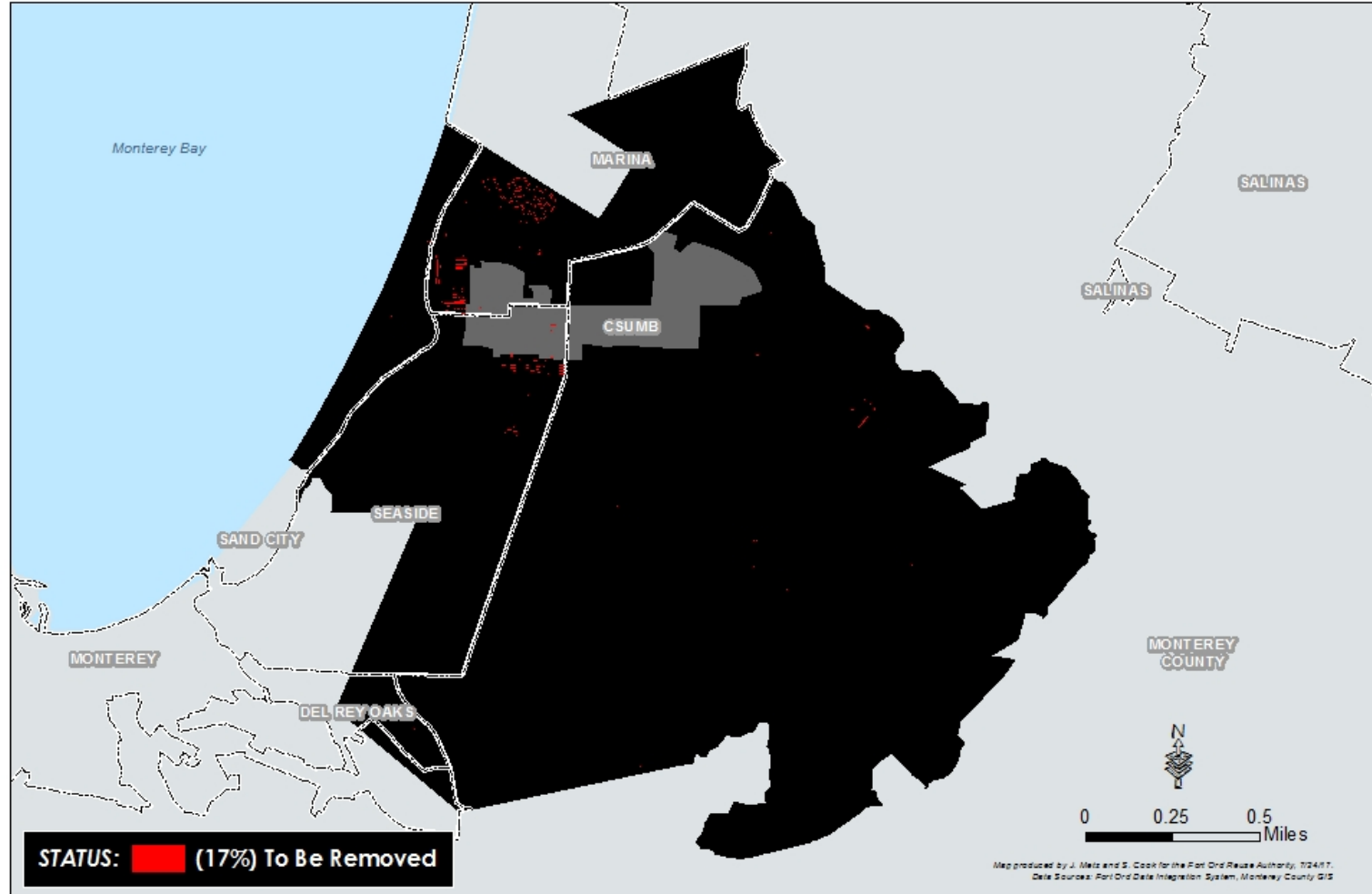
Historic Fort Ord building reuse and removal progress.



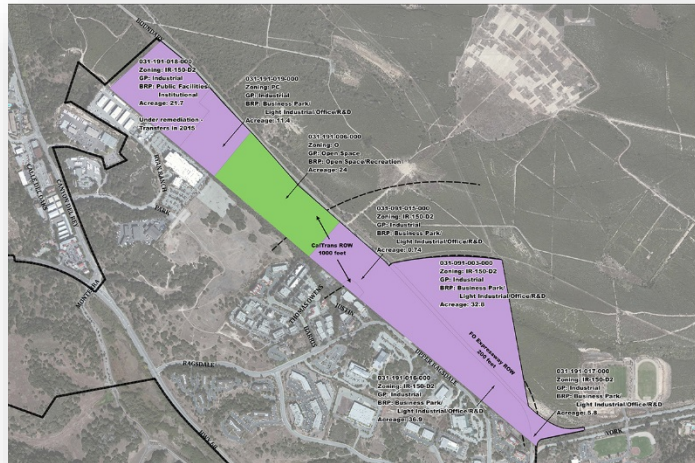
# Building Removal Status Map



Historic Fort Ord building reuse and removal progress.







- **DRO**
  - No Buildings (> 100 sf)
- **Monterey**
  - No Buildings
- **MPC**
  - 7 WWII Buildings Remain
- **Other Non-FORA Transfers**
  - TAMC - EDC
  - VTC – PBC
  - MST - PBC

# Building Removal Status - CSUMB



CSUMB - Historic Fort Ord building reuse and removal progress.



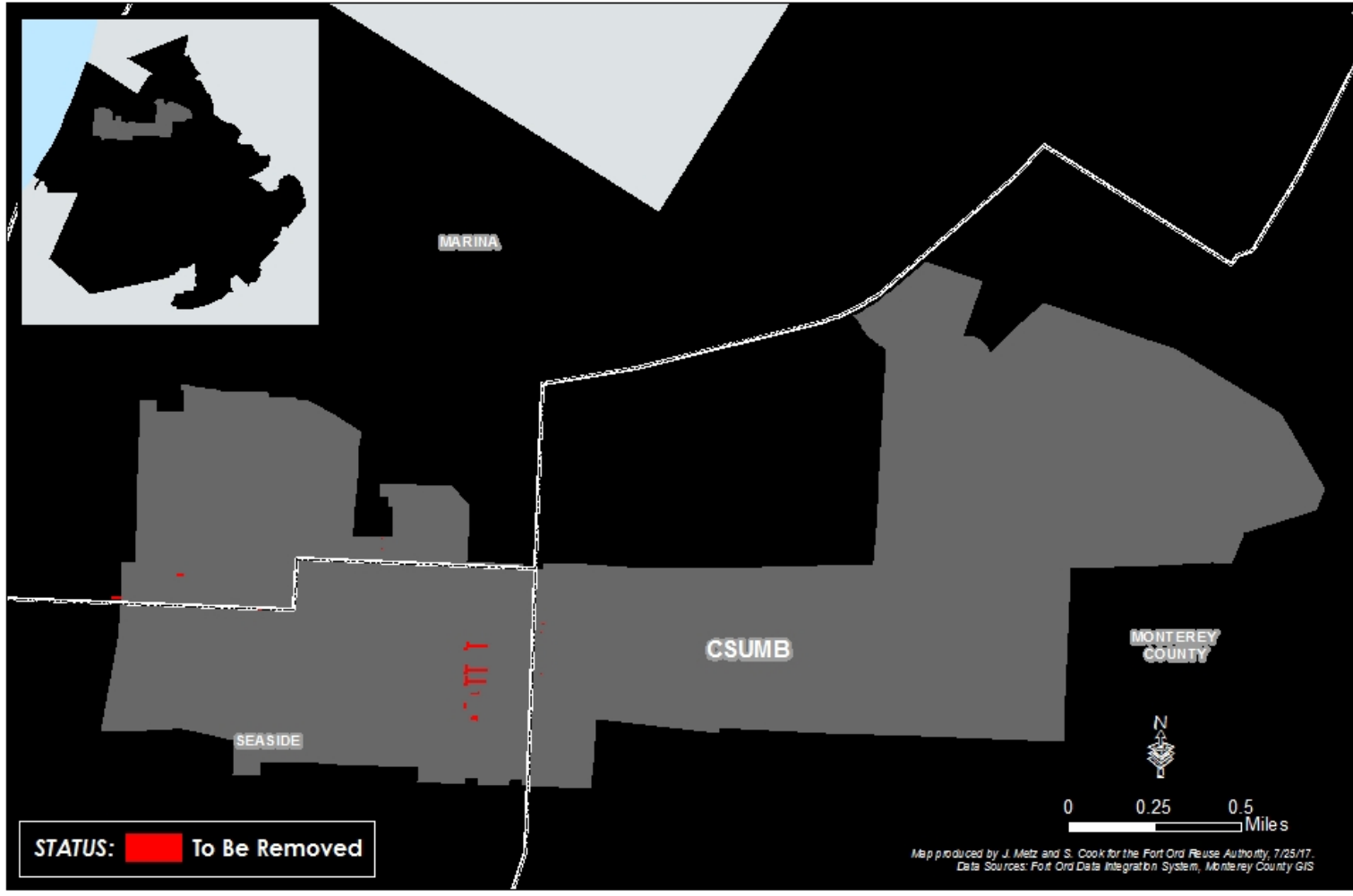
Map produced by J. Metz and S. Cook for the Fort Ord Reuse Authority, 7/25/17.  
Data Sources: Fort Ord Data Integration System, Monterey County GIS



# Building Removal Status - CSUMB



CSUMB - Historic Fort Ord building reuse and removal progress.



Map produced by J. Meltz and S. Cook for the Fort Ord Reuse Authority, 7/25/17.  
Data Sources: Fort Ord Data Integration System, Monterey County GIS

# Building Removal Progress: Main Gate & CSUMB

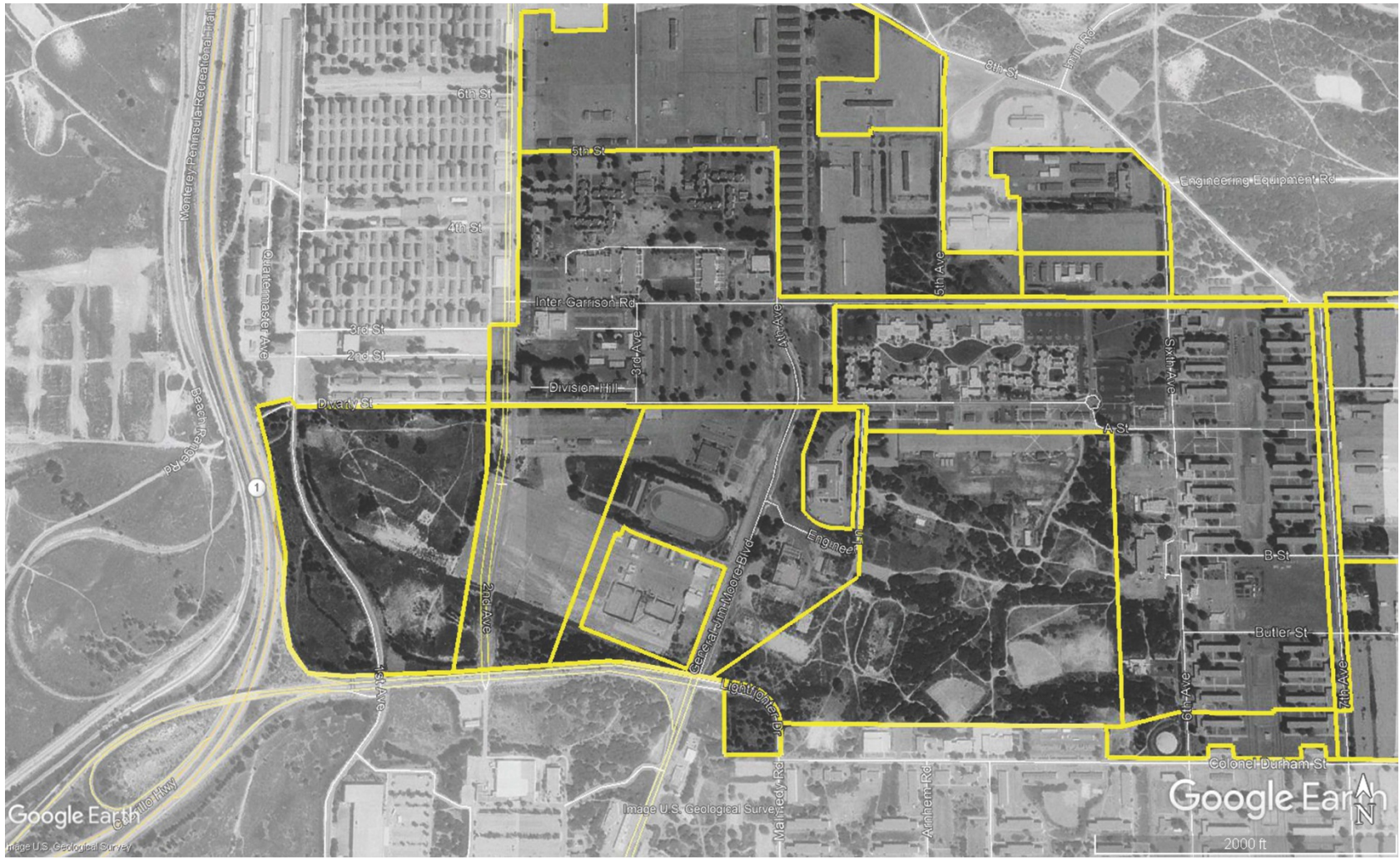


Image Date: 9-8-1998

Main Gate & CSUMB, City of Seaside



# Building Removal Progress: Main Gate & CSUMB

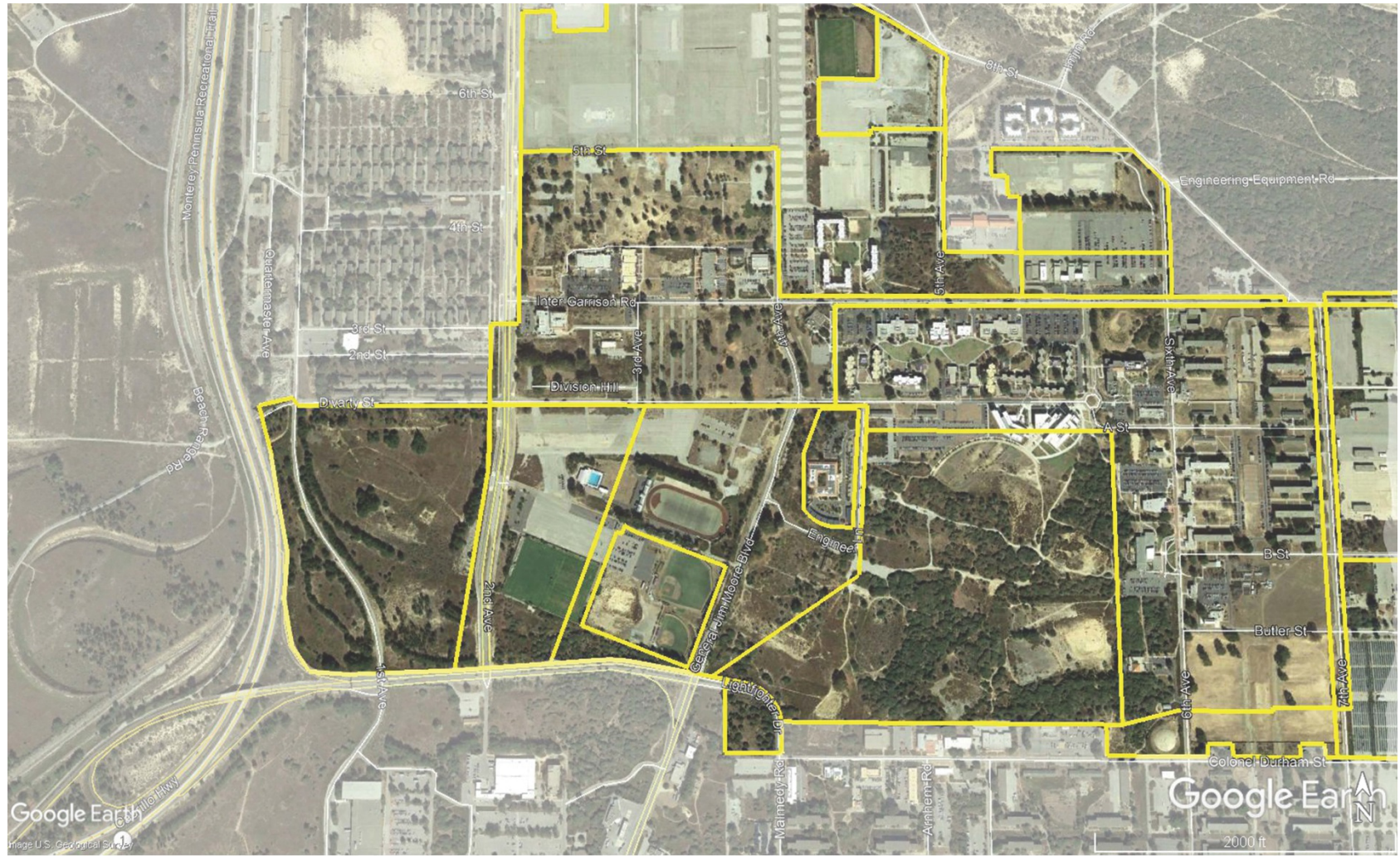


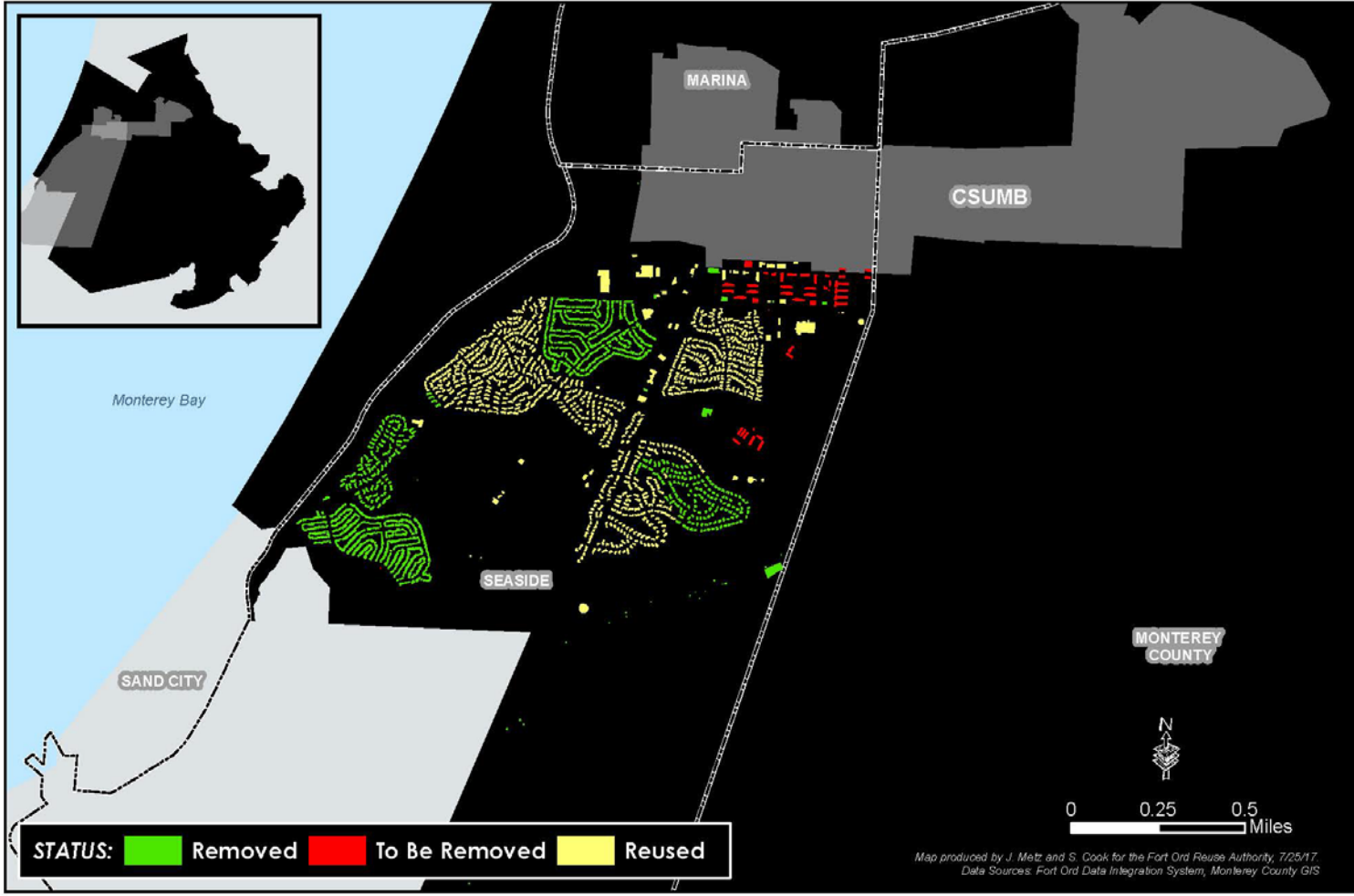
Image Date: 10-19-2016

Main Gate & CSUMB, City of Seaside

# Building Removal Status - Seaside



City of Seaside - Historic Fort Ord building reuse and removal progress.



# Building Removal Status - Seaside



City of Seaside - Historic Fort Ord building reuse and removal progress.

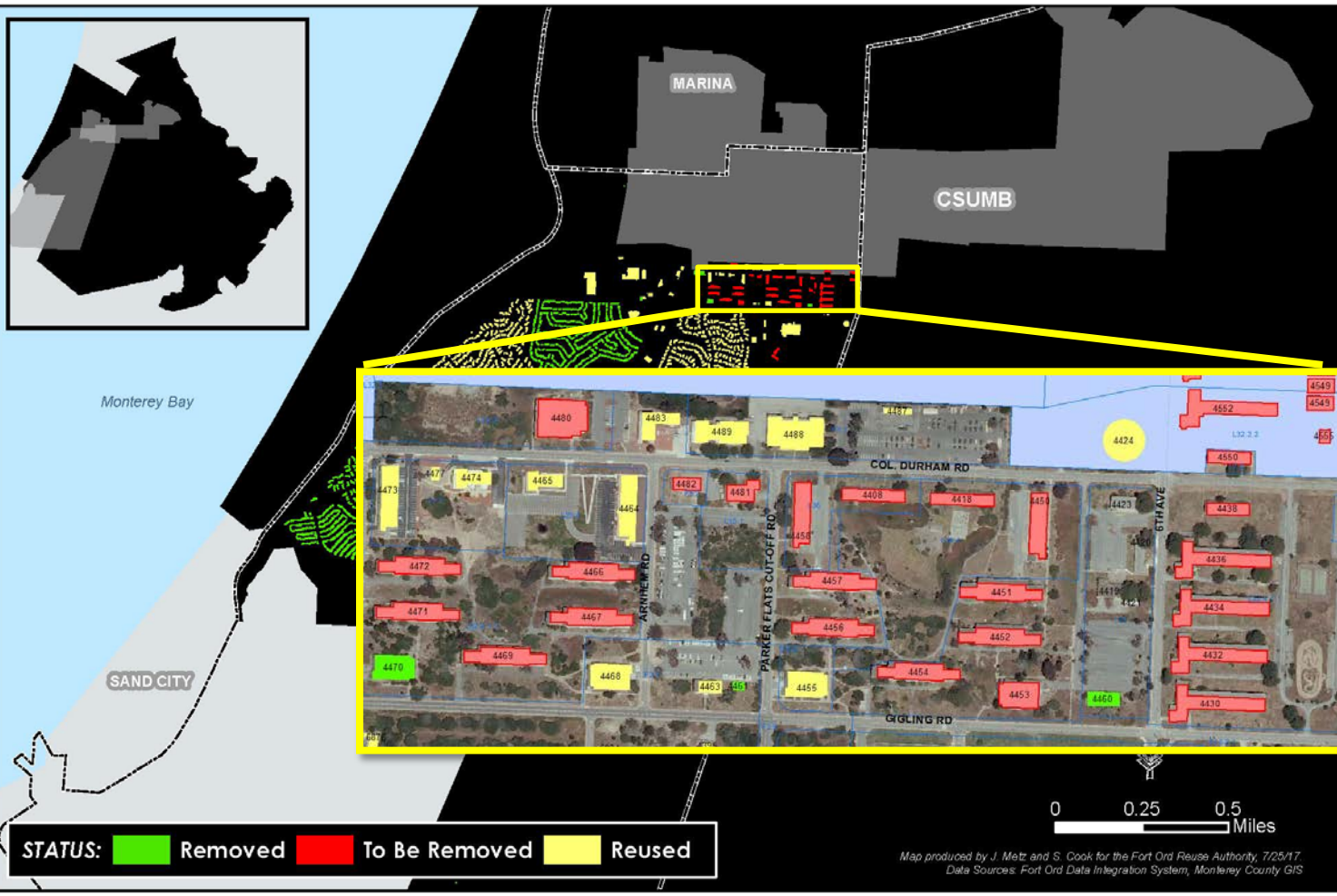




# Surplus II (Seaside)



City of Seaside - Historic Fort Ord building reuse and removal progress.



- **Recent Progress**
  - Seaside Coordination
  - Industrial Hygienist Surveys Complete
  - Understand removal scope/cost
- **Next Steps**
  - Solicit Removal Contractor(s)
  - Remove 17 of 27 Buildings
  - Target Fall 2017 Work





# Building Removal Progress - County



Image Date: 9-12-1998

East Garrison, Monterey County



# Building Removal Progress - County



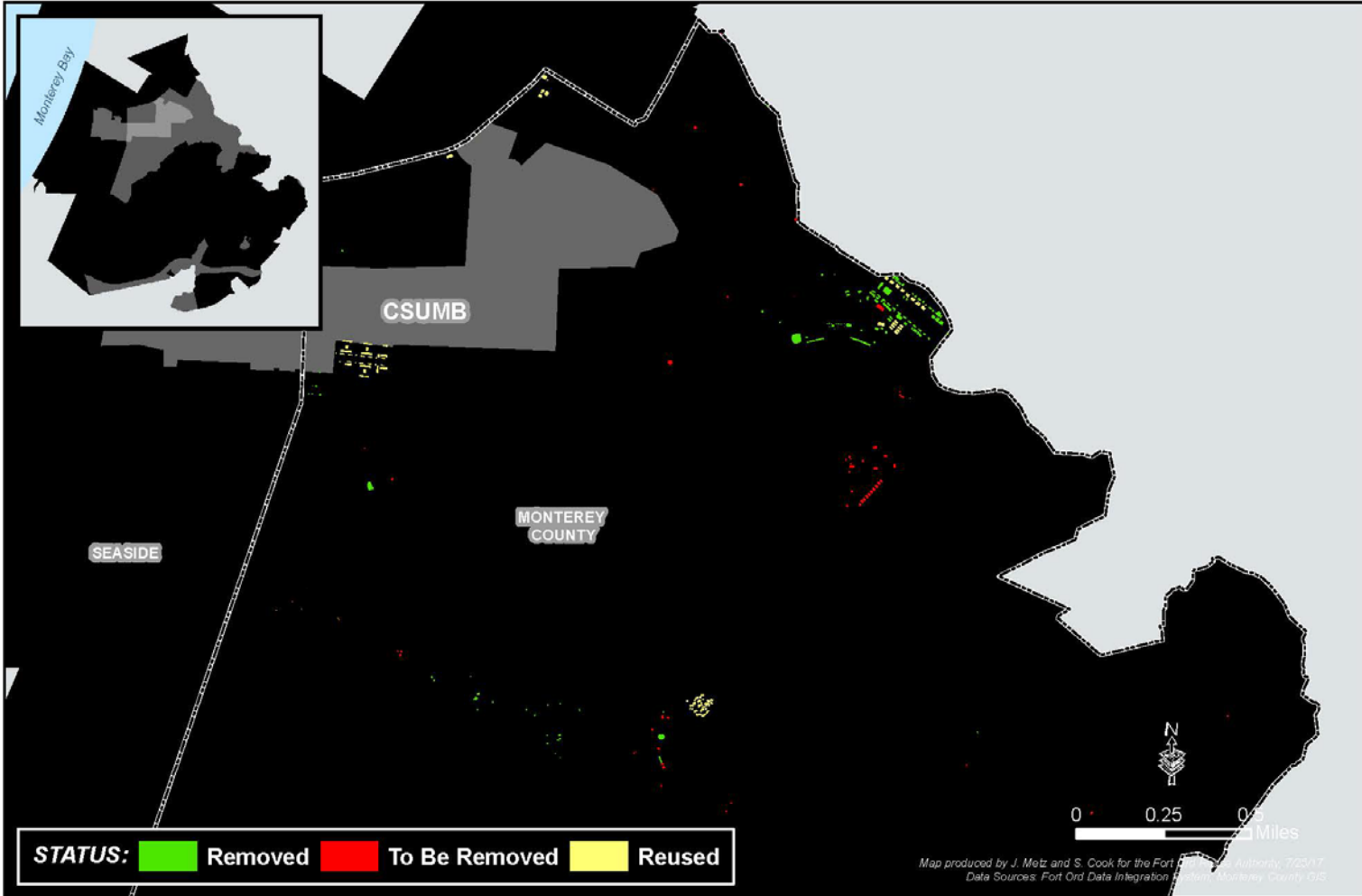
Google Earth  
Image © U.S. Geological Survey

Google Earth  
1000 ft

# Building Removal Status - County



Monterey County - Historic Fort Ord building reuse and removal progress.

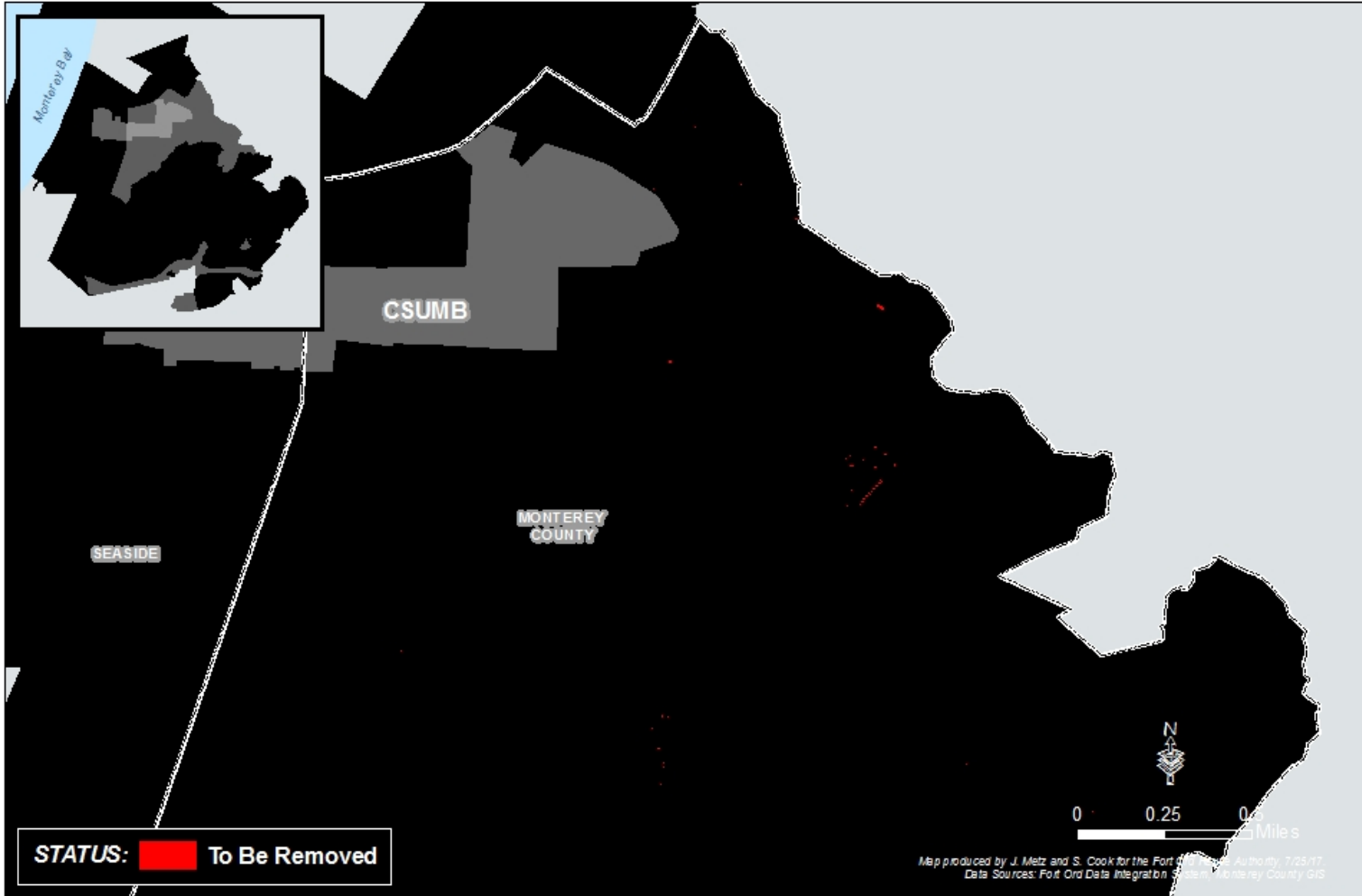




# Building Removal Status - County



Monterey County - Historic Fort Ord building reuse and removal progress.



# Building Removal Progress – Dunes

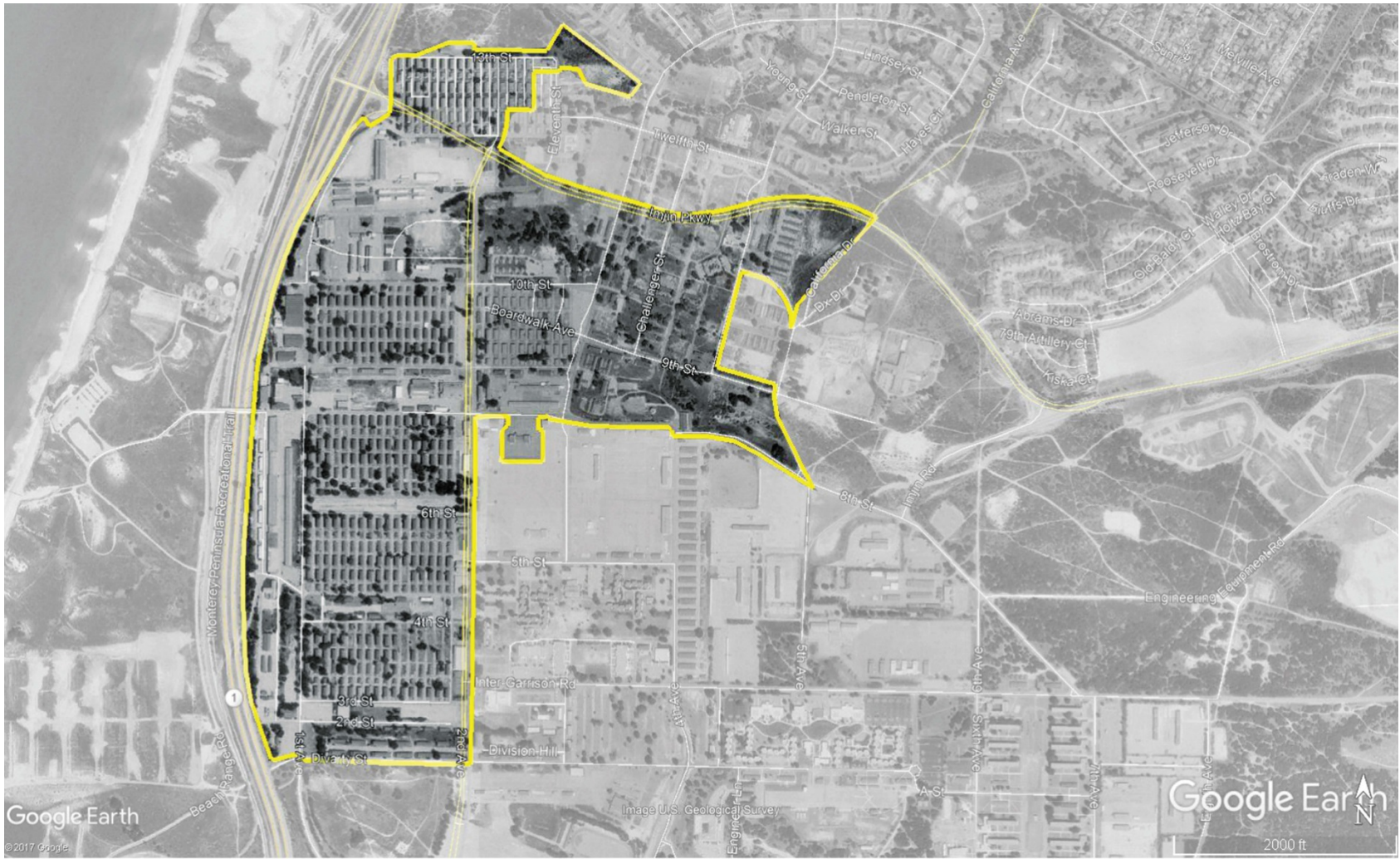


Image Date: 9-6-1998      Dunes on Monterey Bay, City of Marina      **FORA**  
ECONOMIC DEVELOPMENT







# Building Removal Progress: Seahaven



Image Date: 9-6-1998

Sea Haven, City of Marina



# Building Removal Progress: Seahaven



Image Date: 10-19-2016

Sea Haven, City of Marina

# Building Removal Status - Marina



City of Marina - Historic Fort Ord building reuse and removal progress.

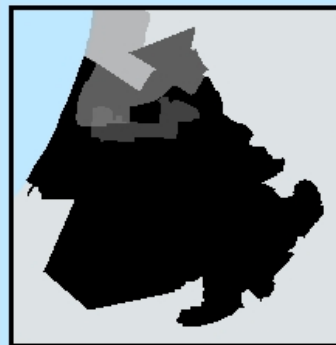




# Building Removal Status - Marina



City of Marina - Historic Fort Ord building reuse and removal progress.



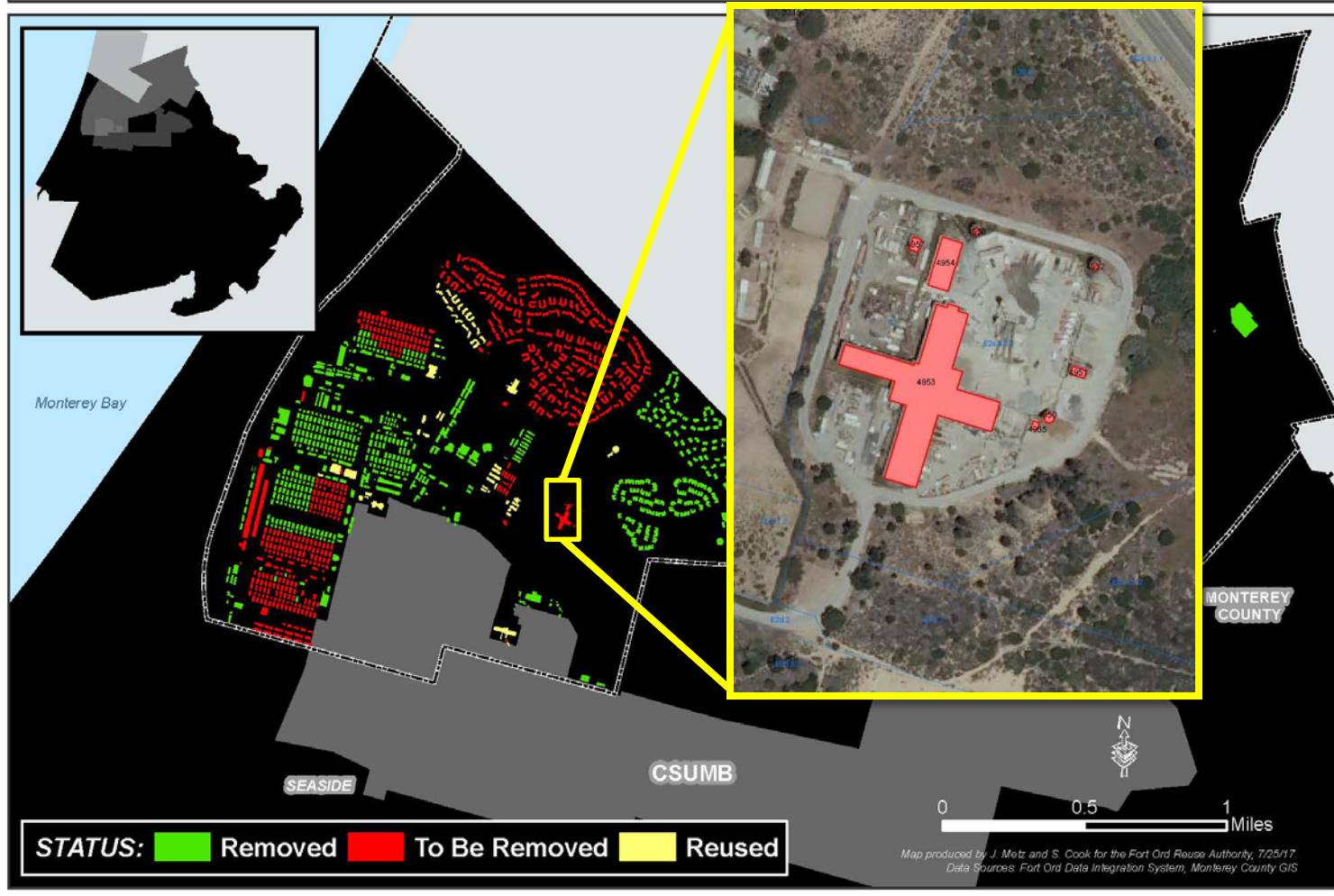
Monterey Bay



# Stockade (Marina)



City of Marina - Historic Fort Ord building reuse and removal progress.





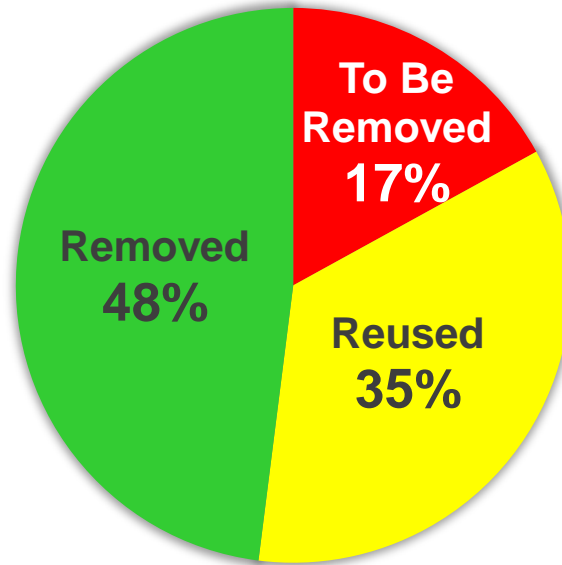
- **Recent Progress**
  - Marina Coordination
  - Industrial Hygienist surveys complete
- **Next Steps**
  - Review HazMat Surveys
  - Engineer Removal Estimate
  - Solicit Removal Contractor(s)
  - Target Fall 2017 Work



# Remaining Buildings

Marina	Remaining	FORA Supported
Cypress Knolls	232	0
Stockade - \$2.1M FORA	7	7
Dunes - \$24M FORA – Land Sales	338	338
TAMC/MST	5	0
<b>Sub-Total</b>	<b>581</b>	<b>345</b>
<b>County</b>		
Ammo Supply Point	24	0
<b>Seaside</b>		
Surplus II - \$5.5M FORA	27	17
<b>Total Remaining Buildings</b>	<b>633</b>	<b>362</b>

# Reuse/Removal Obligation Status



FORA \$54.4M (Half of Land Sales)		
Marina	Seaside	Mo Co
Marina \$24M + \$22M credit	Seaside \$ 0.1M Building 4470	Mo Co \$2.2M credit
\$2.1M Stockade (in progress)	\$5.5M Surplus II (in progress)	

Jurisdictions (Half of Land Sales)		
Marina	Seaside	Mo Co
Marina Heights	Seaside Highlands	Historic Buildings
Dunes, Rec. Parcel, Cypress Knolls	Surplus II	Non- historic Buildings

CSUMB (CSUMB Trustees)
Motor Pool, barracks, metal Buildings
\$30M Hammerheads (in progress)

## How is Building Removal Funded?





**1998-2005** FORA Board established policies to fund BRP mitigations and building removal.

- **50% Land Sale/Lease**

Land Sales fund FORA obligations/mitigations

Building Removal

- **Mello Roos District (CFD)**

Fort Ord Development funds BRP CEQA mitigations

Transportation  
/ Transit

Habitat  
Mgt.

Water  
Aug.

## General Approach to funding building removal

- **Step 1: Appraise Property**
  - Assess comparable property values
- **Step 2: Determine Building Removal Cost**
  - HazMat Survey
  - Engineers' estimate
  - Developer/jurisdiction's estimate
- **Step 3: Establish Sales Price / FMV**
  - Appraise property value
  - Subtract building removal cost from value
  - Establish land sales / FMV price
  - Developer building removal responsibility
- **Step 4: Receive FORA 50% of land sales proceeds**
  - FORA's share of land sale proceeds set aside for additional base wide building removal
  - Remnant land sale proceeds funds remaining CIP / operations

Property Value - \$100	
Building Removal - (\$50)	Net Land Price (\$50)
FORA 50% (\$25)	Juris. Revenue (\$25)

## Additional Support Approach

- **Establish FORA Support**

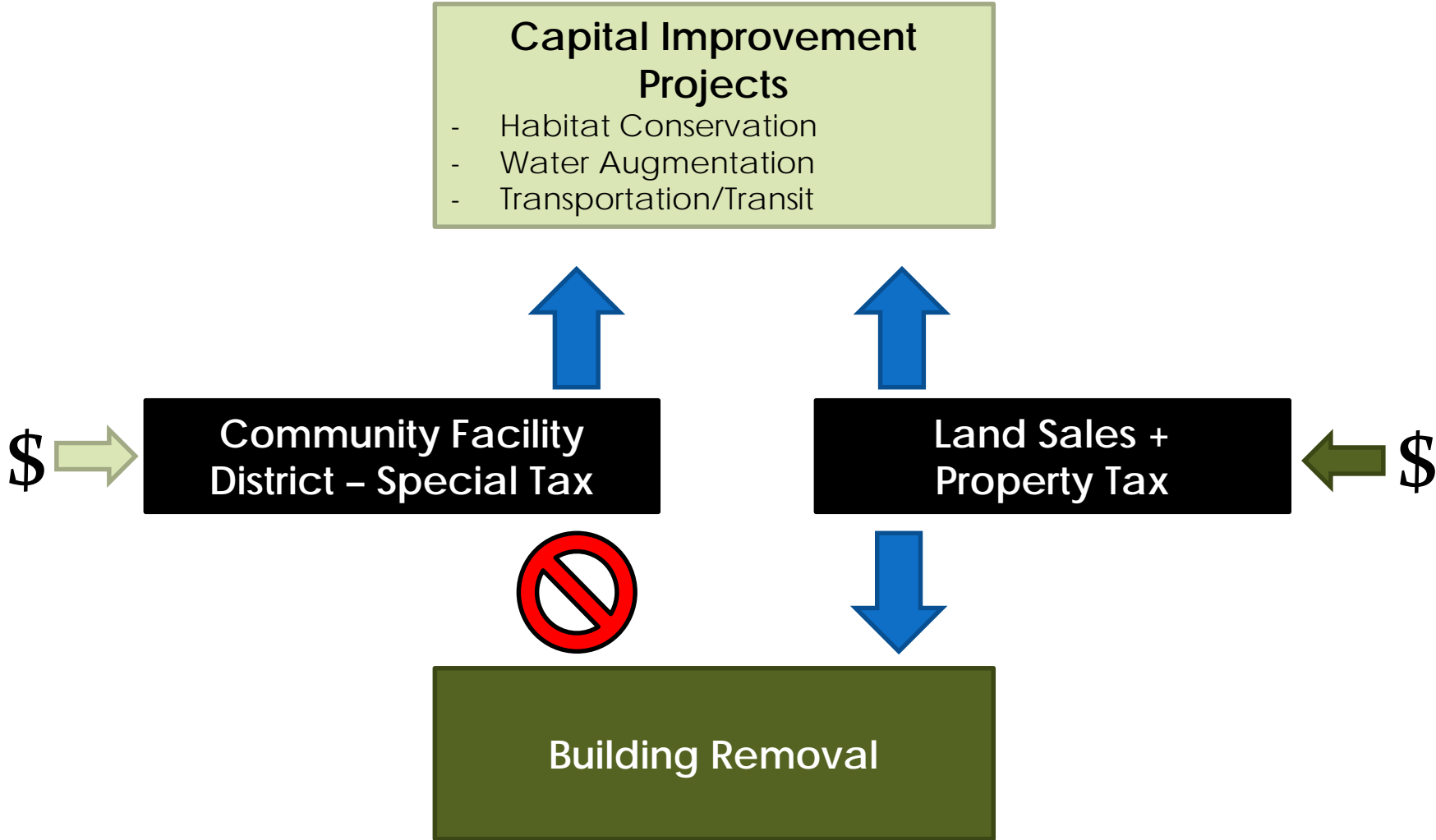
- Policy decision on amount
- Adjusted for inflation or set by Board policy / contract
- Codified by agreement
- Building removal concurrent with land sales income / project phasing

Property Value - \$100	
FORA 50%	Jurisdiction 50%

Building Removal Cost - \$90	
FORA 50%	Special Support



- **FORA CFD created in 2002**
  - Mello Roos law excluded building removal
  - 2007 Mello Roos amendment may allow future CFDs to fund building/hazmat remediation
- **Building removal loans face challenges**
  - *Lenders are risk averse, seeking collateral*
- **Brownfields funding challenge**
  - *Fort Ord listed as a superfund site, not eligible*



# Transition Summary

Major Obligations	Assignments	2020
<b>Expenses</b>		
Building Removal	Jurisdictional Obligation	\$0M
Transportation/Transit	Jurisdictions – On-site and Off-site projects; TAMC – Regional Projects and Transit	\$115.5M
Water Augmentation	MCWD/MRWPCA	\$17.8M
Habitat Management	Fort Ord Habitat Cooperative (JPA)	\$46.2M
<b>Sub-Total</b>		<b>\$179.5M</b>
ESCA Program	New JPA or County	\$7-10M*
<b>Total</b>		<b>\$189.5M</b>



## Board approved additional support

- Step 1: Property valued at: \$48M
- Step 2: Established building removal cost \$46M
  - Building removal concurrent with project phasing
  - Most buildings WWII barracks
- Step 3: Establish sales price \$24M (Marina) and \$24M (FORA building removal credit)
  - Developer building removal responsibility
  - Set process for FORA reimbursements
- Step 4: Establish FORA Support: Reimbursement Agreement - \$22M in Cash and \$24M in land sales credits
  - Building removal concurrent with project phasing
  - Phase I: FORA paid \$22M cash for building removal
  - Phase I: FORA funded over 50% of building removal
  - Phase II & III: FORA provides land sales credit for remaining building removal

2005 Property Value - \$48M	
FORA 50% (\$24M)	Marina 50% \$24M

2005 Building Removal Cost - \$46M	
FORA 50% \$24M	FORA PAID CASH \$22M

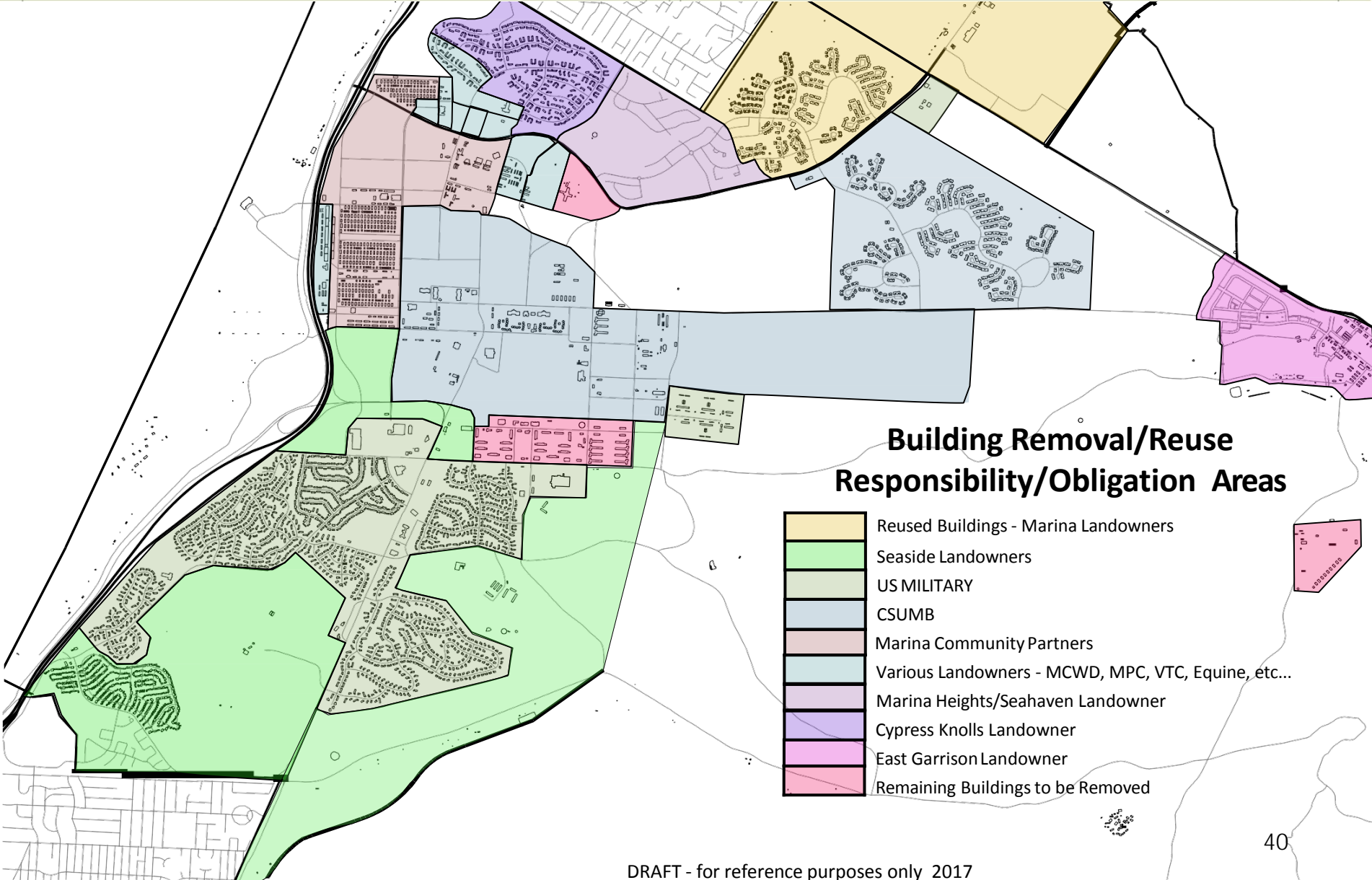
## Board approved additional support

Property Value \$1.5M	
Net Land Price <b>\$1.5M</b>	
FORA 50% <b>(\$750K)</b>	County 50% <b>\$750K</b>

2006 Building Removal Cost - \$2,177,000	
FORA 50% <b>(\$750K)</b>	Future FORA Land sales credits <b>\$1.4M</b>

- Step 1: Property valued at: \$1.5M plus participation payments
- Step 2: Established building removal cost \$2.177M
  - WWII era buildings
- Step 3: Establish sales price \$750K (County) and \$750K (FORA building removal credit)
  - Developer building removal responsibility
  - Set process for FORA reimbursements
- Step 4: Establish FORA Support: Agreement - \$2.177M in land sales credits
  - Building removal concurrent with project phasing

# Building Responsibility Areas



## Building Removal/Reuse Responsibility/Obligation Areas

- Reused Buildings - Marina Landowners
- Seaside Landowners
- US MILITARY
- CSUMB
- Marina Community Partners
- Various Landowners - MCWD, MPC, VTC, Equine, etc...
- Marina Heights/Seahaven Landowner
- Cypress Knolls Landowner
- East Garrison Landowner
- Remaining Buildings to be Removed



# Remaining: Seaside



Step 1	Appraised Value (2014)	\$8.7M
Step 2	Estimated Building Removal Cost	\$19M
Step 3	Net Land Value	-\$10.3M
Step 4	Pending	

## • Surplus II

- 27 concrete buildings on approximately 50 acres
- 50 acres of Economic Development Conveyance property
- Seaside-KB/Bakewell Exclusive Negotiating Agreement
- Surplus II appraised value = **\$8.7 million (Step 1)**
- Estimated building removal cost = **\$19 million (Step 2)**
- Net land value = **-\$10.3 million (Step 3)**
- *Step 4 pending*

## • Building Removal Obligation History

- 2005: FORA Obligation set at **\$4 million**
  - Jurisdiction projected rehab building use
- 2017: FORA funding obligation indexed to **\$5.5 million**



- **Stockade**
  - Former military stockade
  - 7 total buildings
  - 13.4 acres of Economic Development Conveyance Property
  - FORA obligation estimated **\$2.1million**
- **Building Removal Obligation History**
  - 2005: Board approved additional support (CIP)
  - Current focus of Staff/Contractor work
  - Marina requests FORA reassign its obligation

- 1. Eliminate Building Reuse Hierarchy**
  - a. Building reuse not economically feasible*
- 2. Adjust Building Removal Funding**
  - a. Reassign stockade funds to other Marina buildings*
  - b. Increase additional support for building removal*
- 3. Seek disposal variance & related State waivers**  
from California Department of Toxic Substances Control (DTSC)
- 4. Utilize hazardous waste generator designation**
  - a. Limits jurisdiction's risk*
  - b. Dependent on FORA extension*



- Increased land sales fund allocation for building removal
  - Would drive FORA CFD/ Development Fee increase

- Faster building removal could speed up economic recovery

*Ideas* for rapid building removal strategies & tactics

**Bond Future Revenues**  
**Establish Building Removal Revolving Fund**  
**Assign More Land Sales**

# Questions?

