



# FORT ORD REUSE AUTHORITY CITY OF MARINA

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

## JOINT MEDIA RELEASE

**Contact:** Robert J Norris, Principal Analyst (831) 883-3672 **For Immediate Release:** September 16, 2015

### **PRESTON PARK APARTMENTS SOLD TO MARINA**

The Fort Ord Reuse Authority (“FORA”) and the City of Marina (the “City”) have successfully concluded more than five years of negotiations and the settlement of a lawsuit by finalizing the purchase and sale of FORA’s 50% interest in the Preston Park housing complex for \$35 million, 50% of the property’s appraised value of \$70 million.

Preston Park is a 354-unit townhouse-style, multi-family housing development located at the intersection of Reservation Road and Imjin Parkway in the City of Marina. The property was built for the U.S. Army in 1989 and is situated on a 110-acre site.

As a result of the September 16 sale of Preston Park, FORA conveyed ownership of the property to the City and paid from its share of the net sales proceeds a loan encumbering the property which was used to fund capital projects on the property. With the remaining sales proceeds, FORA will pay for environmental mitigations owed by the project and for costs of required removal of deteriorated, former military barracks.

Preston Park is a mix of two and three bedroom units ranging from 1,300 to 1,572 square feet, with ample room for storage and garages. Residents pay their own utilities, including water, gas, electricity, sewer, and trash.

Currently, the property is 98% occupied and is considered to be in very good condition. 301 units (86%) are for rent at market rate and the remaining 51 units are available at below- market rate. The current appraised value for the property reflects the existing below-market rents in place for the 301 fair market apartment units and the rents for the 51 below market rate units.

“The purchase of Preston Park achieves key goals of the Marina City Council ensuring that quality housing at all levels is available to residents of our community and sustains long term cash flows to the City’s General Fund and provides an opportunity for economic investment back into our community,” according to City of Marina Manager Layne Long.

FORA Executive Officer Michael Houlemard noted: “The Preston Park Housing Complex has offered affordable, quality housing and revenue support to both FORA and Marina since the two joined to re-open this property in 1998. This sale to Marina completes the process started then, and sustains the central role of the property in Fort Ord closure recovery.”

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