

Constraints on Economic Development of the Former Fort Ord Identified in FORA's 2012 EPS Market Study

by Jane Haines, May 13, 2015

The source for the below-summary of constraints on economic development is the 145-page 2012 Market and Economic Analysis Market Study by Economic & Planning Systems, Inc. prepared as part of the 2012 Reassessment of Implementation of the 1997 Base Reuse Plan. References to "MS" refer to the Market Study summary in Chapter 3 of the Scoping Report at <http://www.fora.org> under the heading for 'Governing Documents,' entitled 'BRP Scoping Report.' The numbering and twelve headings are my additions.

1. **Processing time and legal threats.** Constraints on beneficial development include the length of time necessary to garner entitlements and the ability to achieve buy-in among diverse constituents. (MS pg. 3-10.) Also, the elevated level of perceived legal risk associated with the residential and commercial real estate market necessitates upward adjustment of investor return rates. (MS pg. 3-10 and pg. 3-4 #6.)
2. **Shortage of mixed uses.** Emerging consumer preferences for integrated, mixed use development concepts are largely unmet. (MS pg. 3-4 #7.) General Jim Moore Boulevard should be studied for potential mixed use. (MS pg. 3-12. #4)
3. **Unaffordable home prices.** Initially-proposed price points of new residential units are 25 to 35 percent higher than the current and future market will bear. More than 60 percent of future Peninsula households will be unable to afford home prices exceeding \$325,000. A larger proportion of attached units, rather than detached units, may be needed. (MS pg. 3-5 #9 and #10.) Residential growth must precede commercial development in order to build a labor force to set in motion recognition by outside employers looking at potential expansions. (MS pg. 3-11 column 1.) Prioritizing economic development while supporting the local housing market to further develop the region's strengths is "by far the most critical next step" to the implementation of the Base Reuse Plan. (MS pg. 3-11 #1.) Earlier engagement in local land use decision making and more intensive scrutiny at the consistency determination stage is needed. (MS pg. 3-13 #6.b.)
4. **Too high CIP budget.** Efficiency in FORA's Capital Improvement Program (CIP) is needed to lower infrastructure costs to the development community by serving the most units at the least cost. (MS pg. 3-5, #12 and MS 3-12 #4) The CIP should address incentives for beneficial development through FORA fee adjustments, deferrals, subsidies, targeted infrastructure investments. (MS pg. 3-13 #6.d.) The CIP should downgrade its expectations about the rate of development absorption. (MS pg 3-14.) The Eastside Parkway may be essential. (MS pg. 3-12 #3.)
5. **Insufficient labor force availability.** Building the local labor force would serve to attract major employers. Greater residential demand could result from increased tourism, move-up demand from Seaside and Marina, and from Highway 156 and Highway 1 capacity improvements to improve access to South Bay job centers. (MS pg. 3-5, #13.)
6. **Inadequate land use designations for office/R&D projects.** Build-to-suit projects for office/R&D owner-operators are needed to foster multi-tenant speculative development. (MS pg. 3-5, #14.) Conventional, flat-topography fee-simple development opportunities near Highway 1 would facilitate additional office/R&D job growth. (MS pg. 3-10 and pg. 3-11.) General Jim Moore Boulevard should be studied as potential mixed use R&D districts

targeted toward the **creative** class interested in proximity to retail, restaurants, CSUMB and access to Highway 1. (MS pg. 3-12, column 1.)

7. **Sprawl.** Increased development to create a “downtown” environment to support transit services and lower vehicle miles traveled could be facilitated by use of density bonuses to facilitate greater synergy between the Dunes project and CSUMB. (MS pg. 3-11 column 1 and MS 3-12 #5)
8. **Unattractive appearance of the base.** Improved appearance of the base is needed. More attention is needed for improved “entry experience” plus screening and signage through design guidelines that reinforce the unique topography and vegetation present on the base, plus blight removal. (MS pg. 3-6, #19.) Near term redevelopment efforts should focus on removing visual blight and creating a more attractive urban form (MS pg. 3-13 #7.)
9. **Uncertainty about post future base governance.** Greater certainty about FORA’s successor is needed to support real estate investors’ concern about regional governance in matters such as Building Removal, Habitat Management, Transportation and Transit, Water Augmentation, etc. (MS pg. 3-10 and MS 3-13 #6 column 1.)
10. **Lack of master plan for FONM.** A full master plan for the Fort Ord National Monument, to be prepared by Federal agencies, will be important. (MS pg. 3-12.)
11. **Vagueness of mission.** “Essential near-term priorities” should involve clarity of mission and identifying regional leadership in order to attract local public and private investment. (MS pg. 3-12 column 1.)
12. **Lack of marketing and branding.** Expanded marketing and branding, with mention of the National Monument, is needed. (MS pg. 3-12 #2, MS pg. 3-13 #6.c.)