

Post Reassessment Advisory Committee

May 22 2015

Josh Metz, Senior Planner



- Trails Working Group
- Regional Urban Design Guidelines
- Economic Development
- Blight Removal



- ***May 5 & 12 Meetings***
- Consensus on building from FORTAG maps
- **Process outline:**
 - Jurisdiction specific meetings to ID areas consensus & disagreement
 - Attribute GIS to reflect findings
 - Develop blueprint(s) for PRAC review
- ***Next meeting date pending***

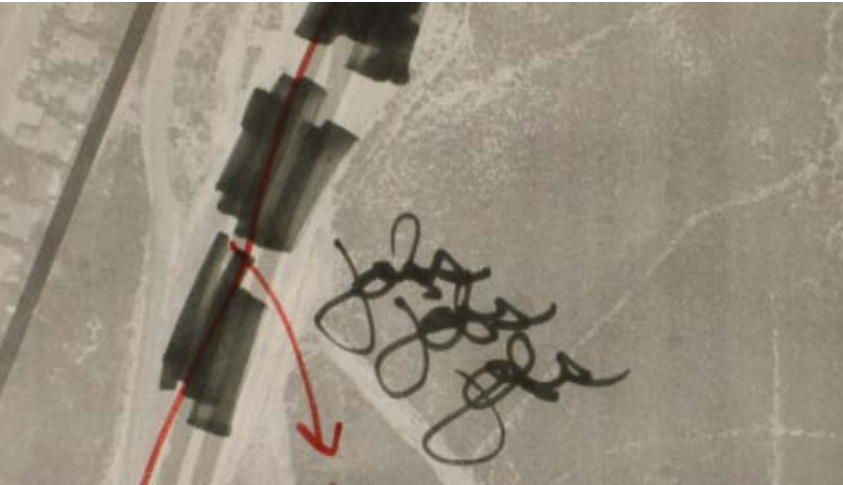


- *Draft RUDG planned for **July 10** Board Meeting*
- *(2) 30-day review/revision periods to follow*
- *Final RUDG presentation planned for **Nov 13** Board meeting*



- RUDG Economic Analysis Summary
- Key ED Constraints
- Prevailing Wage

Lasting Economic Development



FEN.

Economic Development
conservation of wild Florida
KEY

$(h + R_{SUV} + B \cdot K_{SUV})$



Economic "Pop"?



Connecting disparate parts creates a whole = greater than the sum of the parts!

Economist call this the "agglomeration Benefit"



Source: US Department of Veterans Affairs, 2014; Strategic Economics, 2014.

Household Benefits

- Reduced transportation costs for individual households
- Higher property values
- Reduced health costs

Employer Benefits

- Easier to attract and retain a diverse work force
- More conducive to creating industry “clusters”

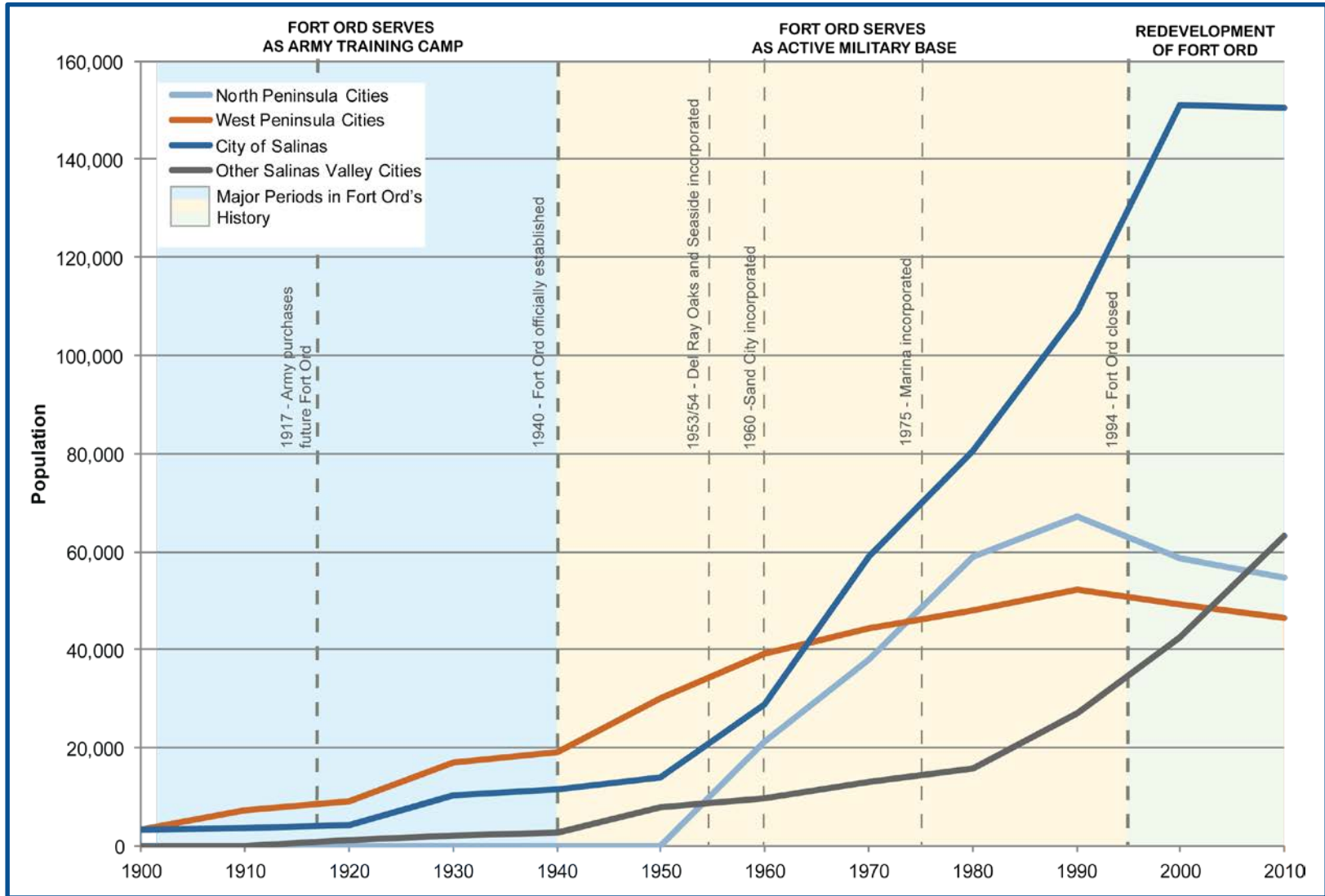
City Benefits

- Lower capital infrastructure costs
- Higher per acre revenues

Environmental Benefits

- Reduced pressure on sensitive habitat

Momentum Needed!



National Demographic Trends



76 Million Baby Boomers

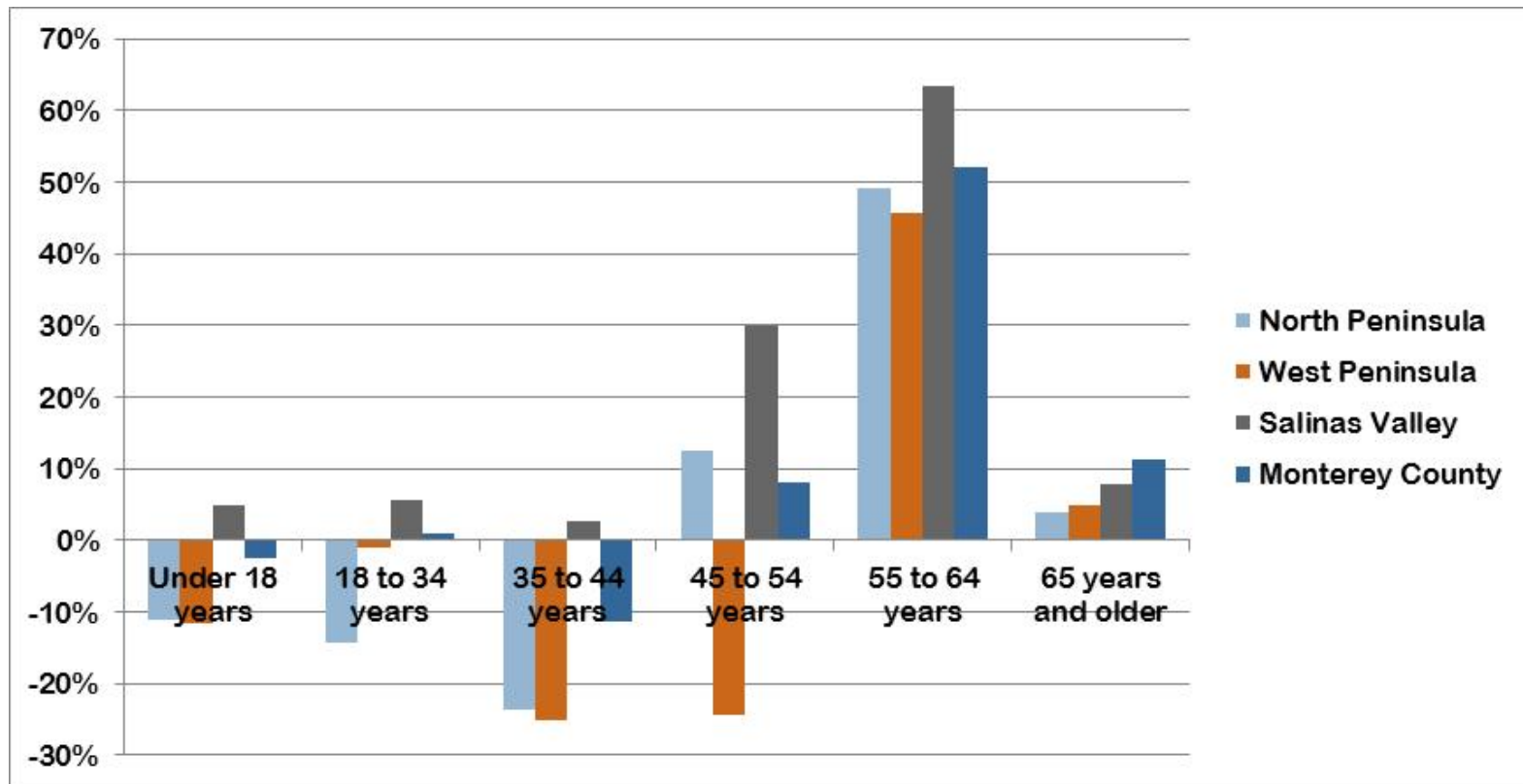


75-80 Million Millennials



Almost ½ of All Households are Single People

Population Change 2000-2012



Production Not Reflecting Demand



| | 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) | <u>1,813</u> | <u>1,413</u> | <u>78%</u> |
| Total | 10,816 | 4,689 | 43% |
| Commercial Space | | | |
| Light Industrial/Office/R&D (sq. ft.) | 3,856,500 | 391,300 | 10% |
| Retail (sq. ft.) | <u>757,000</u> | <u>368,000</u> | <u>49%</u> |
| Total | 4,613,500 | 759,300 | 16% |
| Hotel (rooms) | 1,750 | 0 | 0% |
| Jobs (Full Time Equivalents) | 18,342 | 4,101 | 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.

Only 27% of Monterey County residents can afford median home price of **\$460K**

Monterey County **average income of \$60,143** can support purchase of home up to **\$190,000**

150% of median average income (\$90,215) can support purchase of home up to **\$285,000**

Current median single family sales prices

| | |
|--------------|-----------|
| Del Rey Oaks | \$450,000 |
| Marina | \$423,808 |
| Seaside | \$355,325 |

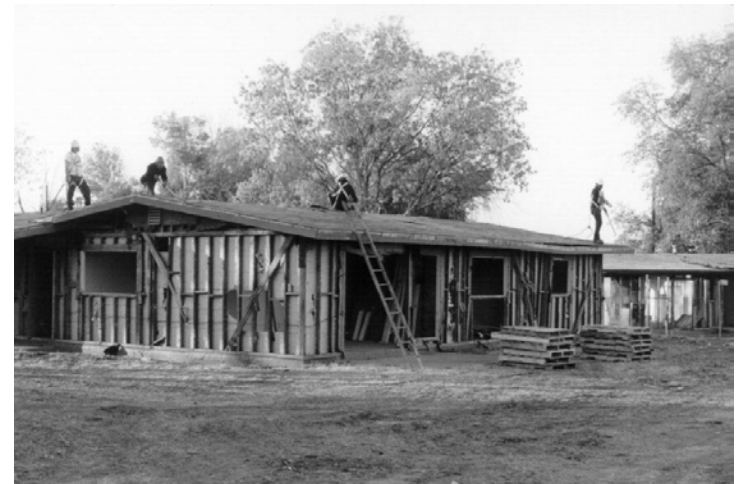
| | |
|---------------|------------------------|
| East Garrison | \$449,000 to \$648,000 |
| The Dunes | \$494,000 to \$634,000 |

- Short term absorption: **100 units/year**
- Longer term growth projections for North Peninsula:
 - **200-300 housing units per year**
 - 200-300 jobs per year
- Translates to **20-30 year build-out**

- Prioritize public and private investments **around key emerging centers**
- New former Fort Ord **Brand** via RUDG

- Processing time and legal threats
- Shortage of mixed uses
- Unaffordable home prices
- Too high CIP budget
- Insufficient labor force availability
- Inadequate land use designations for office/R&D projects
- Sprawl
- Unattractive appearance of the base
- Uncertainty about post FORA base governance
- Lack of master plan for FONM
- Vagueness of mission
- Lack of marketing and branding

- EDA Grant Pending – Building Removal Business Plan
- Seaside Surplus II
 - HazMat Surveys
 - Remediation



Building Removal Economics



| Private Sector Risk | Private Sector Involvement | Site Value |
|---|---|--|
| High: Hazards unknown | Cautionary | Lowest: Value unknown |
| High But hazards known | Interest increases with potential for financial return. Seek jurisdiction to assume portion of risk. | Hazmat surveys provide basis for accurate building removal estimates which accurately determine land value |
| Medium Financing available/ project based | Interest by specialty contracting interests | Hazmat Removal enhances /clarifies value assumptions |
| Low Standard financing available | Construction and Standard Financing / Removal Contractors | Land Value enhanced by removing old buildings |
| Low | Construction and Standard Financing available – Standard contracting | Site Value = Land Value + new Building Value |
| Lowest | Maximum Standard Project Financing used, Businesses established, long term use activity, jobs | Highest Value Site value = Land Value + Building Value + Business Value + Jobs |

