



Fort Ord Reuse Authority

PRESS RELEASE

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PRESTON PARK AVAILABLE FOR PURCHASE

The Fort Ord Reuse Authority (FORA) is seeking offers from qualified buyers to purchase the Preston Park Apartments in the City of Marina, CA. Preston Park is a 352-unit townhouse style multi-family housing development located at the intersection of Reservation Road and Imjin Road in the City of Marina. The subject property was built for the U.S. Army in 1989 and is situated on a 110 acre site.

After nearly two years of negotiations between FORA and the City of Marina for Marina to purchase FORA's share of the property, Marina and FORA entered mediation last year. The mediation effort failed to come to an agreement for Marina to pay 50% of the current appraised value to acquire Preston Park. The FORA Board has now authorized the sale of Preston Park to generate revenues for base wide reuse obligations. FORA and the City of Marina each currently receive 50% of Preston Park revenues. The sale will result in: 1) 50% of the net revenue being paid to Marina; 2) funds to pay off an earlier bank loan to FORA from FORA's share of the net proceeds; 3) payment of environmental mitigations owed by the project; and, 4) any remaining proceeds going toward costs of required removal of deteriorated former military barracks.

Preston Park revenues are derived from a combination of fair market rents, Section 8 payments and incidental charges such as late fees and returned checks. Preston Park units are larger than average for the Marina area, with ample room for storage and garages. Residents pay their own utilities, including water, gas, electricity, sewer, and trash.

Currently, the facility is 97.1% occupied and is considered to be in good condition. 51 of the subject units are below market rents reflecting an ongoing agreement between the Marina and FORA. Currently, contract "fair market" rental units are estimated to be 16.3% below market levels. 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.

FORA Executive Officer Michael Houlemard recently noted: "Preston Park is an important asset to the Marina community and the tenants deserve a continued high quality residential community. We are searching for a buyer who will meet those combined objectives and be a valued partner to the City of Marina."

Interested buyers are requested to contact Robert J. Norris, Jr. for additional information at 831.883.3672. FORA reserves the right to accept or reject all purchase offers.