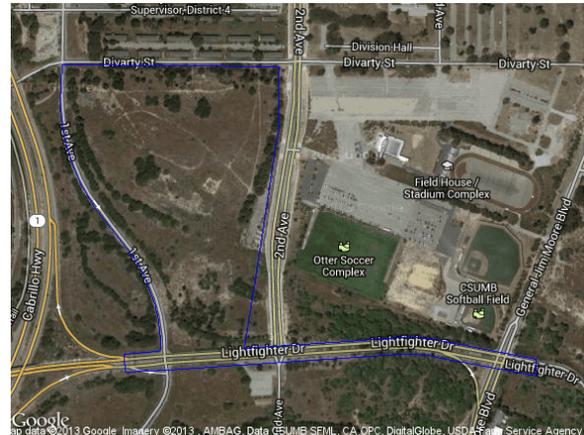


Main Gate/Light Fighter Drive (The Projects at Main Gate)

Transfer to City and Retain for Future Development



Summary

The Projects at Main Gate site is approximately 50 undeveloped acres located on the former Fort Ord military base at Main Gate and Lightfighter Drive. Generally speaking, the site is surrounded by the following uses: Highway 1 and state park land along the Pacific Ocean to the west; open space and existing military structures on lands planned for residential, retail, and office development to the north; recreational facilities of the California State University at Monterey to the east; and lands within the City of Seaside planned for mixed uses to the south. The site is located in the former Seaside-Fort Ord Project Area, which covered the entire area of the former Fort Ord military base within Seaside's jurisdiction, and was a key component of redevelopment efforts on the base.

Property Inventory Information

Parcel Data

<i>Address</i>	Main Gate/Light Fighter Drive
<i>APN</i>	031-151-013-000
<i>Lot Size</i>	49.171 acres
<i>Current Zoning</i>	Regional Commercial (CRG)
<i>Current Use</i>	Vacant undeveloped land

Current Value and Revenue Generation

<i>Estimate of Current Value</i>	To be determined
<i>Date/Value Basis for Estimate</i>	Market
<i>Revenue Generated by Property</i>	N/A
<i>Requirements for Revenue Use:</i>	N/A

Acquisition Information

<i>RDA Acquisition Date</i>	3/30/2005
<i>Value at Time of Acquisition</i>	Value not determined at time of transfer (RDA acquired through FORA at cost \$1)
<i>Acquisition Purpose</i>	Economic development conveyance and blight elimination
<i>RDA Project Area</i>	Seaside-Ford Ord Project Area

General Background of Fort Ord and the Seaside-Fort Ord Project Area

In 1994, the federal government closed the Fort Ord military base. The Fort Ord Base Reuse Plan (BRP) was adopted in 1997 and provides a framework for the reuse of approximately 45 square miles of land located on the former military base. The BRP identifies land uses, goals, and policies to transform the base into an integrated community and requires each land use jurisdiction within the Fort Ord Reuse Authority (FORA), to prepare and adopt amendments as necessary to their general plan to ensure consistency with the adopted BRP. The City amended its General Plan in 2004 to accommodate BRP and commenced proceedings to develop the Redevelopment Plan for the Seaside-Fort Ord Redevelopment Project Area.

The former RDA adopted the Seaside-Fort Ord Redevelopment Project Area (Project Area) on April 18, 2002. Relevant goals of the Redevelopment Plan for the Seaside-Fort Ord Project Area included:

- Removal of existing vacant, abandoned, obsolete and/or deteriorated sites and buildings
- Mitigate the economic and social degradation caused by the closure or realignment of military bases
- Assembly and subdivision of land into parcels suitable for modern residential, commercial, office, retail and visitor-serving development with proper vehicular and pedestrian access
- Improve the infrastructure of the proposed Project Area, including but not limited to development of sanitary and storm drain systems; water, gas and electrical improvements; streets, curbs, and gutters; sidewalks, signing, street lighting, signalization, telecommunications, public facilities, recreation facilities and preservation of open space.
- Develop new employment opportunities.

The 2007-2012 Implementation Plan for the Seaside-Fort Ord Redevelopment Project Area identified Projects at Main Gate as a priority project to be continually supported throughout the five-year period.

Environmental Information

As a former military installation, the use and disposal of hazardous materials, including but not limited to automotive oils and chemicals, military munitions, asbestos containing material, lead-based paint, and other materials associated with on-going military operations at Fort Ord has been extensive. Due to the historical use of hazardous materials, numerous environmental hazards have been documented throughout Fort Ord. As part of the base closure and realignment process, the issue of hazardous materials usage and disposal has been the subject of extensive evaluation as part of on-going remediation efforts conducted by the U.S. Army. Due to the extent of hazardous materials usage and associated presence of hazardous waste, the former Fort Ord

was added to the U.S. Environmental Protection Agency's National Priorities List of Hazardous Waste Sites (commonly referred to as "Superfund" List) in February 1990.

The U.S. Army, as part of the Superfund process, is responsible for completing remediation activities at the former Fort Ord prior to the final conveyance of property to local jurisdictions. The identification, remediation, and disposal of hazardous waste associated with the Superfund cleanup process was initiated as part of the Federal Facility Agreement. The Federal Facility Agreement is meant to "ensure that the environmental impacts associated with past and present activities at the site (former Fort Ord) are thoroughly investigated and appropriate remedial actions are taken as necessary to protect the public health, welfare, and the environment." The Federal Facility Agreement was also intended to develop requirements for the performance of Remedial Investigations/Feasibility Studies (RI/FS) to determine the nature and extent of the threat to the public health and the environment caused by the release of hazardous substances, pollutants, or contaminants at the site, in addition to the fulfillment of remediation requirements pursuant to CERCLA and applicable State law.

A base-wide RI/FS was conducted in 1995 to evaluate environmental contamination. This process consisted of a review and evaluation of past investigative and removal actions, and made recommendations for future response actions deemed necessary to protect human health and the environment. The regulatory agencies party to the Federal Facility Agreement approved the base-wide RI/FS and a subsequent Record of Decision (ROD) identified the U.S. Army as responsible for the long-term monitoring and cleanup of Fort Ord. According to the information contained in the base-wide RI/FS, individual sites were classified based on site characteristics and the potential for hazardous conditions. The 43 sites identified in the RI/FS were subsequently classified into three categories: (1) Base-wide Remedial Investigation (RI) Sites; (2) Interim Action (IA) sites; and (3) No Action (NoA) sites.

The main parcel of the Main Gate/Light Fighter Drive site was identified as IA and all remedial actions were completed in 1995.

Development Plans and Activity

The 2004 City of Seaside General Plan identifies the Main Gate/Light Fighter Drive site Regional Commercial (RC) uses.

In early 2005, the City completed a property profile, conducted public meetings, and circulated a Request for Proposals to prospective commercial developers to facilitate site development. In November 2005, the City selected the Clark Capital Realty/General Growth Properties development team for the project. The former RDA and Resource Management Division worked cooperatively with the development team and local agencies, including California State University Monterey Bay (CSUMB), Marina Coast Water District (MCWD), and the City of Marina, to create a comprehensive plan for the project site.

The outcome of these planning efforts, the Projects at Main Gate Specific Plan was adopted (in July 2010). The EIR was also certified at this time. The Main Gate Specific Plan (Specific Plan) proposes a commercial center and hotel on the site. FOR A approved its determination of consistency in October 2010.

The Specific Plan was developed in accordance with relevant General Plan land use and development goals. The plan identifies the following two project components on approximately 50 acres within the City of Seaside: (1) an open-air retail center and (2) a hotel/spa/conference facility. Two variations of the overall site plan are described in the Specific Plan for the retail center. Alternative A includes a 16-screen cinema and Alternative B proposes a large department store in lieu of the cinema. Both alternatives include a hotel. The proposed “lifestyle center” includes an open-air design with up to 559,500 square feet of commercial retail space. The 250-room hotel facility will include a spa and conference center.

Negotiations with Clark Capital Realty/General Growth Properties ceased and the site remains undeveloped. However, the former Agency received necessary approvals to move forward with the proposed project, as detailed in the Draft Environmental Impact Report (DEIR) completed in 2010.

Potential for TOD and Advancement of Planning Objectives

The site has some potential for transit-oriented development, as the site is within ½ mile of several stops for bus lines servicing the City, including the 17 CSUMB – Marina and 26 CSUMB – East Campus Express lines. Both of these lines are commuter oriented and only offer service during the week. Other bus lines servicing the area around the site include the 16 Monterey-Marina, 75 Presidio-Marshall Park Express, and 76 Presidio-Stilwell Park Express. The 75 and 76 lines are commuter oriented and only offer service during the week. The 16 line serves the region and runs through seven days a week.

Future development of the site would further the City’s planning objectives and help achieve the FORA BRP goals. The property’s zoning designation is Regional Commercial (CRG), allows for hotels, “big-box” retail, movie theaters, and business parks, and is well suited for large-scale commercial development with retail, entertainment and/or service uses. Residential development is not allowed within the CRG zone. In general, the maximum floor area retail (FAR) is 1.0, except hotels are allowed a maximum FAR of 3.0. The CRG zone implements and is consistent with the Regional Commercial (RCC) land use designation of the General Plan.

Property Disposition

The Agency recommends the property be transferred to the City and retained for future development pursuant to HSC §34191.5(c)(2)(A).

Transfer to City and Retain Property for Project Identified in Approved Redevelopment Plan

The former-RDA’s Implementation Plan 2007-2012 for the Seaside-Fort Ord Redevelopment Project Area identified the Main Gate/Light Fighter Drive site as a key component of redevelopment efforts on the former Fort Ord military base. The proposed commercial development on the site would meet the following redevelopment goals and objectives identified in the Fort Ord-Seaside Redevelopment Plan:

- Removal of existing vacant, abandoned, obsolete and/or deteriorated sites and buildings
- Mitigate the economic and social degradation caused by the closure or realignment of military bases

- Assembly and subdivision of land into parcels suitable for modern residential, commercial, office, retail and visitor-serving development with proper vehicular and pedestrian access
- Improve the infrastructure of the proposed Project Area, including but not limited to development of sanitary and storm drain systems; water, gas and electrical improvements; streets, curbs, and gutters; sidewalks, signing, street lighting, signalization, telecommunications, public facilities, recreation facilities and preservation of open space.
- Develop new employment opportunities.

The development of the site as a unified development will effectuate the former RDA's plans to develop a high quality regional commercial project at this location as outlined in the Redevelopment Plan and 2007-2012 Implementation Plan for the Fort Ord-Seaside Project Area. Development of the site as a unified development will also eliminate the following blighting conditions that were identified in the Redevelopment Plan, as described in the 2007-2012 Implementation Plan:

- Inadequate improvements
- Unsafe and dilapidated buildings
- Functional obsolescence
- Presence of hazardous materials
- Deficient roadways
- Inadequate utilities

Disposition Process

By retaining the property for future development, the City will be able to achieve the former RDA's plans for the site. The City will also be able to ensure that a project is developed that meets the City General Plan and zoning guidelines and meets the objectives of the Projects at Main Gate Specific Plan. In addition, by retaining the property, the City can identify a developer with the necessary experience and expertise to complete a development project in a realistic timeframe while avoiding a buyer who is interested in a more speculative real estate investment.

The Main Gate/Light Fighter Drive Site will be disposed of to a qualified developer who will acquire and develop the property in a timely manner in accordance with an approved Disposition and Development Agreement (DDA), which will set the terms of the land acquisition between the City and the selected developer. The developer will be selected through an application process involving solicitation of interested prospective developers with a Request for Qualification (RFQ), Request for Proposals (RFP), qualified bid, or similar means.

An agreement with affected taxing entities may be required, and the use of any sales proceeds will be determined in accordance with the requirements of AB 1484.

Disposition Proceeds

The purchase price to be paid by the developer of the Main Gate/Light Fighter Drive under the DDA will be not less than the fair reuse value of the property including the covenants, conditions, and development costs authorized pursuant to the DDA, as determined by formal action of the City Council.

If required by AB 1484, an agreement with the taxing entities will provide for the net proceeds of sale to be distributed as property taxes to the affected taxing entities. (From the disposition proceeds, the City may “net out” and retain an amount to cover its reasonable costs in connection with the disposition process, including marketing costs, attorneys’ fees, title insurance premiums, closing costs, and transfer taxes, and any site maintenance and site preparation costs incurred by the City.)

Disposition Timeline

While the timing of disposition and development of the property will depend on market conditions and interest of the private real estate development and financing community, it is currently anticipated that such disposition and development may occur generally in accordance with the following timeframe:

- Developer selection: Within 12 months of LRPMP approval
- DDA Negotiation/Approval: Within six months after developer selection
- Satisfaction of Conditions/Property Conveyance: Within six months after DDA approval
- Commencement of Construction: Within three months after property conveyance
- Completion of Construction: Within two years after commencement of construction