

RESOLUTION NO. 2020-127

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA
RECEIVING STAFF PRESENTATION ON BLIGHT REMOVAL FUNDING,
BLIGHT REMOVAL PROJECTS, AND PROVIDING DIRECTION
TOWARDS PRIORITIES FOR BLIGHT REMOVAL

WHEREAS, the closure of the Army Fort Ord resulted in land being deeded to the City of Marina in an “as-is” condition. The land contains numerous buildings that served the former fort which have deteriorated since 1994 and need to be removed as part of the land redevelopment, and;

WHEREAS, some of the buildings are on property that the City will retain and must be removed or renovated for adaptive reuse. These include 62-65 barracks buildings and 260 duplex housing units on what was planned to be the Cypress Knolls development, and;

WHEREAS, the Fort Ord Reuse Authority (FORA) sunset on June 30, 2020 but acted to secure bond funding for blight removal prior to closure. Included in the bond funding are FORA bond trust funds allocated to the City amounting to \$8,561,968 with an additional +/- \$1M which will be available by the end of the year, and escrow bonds that are projected to generate \$6.5M in blight removal funding through 2025, and;

WHEREAS, Staff presented project costs and options for allocation of blight removal funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Marina does hereby:

1. Adopting Resolution No. 2020-, receiving a staff presentation on blight removal and blight removal projects and;
2. Schedule a special City Council meeting for Tuesday, October 27, 2020 at 6:00pm, and;
3. Bring back additional information as to the options and what other funding might be available to complement the removal of the blight at each of these locations as appropriate; and to do outreach including a flyer to all of our local community groups, users of our facilities, our commissions and the public; and community service announcement through radio and television.

PASSED AND ADOPTED, at a regular meeting of the City Council of the City of Marina, duly held on the 15th day of September 2020, by the following vote:

AYES: COUNCIL MEMBERS: Berkley, O’Connell, Morton, Delgado

NOES: COUNCIL MEMBERS: None

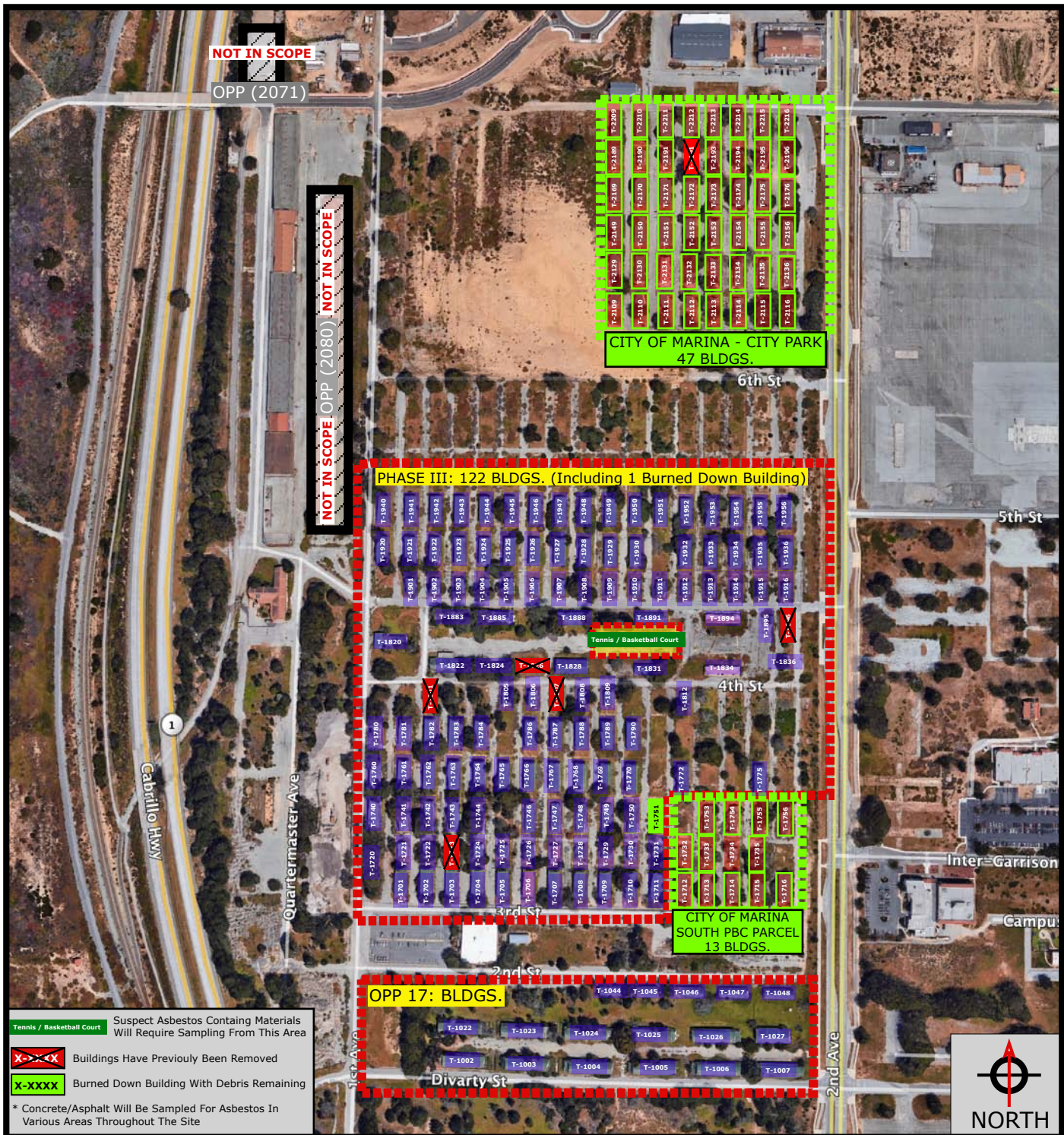
ABSENT: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk





S
TECH
CONSULTING

DATE PREPARED:
6/11/20

REVISION:

PROJECT NO:
TBD

SOURCE:
Google Earth

REVISION DATE:

SCALE:
NTS

DRAWING TITLE:

Aerial View Of Subject Site

PROJECT NAME:

Eleventh Street Buildings

CLIENT:

Marina Community Partners

FIGURE NO.

B



SCALE: 1" = 450'

September 9, 2020

Item No. **11e**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting of
September 15, 2020

**CITY COUNCIL TO CONSIDER ADOPTING RESOLUTION NO. 2020-,
RECEIVING STAFF PRESENTATION ON BLIGHT REMOVAL
FUNDING, BLIGHT REMOVAL PROJECTS, AND PROVIDING
DIRECTION TOWARDS PRIORITIES FOR BLIGHT REMOVAL**

REQUEST:

It is requested the City Council consider:

1. Adopting Resolution No. 2020-, receiving a staff presentation on blight removal and blight removal projects and;
2. Providing direction towards priorities for blight removal and building rehabilitation.

BACKGROUND:

The closure of the Army Fort Ord resulted in land being deeded to the City of Marina in an “as-is” condition. The land contains numerous buildings that served the former fort which have deteriorated since 1994 and need to be removed as part of the land redevelopment. These buildings contain lead, asbestos and are unsafe. Many of the buildings have been, or will be, removed by developers such as the Dunes and Sea Haven as part of their land purchase agreements. Some of the buildings are on property that the City will retain and must be removed or renovated for adaptive reuse. These include 62-65 barracks buildings shown on “**EXHIBIT A**” and 260 duplex housing units “**EXHIBIT B**” on what was planned to be the Cypress Knolls development.

The Fort Ord Reuse Authority (FORA) sunset on June 30, 2020 but acted to secure bond funding for blight removal prior to closure. Included in the bond funding are FORA bond trust funds allocated to the City amounting to \$8,561,968 with an additional +/- \$1M which will be available by the end of the year, and escrow bonds that are projected to generate \$6.5M in blight removal funding through 2025.

The FORA bond funds can be used for both blight removal and rehabilitation of buildings.

ANALYSIS:

Blight Removal

City staff met with the project manager for the recent barracks removal performed by the Dunes to obtain updated removal costs for the buildings. These were compared to cost estimates developed by FORA. In addition, the city hired an environmental consultant to survey three buildings in Cypress Knolls and prepared a report identifying hazardous material removal and demolitions costs for the 260 units.

The primary blight removal areas and estimated costs are:

- Dunes City Park – 47 buildings estimated cost \$4.1 million (\$87,800 each)
- Dunes Park South – 13 buildings estimated cost \$1.1 million
- CDEC Hill Eleventh Street – 6 buildings estimated cost \$0.5 million
- Cypress Knolls – 260 duplex units – estimated cost \$13.2 million (\$50,000 each)

Rehabilitation

The following buildings are buildings that either need to be rehabilitated, or eventually demolished. The following are the estimated costs for rehabilitation:

- Arts Village Building – Stabilization, \$1.35 million
- Fire Station 3 - Reroof and Cleanup, \$200,000
- Dunes Barracks Stabilization (3), \$200,000

As part of our Dunes City Park plan, the City Council last year identified three buildings south of the white chapel which have been identified for rehabilitation to remain as examples of Fort Ord architecture. Reconstruction in kind or rehabilitation of the three buildings to meet current codes for occupancy and accessibility could cost as much as \$6.5 million.

The City could also allocate funds to rehabilitate the pool (\$8.0 million) and recreation center (\$5.0 million).

Another possibility could be rehabilitation of the white chapel (\$1.0 million) which could be used for a variety of public purposes and uses.

Escrow Bond Funds

The release of the FORA escrow bonds is dependent upon Dunes Area tax increment growth. Each year, the City will have a calculation made to determine how much the tax increment has increased above the base year (2020) tax increment when the bonds were issued. This calculation is made after the County Assessor publishes the assessed values of all County properties, usually in August. To the extent the tax increment exceeds the base year tax increment, a calculation will be made to determine how much debt the additional tax increment could support with an additional amount for safety. This 125% coverage ratio will then determine how much in escrow bonds may be released. This calculation is presented to the bond trustee who then releases the appropriate amount of escrow bonds once each year in October. Any unreleased bonds in 2025 will be called and redeemed with the remaining money in the escrow fund in December of 2025.

Below is the scheduled release of escrow bonds if the tax increment grows at the rate projected at the time of bond issue.

Projected Release of Escrow Bonds			
Release Occurs Each Oct if Coverage Threshold is met, 125% Debt Service Coverage			
Year	Net Bonds Released		Total Released
2022	1,194,000		1,194,000
2023	2,695,000		3,889,000
2024	1,111,000		5,000,000
2025	1,500,000		6,500,000
	6,500,000		

FISCAL IMPACT:

The City currently has \$8.5 million from the FORA bond available for blight removal or building rehabilitation with maybe another \$1.0 million available by the end of this fiscal year. Over the next five years the City is expected to receive another \$6.5 from the escrow bonds.

CONCLUSION:

The request is submitted for City Council consideration and possible action.

Respectfully submitted,

Brian McMinn, P.E., P.L.S.
Public Works Director/City Engineer
City of Marina

REVIEWED/CONCUR:

Layne P. Long
City Manager
City of Marina