

**A Report on the Ft. Ord Logic Study**  
**2006 National Gathering**  
*11.17.2006 Aptos, California*

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*“Governing goes out in the corridors of government, it is the liaison who controls the power.”*  
*-Armando Ramirez via Velma Sun Fletcher*

On November 17<sup>th</sup> 2006, twenty-nine Coro Alumni, spanning five decades of Coro experience, convened to conduct a condensed Logic Study of the former Ft. Ord military base in Northern California as the opening activity of the 2006 Coro Alumni National Gathering. As I welcomed the group, I realized for the first time since my Coro Fellowship (St. Louis 2005, trained by Gerty O’Leary) how comforting it was to address a group of strangers who actually know what a Logic Study is, let alone what Coro is.

The purpose of this WIGO (What Is Going On) activity was two-fold. Primarily—as with most logic studies—our objective was for substantive learning: to identify the political, economic, social and cultural logic in producing below-market rate housing at the former Ft. Ord, the largest military base closure in the country surrounded by some of the most valuable real estate in the country. However the secondary goal was to enable the unique kind of relationship building and cross-generational interaction that only an intense activity like a Logic Study can produce.

At 11am sharp, we departed for our journey in a large tour bus, equipped with a hefty load of informative materials prepared by our gracious host and facilitator Michael Houlemard, the Chief Executive Officer of the Ft. Ord Reuse Authority. Making our way to the base, listening to the historical context that Mr. Houlemard was outlining to the group, I thought back to the months of planning and preparation conducted by the Logic Study planning committee consisting of Mimi Rayl (LA ‘82), Mastermind Jim Schooning, (LA ‘66), Gathering Captain Peter Roose (StL ‘05) and Houlemard (SF, 79’). I realized that this was really only my second logic study. I found myself reeling from the logistical anxiety but even more enthralled with the prospect of the knowledge, access, and insight that would ensue in the next six hours.

### **Ft. Ord W.I.G.O**

#### ***Context:***

In 1993, Fort Ord, the largest army base in the country located just north of Santa Cruz, California and south of San Francisco was permanently closed due to military downsizing, inadequate infrastructure, and preventative retrofitting costs. Upon closure, the capital assets of the former Fort Ord were transferred to the Fort Ord Reuse Authority (FORA), a multi-jurisdictional organization created through State of California law to plan, finance, facilitate and otherwise oversee the economic recover of the Monterey Region from the impacts of the closure.

Specifically, the area formerly known as Ft. Ord is located in Northern Monterey County between the cities of Monterey to the southeast and Salinas to the northeast. It borders Monterey Bay to the west and extends from the City of Seaside in the south to the City of Marina in the north and to the Salinas River to the east encompassing 45 square miles and covering over 28,000 acre. Most of the land at the former Fort Ord base is currently still under the jurisdiction of the U.S. Department of the Army, though FORA is the authorized recipient of approximately 5300 acres to be used for economic redevelopment purposes under federal law

(Economic Development Conveyance) or "EDC".<sup>i</sup> The remainder of the lands is to be remediated and/or utilized for habitat preservation.

***Primary Issues & Challenges:***

Currently, job creation, prevailing wage agreements, affordable housing, and habitat preservation are some of the defining issues of Ft. Ord redevelopment. As a result the redevelopment efforts of the former Fort Ord are broad and comprehensive by necessity of which primary elements of the redevelopment strategy include a capital improvement program to retrofit outdated infrastructure, remediation of brown-field zones, creation of below-market rate housing in one of the highest priced housing markets in the country, and coordination of multiple jurisdictions constituting over 60 different agencies with a stake in the redevelopment strategy of the former military base.

In short, the plan for Ft. Ord calls for \$6 billion in construction, 18,000 new jobs and 12,000 new homes by 2020. Though the plan is sizable and broad in its goals, ultimately it is a "replacement project, not a growth project" as the future population of the area "would not exceed that of the former military base at the peak of operation." This is reinforced by the designation of two-thirds (63%) or 17,000 acres, to the Bureau of Land Management for habitat management and conservation. Additionally, resource use and allocation are fundamental issues yet to be resolved. As of 2004, officials estimated that the water agency needed at least \$60 million to finance the water projects on Ft. Ord.<sup>ii</sup> This represents a real constraint added to the reality of the short water supply in the region. Clearly, housing affordability<sup>1</sup>, land usability, and job creation/retention are significant issues for Ft. Ord redevelopment to be sustainable.

Though substantial opportunities for redevelopment exist in the region with Ft. Ord leading efforts at the center of the geographic dynamics, the region as a whole appears to be subject to a "perfect storm" of economic strife. The housing market is predominately inflated and unaffordable for the majority of regional residents who may not even be able to afford subsidized housing due to a lack of long-term employment, little-to-no workforce initiatives, or job centered strategies to attract and retain substantial industries for job creation (let alone wealth creation.) Moreover, capital improvement costs and resource scarcity (predominately water) are pushing costs to redevelop increasingly higher, making investments unattractive to developers and investors.

***Major Features & Trends of the Area Economy (May be found appended to this document)***

- ***Population***
- ***Housing:***
- ***Employment & Labor Force***
- ***Income & Poverty***
- ***Education:***

**Recap of Events:** (An itinerary of the day's event can be found appended to this document.)

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<sup>1</sup> Affordable vs. Workforce housing definitions: For the purposes of this analysis, "affordable housing refers to mixed income housing development that includes all income categories: very low, low, moderate, above moderate and market rate housing. Work force housing refers to mixed income housing that excludes very low income households." (FORA Affordable/Workforce Housing study, The Clark Group, March 2003)

Throughout the day we were afforded incredible opportunities to learn, inquire and investigate the issues prevalent at Ft. Ord as Michael Houlemard and Mimi Rayl had put together a dense day of activities for the group to indulge in. Presentations and tours by the FORA staff provided a detailed and informed picture of the economic and demographic issues at play in redevelopment, as well as a bold and extremely valuable bus tour of the facilities for us “experiential learners.” For myself, to see a place and witness the physical constraints and opportunities contribute more to my perspective than any amount of primary research.

A panel discussion with regional leaders and FORA board members yielded a glimpse into some of the more edgy political issues that underscore efforts for sustained affordable housing development and resource management in the region. The day finished with a brief interaction with the FORA board followed by a closed-door session that demonstrated the significance and importance of the prevailing wage issue in impacting how future development efforts will be implemented.

### **General observations by participants:**

The following are compiled observations, questions and comments from the day’s activities gathered through a follow-up survey and post-activity interactions. It is by no means a complete collection of observations and questions, but it is the collection of information submitted in lieu of a more formal, traditional Logic Study “reporting.”

### **General Knowledge Factors:**

- *Innovative Culture:* Clearly, economic issues shape much of the picture at Ft. Ord and the interaction of the environmental, political, and social factors combine to create an ongoing and intricate dynamic for the FORA staff. But what of the cultural factors? One of the most amazing things about Ft. Ord (as observed by an outsider) is the unique control of *how* the community/region is being developed. The former Ft. Ord takes on the feel of an island within the mainland whose fate is controlled with the very intentional design of the leadership at FORA. There does appear to be unanswered questions as to resource/water scarcity, longevity of housing affordability, sustainability of job growth, and the capacity of transportation infrastructure. Nonetheless, it was amazing to witness what appears to be an extremely impressive control-of-market forces and enforcement of political collaboration to thoughtfully, and sustainably, create a community. For this reason I feel it is appropriate to attach the label *Innovative* to the Ft. Ord culture especially amidst state and regional dynamics renowned for out of control, and un-sustained growth.
- *Rural Resource management:* It was surprising that the issue of water and water rights was so critical to development in a relatively rural county.
- *Municipal Innovation:* City of Marina demonstrated important foresight in creating centralized permitting office outside current government structures and having developers pay for the office.
- *Public-Private partnerships* strive to include families of varying income levels, regarding housing affordability.
- *Conservation and Clean up efforts to restore the ecology of the area* demonstrate transparency and authenticate FOR A and collaborating partners.

- *Mixed-use development* in East Garrison exemplifies a sense of community.
- *Preservation of Natural Habitat* is crucial to maintain economic base.
- *Collaboration*: FOR A has successfully brought everyone to the table, a truly astonishing result that embodies the ultimate “and.”
- *Leadership*: What was most pleasing about our experience was Michael Houlemard’s presence. It was admirable not because of his position, but in the way he addressed the group, how he educated us. Hence, we observed him in the most genuine manner. Mr. Houlemard—a steward of government, a true leader— demonstrated a governing process of shared governing, a political necessity resulted in collaboration and progress.

### **Remaining Questions**

- *Prevailing Wage*: Why not eliminate FORA policy mandating prevailing wage for all projects that meet 30% affordable housing goal?
- *Public Transit*: What of public transportation? What are the barriers to increasing investments into public infrastructure?
- *Schools*: If population increases as predicted, what about the need for more primary education facilities?
- *Tourism & Infrastructure*: If tourism were predicted to be a major source of revenue for the Monterey peninsula, how would efforts to expand Highway 1 proceed to compensate for increased traffic and visitors?
- *Housing competition*: What is the “non Ft. Ord related” competition for housing in the area?
- *Housing*: What amenities will Ft. Ord offer to attract enough market rate buyers to make the project profitable?
- *Regional Integration*: How will Ft. Ord’s developments be integrated into the existing communities?
- *Contingency Plans*: What contingency plans exist should redevelopment efforts not precede optimally?
- *Shared Profit Maximization*: Couldn’t economic models be used to predict the number of developments that would maximize profit and divide those developments between the participating cities, with each also receiving a portion of the remaining land to be devoted to affordable housing ventures?

### **Ideas:**

*Brownfield Remediation, Energy Sector Enhancement, and Job Growth* (May be seen appended to this report).

## **Thoughts on a Coro Logic Study**

The challenge of how to extract the thoughts, questions, energy, and knowledge from a multi generational group of Coro alumni and friends has been daunting yet has refined perhaps one of the greatest lessons learned from this experience. True to Coro form, some of the most poignant lessons learned were not necessarily at the forefront, or the actual purpose of the endeavor. From my perspective one of the most significant lessons from the Logic Study were about how to cultivate a diversity of knowledge from those whom you share an experience with. On a whole I feel incredibly satisfied with what I learned substantively (or on a General Knowledge scale) about Ft. Ord and the range of issues shaping its redevelopment. From an academic standpoint I understand and am intrigued by the fundamental economic, environmental, social and political forces at play. From a professional standpoint it occurred to me that working at Ft. Ord would be a dream job combining a diversity of issues and complexity that I crave.

However, from a Coro stand point I realized that one of the most important lessons is not only about what questions are asked, but about HOW a group of people coming from a variety of places and perspectives can unify in a single voice through the questions they ask and the observations that come from their collective perspective that can and does create new realities by extending the private and unspoken into the realm of the public consciousness.

Herein lies one of the core foundations of Coro and the reason why it has been so powerful for so many of us.

### **Major Features & Trends of the Area Economy**

**Population:** The region includes the counties of Monterey (which dominates the region comprising 61% of the 1998 population), Santa Cruz and San Benito, with a fluctuating population since the early nineties. In general the population and economic growth of northern California has been in decline in recent years due to employment loss, housing supplies and high prices. According to the US Census Bureau, the San Francisco Bay area has grown minimally if at all in the past half decade, a sharp contrast to that of the swelling growth in Southern California. Specifically, the Bay area added nearly twice as many residents as it dropped from 2003 to 2004, for a net gain of almost 10,000 people. It was the first increase since 2001, when the 7 million-person region was hit by a sizable loss to the technology sector and a decrease of the tourism and financial services sectors, paralleling national trends.<sup>iii</sup>

Between 1991 and 2003, the population of Monterey County grew by 15.1% or 54,625 new residents. However, this growth was not evenly distributed throughout the County, with most growth occurring in the Salinas Valley where the seven peninsula cities (Carmel, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City and Seaside) were home to 33.5% of the County's residents. These cities were also the ones most affected by the closure of Ft. Ord. By 2003 these cities' share of the County's population had dropped to 25.3%. Because these cities are almost completely built out and face other resource issues, these population trends are not expected to change in the foreseeable future.<sup>iv</sup>

**Housing:** Monterey County is consistently ranked one of the most expensive counties in the country, due in part to high price of housing. "The relatively high cost of housing in Monterey County is a result of a combination of factors, including proximity to Silicon Valley's high skill, high wage agricultural and service economies." <sup>v</sup> The California Association of Realtors reports an all-time low of first time home owners (26%) while the median price of a California house was an all-time high of \$474,480, requiring a minimum household income of 107,880 annually according to September 2004 US Census figures.<sup>vi</sup> In the Monterey County region, the averaged-priced home is nearly \$700,000, the highest in the country.<sup>vii</sup>

**Employment & Labor Force:** Total countywide employment for Monterey County in 2003 averaged 177,800 with an average labor force of 198,500. Though the labor force has grown at a slightly faster rate than the rest of the State, County unemployment continues to be substantial ranging from 6.5 % to 17.3% in contrast to the 2003 US average of 6.0%. One possible explanation of the unemployment trends could be accounted for by the fact that 22% of the County's employment is farm-based, which has seasonal impacts on employment. This is significantly higher than the statewide rate of 2.7% for the agricultural sector. "Generally, Monterey County has fewer jobs, as a percentage of total non-farm employment in any given industry sector than either the state or the nation."<sup>viii</sup>

**Income & Poverty:** Per Capita Income in 1999 was \$20,165, 6.6% less than the national per capita income (\$21,587) and 11.2% less than the California per capita income of \$22,711. The median household income in Monterey County was \$48,305 in 1999, which despite having actually grown since 1989, more than 13% of Monterey County residents lived below federal poverty levels in 1999. This impact is even more significant when contrasted with the local cost of living, 34% higher than the national average in 1999.

**Education:** As an integral component of competing in a modern economy, it is important to highlight that 68% of Monterey County residents 25 years and older have High School degree below the State average of 76% and a national average of 80%. Additionally, 22% of residents have a BA/BS or higher below both state and national averages.<sup>ix</sup>

**Ft. Ord Logic Study Itinerary:**

- 1) *Presentation: History of Fort Ord (11:00am-11: 20)*  
by Michael Houlemard, Executive Officer, Fort Ord Reuse Authority (FORA) (en route from Watsonville to Fort Ord).
  
- 2) *Discussion: Regional Planning and Fort Ord Base Reuse Planning (11:20-12pm)*  
by Steve Endsley, FORA Director of Finance and Planning, and Michael Houlemard; Doug Yount, Strategic Development Center, City of Marina; and Nick Papadakis, Association of Monterey Bay Area Governments (FORA "Barn")
  
- 3) *Tour: Fort Ord's Housing Development and Rehabilitation Sites*  
*\*\* (12pm-1pm)*  
by Carrie Mann, Sustainable Base Reuse Institute, and Stan Cook, Real Properties and Facilities Manager, FORA.
  
- 4) *Lunch/Presentations (1pm-2pm) (East Garrison Vision Center.)*  
Box lunch - CD Presentations of University Village, Marina Heights, and East Garrison
  - Presentation - East Garrison Project - Keith McCoy, Urban Community Partners
  - Panel Discussion - Former Fort Ord Political/Legal Challenges and the Impact on Housing Production led by FORA Chair/Marina Mayor Ila Mettee-McCutchon, with Congressman Sam Farr and Seaside Mayor Ralph Rubio
  
- 5) *Presentation: Affordability and Economics Issues and Fort Ord (2:30-3pm)* by Steve Endsley, with Bob Schaffer Sr., Marina Community Partners; Gay Ryrden, Clark Pinnacle; Jane Barr, Mid Peninsula Housing Coalition; and Jan Lindenthal, South County Housing (East Garrison Vision Center)

**Brownfield Remediation, Energy Sector Enhancement, and Job Growth**<sup>x</sup>

Historically, Brownfield cleanup at Ft. Ord has been a substantial liability for redevelopment as it was designated a Super Fund sight and put the National Priorities List in 1990. The facility was listed "fence line to fence line" (all 28,000 acres.) Primary sites of concern included motor pools, vehicle maintenance areas, dry cleaners, sewage treatment plants, firing ranges, hazardous waste storage areas, and unregulated disposal areas.<sup>xi</sup> A targeted bioremediation strategy can transform these obstacles into organic oil seed farms through the promotion of Brassica plants. Specifically, utilizing the brassica plant species to clean-up soils contaminated with trace elements of mercury, lead and other pollutants could provide affordable and sustainable technology for bioremediation. Crops such as mustard, canola, and sunflower can both remediate the soil and produce vegetable oils that can be transformed into clean burning bio-diesel. To illustrate, one acre of canola plants, could potentially yield 50 gallons of diesel, 3 times per year. Hence if FORA were to implement 100 acres of sunflower and canola, potential yield could be 4,500 gallons of fuel to be sold or utilized in addition to the value of re-mediating the land in part for sale and re-use.<sup>xii</sup> This strategy represents a unique, value added approach to a major obstacle of complete redevelopment. Ultimately, addressing these sites in cost effective manner maximizes redevelopment potential.

This project presents exciting opportunities for the development of new jobs in a region already strong in the agricultural sector. Additionally, a bio-diesel processing facility could enable the region to promote new job training and small business opportunities for area workers in new sectors as well as a valuable commodity (fuel) that could be used directly at Ft. Ord or sold to public and private entities. Revenue could also be generated by selling carbon offsets realized from no-till farming practices and the burning of carbon neutral bio-diesel fuel actively promoted through California energy policy and climate change commitments.

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Citations:

<sup>i</sup> Ft. Ord Reuse Authority, <http://www.fora.org/faqs.htm>. Accessed 12.07.06

<sup>ii</sup> Purewal, Kukhjit, "Ft. Ord reconstruction costly." *The Herald*; 3, April 2004. ,

<sup>iii</sup> Leff, Lisa, Bay Area Population Grows. *The Monterey Herald*, 15, April, 2005

<sup>iv</sup> Monterey County Economic Development Strategy, March 2004.

<sup>v</sup> Ibid

<sup>vi</sup> Willey, Bruce. "Costly Coast." *Good Times*; 20, Jan. 2005.

<sup>vii</sup> Ibid

<sup>viii</sup> Monterey County Economic Development Strategy, March 2004.

<sup>ix</sup> Ibid

<sup>x</sup> Butcher, Andrew, *An Analysis of Ft. Ord Challenges and Opportunities* for Urban Regional Economic Development, Carnegie Mellon University, 12.06

<sup>xi</sup> Fort Ord Clean Up, <http://www.fortordcleanup.com/cleanupprgrm/superfund.asp>, accessed 12.10.06

<sup>xii</sup> Doyno, Nate. Steel City Bio Fuels, interview 11.06