For Sale
5.86 Acre Multi-Family Development Site
Marina, CA Monterey County

CUSHMAN & WAKEFIELD

Offering Memorandum

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PROPERTY SUMMARY

Address	150 Beach Road, Marina, California
Parcel	APN 033-111-027-000
Size	Market Rate 4.86 Acres Affordable 1.00 Acres
Zoning	Planned Commercial District Coastal Permit Zone
Proposed Zoning	R-4 Multiple Family Residential 15-35 Units per Acre with Potential Density Bonus
Utilities	Marina Coast Water District Marina Regional Water Pollution Control Agency Pacific Gas & Electric Green Waste Recovery

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PROPOSED DEVELOPMENT

Introduction

Ric Russell and Nicholas Russell are pleased to offer to qualified parties the opportunity to acquire the Marina Multi-Family development site. The site is centrally located at 150 Beach Road in the City of Marina, Monterey County, California. The site is 5.86 acres and is currently zoned Planned Commercial District. It is proposed that the site be re-zoned to Multiple Family Residential District.

The site is part of an existing commercial development that is home to a Walmart Division One Store with Pharmacy and Grocery. There is a 7-11 store with Gas on a separate parcel within the center. There are also 3 unbuilt commercial pad sites. The subject site will require a General Plan Amendment as well as Amendment to the Reciprocal Easement Agreement currently encumbering the center.

Development Strategy

Current ownership entitled and developed the Walmart and has engaged in preliminary discussions with the City of Marina regarding re-zoning this parcel. The City has been supportive of the multifamily development concept. The general outline of the proposed project calls for a 1.00 acre parcel for an affordable housing development of ±40 units and a 4.86 acre parcel for market rate multi-family development of ±170 units.

Zoning

The City of Marina Municipal Code, Title 17 governs zoning. The site is a Planned Commercial District in a Coastal Permit Zone. It is anticipated that a General Land Use Map amendment will be obtained that changes the land use to Multiple Family Residential together with a Zoning Map Amendment changing the Zoning District from Multiple Family Residential (R-4).

R-4 Multiple Family Residential District zoning calls for of 15 units per acre to 25 units per acre by right. Density of 26-35 units per acre is allowed with the issuance of a Use Permit. Neither the City of Marina General Plan nor Zoning Code establish criteria or considerations for increased residential densities. The considerations are the policies of the General Plan and findings for acting on a Use Permit request. In order to grant a use permit the Planning Commission must find that the use applied for will not be detrimental to the health, safety, and general welfare of the community; in the Coastal Zone the use is consistent with the local land use program. Multiple Family Residential with density of 35 units per acre is believed to be consistent with the Local Coastal Program and Implementation Plan.

Proposed Development

Ownership is taking a conservative view of potential multi-family development of the subject site. 1.00 acres for the development of 40 affordable housing units is anticipated to have City support. It is anticipated that a Use Permit will be obtained allowing a density of at least 35 units per acre which will allow 170 units on the 4.86 acre market rate site. A density bonus may be used to increase the number of both market rate and affordable projects.

Pricing

The 100% fee simply interest in the 5.86 acre parcel is being offered unpriced.

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MONTEREY COUNTY APARTMENT MARKET

Monterey County Apartment Market

The Class A apartment market in Monterey County is extremely strong. Focusing on the top 10 properties, vacancy in 2016 was just 2.5%. In Q1 2017 vacancy shrunk to just 1.5%. For those same 10 properties rents grew 7.3% in 2016, and the average annual rent growth over a 5 years period was 6.3%.

The comp group is comprised of properties that were built between 1960 and 2000. While all of these properties have been renovated in recent years, a new modern project will provide style and substance that cannot be added to an older building. A new development will have the benefit of all of the amenities of modern projects including high capacity internet service, electrical delivery to support the multitude of electrical devices in use today, high end finishes such as marble and stainless steel appliances, fitness center, and much more. Additionally, modern energy delivery should place this cost on the tenants at a price that should be lower than older properties.

The subject property enjoys a perfect location to house a new and modern apartment community. Of the 10 property comp group referenced above, 4 are in Monterey, 3 are in Salinas, 2 are in Pacific Grove, and 1 is in Carmel.

Marina is just 8 miles north of Monterey and 8 miles east of Salinas, the major employment centers of Monterey County. The population within a 10 mile radius of Marina is over 200,000. California State University Monterey Bay is a few miles away, providing a tenant base that is unique to Marina. Of special note is the fact that the property is located less than 1/2 mile from Marina State Beach and Marina Dunes Nature Reserve.

The subject site is just 18 miles (20 minutes) from Watsonville and 34 miles (40 minutes) from Santa Cruz. These cities have populations of 54,000 and 65,000 respectively, increasing the population base for this project to over 300,000.

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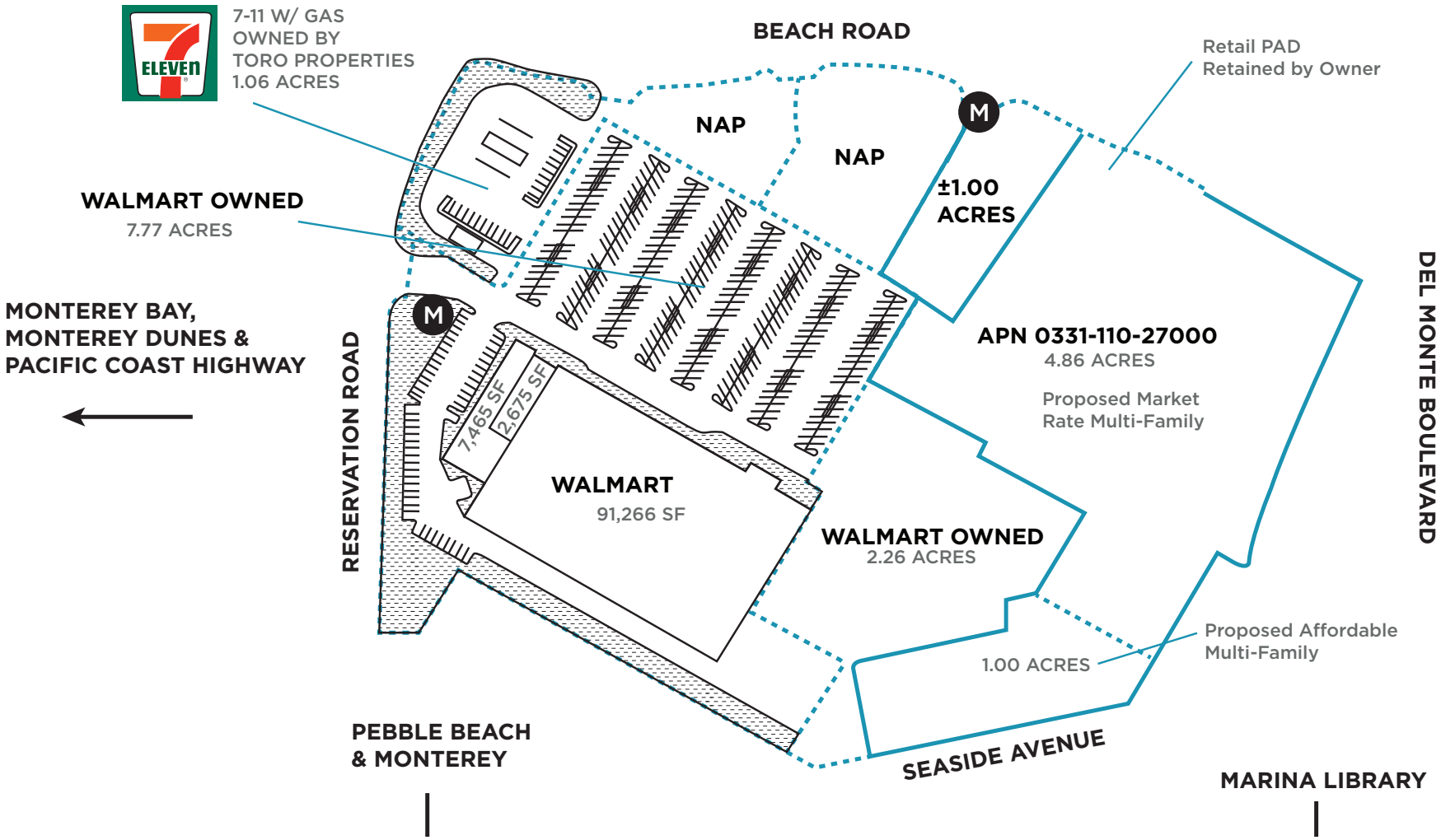
SITE PLAN

150 BEACH ROAD, MARINA, CA



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ABOUT MARINA

The City of Marina is located along the central coast of California, 8 miles west of Salinas, and 8 miles north of Monterey. At an elevation of 43 feet above sea level, Marina is situated at the southern end of the Monterey Bay. The city was incorporated in 1975 and is the newest on the Monterey Peninsula. Marina includes part of the California State University, Monterey Bay campus, the UCMBEST branch research center of UC Santa Cruz (35 miles north), and the Veterans Transition Center (VTC). In 2012, Marina was named one of the 100 Best Community for Young People by America's Promise Alliance. The Fort Ord Station Veterinary Hospital, built in 1941 to provide healthcare for U.S. Army horses and mules, was listed on the National Register of Historic Places in 2014. This is the first such official recognition on old Fort Ord.

The City of Marina has approximately 93 full time employees, and several seasonal workers, part-time/temporary workers and volunteers, including Volunteer Fire Fighters and Police Reserves. The general fund budget is $17.1 million, a total budget of $36.8 million. The City is a full-service city, and consists of the following departments: City Manager's Office, Police, Fire, Community Development, which includes Airport, Planning, Engineering, Building and Public Works; Development Services Department, which includes Redevelopment, Housing, Real Estate and Property Management, Economic Development; and Recreation and Cultural Services, Finance, and Human Resources and Risk Management.

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MARINA HISTORY

In the early 1900's, real estate salesman William Locke-Paddon, considered the father of Marina, purchased 1,500 acres from the Bardin and Jacks estate. He subdivided and resold the land. In 1918, the area was named "Marina" and the Southern Pacific Railroad included a flag stop in this new community. As the land was developed, areas were set aside for schools, churches, and other necessities of an organized city.

The military has been an important presence in Marina throughout the community's history, due to its proximity to Fort Ord (located between Marina and the City of Seaside). Fort Ord began as an Army cavalry post known as Camp Gigling in 1917 and became an important training facility for the Army during World War II, and eventually covering an area of over 44 square miles. The increased military presence transformed the community of Marina into a "rest and relaxation" area for troops stationed at Fort Ord.

The town grew exponentially from the 1930's through the 1950's, as its commercial district began to develop and the dunes lining the Pacific Ocean near Marina became important sites for industrial sand mining. The community of Marina incorporated as a city in November of 1975. Marina has grown and flourished in the years since its incorporation. In the 1980s the sand mines were officially closed and the Marina Dunes Nature Preserve, an 8,000-acre parcel administered by the Bureau of Land Management, was created. The Preserve now includes a variety of recreational opportunities for travelers and local residents and the Monterey Coastal Bike Path connects the Marina with the communities on the Monterey Peninsula.

Although the base closed in 1994, many Fort Ord soldiers settled in Marina and the surrounding area. In 1995, the Fritzche Army Airfield was transferred to the City of Marina and renamed the "Marina Municipal Airport." The Marina Airport has since become a hub for businesses and companies, including the University of California's "Monterey Bay Environmental, Science and Technology" (MBEST) Center.

The Fort Ord Base Reuse Plan, adopted in 1996, established land uses and water allocations for the former Army property, which was divided among the Cities of Marina, Seaside, Monterey and Del Ray Oaks, unincorporated Monterey County, and a new campus of the California State University-Monterey Bay. In addition to the Marina Airport project area, the major development projects in the City of Marina on the former Fort Ord property are:

- The Dunes (originally known as "University Villages"): a mixed use community on 429 acres

- Cypress Knolls: a senior housing community on 186 acres

- Marina Heights: residential community with parks and open space on 320 acres

In addition to these development areas, the City has plans to redevelop and intensify its suburban-scale downtown area, which also suffered economically following the closure of Fort Ord. Marina is a full-service city with its own water and sewer district, making it one of the few central coast cities with unallocated water and sewer capacity. The City of Marina's residents are proud of their community and are committed to making Marina a better place to live and work as it becomes one of the larger cities in Monterey County in the coming decades.

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COMMUNITY ATTRIBUTES

An Exciting Time for the City of Marina!

- Marina is proud of its sizeable ethnic and culturally diverse population.
- You can enjoy four shopping centers and conduct financial business affairs with four banks.
- Marina's library is a large modern facility.
- In collaboration with the Monterey Unified School District, Marina opened Marina High School, its first high school.
- Marina includes portions of the California State University Monterey Bay, Golden Gate University, the University of California Monterey Bay Education, Science & Technology Center (MBEST).
- The Dunes Development is a major project currently underway, which includes a housing component and major retailers, including Target, REI, Kohls, Old Navy, Michael's, Best Buy and Bed, Bath, and Beyond. A state of the art movie theater is being planned.
- Marina's airport can accommodate private, business or recreational aircraft.
- Marina encompasses 9,000 acres, which was once owned by 'Fort Ord' and is in the process of returning it to the public for natural habitat, educational opportunities and development.
- Marina recently saw the opening of the state of the art Peninsula Wellness Center for your health and fitness needs.
- Visitors can enjoy the beautiful water-front Marina Dunes Resort and time share, or the new Ramada Inn. And much more...

Marina has several popular annual events.

- A traditional Labor Day Parade & Family Festival held the Saturday before the official holiday pays homage to the significant military history of the town.
- Fort Ord Warhorse Day (in May) and Veterans Day Celebration (held on the Saturday before or after November 11) are Friends of the Fort Ord Warhorse living-history events cosponsored by City of Marina. These free public events are held at the historic Marina Equestrian Center Park.
- The annual Otter Fest in August welcomes back students, staff, and faculty to CSU, Monterey Bay. It began in 2010 with a Key to the City presentation to the campus president. It is named after the university's otter mascot.
- Earth Day is celebrated in April as a community work party to maintain and improve Locke-Paddon Park. Citizens for Sustainable Marina is the lead planning group for the event.
- The Marina Air Faire, held in October, features vintage and experimental planes, and gives attendees the chance to ride in them (for a fee).[16].
- Marina also celebrates its 1975 incorporation every five years with numerous citywide events, including a Diversity Dinner celebrating the variety of cultures represented in the city.

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CAL STATE UNIVERSITY, MONTEREY BAY

Cal State Monterey Bay provides more than 7,600 students an extraordinary opportunity to learn on a residential campus just one mile from the shores of the beautiful Monterey Bay. The diverse student body receives personal attention in small classes while pursuing degrees in 25 undergraduate and seven graduate majors.

Founded in 1994 on the former site of Fort Ord by educators and community leaders, Cal State Monterey Bay faculty and staff build on that legacy as they explore innovative ways to meet the needs of a new generation of students while simultaneously powering the Monterey County economy.

While the university serves students from the entire state of California, 33 percent of undergraduates come from Monterey, San Benito and Santa Cruz counties. CSUMB takes pride in making higher education accessible to traditionally underserved and low-income populations.

Last fall, CSU Monterey Bay opened the doors to the largest group of first-time freshmen in their history, as overall enrollment grew to more than 7,000 students. As the university has grown, it has maintained the close-knit campus culture prized by students and graduates since the university's founding.

Students are drawn to CSUMB by its outstanding academic programs, many of which are closely tied to regional needs and the unique geography of the Central Coast. The campus is adjacent to one of the world's most productive agriculture regions and some of its most attractive tourist destinations. The Pacific Ocean provides abundant recreational opportunities, as well as a site for innovative research that reflects the campus's focus on environmental stewardship and sustainability.

The campus has also established an unmatched record in service learning and community outreach. Cal State Monterey Bay is a two-time winner of the President's Award for Higher Education Community Service, and has been named to the Community Service Honor Roll in the years it has not received the top honor.

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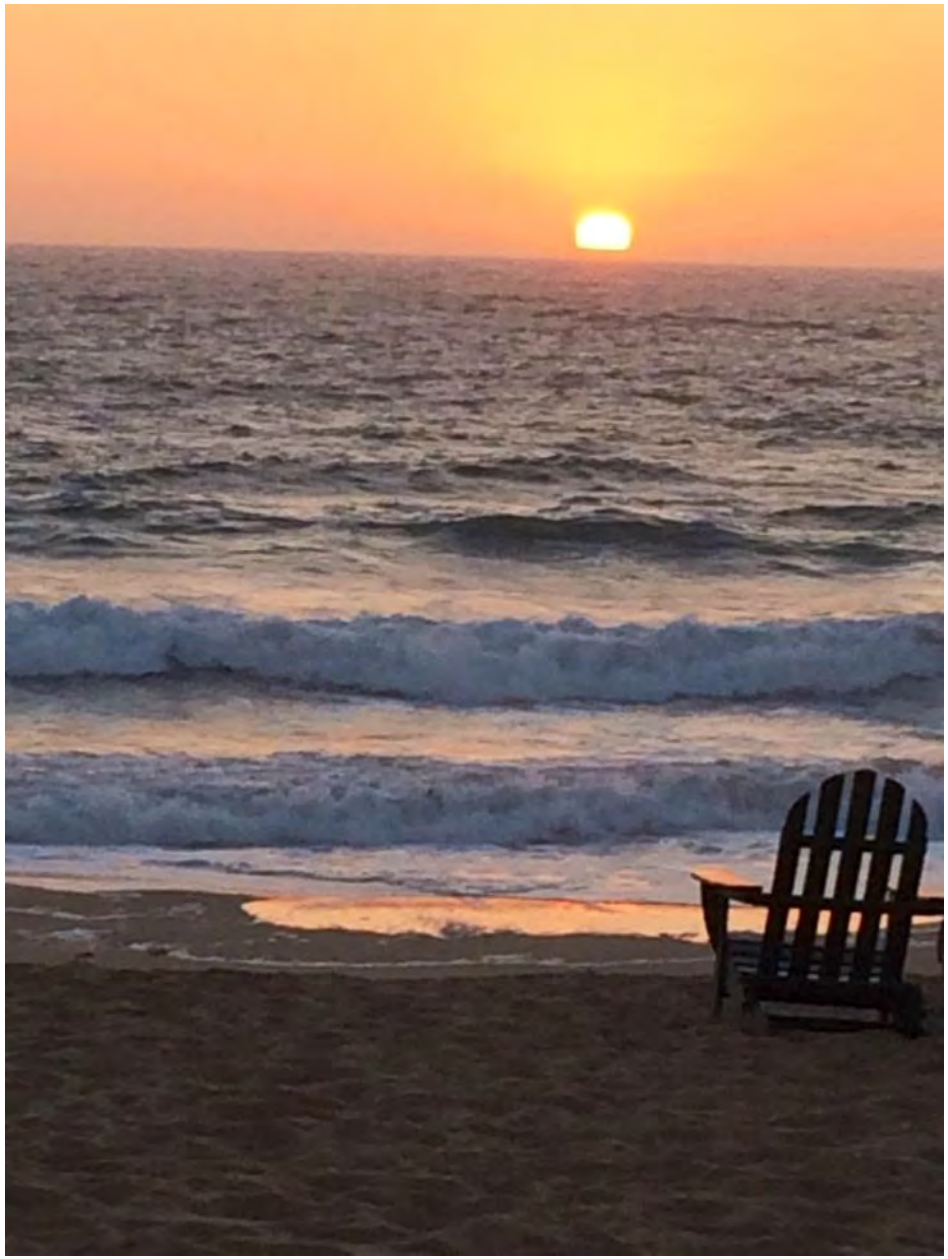
THE BEACH AND TRAIL

The pristine beaches of Monterey Bay are within minutes of the proposed development. Marina State Beach is a stunning beach that is within walking distance. Here you'll see surfers riding the swells and hang-gliders enjoying the ideal wind and launch conditions. The Dune Nature trail, a sandy boardwalk and interpretive trail, begins here. To the south Fort Ord Dunes State Park protects a 4 mile stretch of beach and dunes. This is an exceptional beach with a remote feel below undeveloped bluffs. Indian Head Beach is a remote sandy beach between Marina State Beach and Fort Ord State Park Beach. This has historically been a clothing-optional beach so be forewarned if you plan to visit.

The Salinas River National Wildlife Refuge is 3 miles to the north of Marina. It has a long remote sandy beach at the mouth of the Salinas River north of Marina. The refuge is managed by the US Fish and Wildlife Service. It protects dunes and natual habitat while providing the general public hiking trails and for access to the beach just south of the Salinas River. Salinas River State Beach lies between the Salinas River and town of Moss Landing. This state park protects undeveloped lands and is surrrounded by agriculture fields.

The Monterey Bay Coastal Trail winds along the Pacific Coast for 18 miles from Pacific Grove to Castroville. This wonderful coastal rail-trail is regarded as one of the most scenic long trails in California offering breathtaking views of Montery Bay and the Pacific Ocean. The trail can be accessed from any of the State Beaches. There are 2 lanes for bikes and a separate lane for pedestrians.

The beaches and trails of Monterey Bay offer the future residents of this development an incomparable amenity.



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MUNICIPAL AIRPORT

The Marina Municipal Airport, aviation identifier OAR, is the newest general aviation airport on the Monterey Peninsula. The airport consists of approximately 845.5 acres of property.

Open for public use since 1995, the Marina Municipal Airport is a dynamic and growing general-aviation airport owned and operated by the City of Marina.

The airport is dedicated to general aviation, business, light industry and recreational, and is collaborating with the University of California MBEST Center to create a dynamic economic development growth center for the peninsula region.

Project Goals

Airport Economic Development Area is committed to the development and service of the community of Marina and surrounding cities as well as the State of California by providing a platform for transportation and economic development. In developing this platform, the Airport Economic Development Area (AEDA) has put forth the following objectives:

- Ensure the long-term viability of the airport aviation operations.
- Ensure the economic development opportunity through development of a business park, recreational uses, and alternative energy.

Nearly 2 million square feet of manufacturing and light industrial space is planned in the future. Over 200 acres is set aside for a potential recreational andalternative energy.

Airport Master Plan Update

The Marina Municipal Airport Master Plan, which provides guidelines for the airport's overall maintenance, development and operations, is in the process of being updated.

Draft chapters of the Master Plan will be presented to and reviewed by a Planning Advisory Committee (PAC) that is comprised of various airport stakeholders, including representatives from the City of Marina, FAA, Caltrans, airport businesses, tenants, and area economic development interests. Two public information workshops are planned at strategic points in the process to encourage citizens to learn more about the future plans for the airport.

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THE MONTEREY PENINSULA

Monterey County is located on the Pacific coast of California, its northwestern section forming the southern half of Monterey Bay. (Santa Cruz County forming the northern half). The county seat, not more than 4 miles to the east of Marina, is Salinas. Monterey County is a member of the regional governmental agency, Association of Monterey Bay Area Governments.

The beautiful coastline, including Big Sur, California Highway 1, and the 17 Mile Drive on the Monterey Peninsula has made the county world famous. The city of Monterey was the capital of California under Spanish and Mexican rule. The economy is primarily based upon tourism in the coastal regions, and agriculture in the Salinas River valley. Most of the population is concentrated along the northern coast and Salinas valley, while the southern coast and inland mountain regions toward Big Sur are almost devoid of human habitation.

Visitors enjoy strolling the streets of Monterey, absorbing the historical and cultural past. It features an array of fine restaurants, boutiques, galleries, inns and recreational opportunities and is host to a wide variety of festivals and world class events including The Monterey Jazz Festival, The Monterey Blues Festival, Cherries Jubilee, The Great Monterey Squid Festival and Monterey Wine Festival, as well as major automobile and motorcycle races at nearby Laguna Seca Raceway.

Cannery Row's reputation as the Monterey Peninsula's "hot spot" is well earned. With over thirty restaurants, night clubs and every type of entertainment from comedy clubs to pool halls, all within walking distance, makes Cannery Row the place to be. With the internationally known aquarium, world class hotels, hundreds of shops and outdoor activities like hiking, biking, scuba diving, and ocean kayaking, day or night your visits to the Monterey Peninsula is not complete without a trip to Cannery Row.

Carmel-by-the-Sea, with a population of 5,000 residents, plays host to thousands of visitors each year. By the 1920's Carmel had already achieved its international reputation as an artists' colony. Now its biggest attractions are the downtown shopping district and its beautiful beaches. You won't find many sidewalks, street lights, neon signs or mailing addresses, but you will fi nd specialty shops, boutiques, art and photography galleries and great restaurants.

Carmel Valley is a combination of sunshine and countryside. The valley retains the agricultural character of its history: Rustic barns, fi elds of lettuce, vineyards and grazing animals. The Village is 12 miles east of Carmel and is home to Garland Ranch Regional Park.

Pacific Grove, the self-proclaimed "America's last hometown," is known for its thriving population of Monarch butterfl ies. A walk through the residential neighborhoods reveals many well-preserved, turn of the century, Victorian homes.

Seaside, Sand City and Marina are the fastest-growing cities on the Peninsula. Within their borders are the California State University at Monterey Bay, Seaside State Beach, Marina State Beach and two championship golf courses.

The Monterey Bay Area is serviced by the Monterey-Salinas Transit system and Amtrak on the ground along with the Marina and Salinas Municipal Airports and Monterey Peninsula Airport in the air. Historic Highway 1 and State Highway 101 act as the two main arterial roadways connecting the County with San Francisco and Sacramento to the north and Los Angeles and San Diego to the south.

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