



CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD, DEL REY OAKS, CALIFORNIA 93940
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Staff Report

DATE: February 26, 2026

TO: Honorable Mayor and City Council

FROM: John Guertin, City Manager

SUBJECT: Status of Development of City Owned Parcels (APN 031-191-026) on the Former Fort Ord.

CEQA: This action does not constitute a “project” as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

RECOMMENDATION

That Council receive a report and provide direction to staff.

BACKGROUND

In 2005 the City acquired a tract of land on the former Fort Ord from the Fort Order Reuse Authority. The tract is composed of several parcels, which are shown on the attached Tentative Parcel Map, and are known individually as Parcels A, B, C, D, and the “CalTrans Right of Way Parcel” (together the “Parcels”).

In 2014 the City sold Parcels A, D, and the Cal Trans Right of Way Parcel to Monterey Peninsula Partners (“MPP”) for \$3M, with the option to purchase Parcels B and C for \$17M.

In 2016 MPP entitled the Monument RV Park by initiative measure on Parcel D and the CalTrans Right of Way Parcel. Currently, there is no planned development on Parcel A though it is reasonable to assume it may be developed in conjunction with the Parcels B & C. Development has awaited the extension of public infrastructure including water, sewer, electricity and gas to the properties.

In 2018 MPP and Three Cedars, LLC formed Oak Ridge Development Group, LLC to pursue development of Parcels B & C; however, Oak Ridge ultimately informed the City it would not proceed.

In 2024, the City entered into an Exclusive Right to Negotiate (ERN) Agreement with City Ventures to explore the potential development of the City-owned parcels. The City and City Ventures engaged in due diligence and preliminary discussions regarding project feasibility and

terms of a potential development agreement. However, the parties were not successful in reaching mutually acceptable terms, and the ERN expired and was not extended.

Since expiration of the ERN, additional developers—particularly firms experienced in development on former Fort Ord lands—have contacted the City expressing interest in pursuing development opportunities on the remaining City-owned parcels.

SUMMARY AND DISCUSSION

With the expiration of the ERN and renewed market interest in development opportunities, staff is seeking City Council direction regarding the preferred process for selecting a development partner for the City's remaining former Fort Ord properties.

Several potential pathways are available to the City:

Option 1: Coordinate with MPP and IL Housing Solutions, Inc.

The City could explore working collaboratively with MPP and their development partner, IL Housing Solutions to evaluate expansion of their proposed project to incorporate the City-owned parcels.

Under this approach:

- The City would enter into discussions to determine whether a unified or coordinated development concept is feasible.
- Potential benefits could include master planning efficiencies, shared infrastructure costs, improved site design integration, and coordinated entitlements.
- This approach may streamline environmental review and infrastructure phasing.
- However, it would limit the City's ability to solicit broader proposals and may reduce competitive leverage in negotiating financial and community benefit terms.

Council direction would be required to authorize staff to enter into exploratory negotiations and determine whether an Exclusive Negotiating Agreement should be pursued.

Option 2: Targeted Solicitation from Interested Former Fort Ord Developers

Currently, three development firms familiar with development on former Fort Ord have contacted staff and expressed interest in pursuing projects on the City's parcels.

Under this approach:

- The City would solicit high-level conceptual proposals from those firms.
- The City's development team would work collaboratively with the interested developers to refine concepts.
- Staff would conduct a structured review and comparative analysis process.
- Staff would return to Council with a recommendation regarding how, and with whom, to proceed.
- This option maintains competitive tension while allowing a more streamlined and targeted process than a full public RFP.
- The timeline would likely be shorter than issuing a new RFP.

This option provides flexibility while leveraging developer familiarity with Fort Ord regulatory, infrastructure, and environmental constraints. This option also offers a shorter timeline, allowing the City to more quickly engage developers during what appears to be a favorable investment cycle in the development industry.

Option 3: Revisit and Reissue a Formal Request for Proposals (RFP)

The City may elect to revisit the 2018 Request for Proposals, update it to reflect current market conditions, infrastructure status, housing policy requirements, and City objectives, and issue a new RFP to the broader development community.

Under this approach:

- The City would cast a wider net and potentially attract new and varied development teams.
- The competitive process may result in stronger financial returns or enhanced community benefits.
- However, preparation, advertising, proposal review, interviews, and negotiations would necessitate a longer timeline.
- This process would require significant staff and consultant resources.

This option is more time-intensive but may offer more competitive exposure.

FISCAL IMPACT

There is no direct fiscal impact associated with receiving this report and providing direction.

Depending on Council direction, future fiscal impacts may include:

- **Option 1 (Coordination with MPP and IL Housing Solutions):** Staff and consultant time associated with negotiation of a potential Exclusive Negotiating Agreement (ENA), preliminary planning analysis, and legal review. Costs would be offset through developer-funded deposits and reimbursement agreements as negotiations proceed.
- **Option 2 (Targeted Solicitation):** Moderate staff and consultant time to manage proposal submissions, conduct evaluation and interviews, and prepare comparative analysis. Costs would be relatively limited compared to a full RFP process and would be offset through developer-funded deposits and reimbursement agreements as negotiations proceed..
- **Option 3 (New RFP):** Greater staff and consultant resources required to prepare updated procurement documents, advertise broadly, evaluate proposals, conduct interviews, and negotiate terms. This option would likely require the longest timeline and the highest upfront administrative cost, though such costs could be structured for partial reimbursement by the selected development partner.

Ultimately, successful disposition and development of the properties is expected to generate long-term fiscal benefits to the City, including property tax revenue, development impact fees, and potential land sale or participation proceeds, depending on the development structure approved by Council.

REQUESTED COUNCIL DIRECTION

Staff requests that the City Council provide direction regarding the preferred process for moving forward with selection of a development partner for the City's former Fort Ord parcels.

Specifically, Council may:

- Direct staff to pursue coordinated discussions with MPP and IL Housing Solutions;
- Direct staff to conduct a targeted solicitation and review process with interested Fort Ord-experienced developers; or
- Direct staff to prepare and issue a new, comprehensive Request for Proposals.

Staff will proceed consistent with Council's direction and return with appropriate agreements and recommendations for consideration.

Respectfully Submitted,

John Guertin
City Manager

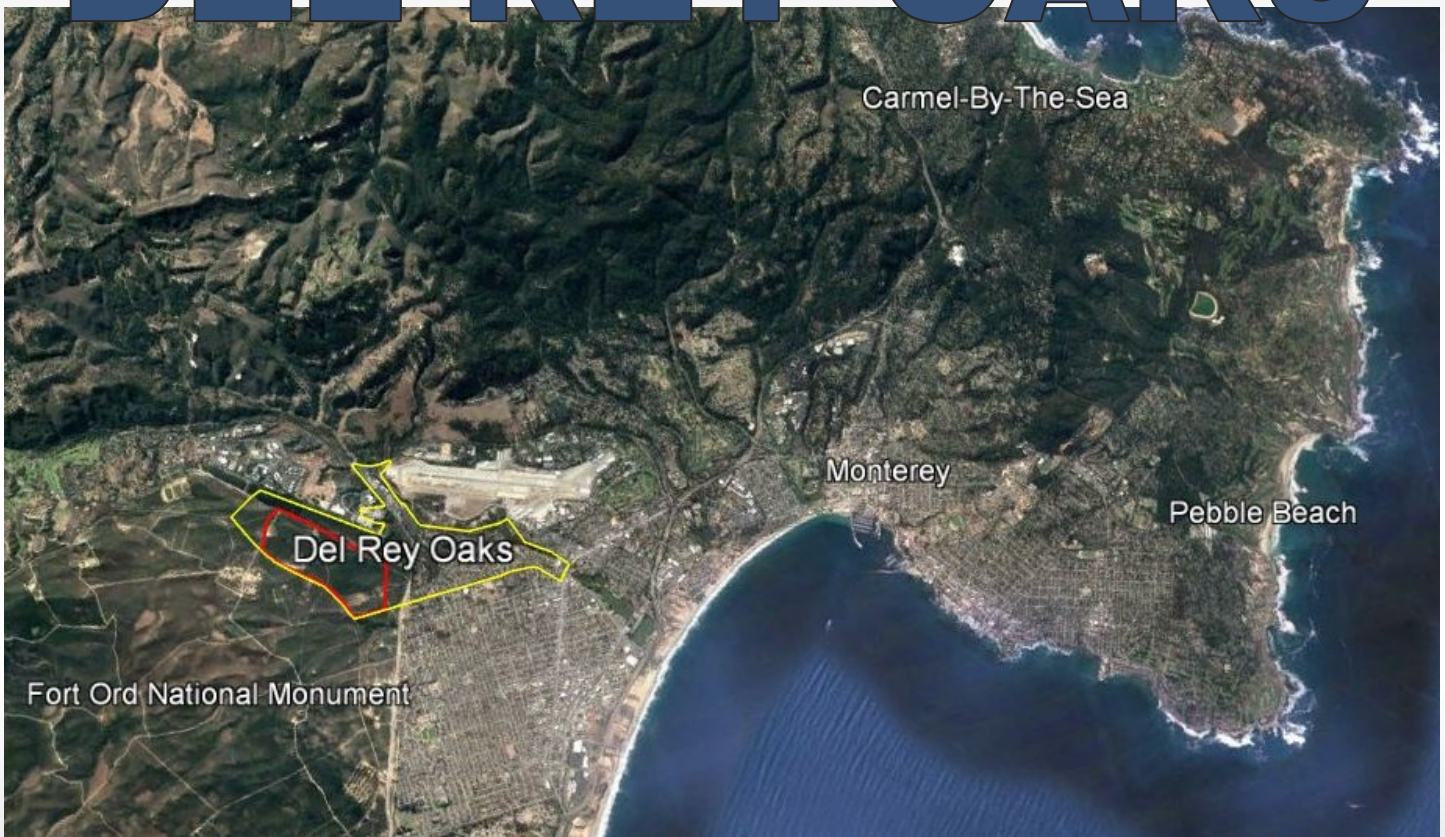
Attachments:

- IL Housing Solutions Letter of Interest
- Del Rey Oaks Master Development Opportunity (2018 RFP)

MONTEREY PENINSULA MASTER DEVELOPMENT OPPORTUNITY

+/- 230 ACRES

DEL REY OAKS



The City of Del Rey Oaks is pleased to present the opportunity to engage in a public-private partnership to master develop a location on the Monterey peninsula located on the former Fort Ord Military Installation. Del Rey Oaks envisions an addition to our community that incorporates cultural, recreational, residential, and commercial uses. Public investment in the area will include \$8 million for road improvements on South Boundary Road and additional funding for trail and utility infrastructure.

Developing the future of Del Rey Oaks



Del Rey Oaks *California*

Development Opportunity

The City invites Letters of Interest for a master planned development that complements our existing community.

Developers are encouraged to consider a development with combination of the following priority elements (not all elements have to be included):

Cultural - Community Center with Performing Arts and Art Exhibition Space, Nature Center, and Library.

Recreational - Recreational Trail, Parks, Sports Fields, and Courts.

Commercial and Residential– Café, Restaurants, Local Vendor Market, Mixed-Income Multifamily and Single Family Residential, Flex Industrial, and Hotel.

Community Serving– Outdoor Space/Public Plaza, Teen Activity Center, Primary School, Classroom, and Pre-School/Day Care.

Developer Submittal Requirements

Qualified developers are asked to submit a Letter of Interest with the following:

- General site concept or ideas that conform with the above vision. This may include overview of design, proposed land uses, renderings, etc. Detailed site plans are not required at this time.
- Project team member qualifications
- Demonstration of financial capacity to develop the Project as proposed.
- At least three representative projects of similar scale and type.
- Experience with California development and Federal reuse development.
- Contact information for public-agency references from previous projects.

Further information will be requested from selected development teams.

Preliminary Timeline

- Release of Offering Memorandum.....October 4, 2019
- Submittals Due.....October 25, 2019
- Developers Notified of Preliminary Determination.....November 15, 2019
- Selected Applicants Present to Council.....November 26, 2019

Additional steps may be identified throughout the application review process. The City reserves the right to interview selected applicants and request additional information such as detailed site and financial plans.

If you would like more information, including detailed instructions on submit a proposal, **please contact Kim Carvalho at kcarvalho@delreyoaks.org or 831.394.8511**. More information can be found on the Del Rey Oaks website at www.delreyoaks.org/development

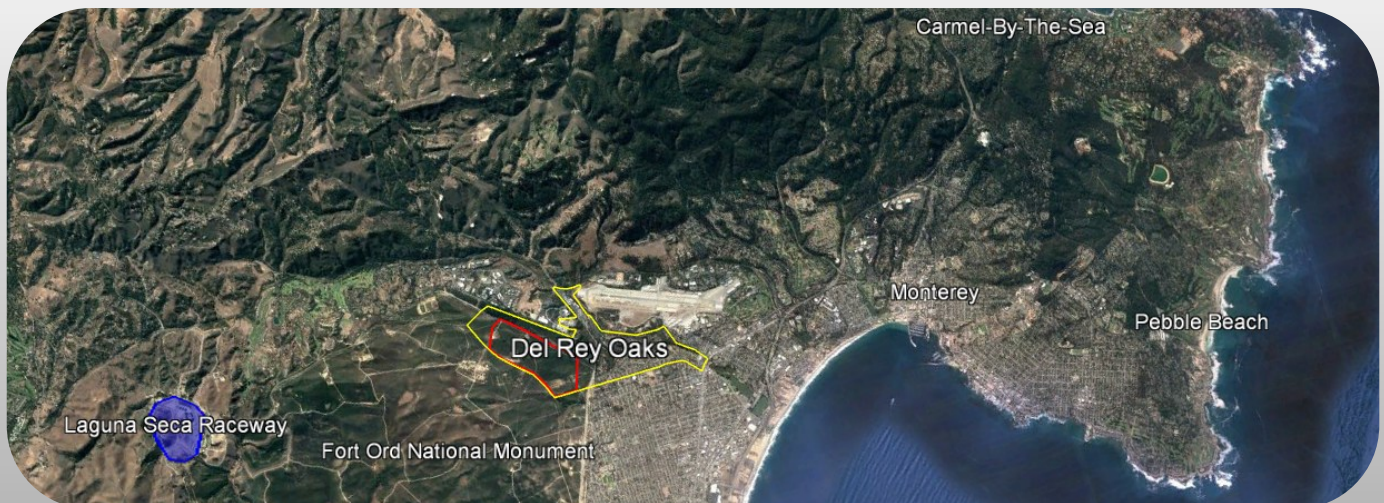
The Opportunity:

Partner with the City of Del Rey Oaks to Master develop a 230 acre community. The City has \$8 million dedicated for the improvement of South Boundary Road.



The Environment:

The site is central to the Monterey Peninsula and is the sunbelt which enjoys more sunny days than its neighbors. The location borders the 14,650 acre Fort Ord National Monument with 86 miles of rugged trail. It is the gateway to the Laguna Seca Raceway which is home to annual races such as the Sea Otter Classic, Rolex Monterey Motorsports Reunion, Monterey Grand Prix, Superbikes World Championship, and the Trans Am SpeedFest. This location is minutes away from the Monterey Peninsula Regional Airport, Cannery Row, Fisherman's Wharf, and Pebble Beach, home of the world famous Pebble Beach Pro Am and Concours d'Elegance.





Del Rey Oaks *California*

The Space

APN	031-191-026
Acreage	+/- 230
Zoning	Neighborhood Commercial with Visitor Overlay (C-1-V)
Water	183 acre feet of Potable Water
Max Building Height	30 Feet
Ownership	City of Del Rey Oaks

The City will consider zoning changes to make the right project feasible.





February 17, 2026

Mr. John Guertin, City Manager
City of Del Rey Oaks
650 Canyon Del Rey Boulevard
Del Rey Oaks, CA 93940

Dear Mr. Guertin:

We are expressing our interest in entering an Exclusive Right to Negotiate on the City of Del Rey Oaks 227 acres fronting on South Boundary Road. We are under contract on the two Kranyak parcels that are at either end of the City's 227 with the 23 acres that fronts on General Jim Moore Boulevard and the 53 acres that is on the East end of South Boundary Road.

There are numerous efficiencies in combining the entitlements of the City's 227 acres and the Kranyak's 76 acres. Both the street design and construction of South Boundary Road will be easier and coordinated. The utility alignment will also be efficient. The City's 227 acre parcel can justify more residential as the 23 acre parcel fronting on General Jim Moore Boulevard is more suited for non-residential uses that are revenue generating such as retail, a hotel site and possibly office space. The City property is well suited to accommodate a daycare facility.

We are willing to provide affordable housing as well as certain types of "work force" housing for both students and locals reducing their commute into Monterey. By combining the entitlements of the three parcels into one CEQA document both the impacts, benefit and mitigations can be handled at one time.

We have already completed our due diligence on the Kranyak property and understand the hurdles to overcome. We have successfully worked with Caltrans to vacate their easement through the Kranyak property. We have had joint meetings with both the State and Federal branches of the Department of Fish and Wildlife Services. Finding acceptable mitigation land for all three parcels is more cost effective and of more benefit to Fish and Wildlife Services.

We understand the munitions analysis that needs to occur on all three parcels and have the local experts to guide us through this process. We also plan to work closely with Denise Duffey who also has extensive knowledge of these parcels.

We look forward to engaging the community in dialogue about the type of revenue producing commercial businesses they would prefer.

In short, we hope you recognize the expertise and knowledge we have accumulated during our analysis of the Kranyak property and that you will select us as the entity to move the City's 227 acres forward.

Sincerely,

A handwritten signature in cursive script that reads "Vince Fletcher".

Vince Fletcher
IL Housing Solutions
an Integral Lennar Partnership
(925) 766-5900