



# County of Monterey

Item No.

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

Legistar File Number: SARDA A 26-001

May 12, 2026

Introduced: 4/23/2026

Current Status: Agenda Ready

Version: 1

Matter Type: Successor Agreement

Acting as the Board of Directors of the Successor Agency to the Redevelopment Agency of the County of Monterey (“Agency”):

- a. Approve and authorize the Director of Housing and Community Development or designee to execute a Professional Services Agreement (PSA) between the Agency and **Gensler** to develop a **Historic Arts District Master Plan** for an amount not to exceed **\$779,631**, including a 15% contingency of \$116,945, commencing upon execution of the Agreement through December 31, 2027;
- b. Authorize the Director of Housing and Community Development or designee to execute the PSA and future amendments to the Agreement that do not significantly alter the scope of work and where the additional cost of each amendment does not exceed 10% (\$77,964) for a total maximum not to exceed amount of \$896,5676, subject to review by County Counsel.

### RECOMMENDATION:

It is recommended that the Board of Supervisors acting as the Board of Directors of the Successor Agency to the Redevelopment Agency of the County of Monterey (“Agency”):

- a. Approve and authorize the Director of Housing and Community Development or designee to execute a Professional Services Agreement (PSA) between the Agency and **Gensler** to develop a **Historic Arts District Master Plan** for an amount not to exceed **\$779,631**, including a 15% contingency of \$116,945, commencing upon execution of the Agreement through December 31, 2027;
- b. Authorize the Director of Housing and Community Development or designee to execute the PSA and future amendments to the Agreement that do not significantly alter the scope of work and where the additional cost of each amendment does not exceed 10% (\$77,964) for a total maximum not to exceed amount of \$896,5676, subject to review by County Counsel.

### SUMMARY/DISCUSSION:

The East Garrison Historic Arts District (“District”) comprises 23 heritage-listed buildings located at the former Fort Ord military base located along both sides of Sloat Street and Ord Avenue in East Garrison community (see Attachment 1). The District buildings are envisioned to be reused and converted into a maximum of 100,000 square feet of affordable studio space for visual, performing, and literary artists, as well as administrative, work, daycare, and classroom space for organizations.

The East Garrison Disposition and Development Agreement (“DDA”) requires the Developer to identify a qualified non-profit corporation (which may be Artspace or an affiliate), and together with the Agency, to enter into a contract for the maintenance and rehabilitation of those buildings to be conveyed to the non-profit. In June 2006, the Developer, Agency, County, ArtSpace Projects, Inc.,

and Arts Habitat, Inc. executed a Memorandum of Agreement to negotiate a Disposition and Development Agreement for ArtSpace to take title to and rehabilitate the historic buildings.

At the time of conveyance of the East Garrison property to the developer in 2007, the Agency retained ownership of the 23 historic buildings and surrounding property, as well as the old theater and old battle simulation buildings (now demolished). The DDA states that the Agency will convey by lease or in fee to the non-profit corporation the 20 buildings to be maintained and rehabilitated by the non-profit. The Agency will retain the other three buildings planned for public use and public ownership and will enter into an agreement with the non-profit for their maintenance and rehabilitation to Agency specifications (in accordance with historical rehabilitation guidelines) at the Agency's sole cost. When complete, the Agency is to convey title of the three buildings to the County. To date, renovations have not begun, and the historic buildings remain mothballed. Additionally, the East Garrison Specific Plan identifies that the former (demolished) Battle Simulation and the Theater buildings will be "...replaced with new buildings of similar size."

In October 2023, Artspace Consulting completed the Artspace Community Engagement Creative Space Needs Analysis report which identified creative space needs in the District. The report did not focus on market interest, rehabilitation costs, or economic feasibility. In 2024, Artspace notified the Agency, County of Monterey, and Developer that the organization was no longer pursuing out-of-state projects and was therefore withdrawing from the work at East Garrison. To move the project forward, the Agency seeks to complete a comprehensive Master Plan to combine an analysis of market demand with the physical and financial realities of rehabilitating the historic structures and redeveloping the District in light of changes over the two decades since the original agreements and project approvals for East Garrison.

Gensler, acting as the lead firm, has proposed a four-phase approach to develop this plan:

**Phase 1: Project Start-Up**

Background data collection and goal alignment.

**Phase 2: Reuse Analysis**

Includes physical condition assessments by Bureau Veritas, market evaluations and financial feasibility by Gruen Gruen + Associates, and cost estimation by KPJ Consulting. *Phase 2 is inclusive of a decision point (Task 2.6) to determine if reuse feasibility and demand is sufficient to warrant continuing with the study.*

**Phase 3: Stakeholder and Community Engagement**

A 20-week inclusive process concurrent to Phases 1 and 2 involving workshops, surveys, and a Community Advisory Committee.

**Phase 4: Final Master Plan**

Delivery of a final, ADA-compliant report outlining the recommended reuse strategy.

Following initial due diligence, preliminary community/stakeholder input, physical conditions assessment, preliminary financial feasibility analysis and market evaluation, the scope of work includes

a "decision point" (Task 2.6) at such time consultant project team and Agency will evaluate if reuse demand is sufficient to justify continuing the study. If the preliminary findings indicate that reuse demand is negligible, staff and consultant plan to present these findings to the Board for consideration and direction whether to continue with the remaining scope of work or halt the study to prevent unnecessary expenditure. If the direction is to halt the study, the contractor will prepare a document summarizing the work to date and identify the conditions that led to the Agency halting the Master Plan (uses not market supportable, not financially feasible, not physically practical, etc.). This document would then serve as justification for the discontinuation of the study and basis for future policy decisions related to Historic District.

If at the "decision point" the analyses indicate there is sufficient reuse demand to justify continuing the study, Agency staff would authorize the consultant to proceed with the scope of work to develop up to three initial reuse concepts in keeping with the Specific Plan and complete the stakeholder and community engagement process. Under this scenario and upon developing the Draft Master Plan Report, staff and consultant would then plan to present these findings to the Board for consideration and direction.

The Agency elected to enter into agreement with Gensler as a sole source contract, recognizing that contracting with Gensler will reduce the Agency-specific discovery process generally needed with a new vendor hired under competitive bidding as Gensler was competitively selected and has already completed extensive work on the County's broader facilities Master Plan. This provides Gensler with a unique existing knowledge of County (thus Agency) standards and site conditions, as well as County facility needs (for potential reuse of the three to-be-County-owned historic buildings).

OTHER AGENCY INVOLVEMENT:

The Offices of the County Counsel and Auditor-Controller have reviewed the Agreement as to form and legality, and fiscal provisions, respectively.

FINANCING:

Appropriations are available in the FY2025-26 Adopted Budget for the Agency (Appropriations Unit HCD010, Unit 8572). The Agency's management of the East Garrison Historic Arts District, inclusive the costs associated with this Agreement, is included in the County's Recognized Obligation Payment Schedule (ROPS) that has been approved by the Department of Finance for tax increment funding. Of the total not to exceed amount of \$779,631, \$677,940 is programmed for the planned scope of work and \$116,944.65 is held for contingency and may not be expended without express written authorization by the Agency staff. Up to an approximately \$215,000 is anticipated to be expended to reach the contract "decision point" (Task 2.6).

Ultimately, the funding for the redevelopment of the District is outlined in the DDA, which requires the Agency to make available up to \$5.0 million in tax increment funds (escalated per the DDA) and the Developer to provide up to \$1.0 million (escalated), for major capital improvements to the buildings in the District. The DDA also provides that the Developer must contribute funding toward pre-development costs (once a new non-profit/redevelopment partner is identified) as well as funds to the establishment of an endowment for the non-profit to cover the operating costs of the District.

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Approved by: Melanie Berretti, Chief of Planning, 755-5285

The following attachments are on file with the Clerk of the Board:

Attachment 1 - Building Locations

Attachment 2 - Draft Professional Services Agreement