

Centre City  
Development  
Corporation

DCN 4586  
Coalition Correspondence

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07122005

## FAX COVER SHEET

DATE: July 12, 2005

TO: Brian D'Amiel FAX NO. (703) 699-2735

FROM: Pete Hall DIRECT NO. (619) 533-7119

SUBJECT: BRAC - Navy Broadway Complex (NBC)

NO. PAGES INCLUDING COVER: 62 (SENT IN 2 PARTS @ 31 PGS. EA.)

MESSAGE: *Enjoyed our discussion re: the Commission's review of the "NBC" disposition. Per your request, here are a couple of information sources*

- 1) U.S. Gov't / City of S.D. Development Agreement from late 1992 pursuant to Congressional Authority of FY 1987 (see pg. #593 - Record #)
- 2) Yesterday's cover stories on NBC and MCRD from the San Diego Business Journal

*I will also forward any local correspondence to the Secretary / Commission to you for reference. Talk to you soon!*

RECORDING REQUESTED BY AND MAIL TO:  
SAN DIEGO CITY CLERK - M.S. 2A

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DOC # 1992-0802775  
15-DEC-1992 03:12 PM

Recording requested by )  
~~United States of America )~~  
And when recorded mail to )  
~~Real Estate Contracting Officer )~~  
~~Southwest Division )~~  
~~Naval Facilities Engineering Command )~~  
~~555 West Beech Street, Suite 101 )~~  
~~San Diego, CA 92101-2937 )~~

ORIGINAL

OFFICIAL RECORDS  
SAN DIEGO COUNTY RECORDER'S OFFICE  
ANNETTE EVANS, COUNTY RECORDER  
FEES: 0.00

AGREEMENT BETWEEN  
THE CITY OF SAN DIEGO AND  
THE UNITED STATES OF AMERICA  
ADOPTING A DEVELOPMENT PLAN  
AND URBAN DESIGN GUIDELINES FOR THE  
REDEVELOPMENT OF THE NAVY BROADWAY COMPLEX

THIS AGREEMENT is entered into between THE CITY OF SAN DIEGO, a municipal corporation ("City"), and the UNITED STATES OF AMERICA by and through the Southwest Division, Naval Facilities Engineering Command, acting by its Executive Director, Broadway Complex (Real Estate Contracting Officer), hereinafter referred to as the "Navy".

1. RECITALS. The Agreement is entered into with reference to the following facts:

1.1 Navy Broadway Complex. The United States of America owns approximately 16 acres of waterfront land in the downtown area of the City of San Diego which is known as the Broadway Complex of the Department of the Navy, San Diego, California (the "Navy Broadway Complex"). This Agreement relates to the redevelopment of the Navy Broadway Complex in accordance with the Federal

**ORIGINAL**

DOCUMENT NO. 00-17858  
NOV 02 1992  
FILED \_\_\_\_\_  
OFFICE OF THE CITY CLERK  
SAN DIEGO, CALIFORNIA

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Legislation and the unique downtown development and urban design opportunities which it presents to the San Diego community. A legal description and plat of the Navy Broadway Complex is set forth in Exhibit A to this Agreement and is incorporated by reference the same as if fully set forth herein. The Navy Broadway Complex is bounded by Broadway on the north, Pacific Highway on the east, and Harbor Drive on the south and west.

1.2 **City Jurisdiction.** The City presently has no land use planning, regulatory or other authority/jurisdiction over the redevelopment of the Navy Broadway Complex. Such redevelopment shall not require any discretionary permits from the City. Building and similar ministerial permits shall be obtained by the Developer of the Broadway Complex only for those structures which are not to be occupied, in whole or in substantial part, by the Navy. This Agreement serves as a means whereby the City can be assured that the redevelopment planned by the Navy shall take place in accordance with said Plan and Guidelines which are consistent with the City's vision of Centre City San Diego.

1.3 **Federal Legislation Authorizing Redevelopment of the Navy Broadway Complex.** Pursuant to Section 2732 of the National Defense Authorization Act for FY 1987, P.L. 99-661 (the "Federal Legislation") which is attached to this Agreement as Exhibit B and is incorporated by reference the same as if fully set forth herein, Congress has authorized the Navy to enter into a long-term lease with a Developer pertaining to the real property

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located within the Navy Broadway Complex, provided that any real property leased shall be developed in accordance with detailed plans and terms of development which have been duly formulated by the Navy and the San Diego community through the San Diego Association of Governments' Broadway Complex Coordinating Group.

1.4 Memorandum of Understanding. City and the Navy executed a Memorandum of Understanding (the "MOU"), which was adopted by the City Council by Resolution Number R-268458 on June 1, 1987. The purpose of the MOU was to set forth a process for the formulation of the detailed plans and terms of development for the Navy Broadway Complex referenced in the Federal Legislation. This Agreement is entered into pursuant to the MOU, which, having served its original purpose, shall have no further force or effect. In recognition of their mutual goals and objectives and the fact that the parties are governmental entities, each party shall bear its own costs associated with the processing and approval of this Agreement. The parties further acknowledge, consistent with paragraph 3 of the MOU, that:

a. The Navy in consultation with the City and the Broadway Complex Coordinating Group has formulated detailed plans and terms of development which are incorporated in the Development Plan and Urban Design Guidelines (i.e., land uses, density, viewscales, building heights, open space, etc.) which define the nature of the Project which will occur on the Navy Broadway

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Complex. The Development Plan and Urban Design Guidelines are consistent with the Central Bayfront Design Principles, adopted by the Broadway Complex Coordinating Group on September 22, 1989, and are consistent with the Centre City Community Plan adopted by the City Council on April 28, 1992 and the Centre City Planned District Ordinance adopted May 11, 1992. The Development Plan and Urban Design Guidelines, which are attached to this Agreement as Exhibit C, and are incorporated by reference the same as if fully set forth herein, together with the environmental documentation accompanying this Agreement, fully and adequately consider the economic, environmental and community issues regarding the Navy Broadway Complex. The Development Plan, together with the environmental documentation, fully and adequately considers parking management alternatives and other means of encouraging mass transit usage.

b. The Navy, in coordination with the City, has prepared appropriate environmental documentation for the Agreement assessing the impacts of the Project based on the Development Plan and Urban Design Guidelines, and all federal, state and local environmental requirements have been satisfied.

1.5 **Authorization.** The City, a charter city, is authorized by its charter and its home rule powers to enter into this Agreement as a means of enhancing its ability to improve the quality of its planning efforts in the Central Bayfront by influencing and referencing the Navy's Development Plan and Urban

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Design Guidelines in its Centre City Community Plan. The parties acknowledge:

a. This Agreement is intended to assure adequate public facilities at the time of development.

b. This Agreement is intended to provide certainty in the development approval process by vesting the Development Plan with respect to the subject property, to the extent, if any, the City's development approval process is applicable to the Navy Broadway Complex.

c. This Agreement will permit achievement of growth management goals and objectives as reflected in the Progress Guide.

d. This Agreement will allow the City to realize extraordinary and significant community-wide urban design, aesthetic, economic, educational, recreational, cultural and regional benefits and facilities and other supplemental benefits not otherwise available where development takes place on federal property.

1.6 Planning Commission - Council Hearings. On October 8, 1992, the Planning Commission of the City ("Planning Commission") held a public hearing to consider this Agreement. The Planning Commission heard limited additional public comment on October 15, 1992 and thereupon recommended

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that the Council approve this Agreement.

                    . On October 20, 1992, the Council of The City of San Diego ("Council") held a public hearing to consider the Agreement.

1.7 **Council Findings.** The Council finds that this Agreement is consistent with the MOU, the Central Bayfront Design Principles, the Centre City Community Plan, the Centre City Planned District Ordinance, the Local Coastal Plan, the Progress Guide and General Plan, as well as all other applicable ordinances, plans, policies and regulations of City, including the purposes for which any interests in the Navy Broadway Complex were previously conveyed by the City to the Navy.

1.8 **City Ordinance.** On November 2, 1992, the Council adopted Ordinance No. 0-17858 approving this Agreement. The ordinance becomes effective on December 3, 1992.

2. **DEFINITIONS.** In the Agreement, unless the context otherwise requires:

2.1 "Blocks 1, 2, 3, or 4" mean the units of land within the Navy Broadway Complex designated as Blocks by Exhibit C.

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2.2 "Developer" is any person, partnership, joint venture, firm or corporation, including their successors and assignees.

2.3 "Developer Lease(s)" means the leasehold estates conveyed in all or portions of the Navy Broadway Complex to one or more Developers.

2.4 "EIR" is the Environmental Impact Report prepared in accordance with the California Environmental Quality Act for this Agreement, the Development Plan, and the Urban Design Guidelines.

2.5 "Federal Legislation" is defined in Section 1.3.

2.6 "Mortgage" is a mortgage, deed of trust, or other transaction in which a Developer's right, title or interest in a leasehold estate in the Navy Broadway Complex or a portion thereof, is pledged as security, contracted in good faith and for fair value.

2.7 "Mortgagee" is the holder of the beneficial interest under a Mortgage.

2.8 "MOU" is defined in Section 1.4.

2.9 "Navy Broadway Complex" is defined in Section 1.1.

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2.10 "Project" is the development of the Navy Broadway Complex pursuant to the Federal Legislation and in a manner set forth in the Development Plan and Urban Design Guidelines.

2.11 "Property" is that portion of the Navy Broadway Complex, as parcelized by Developer Lease(s), which is not to be occupied, in whole or in substantial part, by the Navy.

3. EXHIBITS. The following documents referred to in the Agreement are attached to this Agreement and are identified as follows:

<u>Exhibit Designation</u>	<u>Description</u>	<u>Referred to in Section</u>
A	Navy Broadway Complex Legal Description	1.1
B	Legislation Authorizing the Redevelopment of the Broadway Complex	1.3
C	Development Plan and Urban Design Guidelines	1.4a

4. GENERAL PROVISIONS

4.1 Property Subject to the Agreement. At various times during the term of this Agreement, the Navy, pursuant to the authority granted by the Federal Legislation, may convey one or more leasehold estates in all or portions of the Navy Broadway

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Complex to one or more Developers. The term "Developer Lease(s)" is used in this Agreement to refer to such conveyances. Certain provisions of this Agreement make a distinction in the treatment of those parcels within the Navy Broadway Complex to be occupied, in whole or in substantial part, by the Navy and those parcels conveyed by Developer Lease(s) and not so occupied. At such time as the Navy enters into a Developer Lease, the Navy shall prepare and record a memorandum of lease, describing those parcels within the Navy Broadway Complex which are subject to a Developer Lease and which are not to be occupied, in whole or in substantial part, by the Navy. The term "Property" is used hereinbelow to describe such parcels. The Navy shall provide the City with a copy of said memorandum contemporaneously with recordation.

4.2 No Obligation to Redevelop . The Navy is not obligated by this Agreement to redevelop any part of the Navy Broadway Complex or to enter into any Developer Lease.

4.3 Duration of Agreement. Except for the provisions of Section 5.9b(1) and (2) which shall become effective immediately upon the effective date of the City Ordinance, the term of the Agreement shall commence on, and the effective date of the Agreement shall be the date of recordation of the memorandum of the first Developer Lease following the effective date of City Ordinance No. 0- 17858 , as set forth in Section 1.8 above and the term shall extend for a period of twenty-five (25) years

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following the effective date of the Agreement unless the Agreement is earlier cancelled, or its term amended. In the event that no Developer Lease is recorded by January 1, 2002, then this Agreement shall be of no force and effect. At any time prior to the expiration of the term of the Agreement, pursuant to the provisions of Section 8.4 below the Property, or any portion thereof, may be released from this Agreement.

4.4 Assignment. The Navy presently intends to retain fee ownership of all portions of the Navy Broadway Complex during the term of this Agreement and it is the present intention of the Navy to retain fee ownership indefinitely. In order to implement the Development Plan, the Navy plans to solicit for and select one or more Developers. The Navy shall have the right to transfer or assign its rights under this Agreement to the selected Developer(s) and the obligations and liabilities of the Developer(s) which are described in this Agreement shall be assumed in writing by the Developer(s). Notice of any transfer or assignment of the rights under this Agreement shall state in writing the Developer(s)' assumption of the duties, obligations and liabilities arising from this Agreement and shall be provided to the City Manager thirty (30) days prior to the effective date of the transfer or assignment. Such transfer or assignment shall not relieve the Navy of any duties, obligations or liabilities to City, except to the extent that such duties, obligations or liabilities have been expressly undertaken by the Developer(s) in a Developer

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Lease. The Navy shall require in any assignment or transfer of its rights under this Agreement that the Developer(s) shall observe and perform all of the duties and obligations of the Navy contained in this Agreement as such duties and obligations pertain to the portion of the Navy Broadway Complex leased. In its contracts with Developer(s) the Navy shall obtain adequate assurances that the obligations assumed under this Agreement will be performed by the Developer(s): The Navy shall enforce such contracts as necessary and appropriate to assure compliance with this Agreement.

4.5 Amendment or Cancellation of Agreement. This Agreement may be amended from time to time or cancelled by the mutual consent of the parties but only in the same manner as its adoption by ordinance. The term "Agreement" shall include any amendment.

4.6 Indemnity and Insurance. The Navy shall include the City, the Redevelopment Agency of the City of San Diego and the Centre City Development Corporation, their officers, employees, contractors and agents, as protected parties and as additional insureds in the indemnity and public liability insurance requirements of any Developer Lease.

4.7 Binding Effect of the Agreement. To the extent not otherwise provided in Section 4.4 of this Agreement, the burdens

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of the Agreement bind and the benefits of the Agreement inure to the parties' successors in interest.

4.8 **Third Parties.** The contractual relationship between City and the Navy arising out of the Agreement does not create any third party beneficiary rights.

4.9 **Notices.** All notices, demands and correspondence required or permitted by the Agreement shall be in writing and delivered in person or mailed first class or certified mail, postage prepaid, addressed as follows:

If to City:

The City of San Diego  
City Administration Building  
202 C Street, 9th Floor  
San Diego, CA 92101  
Attn: City Manager

With a copy to:

Centre City Development Corporation  
Executive Vice President  
225 Broadway, Suite 1100  
San Diego, CA 92101

If to the Navy, to:

Executive Director  
Broadway Complex Project Office  
555 West Beech Street, Suite 101  
San Diego, California 92101-2937

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With a copy to:

Commander, Southwest Division  
Naval Facilities Engineering Command  
1220 Pacific Highway  
San Diego, CA 92132-5190

A party may change its address by giving notice in writing to the other party. Thereafter, notices, demands and correspondence shall be addressed and transmitted to the new address. Notice shall be deemed given upon personal delivery or, if mailed, five (5) business days following deposit in the United States mail.

5. DEVELOPMENT OF THE PROPERTY.

5.1 Vesting of Development Rights. To the extent, if at all, that such rights are not presently vested in the Navy by reason of the sovereignty of the United States, this Agreement shall vest with respect to the Navy Broadway Complex the present right to proceed with and complete development of the permitted uses of land, density and intensity of use, the maximum height and size of proposed buildings, viewscales, open space and parking standards in the manner set forth in the Development Plan and the Urban Design Guidelines.

5.2 Development Plan and Urban Design Guidelines. The rules, regulations and official policies governing the development of the Navy Broadway Complex shall be only those rules, regulations and policies specifically enumerated in this Agreement. All plans

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and specifications for the construction of any portion of the Project shall be submitted to the Centre City Development Corporation (CCDC) or its successor public corporation for review and a determination whether or not such plans and specifications are consistent with the Development Plan and Urban Design Guidelines. Such a determination shall not be unreasonably withheld and shall recognize that the Developer was selected through a competitive process required by federal law and that the criteria for selection included the quality of the design proposal. Such a determination shall not require any change which is inconsistent with the Environmental Impact Statement for the Project or which modifies allowable land uses, intensity of uses, parking standards, building height and design criteria which have been established by Exhibit C. Such submittal, review and determination shall proceed in four steps as follows:

a. Basic concept/schematic drawings shall be submitted. Such drawings shall be sufficiently detailed and at a scale to enable CCDC to make the determination of consistency. A narrative explanation of the design concept shall also be provided.

(1) Such drawings shall, as a minimum, include an illustrative site plan of the entire Navy Broadway Complex Project and an appropriate number of cross-sections of the entire project.

(2) At least one longitudinal cross-section shall be cut through the area which will best

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illustrate the full height and organization of buildings, running the full length of the Project from Broadway to the north and Harbor Drive to the south.

(3) At least four cross-sections shall be cut at the mid-point of each of the four blocks within the Project, running east-west from Pacific Highway to the west side of Harbor Drive.

(4) In addition, with respect to that phase of the Project for which the Developer is seeking a determination, more specific plans will be required. These plans shall include all four principal elevations and at least two building sections for each proposed building indicating primary vertical dimensions and important design elements and components.

(5) The more specific plans shall also include interior and exterior character sketches, critical enlarged sections and important details which further define the building's design quality, including exterior concept elevations of each street frontage and one exterior perspective drawn from a street level view.

(6) Tabulation of the gross building area including common open space areas, private open

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space, total area devoted to parking and number of spaces.

(7) Preliminary identification of materials, finishings, colors and landscaping.

(8) Preliminary off-site improvements, landscape and grading plans which illustrate how the design elements of on-site public spaces are coordinated with the off-site spaces.

b. The design development drawings shall be a refinement of the basic concept/schematic drawings in which the precise design elements of the project are determined. This submittal includes accurate site surveys, floor plans, elevations, sections, design details and a palette of exterior colors and materials. Other considerations include provision for servicing, utility infrastructure and exterior architectural and urban design features.

c. Fifty percent (50%) construction drawings shall be a refinement of and resolve issues identified during the review of the design development drawings. Additional material submitted for review shall include off-site improvement drawings and landscape plans. The design of a subterranean garage on the western portion of Block 1, if any is planned by the Developer(s), shall be shown in sufficient detail to allow the City to determine that the design of the garage, including related surface features

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such as vehicular and pedestrian access and ventilation devices will accommodate the development of an open space on the surface in the event the City should choose to exercise its option to lease the surface of the parcel in the manner contemplated by Section 5.9. Landscape plans, provision for servicing, off-site improvement drawings, utility infrastructure and exterior architectural and urban design features shall be included as appropriate.

d. One hundred percent (100%) construction drawings represent the final plans, specifications and other documentation as appropriate for the proposed project. These drawings shall illustrate how the conditions imposed in connection with the previous submissions have been accommodated. These drawings shall be in sufficient detail to obtain a building permit even though none may be required.

e. No development under this Agreement shall proceed unless and until a determination of consistency has been made.

f. The Developer shall not begin construction on any increment of the Project unless and until appropriate assurance has been provided to the City for the completion of those related public improvements described in Attachment 4 of Exhibit C.

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5.3 Construction Standards and Specifications. The construction standards and specifications for buildings and structures developed on the Property only shall be those City construction standards and specifications in effect at the time that any building permits are issued. Navy standards shall apply to the remainder of the Project and no permits will be applied for.

5.4 Reservations of Lands for Public Purposes. Reservations of land for public purposes shall be as provided in the Development Plan.

5.5 Processing Fees. Those fees and charges intended to cover City costs associated with processing permits for the development of the Property, including fees and charges for applications, inspections and plan review, which are existing or may be revised or adopted during the term of this Agreement, shall apply to such development. The Navy Broadway Complex is federal property and is not subject to taxation. Therefore, no fees, taxes or other charges which are secured by real property may be imposed on the Navy Broadway Complex. Additionally, no development impact fee or similar charge shall be applied to any portion of the Project not included in the definition of "Property." Development impact fees and similar charges shall be applicable to the Property only if such fees or charges are generally applicable to other similar developments within Centre City. Notwithstanding any provision of this section, the City and the Navy recognize that the

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Developer(s) possessory interest in federal property and in certain improvements will be taxable in accordance with the Constitution of the State of California and laws enacted thereunder.

### 5.6 Development, Construction and Completion of Project.

a. Building and other related permits for the development of the Property shall be issued by the City in a timely manner. To assist the City in carrying out its obligations and to provide the Developer with the necessary construction planning/phasing information, within a reasonable period of time following the execution of a Developer Lease, the Developer will provide City with a preliminary schedule for its development which will note anticipated dates for required performance of certain activities by the City, such as the review of plans and specifications, the issuance of building and related permits, and similar matters. The City shall meet and confer with the Navy and/or the Developer to discuss said schedule and, within a reasonable period of time (not to exceed 90 days from the date of receipt of the preliminary schedule), agree on a schedule covering the review of plans and specifications, the issuance of permits and similar matters.

b. The following improvements shall either be constructed by the Developer in phases so as to reach and accommodate portions of the Project, as required, or acceptable security for construction posted by the Developer prior to the

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issuance of building or other related permits for such portions of the Project:

(1) Replace 1800 lineal feet of the existing 15 inch diameter vitrified clay sewer main from the intersection of Pacific Highway and E Street along Pacific Highway to Market Street and east to the intersection of Market Street and Kettner Boulevard.

(2) Construct a looped 12KV trunk system in phases to provide adequate electricity to the individual structures on the site.

5.7 Cooperation and Coordination Between the Navy and the City. Navy, at its sole discretion, may determine that it is appropriate to retrocede exclusive legislative jurisdiction to a portion of the Navy Broadway Complex to the State of California. In that event, the City shall support the Navy's position before the State Lands Commission and any other body or person involved in the retrocession process.

5.8 Municipal Services. The City shall provide all regularly provided municipal services to the Navy Broadway Complex, including, but not limited to, fire and police protection, water and sanitary sewers .

5.9 Lease of Property for Open Space. In consideration of this Agreement and in connection with the redevelopment of the

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Broadway Complex, the Navy has agreed that it will make available to the City at no cost the surface area of a parcel approximately 1.9 acres in size at the west end of Block 1 shown in Exhibit C for the development of a major open space. The open space shall be designed as a predominantly flat and grassy area at the same general elevation as the surrounding streets in order to promote public access and visibility from adjacent ground level uses. Enclosed buildings and programmed recreational facilities such as tennis courts and fenced playing fields shall not be permitted. The City may assign its rights under this section and/or designate another local public entity to be the lessee.

a. The parties agree that cost of constructing and maintaining an open space shall be the responsibility of the City or other local public entity. However, the development of the open space is a fundamental objective in this Agreement. Therefore, the cost of incorporating special features to accommodate the open space into any subterranean garage which may be constructed under a portion of the 1.9 acre parcel and subsequent maintenance of the garage shall be the responsibility of the Developer(s). Such features shall include but not be limited to accommodating the loads imposed by the open space development, forming tree wells in the roof of the garage, waterproofing and consolidating ventilation ducts. In its competitive selection process, the Navy shall require that submittals specify whether or not a subterranean garage on Block 1 will be incorporated into the proposer's design.

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b. The City and the Navy agree that if the Navy selects a proposal that contemplates the development of a subterranean parking garage under all or a portion of the 1.9 acre parcel to be leased to the City, careful planning and extensive coordination will be required to ensure that the open space will meet the City's needs while at the same time allowing the construction of a garage to proceed without imposing unreasonable financial burdens on the Developer(s). To this end, the following process shall be utilized by the parties:

(1) The City shall, prior to the Navy's solicitation for a developer or 270 days from the execution of this agreement, whichever is later, prepare and submit to the Navy basic concept/schematic drawings for the development of an open space. Such drawings shall be sufficient to allow the Navy and its Developer(s) to understand and assess the impact of the open space on the design and development of the subterranean garage. The drawings shall, at a minimum, consider vehicular and pedestrian access, subsurface and surface ventilation penetrations and devices, loading on the garage structure, waterproofing, and irrigation systems.

(2) The Navy shall review such drawings, meet and confer with the City as required to obtain information and obtain consent to changes as

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appropriate. Within 90 days of receipt of the drawings, the Navy shall approve them and incorporate them into the its solicitation and shall require that the Developer(s) assume responsibility for the design, construction and maintenance of any garage in a manner to accommodate the City's plans.

c. The Navy will offer to lease the parcel to the City for the development and maintenance of an open space at such time as a contract is awarded for the demolition of Building 1 on Block 1. The term of the lease shall be for a period of 65 years. The City or its designee or assignee shall have 90 days after receipt of the Navy's offer within which to indicate its intent to accept the lease and one year from the date of the offer to submit its detailed plans and specifications for the open space to the Developer. The detailed plans and specifications shall be coordinated by the City with the Developer(s) during preparation to assure integration with the adjacent development.

d. Within one year of the date of notice given under c. above, the City or its assignee or designee shall enter into the lease for the open space. If the lease is not executed, the design, development and use of the parcel shall be integrated in a compatible manner with the development of the remainder of Block 1 and shall be subject to the provisions of this Agreement as they apply to Block 1.

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5.10 **Acceptance of Streets.** At such time as the improvements to one or more of the streets within the Project are completed, the Navy shall offer to grant the City an easement over such street or streets for the benefit of the public and for the purpose of operation, maintenance and repair. The City shall accept such offer and dedicate such street or streets as public streets.

6. **DEVELOPMENT PROGRAM.**

6.1 **Extraordinary and Significant Benefits.** In consideration for entering into this Agreement, the parties acknowledge the following enumerated extraordinary and significant benefits:

a. Creation of the opportunity to develop a significant waterfront open space at the foot of Broadway, through the lease of approximately 1.9 acres of Navy-owned land to the City.

b. Improved pedestrian and vehicular access and viewsapes between the downtown and the Bayfront by extending E, F and G Streets through the Navy Broadway Complex between Pacific Highway and Harbor Drive.

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- c. Enhanced access between the Marina Neighborhood and the G Street Mole (Tuna Harbor), by extending G Street as a major pedestrian promenade through the Navy Broadway Complex.
- d. Significant improvement of the visual and pedestrian environment along the Bayfront, through the removal and redevelopment of industrial and warehousing uses.
- e. Creation of a balanced mixture of public-oriented uses that will strengthen the relationship between inland uses and the Bay and that will promote an active day and nighttime environment, attractive to nearby residents, employees and visitors.
- f. Providing the opportunity for one or more museums.
- g. Creation of a sensitively scaled development that will reinforce the existing and proposed skyline.
- h. Distribution and massing of buildings in a way that will minimize their impact on inland views to the water.
- i. Creation of a development in a federal enclave within the City which will implement the Central Bayfront Design Principles and the Centre City Community Plan.

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j. Providing an opportunity for the generation of tax revenues from private development within the Project.

6.2 Additional Requirements for Museum. For a term of up to 65 years, the Navy or the Developer(s) shall lease to the City not less than 40,000 g.s.f. of ground level, easily accessible unfinished shell space for the construction and operation of one or more museums by one or more suitable public-oriented/not-for-profit organizations recommended by the City. The cost of utilities, maintenance and tenant improvements shall be borne by the organization(s). The Navy shall retain the right to review and approve the qualifications of the proposed organization(s), whose tenancy(ies) shall be subject to the terms and conditions of a sub-lease(s) to be negotiated between the City and said organization(s). Such qualifications may include, but shall not be limited to experience in operating a substantially similar enterprise, reasonable initial capital and operating reserve requirements. If a suitable organization(s) cannot be identified and a sub-lease(s) entered into within two years of the making of an offer for specific and identifiable space, the Navy shall have the right to use the space for Navy purposes or lease it for public-oriented commercial uses. In the event that an offer for specific and identifiable space is made and subsequently such space is not constructed, the provisions of this section shall be reinstated and the Navy shall make another offer for specific and identifiable space and another two year period shall begin.

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7. DEFAULT.

7.1 Events of Default. A party to this Agreement is in default under this Agreement if the party fails to substantially perform its obligations under this Agreement.

7.2 Procedure upon Default. Upon the occurrence of default, the non-defaulting party shall give the defaulting party thirty (30) days written notice specifying the nature of the alleged default and, when appropriate, the manner in which said default may be satisfactorily cured. After proper notice and expiration of said thirty (30) day cure period without cure, the non-defaulting party may seek all remedies provided by law. Failure or delay in giving notice of default shall not constitute a waiver of any default, nor shall it change the time of default.

7.3 Institution of Legal Action. In addition to any other rights or remedies, either party may institute legal action to cure, correct, or remedy any default or breach, to specifically enforce any covenants or agreements set forth in the Agreement or to enjoin any threatened or attempted violation of the Agreement; or to obtain any remedies consistent with the purpose of the Agreement. Legal actions may be instituted in the Superior Court of the County of San Diego, State of California, or in the Federal District Court in the Southern District of California. This

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section shall not limit the Navy's right of removal to federal court.

8. MORTGAGES AND RELEASES ON PROPERTY.

8.1 Discretion to Mortgage. This Agreement shall not prevent or limit the Navy, in any manner, at the Navy's sole discretion, from permitting any Developer to Mortgage any right, title or interest in a leasehold estate in the Navy Broadway Complex which has been conveyed by the Navy under a Developer Lease.

8.2 Mortgagee Protection. No breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all of the terms and conditions contained in this Agreement shall be binding upon and effective against any person (including any Mortgagee) who acquires title to a Developer's right, title, or interest in a leasehold estate, or any portion thereof, by foreclosure or trustee's sale. It is reasonably anticipated that any mortgagee participating in the project will require, as a condition to its participation, a more comprehensive mortgagee protection provision. City shall not unreasonably withhold its consent or approval of such a provision when and if such consent is requested.

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8.3 Entitlement to Written Notice of Default. The Mortgagee of a Mortgage encumbering the right, title or interest of any Developer, upon written request to the City, shall be entitled to receive from City any notification pursuant to Section 7.2.

8.4 Releases. City agrees that upon written request of the Navy and performance of the requirements and conditions required of the Developer by the Agreement with respect to the Property, or any portion thereof, City shall execute and deliver to the Navy and Developer appropriate release(s) of further obligations imposed by this Agreement with respect to the Property or portion thereof completed in form and substance acceptable to the San Diego County Recorder or as may otherwise be necessary to effect the release.

### 9. MISCELLANEOUS PROVISIONS.

9.1 Rules of Construction. The singular includes the plural; the masculine gender the feminine; "shall" is mandatory; "should" and "may" are permissive.

9.2 Entire Agreement, Waivers and Amendments. This Agreement constitutes the entire understanding and agreement of the parties with respect to the matters set forth in this Agreement. This Agreement supercedes all negotiation or previous

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agreements between the parties respecting this Agreement. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of City and of the Navy. All amendments to this Agreement must be in writing signed by the appropriate authorities of City and the Navy, in a form suitable for recording with the Office of the County Recorder of San Diego County, California. Upon the completion of performance of this Agreement or its cancellation, a statement evidencing completion or cancellation signed by the appropriate agents of the Navy and City shall be recorded with the Office of the County Recorder of San Diego County, California.

9.3 **Incorporation of Recitals.** The Recitals set forth in Section 1 of this Agreement are part of this Agreement.

9.4 **Captions.** The captions of this Agreement are for convenience and reference only and shall not define, explain, modify, construe, limit, amplify, or aid in the interpretation, construction or meaning of any of the provisions of this Agreement.

9.5 **Consent.** Where the consent or approval of a party is required in or necessary under this Agreement, the consent or approval shall not be unreasonably withheld.

9.6 **Covenant of Cooperation.** The parties shall cooperate with, deal with each other in good faith, and assist each

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other in the performance of the provisions of this Agreement. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending said action.

9.7 Recording. The City Clerk shall cause a copy of this Agreement to be recorded with the Office of the County Recorder of San Diego County, California, within ten (10) days following the effective date of this Agreement.

9.8 Delay. In addition to any specific provisions of this Agreement, performance by either party of its obligations hereunder shall be excused during any period of delay caused at any time by reason of acts of God or civil proceedings, riots, strikes, picketing, or damage to work in process by reason of fire, floods, earthquake, or other such casualties provided, however, that each party shall promptly notify the other party of any delay hereunder as soon as possible after the same has been ascertained. However, this section shall not apply to circumstances that could have been prevented by the exercise of prudence, diligence, and due care.

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## 9.9 Environmental Compliance.

a. Processing Completed. The City and Navy concur that all required environmental processing for the Project has been completed by virtue of the certification of the Final EIR, the completion and filing of the Final EIS and the filing of the Record of Decision.

b. Compliance With Mitigation Monitoring Plan. A mitigation monitoring plan has been prepared as part of the parties' environmental compliance. Adherence to this plan will insure that the mitigation measures identified in the Final EIR and Final EIS are actually incorporated into the Project. The Navy agrees that it will require its lessee to implement all aspects of the plan.

c. Subsequent Environmental Review. In exercising its legislative discretion to enter into this Agreement and to commit the City to the completion of the Project, the City has reviewed and considered the potential adverse environmental impacts related to all aspects of the Project, including, without limitation, the potential demands the Project will make on local and regional streets, highways, parks and recreation areas, water capacity and water lines, sewer capacity and sewer lines, flood and storm drain systems, energy conservation, school capacity, traffic, pedestrian safety, noise and air quality impacts. The City has

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further reviewed and considered, from a variety of perspectives, and has analyzed pursuant to a variety of assumptions, the projected future regional and cumulative infrastructure and utility demands that will compete with the Project for available capacities and cumulatively add to potential adverse impacts. In so doing, the City has considered among other things, the possibilities that:

(1) Federal, local, regional and state plans, if any, for provision of new infrastructure systems or expansion of existing infrastructure systems may be delayed, modified or abandoned;

(2) The types, intensities, and amount of future regional development may exceed or otherwise be different from that currently being planned by the City and other local agencies; and

(3) Regional non-Project generated demands on infrastructure and utility improvements to be constructed as a part of the Project may exceed in either the short run or the long run the allocated capacities for such demands.

After assessing these and other potential adverse environmental impacts associated with the development of the Project, the City has imposed mitigation measures through this Agreement to the fullest extent the City considers feasible and necessary. The City has determined that phased completion of the Project in the manner contemplated will itself provide the

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mitigation measures needed to alleviate short run and long run potential adverse environmental impacts, and that the public benefits of the Project override any potential adverse environmental impacts which may arise during the development period; therefore, the City agrees, consistent with California Public Resources Code Section 21166, that no subsequent or supplemental environmental impact report shall be required by the City for the subsequent implementation of the Project unless required by the criteria set forth in Section 21166.

IN WITNESS WHEREOF, this Agreement has been executed by the City of San Diego, acting by and through its City Manager,

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pursuant to Ordinance No. 0- 17858, authorizing such execution, and by the Navy.

Dated this 2nd day of December, 1992.

THE CITY OF SAN DIEGO

THE UNITED STATES of AMERICA

By [Signature]

By [Signature]

Title: Assistant City Manager

Title: Real Estate Contracting Officer

By \_\_\_\_\_

Title: \_\_\_\_\_

I HEREBY APPROVE the form and legality of the foregoing Agreement this 7th day of Dec, 1992.

JOHN W. WITT, City Attorney

[Signature]  
By Janis Sammartino  
Senior Chief Deputy  
City Attorney

Approved as to form and legality.

[Signature]

DA DRAFT 9/28/92 (DA-16A.50)

0-17858

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STATE OF CALIFORNIA )  
COUNTY OF SAN DIEGO )

ss.

On 12.11.1992, before me, the undersigned, a Notary Public  
in and for said State, personally appeared M. A. STAPLETON

known to me to be the ASSISTANT CITY MANAGER of THE CITY  
OF SAN DIEGO and known to me to be the person who

executed the within instrument on behalf of said public corporation,  
agency or political subdivision, and acknowledged to me that such  
public corporation, agency, or political subdivision executed the  
same.

WITNESS my hand and official seal.

Signature Pat F. Birdsong



PAT F. BIRDSONG  
Name (Typed or Printed)

CERTIFICATE OF ACKNOWLEDGEMENT

State of California

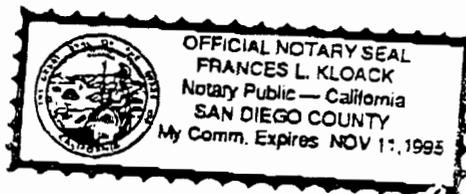
County of San Diego

On 9 December, 1992 before me, Frances L. Klock, personally appeared W. M. Robinson, Jr., proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Frances L. Klock

(Seal)



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**NAVY BROADWAY COMPLEX  
LEGAL DESCRIPTION**

Three parcels of land being a part of the Tract No. 1 of the Municipal Tidelands Subdivision according to the map filed in the Office of the City Clerk of the City of San Diego, California on May 18, 1916, and numbered as Document No. 100007;

Said three parcels of land are delineated on the Record of Survey Map No. 11505 filed in the Office of the County Recorder of San Diego County on February 25, 1988 and are described as follows:

PARCEL ONE

BEGINNING at the northeast corner of Block 15 per said Tract No. 1 of the Municipal Tidelands Subdivision (M.T.L.S.) as mentioned in Deed between the City of San Diego, being the grantor, and the United States of America, being the grantee, filed in the Office of the County Recorder of said County at Book 1323, Page 118 on July 17, 1940; said northeast corner being identified by a lead, tack and tag stamped LS 2412 marking the intersection of the south boundary line of Broadway with the west boundary line of the Pacific Highway (formerly Atlantic Street);

1. Thence along said west boundary line of the Pacific Highway as shown on said Record of Survey No. 11505 and being the east line of those lands as acquired by the United States of America per said Deed filed in Book 1323, Page 118, S0° 32' 16"W, 375.82 feet to a 4" diameter concrete monument with a 2 1/2" brass cap stamped LS 3997 marking the intersection of the west boundary line the Pacific Highway with the north boundary line of "E" Street;

2. Thence along said north boundary line of "E" Street, as shown on said Record of Survey No. 11505, N89° 27' 34"W, 505.20 feet to the southwest corner of Block 14 of said Municipal Tidelands Subdivision, Tract No. 1 as described in Deed from the City of San Diego to the United States of America filed in the Office of the County Recorder of said County at Book 227, Page 278 on July 14, 1933.

3. Thence along the south boundary line of said Block 14, and the east boundary line of Harbor Drive, as shown on said Record of Survey No. 11505, N0° 32' 16"E, 300.82 feet to 4" diameter concrete monument with a 2 1/2" brass cap stamped LS 3997 marking the northwest corner of said Block 14 and the intersection of the east boundary line of Harbor Drive with the south boundary line of Broadway;

4. Thence along said south boundary line of Broadway, as shown on said Record of Survey No. 11505, S89° 27' 34"E, 505.20 feet to the POINT OF BEGINNING.

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Said Parcel One contains 3.489 Acres, more or less, as shown on said Record of Survey No. 11505.

PARCEL TWO

BEGINNING at the northeast corner of Block 16 per said Tract No. 1 of the Municipal Tidelands Subdivision as mentioned in Deed between the City of San Diego, being the grantor, and the United States of America, being the grantee, filed in the Office of the County Recorder of said County at Book 239; Page 408 on August 3, 1933; said northeasterly corner being identified by a lead, tack and tag stamped LS 3997 marking the intersection of the south boundary line of "E" Street with the west boundary line of the Pacific Highway (formerly Atlantic Street) as shown on said Record of Survey No. 11505;

1. Thence along said west boundary line of the Pacific Highway as shown on said Record of Survey No. 11505, NO. 32' 16"E, 124.55 feet, to a point being marked by a lead, tack and tag stamped LS 3997;

2. Thence continuing along said Pacific Highway and the east boundary line of said Block 16, S3. 01' 48"W, 59.34 feet to a point marked by a lead, tack and tag stamped LS 3997;

3. Thence continuing along said Pacific Highway and the east boundary line of said Block 16, S1. 46' 16"W, 100.01 feet to a point marked by a lead, tack and tag stamped LS 3997;

4. Thence continuing along said Pacific Highway and the east boundary line of said Block 16, S1. 46' 16"W, 16.12 to the southeast corner of said Block 16 being marked by a lead, tack and tag stamped LS 3997;

5. Thence along the north boundary line of "F" Street as shown on said Record of Survey No. 11505 and along the south boundary line of Blocks 16, 17 and through Belt Street per said Tract No. 1 (M.T.L.S.) of those lands granted to the United States of America by said Deeds recorded at Book 239, Page 408 and Book 1323, Page 118, S89. 27' 34"E, 475.97 feet to the southwest corner of said Block 17 which lies two feet east on the projected south boundary line of said "F" Street of a reference mark identified by a 4" diameter concrete monument with 2 1/2" brass cap stamped LS 3997;

6. Thence along the west boundary line of said Block 17 (M.T.L.S.) and the east boundary line of Harbor Drive as shown on said Record of Survey No. 11505, NO. 32' 16"E, 299.93 feet to the northwest corner of said Block 17 (M.T.L.S.) which lies two feet east on the projected south boundary line of "F" Street of a reference marked identified by a lead, tack and tag stamped LS

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3997;

7. Thence along the south boundary line of "E" Street as shown on said Record of Survey No. 11505 and the north boundary line Blocks 17, 16 and through Belt Street per said Tract No. 1 (M.T.L.S.), of those lands granted to the United States of America by said Deeds recorded at Book 239, Page 408, and Book 1323, Page 118, S89· 27' 34"E, 480.16 feet to the POINT OF BEGINNING.

Said Parcel Two contains 3.294 Acres, more or less, as shown on Record of Survey No. 11505.

PARCEL THREE

BEGINNING at the northeast corner of Block 18 per said Municipal Tidelands Subdivision (M.T.L.S.) and as mentioned in Deed between the City of San Diego, being the grantor, and the United States of America, being the grantee, filed in the Office of the County Recorder of said County at Book 835, Page 487, on July 13, 1938; said northeast corner being identified by a lead, tack and tag stamped LS 3997 marking the intersection of the west boundary line of the Pacific Highway (formerly Atlantic Street) and the south boundary line of "F" Street as shown on said Record of Survey No. 11505;

1. Thence along said west boundary line of the Pacific Highway and the east boundary line of said Block 18 also being the east boundary line of those lands as acquired by the United States of America per said Deed filed in Book 1323, Page 118, on July 17, 1940, SO· 32' 16"W, 499.75 feet to a 4" diameter concrete monument with 2 1/2" brass cap stamped LS 3997 as shown on said Record of Survey No. 11505;

2. Thence along southeasterly boundary line of those lands acquired by the United States of America per said Deed filed in Book 1323, Page 118, on July 17, 1940, being a tangent curve to the right having a radius of 150.00 feet, through a central angle of 90· 00' 00" for an arc distance of 235.63 feet to a 4" diameter concrete monument with a 2 1/2" brass cap stamped LS 3997 as shown on said Record of Survey No. 11505;

3. Thence along the south boundary line of those lands as acquired by the United States of America per said Deed filed in Book 1323, Page 118, on July 17, 1940 as said south boundary line being the north boundary line of Market Street, N89· 27' 34"W, 164.57 feet to a 4' concrete monument with a 2 1/2" brass cap stamped LS 3997 as shown on said Record of Survey No. 11505;

4. Thence along the southwesterly boundary line of those lands acquired by the United States of America per said Deed filed in Book 1323, Page 118, on July 17, 1940, being a tangent curve to the right having a radius of 150.00 feet, through a central angle

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of 69.58' 24" for an arc length of 183.19 feet to a 4" diameter concrete monument with a 2 1/2" brass cap stamped LS 3997 as shown on said Record of Survey No. 11505;

5. Thence along said southwesterly boundary line, N19.29' 10"W, 72.01 feet to a point that lies S89.27' 44"E, 1.00 feet from a reference point marked by a lead, tack and tag stamped LS 3997 as shown on said Record of Survey No. 11505;

6. Thence along the west boundary line of those lands as acquired by the United States of America per said Deed filed in Book 1323, Page 118, on July 17, 1940 and the west boundary line of those lands as acquired by the United States of America per said Book 835, Page 487 on July 13, 1938, NO. 32' 16"E, 483.47 feet to the northwest corner of Block 18 per said Municipal Tidelands Subdivision (M.T.L.S.) as said northwest corner lies S89.27' 34"E, 2.00 feet from a 4" diameter concrete monument with a 2 1/2" brass cap stamped LS 3997 as shown on said Record of Survey No. 11505;

7. Thence along the south boundary line of said "F" Street and the north boundary line of said Block 18, through Belt Street per said Tract No. 1 (M.T.L.S.) and the north boundary line of said Block 19, S89.27' 34"E, 480.16 feet to the POINT OF BEGINNING.

Said Parcel Three contains 6.890 Acres, more or less, as shown on said Record of Survey No. 11505.

# RECORD OF SURVEY

OF A PORTION OF THE MUNICIPAL LANDS SUBDIVISION TRACT NO. 1, MAP 118 IN THE OFFICE OF THE CITY ENGINEER, IN THE CITY AND COUNTY OF SAN DIEGO, STATE OF CALIFORNIA

## BASIS OF BEARING

THE BASIS OF BEARINGS FOR THIS SURVEY IS THE LINE BETWEEN IRVING CITY MONUMENTS AT BROADWAY AND PACIFIC HIGHWAY AND BROADWAY AND MARKET DRIVE BEING 188°26'55" PLR STATE PLANE COORDINATES OF CITY OF SAN DIEGO SURVEY FIELD NOTES, HOLES 703-1716 W.D. 18508. SAID BEARING AND MEASURED DISTANCES SHOWN HEREON ARE IN TERMS OF THE CALIFORNIA COORDINATE SYSTEM (1927). (NOTE: ALL QUOTED BEARINGS FROM REFERENCE MAPS MAY OR MAY NOT BE IN TERMS OF SAID SYSTEM. ALL DISTANCES SHOWN HEREON ARE ORIGINAL UNLESS OTHERWISE SPECIFIED. DISTANCES SHOWN BY 1000/10 TO OBTAIN THE COORDINATES GIVEN.)

## COUNTY ENGINEER'S STATEMENT



THIS MAP HAS BEEN EXAMINED BY ACCORDANCE WITH SEC. 8726 OF THE LAND SURVEYOR'S ACT THIS 25TH DAY OF FEBRUARY, 1988

CHARLIE N. BOYMAN  
COUNTY ENGINEER  
P.R.E. 13681

BY: *Louis H. Hall*  
LOUIS H. HALL, C.S. 3433

## SURVEYOR'S STATEMENT

THIS MAP CORRECTLY REPRESENTS A SURVEY BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE LAND SURVEYOR'S ACT AT THE REQUEST OF THE DEPARTMENT OF WATER IN OCTOBER, 1987.



CECIL E. RYALS, C.S. 3494

## LEGEND

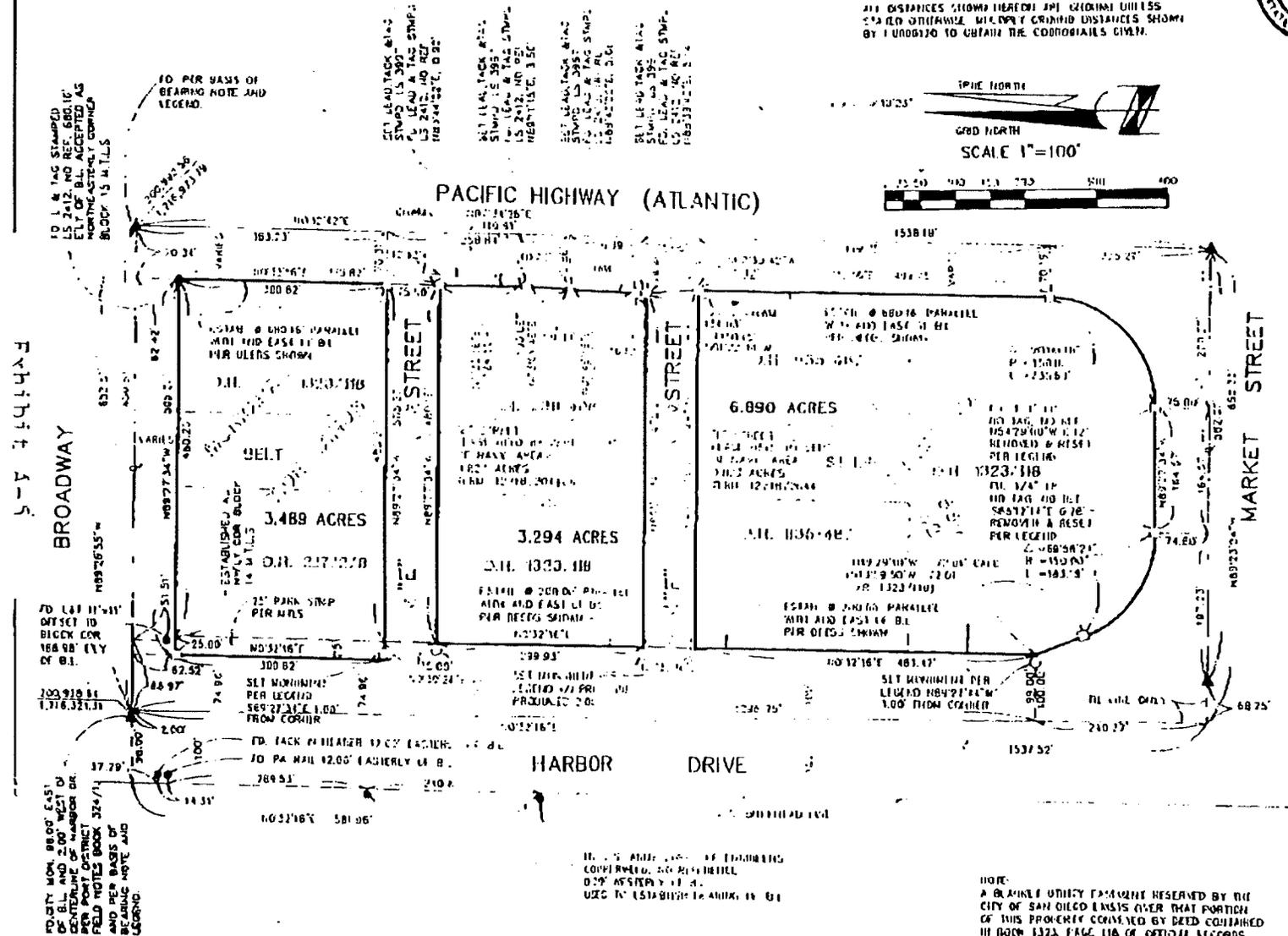
- IRVING MONUMENT AS SHOWN PER SAID MAP, QUOTED TO NE DISTANCE SHOWN PER LEGEND, DATED 6/28/78, HOLES 324, PAGE 1 UNLESS SHOWN OTHERWISE.
  - ▲ 1" STD. CITY WELL MONUMENT, 11/18/87, AS DESCRIBED IN THE BASIS OF BEARING LIST.
  - SET READ, TACK & TAG STUMP 15 3887
  - ⊠ SET 1" DIAMETER CONCRETE MONUMENT WITH 1 1/2" BRASS CAP STUMP, 15 3897
  - CHIMNEY NOTING TO OR SET EXCEPT AS NOTED LINE INDICATED IS THE ORDINARY HIGH WATER MARK AS ESTABLISHED BY S.C.L. 35473 AND SHOWING LOW WAVE MAP NO. 47 CS18B, PER WISC. MAP NO. 47 AND D.R. 111 REC. 3/18/42, SEC. 11 FIFTH NAVAL DISTRICT NO. 1174-4/11-13(4) HEREIN
  - 174 55' MEAS. AND RECORD PER OR 15127396
  - IRON PIPE
  - BL INDICATES U.S. BULKHEAD LINE ESTABLISHED 1912 & 1974.
  - M.L.S. INDICATES MUNICIPAL LANDS SUBDIVISION TRACT NO. 1.
- NOTE: ALL OFFSET DISTANCES SHOWN FROM CONTROL POINTS ARE AT RIGHT ANGLES TO CENTERLINES.

## RECORDER'S STATEMENT

FILE NO. 88-007444 FILED THIS 25 DAY OF FEBRUARY, 1988 AT 11:14 AM IN BOOK OF RECORD OF SURVEY MAPS AT PAGE 11808 AT THE REQUEST OF DECE. E. RYALS.

VERA L. LYNE BY: *Alice V. Chow*  
COUNTY RECORDER DEPUTY COUNTY RECORDER

FILE # 500 88  
188 MB



07-12-05 10:38am From-CENTRE CITY DEV. CORP. 619 286 9148 T-257 P 012/031 F-402

LEGISLATION AUTHORIZING REDEVELOPMENT OF  
BROADWAY COMPLEX, SAN DIEGO, CALIFORNIA

National Defense Authorization Act For FY 1987 (P.L. 99-661)

SEC. 2732 LEASE AND DEVELOPMENT OF CERTAIN REAL PROPERTY, SAN  
DIEGO, CALIFORNIA

(a) IN GENERAL.--Subject to subsections (b) through (g), the Secretary of the Navy may--

(1) Enter into long-term leases of real property, located within the Broadway Complex of the Department of the Navy, San Diego, California; and

(2) Assist any lessee of such real property in financing the construction of any facility on such real property.

(b) CONSIDERATION.

(1)(A) In consideration for leasing the real property described in subsection (a), the Secretary shall obtain, without compensation or at substantially below market value, facilities or the use of facilities, or both, constructed on such real property by the lessees.

(1)(B) The Secretary shall provide that the value of the facilities or the use of facilities, or both, obtained under subparagraph (A) (minus the amount of any compensation paid by the Secretary for the facilities or use of them) shall be at least equal to the value of the use of the real property leased under subsection (a), as determined by the Secretary.

(2) In consideration for assisting a lessee in financing the construction of any facility on such real property, the Secretary shall obtain an ownership interest in such facility that is at least equal in value to the amount of the financing provided by the Secretary.

(c) CONDITIONS.

(1) The Secretary shall provide that any real property leased under this section shall be developed in accordance with detailed plans and terms of development which have been duly formulated by the Secretary and the San Diego community through the San Diego Association of Governments' Broadway Complex Coordinating Group.

(2) A lease may not be entered into under this section until 21 days after the Secretary submits a plan for the development of the real property described in subsection (a) to the Committees of the Armed Services of the House of Representatives,

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including a justification of how this plan is more advantageous to the United States than developing the real property with Federal funds.

(d) COMPETITIVE PROCEDURES.--Each lease entered into under subsection (a) shall be awarded through the use of competitive procedures.

(e) RIGHT TO ACQUIRE.--The Secretary may provide that the United States shall have the right of first refusal to acquire all right, title, and interest in and to any facility constructed on the real property subject to such lease.

(f) ADDITIONAL TERMS.

(1) A lease entered into by the Secretary under this section under which a facility is constructed by a private developer and leased to the Department of the Navy may provide for the operation and maintenance of such facility by the private developer.

(2) The Secretary may require such additional terms and condition in connection with leases authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

(g) LIMITATION.--The Secretary may obligate or expend amounts for--

(1) Assisting in financing under subsection (a) (2);

(2) Obtaining facilities or the use of facilities under (b) (1) (A); or

(3) Acquiring interest in a facility under subsection (e), only to the extent funds have been appropriated for such purpose.

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## DEVELOPMENT PLAN AND URBAN DESIGN GUIDELINES

Development PlanScope of Development

This Exhibit describes the program and "envelope" for development of the Navy Broadway Complex (the "Complex"), and represents the overall scope of development. Attachments 1 through 3 to this Exhibit graphically illustrate potential development which may result from this Development Plan and the Urban Design Guidelines.

Objectives of Development

The Complex, located on San Diego's downtown waterfront, consists of approximately 13.67 acres held in fee by the United States of America. The Complex currently serves as the headquarters for the Commander, Naval Base San Diego, and as the Navy's main Supply Center for the Pacific region. Currently, the Complex contains approximately one million square feet of warehousing and office facilities and accommodates approximately 2,200 military and civilian personnel. It is the Navy's intention to relocate the warehousing functions over time to more efficient facilities at operational bases within the San Diego region, and to consolidate much of its administrative office needs at the Complex. To implement this concept, Congress authorized the Navy in 1986 to pursue redevelopment of the Complex as a public-private venture to include a mix of private activities that would offset the cost of Navy office space.

The Navy has three fundamental objectives in pursuing the development of the Complex:

1. To maintain ownership of the Complex property and to retain Navy Pier as a key mobilization asset.
2. To receive administrative office space at the Navy Broadway Complex at minimal cost to the U.S. taxpayer.
3. To construct a high quality development that, in the spirit of the 1987 Memorandum of Understanding between the City and the Navy, achieves community objectives for this key waterfront site.

Parcelization

For purposes of this plan, the concept is divided into four parcels described as Blocks 1 through 4, as illustrated in Attachment 2.

Block 1 is bounded by Broadway on the north, Pacific Highway on the east, E Street on the south, and Harbor Drive on the west. It

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is approximately 3.49 acres in area.

Block 2 is bounded by E Street on the north, Pacific Highway on the east, F Street on the south, and Harbor Drive on the west. It is approximately 3.29 acres in area.

Block 3 is bounded by F Street on the north, Pacific Highway on the east, Harbor Drive on the west, and the prolongation of the center-line of G Street on the south. The area of Block 3 is approximately 3.72 acres in area.

Block 4 is bounded by the prolongation of the center-line of G Street on the north, Pacific Highway on the east, and Harbor Drive on the south and west. It is approximately 3.17 acres in area.

#### Allowable Land Uses

The following land uses are permitted on all four blocks.

- Office
- Hotel
- Retail Commercial/Restaurant/Entertainment
- Public Attractions
- Parking

#### Intensity of Uses

A maximum of 3,250,000 gross square feet<sup>1</sup> of above-grade development including above-grade parking shall be permitted on the site, subject to the following:

- a) A maximum of 1,650,000 gross square feet of office, including support retail.
- b) A maximum of 1,220,000 gross square feet of hotel uses including support retail, restaurant and entertainment.
- c) A maximum of 25,000 gross square feet of retail.
- d) A maximum of 55,000 gross square feet of public attractions such as a museum(s).

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<sup>1</sup> The total horizontal area expressed in square footage of all floors included within surrounding walls, including mechanical areas and shafts, enclosed exterior stairwells and above-ground parking structures. Only the ground level of atriums and open multi-level interior spaces shall be considered as a part of the gross square footage of the building. Enclosed rooftop areas aimed at screening rooftop equipment and creating an articulated building profile shall not be included within the gross square footage of the building.

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Parking Standards

The maximum on-site parking standards utilized for the Complex shall be the following:

- a) Navy Office = 1.23 spaces/1,000 gross square feet
- b) Commercial Office = 1.00 spaces/1,000 gross square feet  
(incl. support retail)
- c) Hotel = 0.75 spaces/guest room<sup>2</sup>  
(incl. support uses)
- d) Retail = 4.00 spaces/1,000 gross square feet

Height

Buildings shall not exceed the following heights, which are measured above existing grade. Parenthetical numbers are heights above mean sea level:

Block 1: 400 feet (410').

Block 2: 350 feet (360'), with development generally stepping down to Bay.

Block 3: 250 feet (260'), with development generally stepping down to Bay.

Block 4: 150 feet (160'), with development generally stepping down to Bay.

Public Improvements

Public improvements related to the Development Plan shall be made in increments in accordance with the schedule contained in Attachment 4.

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<sup>2</sup> A hotel guest room is the smallest unit capable of separate rental.

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## Urban Design Guidelines

The following Guidelines are to ensure high quality design of the Broadway Complex Development ("the Development"), consistent with the City's current policies in the Centre City area.

### Architectural Standards

The architecture of the development shall establish a high quality of design. While it is not the intent for the entire Development to represent a single architectural solution, it is to establish a compatible vocabulary of forms and materials to create a visually harmonious grouping of buildings.

### Street-Level Design: Harbor Drive/Open Space/Broadway Frontage

- a) Upon the demolition of "Building 1", an open space of at least 1.9 acres shall be reserved at the foot of Broadway. This space shall be configured to allow for aggregation with adjacent land for the creation of a larger open space at the foot of Broadway.
- b) Harbor Drive, Broadway and the frontage adjacent to the proposed open space are envisioned as highly active pedestrian spaces with a strong orientation to the Bay. At least 75 percent of the building frontage adjacent to these streets and open space shall be developed in uses including retail, restaurants, and other public-oriented activities that will promote pedestrian activity.
- c) Along Broadway, buildings shall be set back from the property line to create a plaza depth of 75 feet. Along Harbor Drive on Block 3, above-grade development shall be built to the property line. Along Harbor Drive on Block 4, buildings shall be set back from the property line between 0 and 14 feet to create a consistent sidewalk depth of 25 feet, from the existing curb line.
- d) Ground-level facades shall be substantially transparent to maximize the sense of contact between indoor and outdoor activities. Colorful awnings, arcades and/or similar features shall be incorporated into the facade design to reinforce the pedestrian environment.
- e) Broadway's historic street wall of 50 to 100 feet shall be maintained and extended to the frontage adjacent to the proposed open space to reinforce the spatial experience of the street and open space.

### Street-Level Design: Pacific Highway Frontage

- a) The Pacific Highway frontage shall be designed to reinforce the street's role as a major landscaped gateway boulevard within the Centre City, and as the downtown "face" of the Broadway Complex

development. Ground-level facades shall be substantially transparent to maximize the sense of contact between indoor and outdoor activities.

b) Along Pacific Highway above-grade development shall be set back from the property line approximately 10 feet to create a consistent sidewalk depth of 17 feet.

c) In order to emphasize the landscape character of the street, development fronting Pacific Highway shall not exceed a street-wall of 50 feet. Taller elements shall be stepped back by at least 15 feet for no less than 75% of the frontage.

Street-Level Design: The East-West Streets (E, F and G Streets)

a) The prolongations of E, F and G Streets shall be opened to allow for continuous vehicular and pedestrian access between Pacific Highway and Harbor Drive. The design of the streets shall emphasize pedestrian access through wide sidewalks and continuous landscaping.

b) A 75-foot wide right-of-way shall be maintained along E and F Streets to provide for this access and to maximize inland views to the Bayfront. Approximately 35 feet of this right-of-way shall be dedicated to pedestrian walkways and landscaping. Above the street-wall height, building elements shall be stepped back by not less than 25 feet. Ground-level non-service uses along E and F Streets shall be substantially transparent to maximize the sense of contact between indoor and outdoor activities.

c) A 120-foot wide right-of-way shall be maintained along G Street. Approximately 60 feet of this right-of-way shall be developed in pedestrian walkways, leading from the Marina Neighborhood to the G Street Mole (Tuna Harbor).

d) Ground-level facades along G Street shall be substantially transparent to maximize the sense of contact between indoor and outdoor activities. Colorful awnings, arcades and/or similar features shall be incorporated into the facade design to reinforce the pedestrian environment.

Street-Level Design: North-South Passage

a) A continuous north-south movement through a series of public and quasipublic spaces shall be created through the development, linking the open space at the foot of Broadway with Seaport Village. This should be designed as an interesting sequence of spaces with a diversity of activities and spatial experiences (e.g., galleries, courts, exterior plazas, etc.).

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Architectural Form and Scale

- a) Towers shall be designed as slender structures to minimize view obstructions from inland areas, and to create a well-composed skyline compatible with existing and planned development. The upper 25% of the building tower shall be articulated in order to avoid a flat building top, provided that this requirement shall be applied only to the extent practicable with respect to the modification of an existing building. That portion of any new building exceeding 125 feet (AMSL) shall not exceed 140 feet in the north/south maximum plan dimension. Modifications to existing buildings above 150 feet (AMSL) shall not exceed 140 feet in the north/south maximum plan dimension. Multiple towers within a block shall be separated by at least 40 feet.
- b) Facades shall be articulated to create variety and interests; large areas of curtain wall glazing (vision glass or spandrel construction) shall not be permitted. Reflective glass shall be avoided.
- c) Low-rise elements shall be articulated to create interest and variety and to promote the pedestrian scale of the street. Articulation of the first two floors with architectural detailing such as storefront design, arcades and awnings shall be required. Special treatment and detailing of the cornice of street-wall buildings shall be required.
- d) Building materials shall be light in color and of a high quality. A palette of colors and materials shall be developed for the Broadway Complex project to ensure harmonious treatment.
- e) Towers shall be designed with distinctive roof forms that create a pleasing skyline profile. A compatible vocabulary of forms (e.g., domes, vaults, pyramids, etc.) shall be developed to encourage a "family" of buildings within the complex.
- f) Mechanical equipment, appurtenances and penthouses located on rooftops shall be architecturally screened and enclosed, and incorporated as an integral part of the architectural design. Navy rooftop communication equipment shall be integrated and screened from view to the maximum extent possible.

Access

- a) Curb cuts shall not be permitted along Broadway, Pacific Highway and Harbor Drive, and shall be situated along the east-west streets (E, F, and G Streets). They shall not be located closer than 50 feet from intersections with Pacific Highway or Harbor Drive.

## 601

b) Access to parking and loading areas shall be screened from predominant view, and designed to allow vehicles to maneuver on site without obstructing public pedestrian or vehicular circulation.

### Parking Treatment

a) Every reasonable effort should be made to provide two levels of below-grade parking prior to the provision of above-grade parking. One level of below grade parking shall be required. Any above-grade parking shall be included in the calculation of the above grade gross square footage permitted on the site.

b) Above-grade parking shall be encapsulated within development so that it appears as an integral part of the building design. Active uses shall screen above-grade parking from predominant public view along the Pacific Highway and Harbor Drive frontages. Along the east-west streets, above-grade parking shall be designed to appear as an integral part of the building facade.

c) Surface parking shall be permitted on an interim basis; such parking shall be well screened from public street views with temporary perimeter landscaping and shall be well-lighted.

### Landscape Treatment

a) On and off-site landscaping shall establish a high quality of design and promote a comfortable and attractive pedestrian environment. Landscaping and all other required off-site improvements shall be installed in accordance with the requirements of the Centre City Streetscape Manual or any successor document covering the same subject matter.

b) The design of the Pacific Highway frontage shall reinforce its designation as a major gateway street, with tall palms and ornamental lighting, consistent with the CCDC Pacific Highway Concept Plan .

c) Harbor Drive shall be reinforced as an informal waterfront parkway for pedestrians and automobiles; additional sidewalk planting shall extend the canopy of existing trees to the edge of the project.

d) G Street shall be developed as a visually strong promenade in the spirit of the Martin Luther King, Jr. Promenade. Colorful planting beds, water features, sculpture, benches and distinctive vertical plantings shall be provided.

e) E and F Streets shall be designed as secondary east-west streets, with regularly planted street trees along each sidewalk.

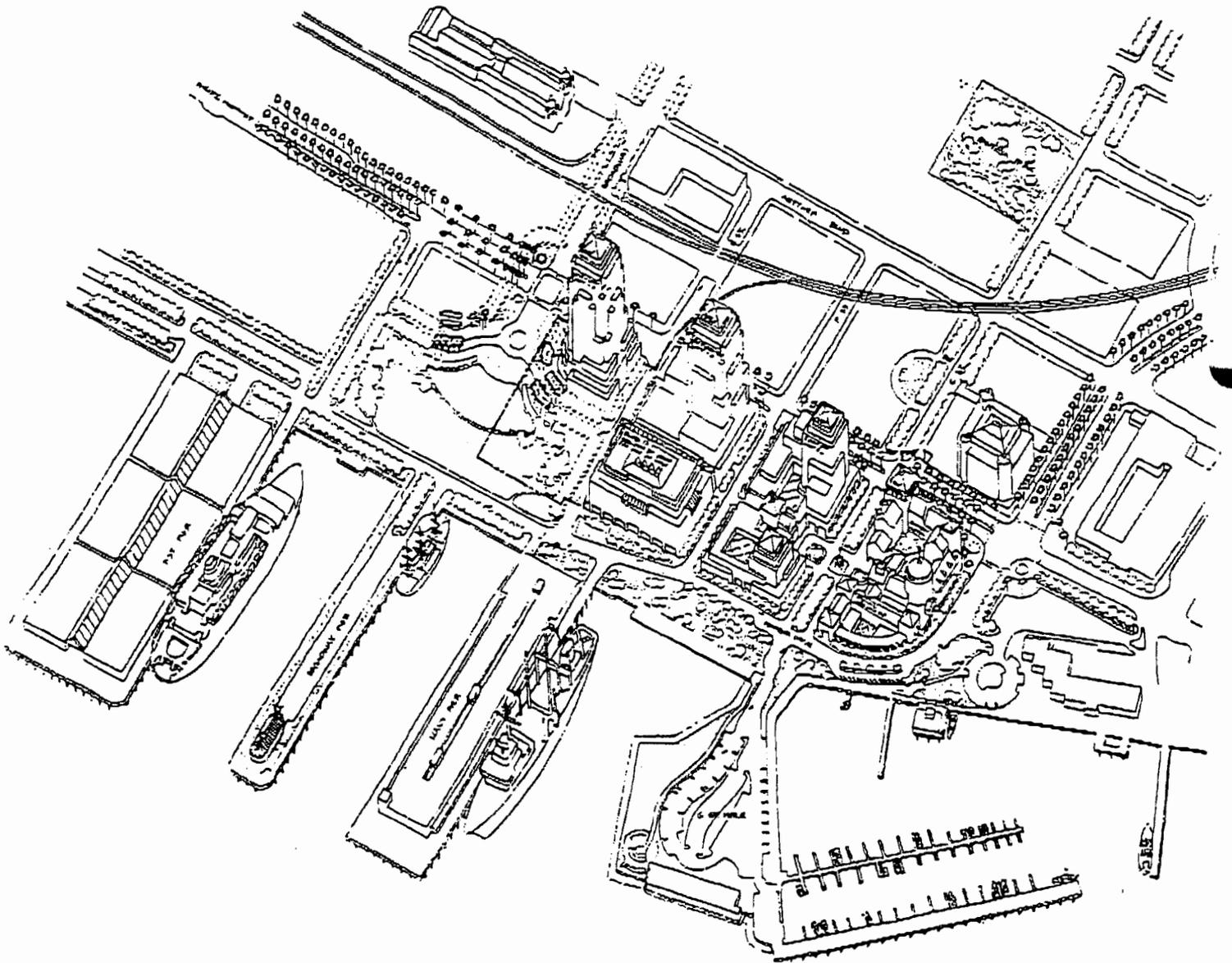
602

Attachments

1. Illustrative Development Concept
2. Scope of Development
3. Urban Design Guidelines
4. Development Schedule

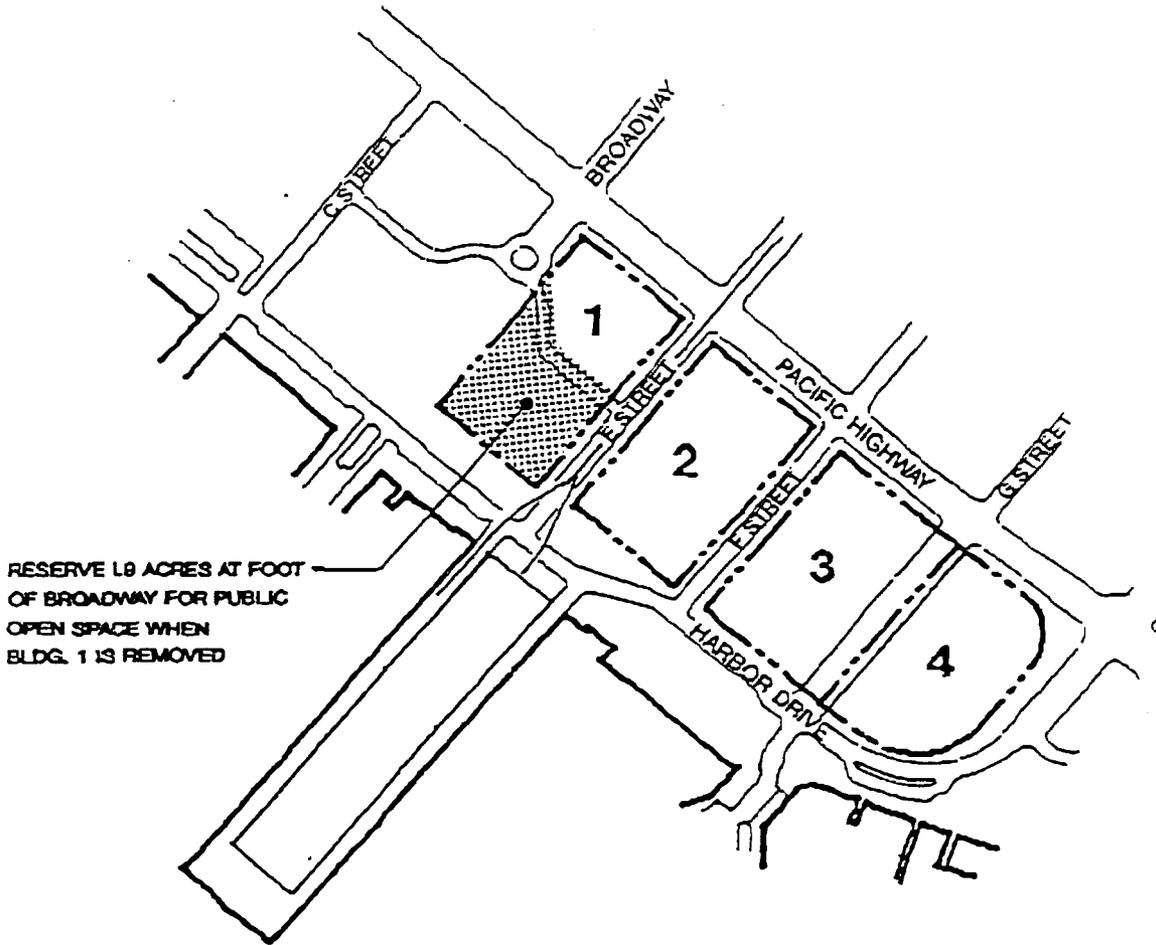
# Illustrative Development Concept

An example of potential development that may occur as a result of the Scope of Development and Urban Design Guidelines within the Development agreement



# Scope of Development

## 604



### ALLOWABLE LAND USES

(All Blocks)

- Office
- Hotel
- Retail/Restaurant/Entertainment
- Public Attractions
- Parking

### INTENSITY OF USES

(All Blocks)

Maximum of 3,250,000 g.s.f. of above-grade development including parking, subject to the following:

- Maximum of 1,650,000 g.s.f. of office including support retail
- Maximum of 1,220,000 g.s.f. of hotel including support uses
- Maximum of 25,000 g.s.f. of retail
- Maximum of 55,000 g.s.f. of public attractions

### HEIGHT

Block 1: Maximum 400 ft.

Block 2: Maximum 350 ft., with development stepping down to Bay

Block 3: Maximum 250 ft., with development stepping down to Bay

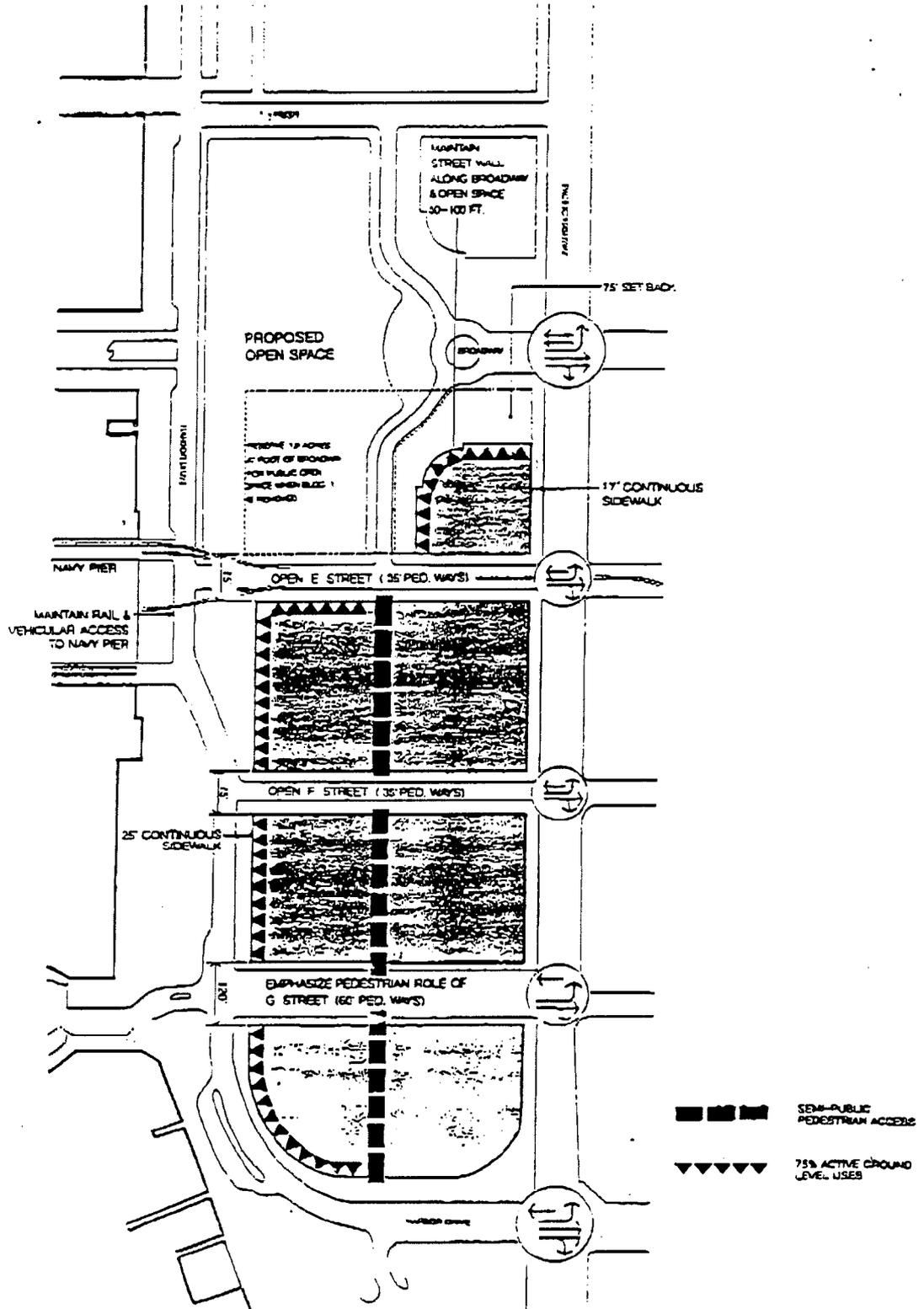
Block 4: Maximum 150 ft., with development stepping down to Bay

### PARKING STANDARDS

- Navy Office: 1.23 spaces/1,000 GSF
- Commercial Office: 1.00 spaces/1,000 GSF
- Hotel: 0.75 spaces/guest room
- Retail: 4.00 spaces/1,000 GSF

605

# Urban Design Guidelines



ATTACHMENT 3

Exhibit C-11

## 606

## Development Schedule

### Development Increments

Development of any block (work may be performed in one block increments with construction phasing).

Development of Block 3 and/or Block 4

Development of Block 2 and/or Block 3

Development of Block 1 and/or Block 2

### Facilities To Be Constructed

#### Pacific Highway Improvements

- Roadway widening to create exclusive lanes in north and southbound directions at E, F and G Streets. \*
- Exclusive northbound left and right turn lanes at Broadway and Pacific Highway. \*
- Modify Broadway to create second left turn pocket in westbound direction. \*
- Streetscape improvements, including landscaping, lighting, sidewalks and street furniture in accordance with City standards and the CCDC Pacific Highway Concept Plan between Broadway and Harbor Drive (west side only).

Streetscape improvements on the east side of Harbor Drive.

Traffic signals at G Street and Pacific Highway.

G Street improvements.

Traffic signals at F Street and Pacific Highway. \*

F Street improvements.

Traffic signals at E Street and Pacific Highway and modifications to Pacific Highway/Broadway signals.

Traffic signals at E Street and Harbor Drive.

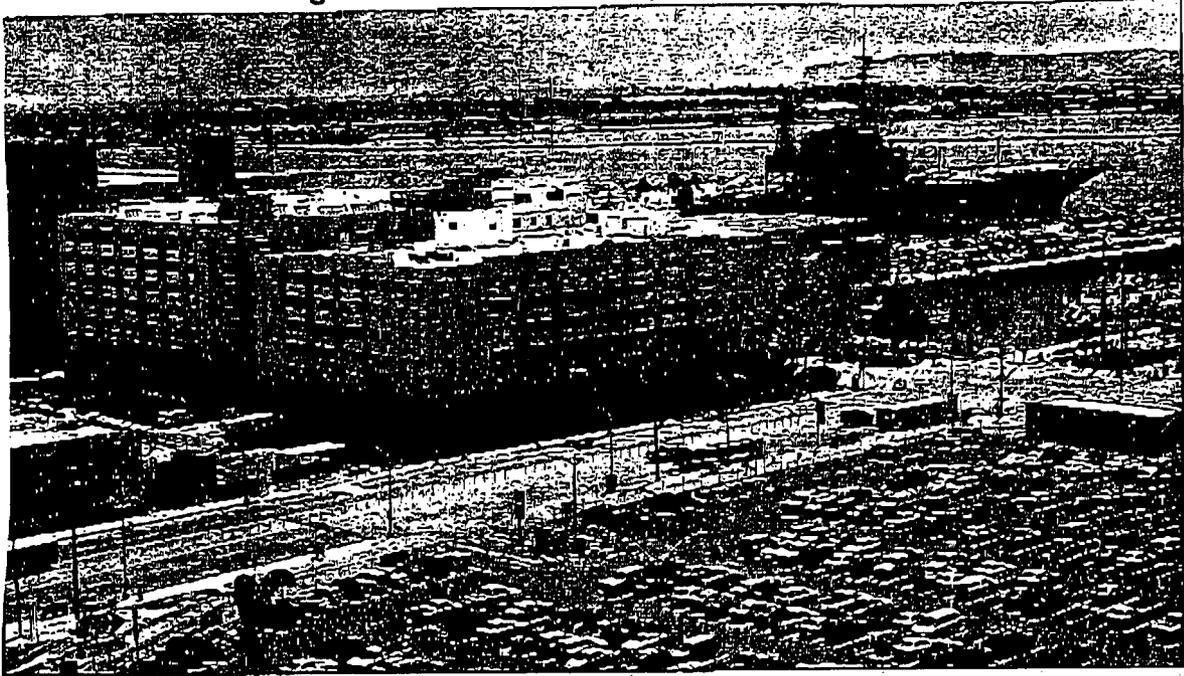
E Street improvements.

Demolition of Building 1.

#### Note:

\* Interfering portions of the Pacific Highway median, if any, shall be removed and other traffic mitigation measures and street modifications required in the Final Environmental Impact Report and Final Environmental Impact Statement for the Navy Broadway Complex Project shall be implemented unless the City and Navy subsequently find that the traffic circulation and air quality considerations discussed in the EIR/EIS and which led to the inclusion of requirements for such improvements in the Project are found to be insignificant, are mitigated to a level of insignificance through other actions, or findings are made that override these considerations.

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Melissa Jacobs

The Navy Broadway Complex, located on the 'front porch' of Downtown's vibrant North Embarcadero, is being eyed as the crowning jewel of redevelopment — possibly hinging on whether it will be added to the latest rounds of base closures. Its land value has been placed anywhere from \$100 million to \$500 million.

## Developers Have an Eye on Broadway

### Potential Addition Of Navy Facility To BRAC List Called a Prime Piece of Land

BY PAT BRODERICK

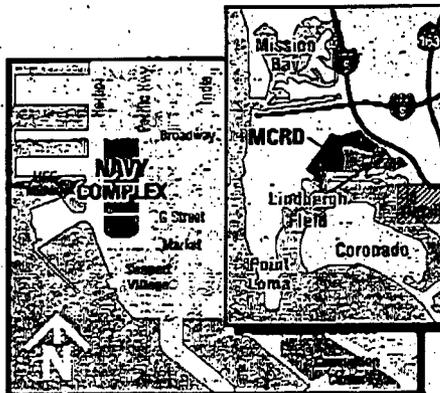
Win-win. That's the word from those hoping the city and Navy both can benefit from what could become a lavish 3 million-square-foot, mixed-use redevelopment of the 83-year-old Navy Broadway Complex — right on the front porch of Downtown's North Embarcadero:

But Downtown developers are reluctant to speculate on the potential value of the Navy Broadway Complex site, which still may be added to the latest round of base closures now being considered by the Base Realignment and Closure Commission. The developers cite all the possible variables, but they generally agree that it would be in the hundreds of millions of dollars.

Malin Burnham, the chairman of the board of Burnham Real Estate, pegs the site's value as high as \$500 million.

"It's a beautiful piece of property that has been underutilized," he said. "I've had a couple of discussions with the Navy and CCDC for them to do something. It would be a win-win."

The Centre City Development Corp., a city-run nonprofit agency that coordinates redevelopment projects in the Downtown



area, states land value there ranges about \$180 a square foot to as much as \$500 a square foot.

Burnham believes this prime piece of land has languished.

"That's the frustrating part of those of us in the development community," he said.

Still, he won't be bidding on any future project there.

"I'm not in that business anymore," he said. "I'm not an investor in Downtown."

Yet Burnham knows a good opportunity when he sees one.

"I had a lunch meeting with the admiral (Jose L. Betancourt, the facility's ranking commander) 15, 16 months ago, and I took it to CCDC, and said, 'Look, the admiral is willing to consider this.' I'm just an agitator. It's a wonderful opportunity."

Added Stath Karras, the chief executive officer of Burnham Real Estate, "There is not a better piece of real estate in San Diego."

But the transformation of what is now the headquarters of the Navy Region Southwest and the Navy's main supply center for the Pacific region hinges on whether the prime

500,000-square-foot — the 3 million-square-foot figure would be the actual development possible, which would entail high-rise — parcel ends up on the BRAC list of endangered bases and facilities.

"It's one of the largest parcels Downtown, more than 500,000 square feet of land, eight city blocks — huge," said Peter J. Hall, the president and chief operating

officer of the CCDC. "To have mixed-use, with open space, residential, retail, restaurants, it would create a wonderful front porch, and anchors the entire North Embarcadero, from Seaport Village to the airport. This parcel is critically important to set the stage."

Perry Dealy, the executive vice president of the Manchester Financial Group, considers the Navy Broadway Complex "a phenomenal development opportunity," one his company would be eager to bid on

should the opportunity present itself.

"I see a combination of hotels, residential and retail," he said. "It's a fairly large parcel that would allow a really sophisticated mixed-use urban plan to be developed there."

As for offices added to the mix, Dealy noted there hasn't been a big demand in the Downtown area.

"I think you want to concentrate office space in the central business district — Broadway, B Street, the ballpark district," he added.

Eric Martin, the vice president of development for Bosa Development California, Inc., which has developed about 5 million square feet Downtown, said that his firm would "absolutely" consider bidding on the project.

"Any of the sites underutilized in prime locations are to everyone's benefit to be developed," he said. "If it's available, it would be another positive step for San Diego."

Steve Williams, a partner with Sentre Partners, Inc., whose portfolio includes One America Plaza in Downtown, agreed that "it makes all the sense in the world to put this into the highest and best use."

In his opinion, that would be residential, especially with San Diego running out of suburban land, said Williams, adding that the Navy Broadway Complex would be a prime spot for housing.

"You'd have killer view of the bay," he said. "Right now, there are no views. Most of those blocks are surface parking lots. It's one of the great underutilization of San Diego. It's spectacular property."

Greg Block, a spokesman for Corky McMillin Cos., which is developing the mixed-use Liberty Station at the former Naval Training Center in Point Loma, said, "I think we would always look at what opportunities are out there," but added that the Navy Broadway Complex "is not something that has even been discussed at this point."

Some history: In 1988, the Department of Defense began the BRAC process to streamline operations and increase Defense Department efficiency. Since then, the department has closed 97 major military installations nationwide, including more than two dozen in California alone. Now, 33 other sites are in the pipeline for the lat-



The city's economic development watchdogs consider the Navy Broadway Complex a vital element of Downtown revitalization.

est round of base closures. The president and Congress, which have final say on base closures, are expected to take final action on the list in September.

**Public-Private**

But there have been obstacles. In 1989, the Broadway Complex Coordinating Group, an ad hoc advisory committee made up of community, Navy and city representatives, adopted the Central Bayfront Design Principles. In 1990, these were incorporated into the Preliminary Centre City San Diego Community Plan and Interim Development and Design Ordinance.

The Navy's objectives at the time were to retain ownership of the site and maintain access to Navy Pier as a key operational and mobilization asset; to obtain up to 1 million square feet of office space at no cost in return for the ground lease of the remaining portion of the site; and redevelop the site consistent with community objectives for the central bayfront, according to information provided by the CCDC.

Those objectives were to have included mixed-use development that would present inland views to the water, waterfront open space, improved access to the waterfront and a waterfront museum. But the project stalled.

"The mission of the Navy is not real estate development," said Hall. "A joint venture with private sectors? I don't think so, with that kind of entrepreneurial effort."

Added to that, he said, were the Sept 11 terrorist attacks, increasing concern over base security and the fact that the base commander was being rotated every couple years, all further putting the brakes on redevelopment plans.

Another sticking point had been raised by Congress, which had authorized a public-private redevelopment venture, for the Navy to stay on site. But all that could change if the complex is added to the BRAC list, said Julie Meier Wright, president and chief executive officer of the San Diego Regional Economic Development Corp.

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The EDC, which helps companies locate and expand here, has been in discussions with the Navy headquarters for several months, she said, about whether a closure of the Navy Broadway Complex would serve all parties involved.

While the EDC hasn't formally proposed a BRAC listing for the complex, Wright said that it could be a solution.

"What we've been trying to do is to ensure a win for the Navy, for building a new headquarters, and a win for the city and region, to allow us to move forward with a very exciting development," she said.

"The redevelopment of the property, with mixed use, makes that property worth between \$100 million to \$150 million, which is more than enough to build a new headquarters. It would be a win for the Navy, which would get a modern new headquarters in a more secure location, and a win for the city. It will allow us to move forward on a real jewel."

One possibility for a new headquarters, she said, could be on a military base, such as the Naval Station San Diego at 32<sup>nd</sup> Street.

#### Win-Win

Representatives for the Navy declined to comment on the issue, explaining that individual projects can't be discussed during the BRAC process. Others who did check in on the subject mostly echoed the win-win scenario.

"People have been looking at the complex site for years, and it comes to, what is the best solution for the city and Navy?" said Mitch Mitchell, vice president of public policy and communications for the San Diego Regional Chamber of Commerce. "It comes down to making it a win for everyone involved."

Added Christine Anderson, vice president, operations, for the San Diego Unified Port District, "We would like to see the area redeveloped, because it's in the middle of the North and South Embarcadero. Everything is being redeveloped around it, and it would be nice to see that area redeveloped as well."

U.S. Rep. Susan Davis, D-San Diego, said, "Whether or not the Broadway Complex becomes part of the BRAC process, we need to find a win-win solution for both the Navy and the city of San Diego."

But U.S. Rep. Duncan Hunter, R-El Cajon, House Armed Services committee chairman, took a different stand, saying that the BRAC commission's inquiry into the Navy Broadway Complex and MCRD is "concerning, especially given the tremendous military value continuously demonstrated by each of these installations. Both duty locations are an integral component of our military's training, development and command mechanism and I remain committed to ensuring they remain a part of San Diego's military infrastructure."

San Diego Deputy Mayor Michael Zucher, whose 2<sup>nd</sup> District includes Downtown,

had "nothing to say at this time" on the matter, according to his spokesman.

Hall, credited with creating the vision for the redevelopment plan, said it all comes down to a simple question.

"The question should be, is there opportunity here?" he said, "a good opportunity that would be good for the city and the Navy, and, if you're going through the BRAC process, good for the country. Why aren't we talking about it?"

But that question may soon be answered. On July 1, Anthony J. Principi, BRAC Commission chairman, in a letter to Donald H. Rumsfeld, secretary of defense, asked him why certain military installations were not included on the most recent closure list, including the Navy Broadway Complex and the Marine Corp Recruit Depot. The commission has called a public hearing on proposed base closures July 19 in Washington, D.C. At that time, if seven or more commissioners support adding an installation to the list, at least two commissioners will visit each of those sites, and more public hearings would be held regarding them. The commission is planning final deliberations during the week of Aug. 22. A vote of at least seven commissioners is required to change any recommendations by Rumsfeld, according to Principi.

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## Acquisition of MCRD Could Ease Airport's Growing Pains

■ BY CONNIE LEWIS

While the 560-acre Marine Corps Recruit Depot was not on planners' radar screens for a long-term expansion of Lindbergh Field, at least one land use expert says the chance that the training facility might make the Pentagon's list of expendable bases offers a ray of hope on an otherwise crowded urban landscape.

"To me it's a no-brainer," said Steve Erie, a retired UC San Diego professor of land use studies. "Given the fact that we don't have Miramar, which I always con-

tended is the best place to move the airport, or Pendleton or North Island, I think the only (long-term) alternative we have now is to expand Lindbergh."

MCRD, which one real estate expert pegs as being worth roughly \$3 billion on the open real estate market, was not on the Base Realignment and Closure Commission list of bases released in May that might be closed. But the Marine base was brought up for consideration July 1 when BRAC Chairman Anthony Principi sent a letter to Secretary of Defense Donald Rumsfeld asking why it was omitted.

Principi's letter, dated July 1, also asked why the Navy Broadway Complex and several other military installations nationwide were excluded.

According to consultants for the San Diego County Regional Airport Authority, the problem with expanding Lindbergh Field to serve the region's transportation needs beyond 2015 is that it doesn't offer enough room to build a second runway. About 3,000 acres is ideal, they say, but Lindbergh Field itself has fewer than 700.

Although there has been talk of annexing private and public property adjacent to the Downtown airport as far north as Midway Drive, John Chalker, the president of the Alliance in Support of Airport Progress in the 21<sup>st</sup> Century, or ASAP-21, said he thinks the cost of condemning the property would be prohibitive. But no serious studies about condemnations have been done, he added.

Joe Craver, the president of Galaxie Management and chairman of the Airport Authority board, said MCRD "is not a solution for the long-term air transportation system for our region." In keeping with the board's promise not to study any military bases before the BRAC process is finalized in November, he declined to say whether it would be interested in MCRD to make any short-term improvements at Lindbergh Field.

"This is something the board has not discussed," he said.

Yet Chalker, whose 17-member volunteer group consists of prominent business and public officials, said that if MCRD is scratched, it could provide space to extend an airline taxiway and to add some cargo facilities at Lindbergh Field. It might also give the Airport Authority some "flexibility" if it decides to build a fourth terminal.

However, having MCRD would not be a long-term airport expansion solution, since adding it to Lindbergh Field wouldn't provide enough room for a second parallel runway, he said. Chalker is also the managing director of LM Capital Group, LLC.

But Erie insists that it could be part of the long-term answer if land adjacent to the Marine base can be annexed. He described MCRD as the "missing part of the puzzle" between Lindbergh Field and the land that would have to be annexed.

"The point is you can't get there without MCRD," he said.

### A Condemnable Solution

In Erie's opinion, the highest and best use of the MCRD tract would be an airport.

"I come from L.A., and I know what they did to expand LAX (Los Angeles International Airport)," he said. "They made the hard decisions and they condemned and took over property in Westchester and Playa Vista."

"Having a gateway airport, one with long-haul and international and cargo capabilities, is the single most important thing San Diego can do in terms of its future economic well-being."

Erie nevertheless recommends that the Airport Authority continue to scour the county to find a suitable relocation site. But he's skeptical about the prospects.

In addition to four active military bases within the county — Marine Corps Air Station Miramar, the adjacent East Miramar, Marine Corps Base Camp Pendleton near Oceanside and Naval Air Station North Island in Coronado — the Airport Authority's short list of relocation possibilities includes March Air Reserve Base in Riverside County. Sites in Borrego Springs and the Imperial Valley are also on the list, as is the possibility of expanding Lindbergh Field.

"Tell me where there's any other feasible site, because I don't know of one," Erie said referring to the fact that none of the military bases on the Airport Authority's list made the preliminary BRAC list. "It looks like the only alternative we have now is to expand Lindbergh. I know these are fighting words,

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and my dad was a Camp Pendleton Marine in World War II, but recruit depots can be moved."

If MCRD was to land on the real estate market, it could fetch as much as \$150 per square foot, according to Gary London, the president of the London Group Realty Advisors, Inc. of San Diego. That's what a commercial developer, calculating a return on investment, might expect to pay for the tract.

"Commercial locations next to airports are considered quite favorable," London said. "However, it's unlikely that the Airport Authority would look away from an offer of MCRD, if it was made.

"Because there were no announced BRAC closings locally, the Airport Authority, practically speaking, would have nowhere else to turn."

A representative for the McMillin Cos., which developed Liberty Station, a mixed-use complex including housing on the site of what was once the Naval Training Center adjacent to MCRD, said the firm has given no consideration to developing the Marine base because it's not up for grabs.

MCRD doesn't carry a price tag, however, and the Airport Authority has requested that the Department of Defense give it initial consideration should any of the county's military bases be closed.

### Serious Doubts

But Eric Bruvold, the vice president of public policy for the San Diego Economic Development Corp., said he seriously doubts that MCRD will be added to the BRAC list.

Bruvold said he expects Rumsfeld will reject the notion since it calls for consolidating MCRD with the Marines' other recruit depot on Parris Island, S.C.

"I don't think MCRD will close," Bruvold said. "There's a compelling reason for the Marines to keep the base open. I don't think Parris Island has the capacity."

According to a San Diego City Hall memo, MCRD employs 1,725 Marines and Navy personnel and about 900 civilians. Its annual payrolls amount to \$107 million for the military and \$24.4 million for civilians. An additional \$30 million or so is spent on the acquisition of goods and services, while tourism spending generated by MCRD adds \$20 million to the local economy.

MCRD and the Navy Broadway Complex on the North Embarcadero were among 12 military installations that Principi cited as questionable candidates for the preliminary BRAC list. In May, the Pentagon proposed closing or reducing forces at 62 major bases. The deadline for adding installations to the BRAC list is late July.