

THE CITY OF SAN DIEGO



TONI ATKINS

DEPUTY MAYOR
THIRD COUNCIL DISTRICT

August 5, 2005

The Honorable Anthony J. Principi, Jr.
Chairman
2005 Defense Base Closure and Realignment Commission
2521 South Clark Street, Suite 600
Arlington, Virginia 22202

Dear Chairman Principi:

On Monday, August 8, 2005, in Monterey, the 2005 Defense Base Closure and Realignment Commission will hear testimony from the San Diego Regional Economic Development Corporation, charged by the City of San Diego with leading the region's efforts in the 2005 round of BRAC, and from the Centre City Development Corporation, the city agency responsible with redeveloping the downtown area of San Diego.

Their testimony reflects the position of the City of San Diego – that we fully and unequivocally support the position of the Department of the Navy and the Department of Defense with respect to the Navy Broadway Complex. We believe that the redevelopment of this property – part of a long history of successful partnerships between the City and the Navy – is best handled outside the BRAC process, and instead proceed under the 1987 Federal statute that authorized the Navy to participate in redevelopment of the Broadway Complex property.

We believe that your letter to the Secretary of Defense sparked important discussions both here in the San Diego and in the Department of the Navy. This discussion has been objective and open, with all opinions and concerns being considered. However, San Diego believes that the BRAC process introduces uncertainties and potential additional delays into the planned redevelopment of this site. Therefore, we respectfully request that the Commission accept the decision of the Department of the Navy to dispose of the Navy Broadway Complex outside the BRAC process, and that the Commission not add the Complex to the list of installations recommended for closure or realignment in the 2005 round of BRAC.

Sincerely,

A handwritten signature in black ink that reads "Toni Atkins".

TONI ATKINS
Deputy Mayor
City of San Diego

TA:pg





In 1997, an alliance of five agencies (CCDC, the City of San Diego, the County of San Diego, the San Diego Unified Port District and the United States Navy) with jurisdictional or ownership interest in the North Embarcadero area joined forces to create a vision for the future development of the area. The result was the **North Embarcadero Alliance Visionary Plan**, covering the area west of the California Street/railroad right of way between Laurel and Market Streets. The area is intended to become the “showcase of the San Diego waterfront and a place for urban grandeur.”

The project is one of the last major urban waterfront redevelopment opportunities in North America.

Project Components:

- Approximately \$228 million of improvements to San Diego’s “front porch”
- Project area is about one mile in length and ¼ mile wide
- Waterside esplanade and narrowed Harbor Drive
- Improved Broadway Pier and plaza space at the “foot of Broadway”
- New Pier(s) and historic wharf at County Administration Center
- Streetscape enhancements (lighting, paving, street trees, furniture)

Approvals and Project Activity:

- Environmental Impact Report (EIR) certified April 2000
- Port Master Plan/Community Plan amendment approved by the California Coastal Commission March 2001
- Pre-schematic design completed 2002

Recent Developments:

- Execution of the North Embarcadero Alliance Joint Powers Authority – Port/CCDC/Agency
- First JPA meeting held August 7, 2003
- Design team hired, commenced work November 2003. Scope of work includes complete schematic design for the area and a financing/phasing plan for the whole area.
- Approval of schematic design completed April 28, 2005.

The “Ten Places” of the esplanade from north to south:

- **The Point** - To mark visitors' arrival to the Embarcadero with an iconic public art piece.

- **The Crescent** - On the curved area of Harbor Drive leading to the Embarcadero Feature enhanced traffic mediums blooming with palms and color to direct traffic out of the downtown view corridor and onto a widened Pacific Highway.



- **Grape Street Pier and Piazza** - Located at the old Grape Street Pier. Transient docks capture design principles found in San Diego's Little Italy. Tidal may be included.



- **The Wharf** - Located across the street from the County Administration Building and its proposed park. Open area emphasizing views along the water.



- **Tavern on the Bay** - Adjacent to Anthony's restaurant on the waterfront. A gathering place to enjoy meals in the open. Light and airy tensile structures cover dining areas.

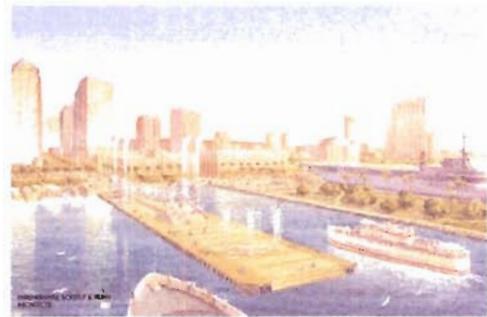


- **The Lawns** - This passive open space will serve a variety of people activities.

- **The Market Square** - This flexible use area located at the entrance to the B Street Cruise Ship Terminal will service cruise customers when vessels are in port and be an open market when there is no ship activity.



- **Formal Grove** - At the entrance of Broadway Pier, formal groves will include clipped green hedges, stripes of color from exotic plants and chairs for relaxation.



- **Broadway – The Hall** - The western end of Broadway will feature formal gardens and a public plaza to enhance the view of San Diego Bay from downtown’s main street.

- **The Cove** - The area near the G Street Mole will feature a memorial walk honoring servicemen and women.



BACKGROUND

The **NEVP Joint Powers Authority** board consists of three directors (one each from the City of San Diego, San Diego Unified Port District and Centre City Development Corporation). This Board has the authority to direct staff work, hire consultants, approve design concepts, guidelines and policies as well as approve the schematic design.

The **NEVP site** extends from Laurel Street (airport) south to Market Street (Seaport Village), and from the Bay inland to the railroad tracks (California Street). The design created by Ehrenkrantz, Eckstut and Kuhn (EEK) will create 6.5 acres of gardens, 5 acres of permeable area and feature 1,770 trees, adding more than 3 trees for every one removed.

The **NEVP plan** encompasses public infrastructure improvements for the San Diego Bay waterfront area from Laurel Street on the north to Market Street on the south. The plan call for a bayside esplanade to include activity areas and open space for pedestrians and bicyclists that features enhanced landscaping and public art.

The schematic design is complete. Since the plan is so large and so costly, implementation will be broken down into phases. The next few months will be spent determining which phase will be constructed first and examining different methods of financing. The cost of this project will split equally between the Port and CCDC.

About CCDC

CCDC is the public, nonprofit corporation created in 1975 by the City of San Diego to staff and implement downtown's redevelopment, including the facilitation of retail, residential, office, hotel, cultural, educational and public improvement projects.

In thirty years of redevelopment, \$6 billion of public and private investment has created more than 11,000 homes, 6,500 hotel rooms, 6 million square feet of commercial space and 50,000 jobs.

For more information on downtown redevelopment, visit www.ccdc.com. For information on housing, business or lifestyle, visit www.sandiegodowntown.org.

EXECUTIVE SUMMARY
NAVY BROADWAY COMPLEX DEVELOPMENT AGREEMENT
CITY OF SAN DIEGO & UNITED STATES OF AMERICA

In 1992, The City of San Diego and the United States of America entered into a Development Agreement to adopt a development plan and urban design guidelines for the redevelopment of the Navy Broadway Complex. The agreement was the result of a 1987 Memorandum of Understanding (MOU) between the Navy and the City of San Diego, which created a process for the formulation of detailed plans and terms of development for the Navy Broadway Complex. The MOU served as a recognition the two parties' mutual goals and objectives.

The National Defense Authorization Act of 1987 contained a Congressional authorization for the Navy to enter into a long-term lease with a developer, provided that any real property leased be developed in accordance with detailed plans and terms of development which have been duly formulated by the Navy and the San Diego community. Between 1987-1991, the Navy worked with the City of San Diego through a group called the "Broadway Complex Coordinating Group" (created by the San Diego Association of Governments). The result is the "Development Plans and Urban Design Guidelines" that is attached to the 1992 Development Agreement.

At the request of the Navy, the City extended the Development Agreement twice, for one year at the end of 2001, and again for four years in November 2002. The agreement currently is set to expire on Jan. 1, 2007.

Development Plans and Urban Design Guidelines

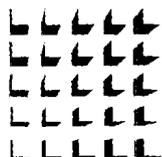
- **Objectives:** Navy to maintain ownership of the complex and receive administrative office space at minimal cost; and private developer to develop new space.
- **Allowable Land Uses:** Office; hotel; retail/commercial/restaurant/ entertainment; public attractions; and parking
- **Intensity:** Maximum 3,250,000 gross square feet of above-grade development, including parking; Maximum 1,650,000 square feet office; Maximum 1,220,000

square feet hotel; Maximum 25,000 square feet retail; Maximum 55,000 square feet public attractions.

- **Parking standards:** Navy office: 1.23 per 1,000 square feet; Commercial: 1 per 1,000 square feet; Hotel: 0.75 per 1,000 square feet; and Retail: 4 per 1,000 square feet.
- **Height:** Block 1: 400'; Block 2: 350'; Block 3: 250'; and Block 4: 160'—with step downs to San Diego Bay.
- **Architectural standards:** No single style; compatible vocabulary of forms and materials.
- **Street level:** At least 1.9 acres reserved at the foot of Broadway for open space.



San Diego
Regional
Economic
Development
Corporation



Centre City
Development
Corporation

August 8, 2005

Dear Commissioners,

On behalf of the City of San Diego, we would like to thank you for hearing our case today. The Navy and the City of San Diego have had a long and mutually beneficial relationship. From the revitalization of the South Embarcadero and creation of the 32nd Street Naval Base, to the conveyance of the Broadway Pier for a successful naval museum, the Navy has been a cooperative and important ally.

San Diego has always been a Navy town and we will work to ensure it remains so. As our population grows and our land use challenges become more complex, we're confident that our partnership with the Navy will enable us to face these challenges with a spirit of cooperation, to provide for our mutual goals and objectives.

Sincerely,

Julie Meier Wright
President
San Diego Regional
Economic Development Corporation

Peter Hall
President
Centre City Development Corporation

**TESTIMONY OF JULIE MEIER WRIGHT
PRESIDENT & CEO OF THE SAN DIEGO
REGIONAL ECONOMIC DEVELOPMENT CORPORATION
AND
PETER M. HALL
PRESIDENT OF THE CENTRE CITY DEVELOPMENT CORPORATION
CONCERNING THE NAVY BROADWAY COMPLEX
BEFORE THE 2005 DEFENSE BASE CLOSURE AND REALIGNMENT
COMMISSION
MONTEREY, CALIFORNIA
AUGUST 8, 2005**

Good Afternoon, Mr. Chairman and Commissioners of the 2005 Defense Base Closure and Realignment Commission. I am Julie Meier Wright, President and Chief Executive Officer of the San Diego Regional Economic Development Corporation, and the City of San Diego's representative in matters concerning the 2005 round of Defense Base Closures and Realignments (BRAC 2005). Thank you for inviting me to appear before the Commission at this Regional Hearing to present the City of San Diego's position concerning the Navy Broadway Complex, in response to the Commission's July 19, 2005, decision to consider the Complex for addition to the list of military installations recommended for closure or realignment. We are here today to ask that the Commission accept the Department of the Navy's decision to address disposition of the Navy Broadway Complex outside the BRAC process. Thus, we ask the Commission not to add the Navy Broadway Complex to the list of military installations recommended for closure or realignment.

At the outset, I want to reaffirm the City of San Diego's complete and unwavering support for the Department of the Navy and the Department of Defense throughout the 2005 round of Defense Base Closures and Realignments. In all of our discussions with officials in the Department of the Navy and the Office of the Secretary of Defense over the last two-and-a-half years, we conveyed the same clear message: San Diego believes that every Navy and Marine Corps base and activity in our region contributes high military value to the Nation's defense, to the Department of Defense's transformation initiative, and to the Pentagon's efforts to establish joint military activities wherever possible. Furthermore, the City of San Diego has consistently expressed its interest in the Department of Defense basing more forces and activities in the San Diego region.

We believe that our case was well-received by the Department of the Navy and the Office of the Secretary of Defense, as reflected in the Secretary of Defense's recommendations of May 13, 2005, to the 2005 BRAC Commission. No Navy or Marine Corps bases and no major activities in San Diego were included on the Secretary's list of recommended closures and realignments. Instead, all of the Navy and Marine Corps bases in San Diego and nearly every military activity in San Diego will remain open and active. Moreover, additional forces and activities, including about ten Mine Warfare ships, would relocate to San Diego under the Secretary's recommendations.

On July 1, 2005, the Chairman of the BRAC Commission sent a letter to the Secretary of Defense concerning possible additions by the Commission to the list of installations to be considered for closure or realignment and asked the Secretary to explain why twelve installations that the Commission identified had not been included on the Secretary's May 13 list. Two installations in San Diego, Marine Corps Recruit Depot San Diego and the Navy Broadway Complex, were among the twelve installations that the Commission identified in its July 1 letter.

On July 14, 2005, the BRAC Commission held a public Regional Hearing in Los Angeles for California communities potentially affected by recommended base closures and realignments. As the City of San Diego's representative, I led a presentation at the Regional Hearing that addressed Marine Corps Recruit Depot San Diego and the Navy Broadway Complex. On July 19, 2005, at a public hearing in Washington, D.C., concerning possible additions by the Commission to the list of military installations to be considered for closure or realignment, the Commission voted to remove one of these installations, Marine Corps Recruit Depot San Diego, from further consideration by the Commission for closure or realignment.

Thus, today, I want to focus on the Navy Broadway Complex and provide additional perspective concerning the discussions that have occurred within the San Diego community and within the Department of the Navy during the last month and address the conclusions that were reached as a result of the Commission's inclusion of the Navy Broadway Complex on the list of military installations to be considered for closure or realignment in BRAC 2005. Participants in the BRAC process both in San Diego and in Washington gave this alternative full and fair consideration. After evaluating each alternative, however, both the Department of the Navy and the City of San Diego concluded that we should not proceed under the BRAC process for three reasons that I want to discuss today.

First, the Navy Broadway Complex has high military value under the selection criteria set forth in the Defense Base Closure and Realignment Act of 1990, as amended through the National Defense Authorization Act for Fiscal Year 2005. It is not excess property. Consequently, it is not a proper candidate for closure or realignment in BRAC 2005.

Second, the legal requirements for disposing of base closure property introduce risks for both the Department of the Navy and the City of San Diego that could adversely affect both the Navy's ability to gain sufficient proceeds from the 1992 Development Agreement concerning the Broadway Complex property to build a new Headquarters for Navy Region Southwest and the City's ability to achieve its planned redevelopment of the downtown waterfront area along San Diego Bay known as the North Embarcadero.

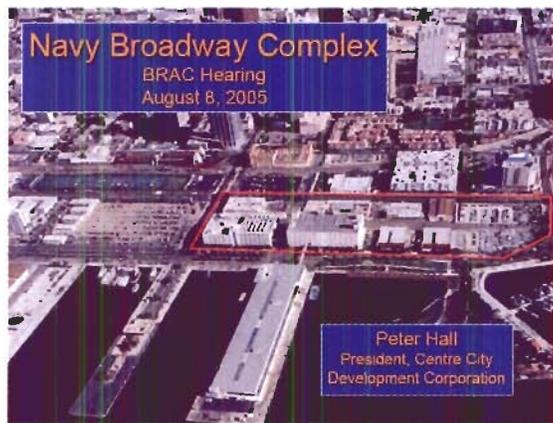
Third, there is an alternative approach that both the Navy and the City prefer, embodied in the 1987 Federal statute that authorized the Navy to participate in redevelopment of the Broadway Complex property and the 1992 Development Agreement and Entitlements. This approach better serves the interests of the Department

of the Navy and the City of San Diego and continues the tradition that the Navy and the City have established of working together on real property matters to achieve solutions that serve both parties.

Peter Hall, President of the Centre City Development Corporation (CCDC), the City of San Diego's redevelopment agency, has joined me here in Monterey today. CCDC has a 30-year record of success in redeveloping property in the City of San Diego, and that record includes working with the Department of the Navy on real property issues similar to those presented by the Navy Broadway Complex. I would like now to introduce Mr. Hall, who will describe the ways in which the City has worked with the Navy on the Navy Broadway Complex matter.

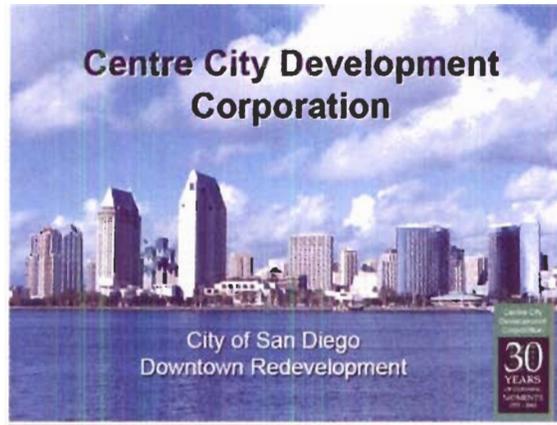
**PRESENTATION BY PETER HALL, PRESIDENT
CENTRE CITY DEVELOPMENT CORPORATION**

Slide 1 – Navy Broadway Complex



Thank you. I am pleased to appear before the Commission and describe redevelopment in the City of San Diego and our long and fruitful partnership with the Department of the Navy. The boundaries of the Navy Broadway Complex in downtown San Diego are highlighted in red on this first slide.

Slide 2 – CCDC



Centre City Development Corporation, known locally as CCDC, was created by the City of San Diego in 1975, for the sole purpose of redeveloping the 1,500-acre downtown area. CCDC is not a private developer; it is a wholly-owned, non-profit subsidiary of the City of San Diego, and it acts as the planning authority for the downtown area.

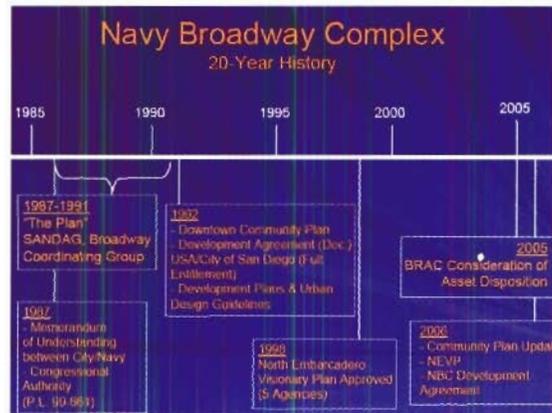
Centre City Development Corporation is the appointed representative of the Mayor of the City of San Diego and the City Council, authorized to act on the City's behalf with respect to redevelopment of the Navy Broadway Complex. CCDC's business model seeks to facilitate public-private and public-public partnerships to redevelop the downtown area of San Diego.

Slide 3 – 30 Years of Redevelopment Success



Over the past 30 years, redevelopment has had a dramatic effect on downtown San Diego. The economic gains from redevelopment have reverberated throughout the City and built a solid base that now supports the region. Downtown San Diego is becoming an urban success story.

Slide 4 – Timeline of Navy Broadway Complex



I want to turn now to a brief history of the Navy Broadway Complex and the Development Agreement between the City of San Diego and the United States of America that entitles this property.

In the National Defense Authorization Act for Fiscal Year 1987, Congress authorized the Department of the Navy to redevelop the Navy Broadway Complex property by leasing property in a manner that would meet the Navy's future occupancy requirements and the City's redevelopment goal of introducing a variety of public and private uses to this downtown waterfront site. Thereafter, the Department of the Navy and the City of San Diego entered into a Memorandum Of Understanding to implement the intent of this statute.

Also in 1987, the San Diego Association of Governments (SANDAG) created the Broadway Coordinating Group, which included the Department of the Navy, to assist in planning the build-out of this area. Over the following five years, this joint effort resulted in a redevelopment plan that met the Navy's and the City's interests.

In 1992, after five years of planning, the Department of the Navy and the City of San Diego executed a Development Agreement concerning the Navy Broadway Complex. This Agreement established full entitlement, including urban design guidelines, for the Navy Broadway Complex Project. Unfortunately, the timing of this agreement coincided with the beginning of a national recession that adversely affected San Diego's economy. Fortunately, the plan for redevelopment of the Navy Broadway Complex property was approved by the California Coastal Commission, and the environmental reviews required by the California Environmental Quality Act (CEQA) and the National Environmental Policy Act of 1969 (NEPA) were successfully completed.

In 1998, CCDC, the Department of the Navy, the City of San Diego, San Diego County, and the San Diego Unified Port District completed another major joint planning project known as the North Embarcadero Visionary Plan. This \$250 million plan for redeveloping the public space between San Diego International Airport (Lindbergh Field) on the north end and Seaport Village on the south end incorporated the Navy Broadway

Complex site as the anchor for the entire western side of the North Embarcadero area along San Diego Bay. The North Embarcadero Visionary Plan, produced by the alliance of CCDC, the Navy, the City, the County and the Port, is one of the last great waterfront development projects on the West Coast of the United States.

We at CCDC are currently updating a Community Plan for review and approval by the City of San Diego later this year. This plan will outline the next thirty years of urban development in downtown San Diego.

We have made progress toward redeveloping the North Embarcadero area as a result of the cooperative actions and the investment of time and resources by the Department of the Navy and the City of San Diego. For the past dozen years, our office market has not fully recovered from the impact of the 1992 recession, and we built no “class A” office buildings until just this past year. I believe that real estate market conditions are now aligned with the interests of the Department of the Navy and the City of San Diego, and we at CCDC are prepared to move forward with the Navy to complete the Broadway Complex Project.

In my opinion, current real estate market conditions will support a Request For Proposals to dispose of the Navy Broadway Complex property to a private developer in a manner that would generate sufficient funds for the Department of the Navy to build suitable Headquarters for Navy Region Southwest and related Navy activities on the Broadway Complex site or on a local Navy or Marine Corps base.

Slide 5 – Product Mix

Development Agreement	
United States of America - City of San Diego	
<u>Product Mix</u>	
• Office.....	1,650,000 sf
• Hotel.....	1,220,000 sf
• Retail.....	25,000 sf
• Public Attractions.....	55,000 sf

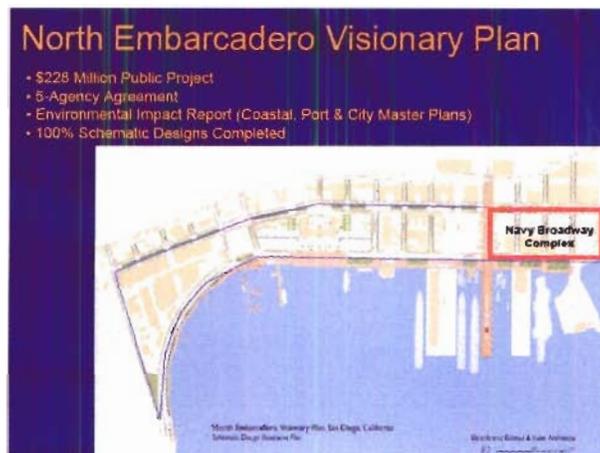
The 1992 Development Agreement is truly a substantial accomplishment. This Agreement contains stipulations for maximum allowable uses at the site that include a variety of product types to stimulate the local economy, improve the quality of life in downtown San Diego, and meet the Navy’s requirements.

Slide 6 – Design Guidelines



The Development Agreement contains stringent design guidelines that provide for architectural standards, street-level frontage, form and scale, access and parking, and landscaping to enhance both the development and the public amenities of this significant project. Furthermore, the City of San Diego recognizes the importance of working with the Department of the Navy to accommodate its post-9/11 security concerns for Navy personnel and activities.

Slide 7 – North Embarcadero Visionary Plan

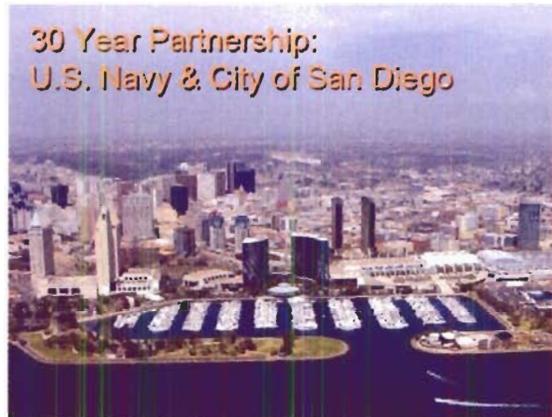


The Broadway Complex Project anchors and is critical to completion of the North Embarcadero Visionary Plan, which was approved by CCDC, the Navy, the City, the County and the Port. The waterfront area at North Harbor Drive and West Broadway, where downtown San Diego meets San Diego Bay, is a critical component of the redevelopment of downtown San Diego and is sometimes called the City's front porch.

The Navy Broadway Complex is an essential element of the City's grand plan for its front porch. The Broadway Complex Project will transform our western waterfront in a dramatic fashion, and, as a Navy town, the City of San Diego wants the Department of

the Navy as its partner in this venture. The North Embarcadero Visionary Plan has received 100% design approval. It is a great example of interagency cooperation for the public's benefit.

Slide 8 – 30-Year Partnership



The City of San Diego and the Department of the Navy have a long history of cooperating in matters involving real property. Much of the San Diego waterfront was formerly Navy property and, through highly productive partnerships, both the Navy and the City have been able to gain much-needed property and facilities.

For example, the City conveyed property to the Navy that allowed the expansion of Naval Station San Diego and the construction of additional piers, support and training facilities at the south end of the Naval Station. This partnership between the Navy and the City also resulted in new public and private property and facilities for the City, including a modern Convention Center, several waterfront hotels, public parks and marinas, and our stunning new ballpark. Similarly, the Navy's recent conveyance of the Broadway Pier to the Port of San Diego has created attractive public space and enabled establishment of the USS Midway Naval Museum, which drew more than one million visitors during its first year of operation.

We want to build on this record of success by moving forward to redevelop the Navy Broadway Complex property under the authority of the 1987 Federal statute and according to the 1992 Development Agreement and Entitlements, both major milestones that are reflected in the 1998 North Embarcadero Visionary Plan. Our partnership with the Navy has been a major success, and we believe it is the best way to accomplish redevelopment of the North Embarcadero. Thus, we ask the BRAC Commission to accept the decision of the Department of the Navy to proceed with redevelopment of the Navy Broadway Complex outside the BRAC process and not add the Navy Broadway Complex to the list of installations that the Commission recommends for closure or realignment. Thank you.

END OF PRESENTATION BY PETER HALL

Thank you, Peter. I believe that Mr. Hall has outlined a clear process for moving forward. Now, I would like to discuss the reasons why the City of San Diego supports the Department of the Navy's decision to proceed under the 1987 Federal statute, rather than under the Defense Base Closure and Realignment Act of 1990.

First, under the selection criteria for closing and realigning military installations in the 2005 round of Defense Base Closures and Realignments, set forth in the Defense Base Closure and Realignment Act of 1990, as amended through the National Defense Authorization Act for Fiscal Year 2005, the Navy Broadway Complex has indisputably high military value and is an essential component of the force structure plan. It serves as the Headquarters for Navy Region Southwest and as the offices for Fleet and Industrial Supply Center San Diego and the Naval Facilities Engineering Command's Southwest Division. The Navy Broadway Complex clearly meets the selection criteria's definition of high military value, as set forth in the statute, and is not excess property.

Second, compared with the provisions of the 1987 Federal statute, which were tailored specifically for redevelopment of the Navy Broadway Complex, the property disposal process mandated by the Defense Base Closure and Realignment Act of 1990, as amended, presents risks to both the City of San Diego and the Department of the Navy. The first risk is the introduction of unnecessary additional delay to redevelopment of the Navy Broadway Complex. While both Navy concerns and real estate market conditions have caused much of the delay to date, the legal requirements of the BRAC property disposal process introduce the likelihood of significant additional delay in redeveloping the property. The BRAC property disposal process would require the Navy to first offer the property to other DoD agencies, and then to other Federal agencies. The Navy would, thereafter, consider requests by other public and private entities for public benefit conveyances of property at the Broadway Complex. All of these processes have statutory and regulatory timelines that can, upon request, be extended, which could further delay the date when the property would be available for redevelopment. By contrast, the 1987 statute, in concert with the 1992 Development Agreement and Entitlements, provides a clear path to redevelopment.

Third, the market value of the property may be placed in jeopardy. If some or all of the Navy Broadway Complex property were transferred to another Federal agency in response to a request for an interagency transfer of surplus Federal property (and if a waiver of the payment of fair market value for the property were granted to the requesting agency) or if some or all of the property were conveyed to another public or private entity by way of a no-cost public benefit conveyance, the market value of the Navy Broadway Complex property would be reduced. The result could be that the Navy would not gain sufficient, or perhaps any, revenue from redevelopment of the remaining Navy Broadway Complex property with which to build a new Headquarters for Navy Region Southwest and its associated Navy activities.

Fourth, the 1992 Development Agreement and Entitlements would be placed in jeopardy. The BRAC process could be time-consuming and could result in division of the Navy Broadway Complex property among several owners. Such an outcome would

adversely affect redevelopment of the City's North Embarcadero waterfront area. For example, it is possible that, in the BRAC property disposal process, the 1992 Development Agreement and Entitlements could be revisited and changed or even abandoned. Additionally, the BRAC process would afford those who seek to gain ownership of property at the Navy Broadway Complex and those who seek to limit that property's future uses opportunities to seek to preclude the redevelopment envisioned and planned by the five parties to the North Embarcadero Visionary Plan – CCDC, the Navy, the City, the County and the Port.

Fifth, to our knowledge, there are no other suitable Navy-owned facilities in the region that have sufficient available space to accommodate Navy Region Southwest's staff and the other activities that presently occupy the Navy Broadway Complex.

Sixth, there is a reasonable alternative that the Department of the Navy and the City of San Diego prefer. The 1987 Federal statute authorizes the Navy to participate in redevelopment of the Navy Broadway Complex and remain on the property. Combined with the hard-fought Development Agreement and Entitlements, which resulted from extensive public consideration and rigorous Federal and State regulatory review, this 1987 statute provides a clear and readily available means to accomplish the goals of the Department of the Navy and the City of San Diego in respect of the Navy Broadway Complex.

The July 1, 2005, letter from the Chairman of the BRAC Commission to the Secretary of Defense concerning possible additions to the list of installations to be considered for closure or realignment and the July 19, 2005, decision of the 2005 BRAC Commission to consider the Navy Broadway Complex for closure or realignment served to catalyze very important public discussions in San Diego and Washington. These discussions focused on the different elements and legal requirements of the two Federal statutes under which the Navy Broadway Complex property could be redeveloped.

I believe that both statutory authorities were fully and fairly considered with two goals in mind. Those goals were to gain a modern and secure new Headquarters for Navy Region Southwest and its associated Navy activities and to redevelop the North Embarcadero area according to the plan developed by the partners in the North Embarcadero Alliance.

The public discussion precipitated by the BRAC Commission's July 1 and July 19 actions engaged all who have an interest in the future of the Navy Broadway Complex property, and we objectively considered all of the opinions and concerns expressed by the broad range of participants in these discussions. I believe that the Department of the Navy and the City of San Diego truly seek to achieve both the Navy's goal of gaining a new, modern and secure Headquarters for Navy Region Southwest and the City's goal of revitalizing its waterfront by completing the last link in its North Embarcadero Visionary Plan.

The City of San Diego supports the Department of the Navy's decision. Therefore, the City of San Diego respectfully asks the 2005 Defense Base Closure and Realignment Commission to accept the Department of the Navy's decision to proceed outside the BRAC process with respect to the Navy Broadway Complex and not add the Navy Broadway Complex to the list of installations that the Commission recommends for closure or realignment in the 2005 round of Defense Base Closures and Realignments.

Thank you for this opportunity to present the City of San Diego's position concerning the Navy Broadway Complex.

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