

5. IMPLEMENTATION

5.0 IMPLEMENTATION

5.1 OVERALL DEVELOPMENT STRATEGY AND PHASING

A. The Role of Private Investment

The development and reuse of NTC will depend principally on the investment of private capital. This investment will take the form of new construction such as office and R&D, residences, and hotels. In the case of buildings to be retained, the investment will consist of rehabilitation and tenant improvements.

To attract private investments and users to NTC, it will be necessary that property and buildings be competitive with other locally-available investment opportunities in regard to price, quality, and environment. This will require that the property be maintained and not allowed to deteriorate during what may be a lengthy redevelopment process. *The amount of time required for development and reuse relates directly to the availability of funding and future market conditions.* Because of the extent of rehabilitation required at NTC, reuse could require 25 years or more to complete. Ultimately, the successful redevelopment of the site may depend on a private sector partner who works with the City, and who advances the funds necessary to create the urban village development proposed for NTC.

B. Market Value vs. Private Development Costs

The portion of NTC subject to this Reuse Plan includes almost 430 acres and in excess of 200 buildings containing more than 3.7 million square feet of floor area. Buildings vary in age from less than five years to almost seventy-five years. The cost of minimum exterior and common area maintenance could exceed \$1.5 million per year. In addition, until at least a moderate level of occupancy occurs on the property, security could cost another \$400,000 a year.

About 120 obsolete buildings have been identified for ultimate removal at an estimated cost of more than \$20 million. The space provided by the clearing of these structures will accommodate new office/R&D, residential, and hotel uses. Depending on the number and type of buildings on a parcel, the cost of clearing a site for reuse can rise significantly, even approaching the market value of the land. When the cost of upgrading infrastructure to accommodate new uses is added to clearing costs, the property can be priced *above* current market value.

Reuse of existing buildings involves just over 75 structures of which 52 are located in the Historic Core. Because virtually all historic buildings are located in the high noise impact area, it will be necessary to reduce internal noise levels to an acceptable level. Rehabilitation and noise mitigation costs ultimately could exceed \$125 per square foot *depending on the intended use of the building*. This cost may well exceed what a market return would justify. Therefore, a) rehabilitation should be incrementally staged over an extended period of time and/or b) uses could be selected which require less rehabilitation - such as live/work spaces - versus those that require extensive mitigation - such as a concert space.

C. Implementation Funding Sources

Two implementation scenarios were explored for the NTC Reuse Plan.

Initially, it was expected that the City of San Diego would take on the primary responsibility for marketing, managing, and funding the reuse program. A significant investment from the City was essential early in the program, and that investment was anticipated to continue until such time as tax increment, TOT, or other revenues generated at NTC were available to support the reuse planning effort and repay a portion of the City-provided funds.

Under this scenario, it was anticipated that development would take 40 or more years.

By 1998, however, primarily as a result of changes in the economy, the recommended approach for funding the Reuse Plan changed. Under the revised approach, a master development partner would work with the City in implementing the Plan and, importantly, would provide the necessary up-front capital to assure a rapid development program.

Working with a master development partner was assumed to reduce the build-out period to approximately 25 years.

1. City Take Primary Role

If the City takes on the primary reuse and redevelopment role, it will be responsible for:

- marketing property for sale or lease;
- processing contracts for site clearing and building rehabilitation,
- coordination of various City departments and other entities involved in street and utility maintenance; and

- processing parcel divisions and entitlements.

These efforts will be particularly critical during the early years and could entail five or more full time employees at a cost of upwards of \$0.6 million per year.

No funding sources such as federal or state grants have been identified to assist in this redevelopment effort. Therefore, *establishing NTC as a redevelopment project under California State law offers considerable advantage.* Under redevelopment law, the property taxes from the incremental assessed value after plan adoption can be used to fund redevelopment costs or pay debt service or bonds or loans. It should be noted that this concept of capturing tax increment may also be applied to TOT generated from future hotels on NTC.

Issuance of tax increment bonds can provide start up funds where a development is assured of creating a substantial increment to retire an initial bond offering. In the case of NTC, however, no significant development has been identified in the near term, therefore, it appears that the only method of starting the reuse process will be through a City loan of staff resources and funds. This loan could be recovered from future tax increment.

2. Master Development Partner Takes Primary Role

Alternatively, in lieu of the City taking full responsibility for funding, marketing, and administration of the NTC reuse effort, a private sector development partner may be engaged. In such circumstances, the specific roles played by the City and the development partner are subject to negotiation, although the focus of the arrangement is to shift primary responsibility for the reuse effort - including major up-front funding - to the development partner.

The City must compensate the master developer to manage development on NTC and/or enter into long term ground leases with the master developer.

It would be the responsibility of the master developer to manage all development, rehabilitate/adaptively reuse and lease the Historic Core, rehabilitate and lease portions of the educational complex, develop and manage the park and recreational areas, and complete demolition and provide all infrastructure improvements throughout the site. All of NTC under the control of the City of San Diego would become the management responsibility of the master developer, including maintenance and security of the property. The City of San Diego will be responsible for police and fire protection services.

The sources of revenue to pay for all of the management, services, and infrastructure improvements are revenues generated by each of the real

estate development sites, and a portion of the tax revenues generated from new development at NTC - essentially transient occupancy tax and increased property taxes (tax increment). It is expected that the master developer would fund the development program described by the Reuse Plan, with repayment to occur from revenues generated at NTC. A Disposition and Development Agreement and ground lease must be negotiated with the selected master developer covering all of these items.

D. Phasing Assumptions

The phasing of development discussed in this section is based on a number of premises, all of which assume the City will engage a master development partner:

1. No significant federal or state grants will be available in the near future to provide development assistance.
2. Given that significant federal or state grants will not provide development assistance, it is assumed that a developer partner will be required to fund administration, marketing, maintenance, and security of the property, and capital efforts for site clearing and infrastructure improvements.
3. Land proceeds from sale or lease of property will not greatly exceed the costs of clearing sites and upgrading infrastructure. Land proceeds should be committed to the project through an Economic Development Conveyance from the Navy.
4. It will be the responsibility of the master development partner to manage all areas of NTC conveyed to the City by the Navy, except for the Public Safety Training Institute and portions of the Educational Subarea acquired by educational users, to rehabilitate/adaptively reuse and lease the Historic Core, rehabilitate and lease portions of the educational subarea, as well as manage park development, complete demolition, and construct all infrastructure improvements.
5. The City *may accept* operational responsibility for usual and customary facilities at NTC such as parks, streets, storm drains, water and sewer facilities, and the City will fund these items from its operating budget.
6. The City will compensate a master development partner to manage all development on NTC except as described in #4 above.
7. Each development site or Development Phasing Unit (DPU) is to be

developed by the master development partner or a developer selected by the master development partner.

8. All of NTC is eligible to be sold in fee except for those areas covered by the Tidelands Trust or a Public Benefit Conveyance.
9. The City of San Diego will be responsible for police and fire protection. Maintenance and security of the property will be the responsibility of the master development partner.
10. The sources of revenues generated by each of the development sites shall be the tax revenue generated from new development at NTC; essentially Transient Occupancy Tax (TOT) and increased property taxes (tax increment) within the NTC redevelopment area.

The timing and sequence of development will, additionally, be guided by a variety of factors such as physical access, market conditions, user interest, available funding, and potential tax increment. As these factors will vary over time, the sequence of development will require periodic adjustment.

E. Development Phasing Units (DPUs)

During most of the time when the Reuse Plan was being developed, NTC was functionally divided into subareas named Residential, Education, Historic Core, Waterfront/Recreation, and Camp Nimitz. For implementation planning purposes, however, these five subareas areas have been further divided into Development Phasing Units (DPUs), which are smaller development units of approximately 2.4 to 40 acres. These Development Phasing Units are defined based on anticipated development sequence.

Development Phasing Units that begin with the number "1" identify areas which could be cleared of all or most existing structures; this is the acreage that provides the best opportunity for early private investment. The designated DPUs could be sold or leased and would generate significant property taxes and TOT revenues. Eight DPUs have been numbered 1.1 through 1.8, generally in the sequence of anticipated development.

Development Phasing Units that begin with the number "2" are primarily areas where existing buildings are predominantly historic or where structures are proposed for educational uses. Buildings within these areas require rehabilitation which, in some instances, is extensive. Nine DPUs have been numbered 2.1 through 2.9, generally in the sequence of anticipated development.

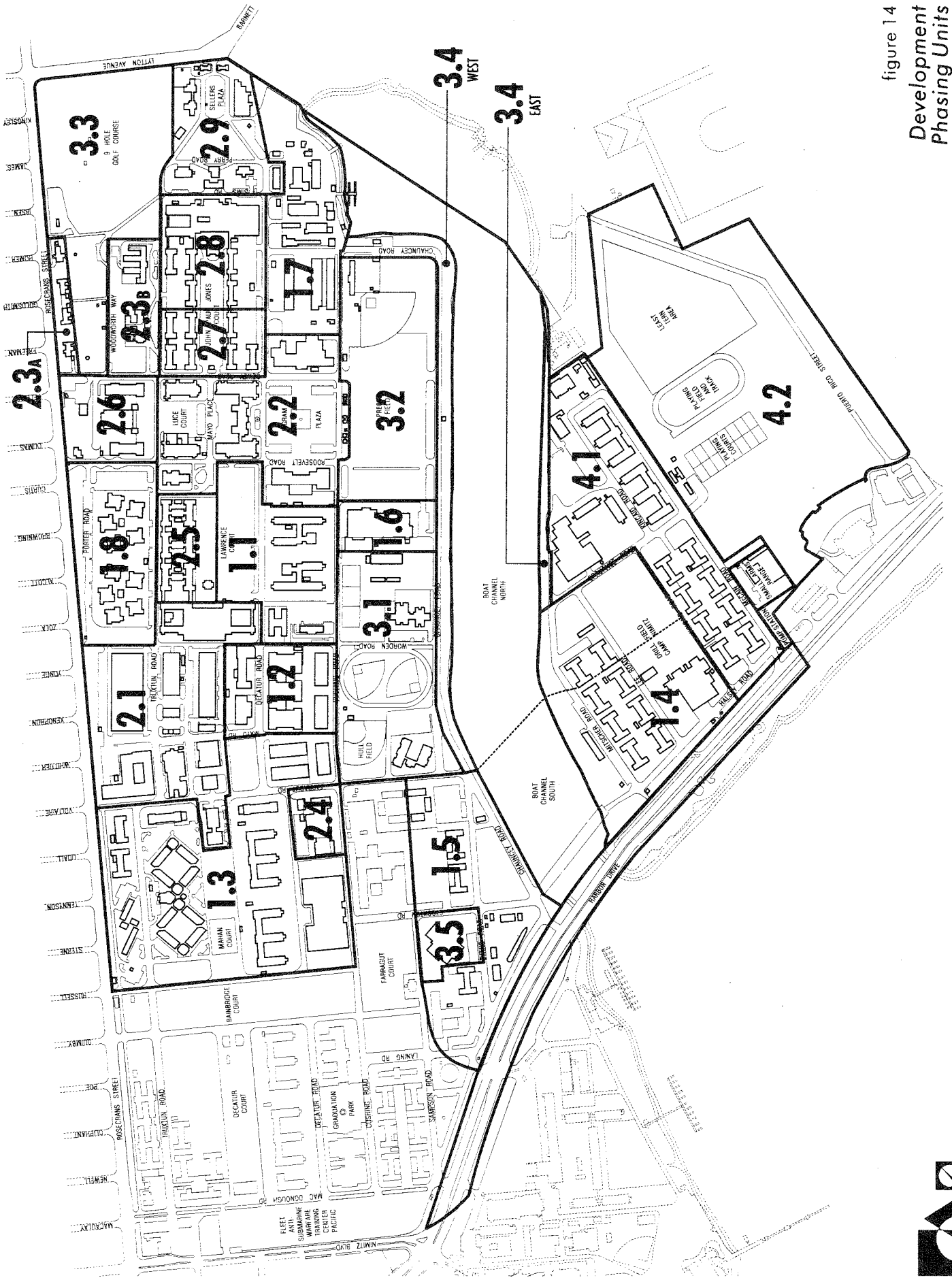


figure 14
Development
Phasing Units
NTC Reuse Plan

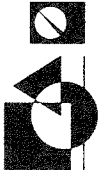
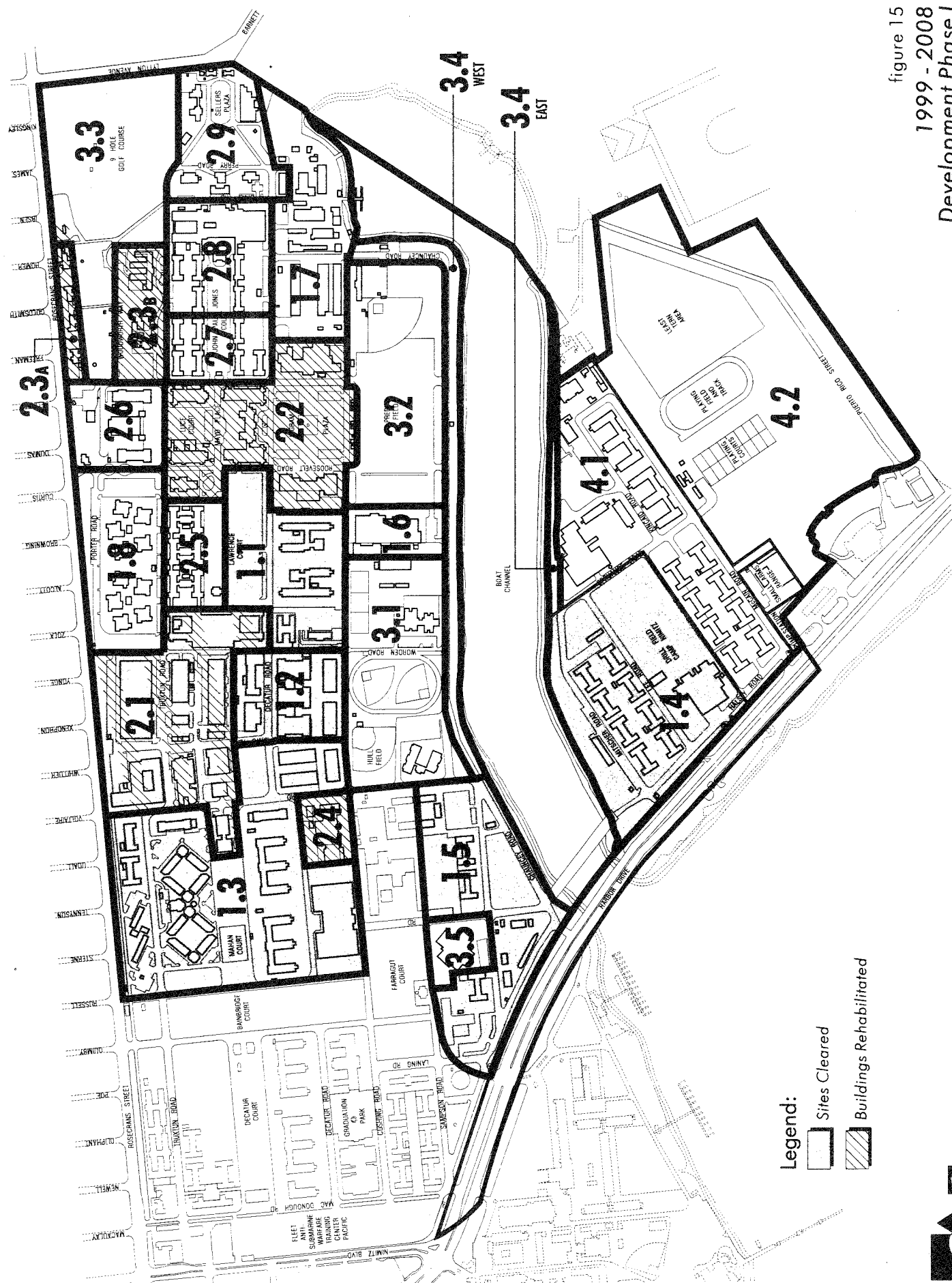
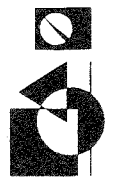


figure 15
 1999 - 2008
 Development Phase I
 NTC Reuse Plan



7-14-98/7-28-98/8-5-98



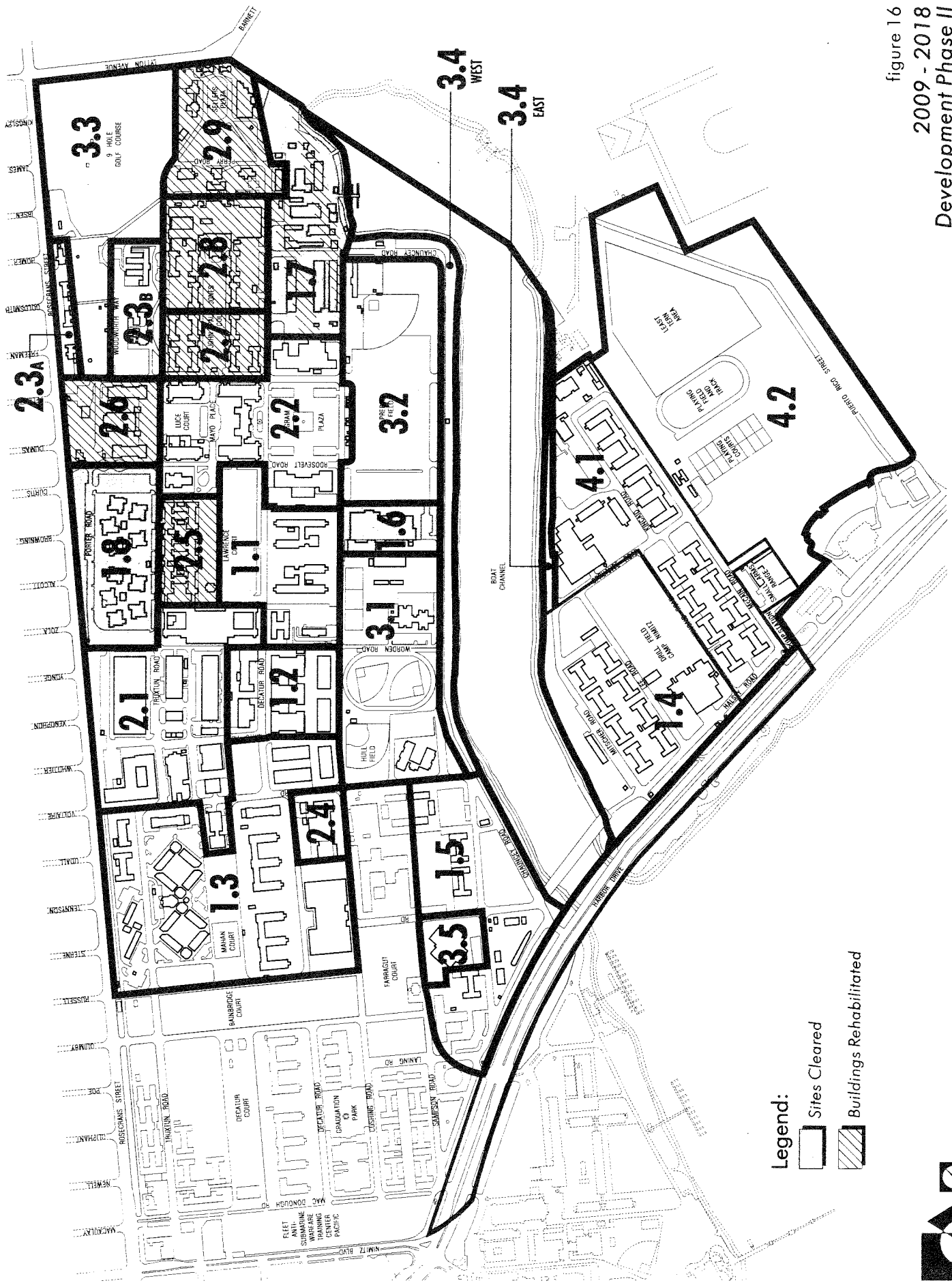
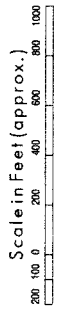


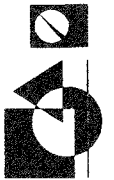
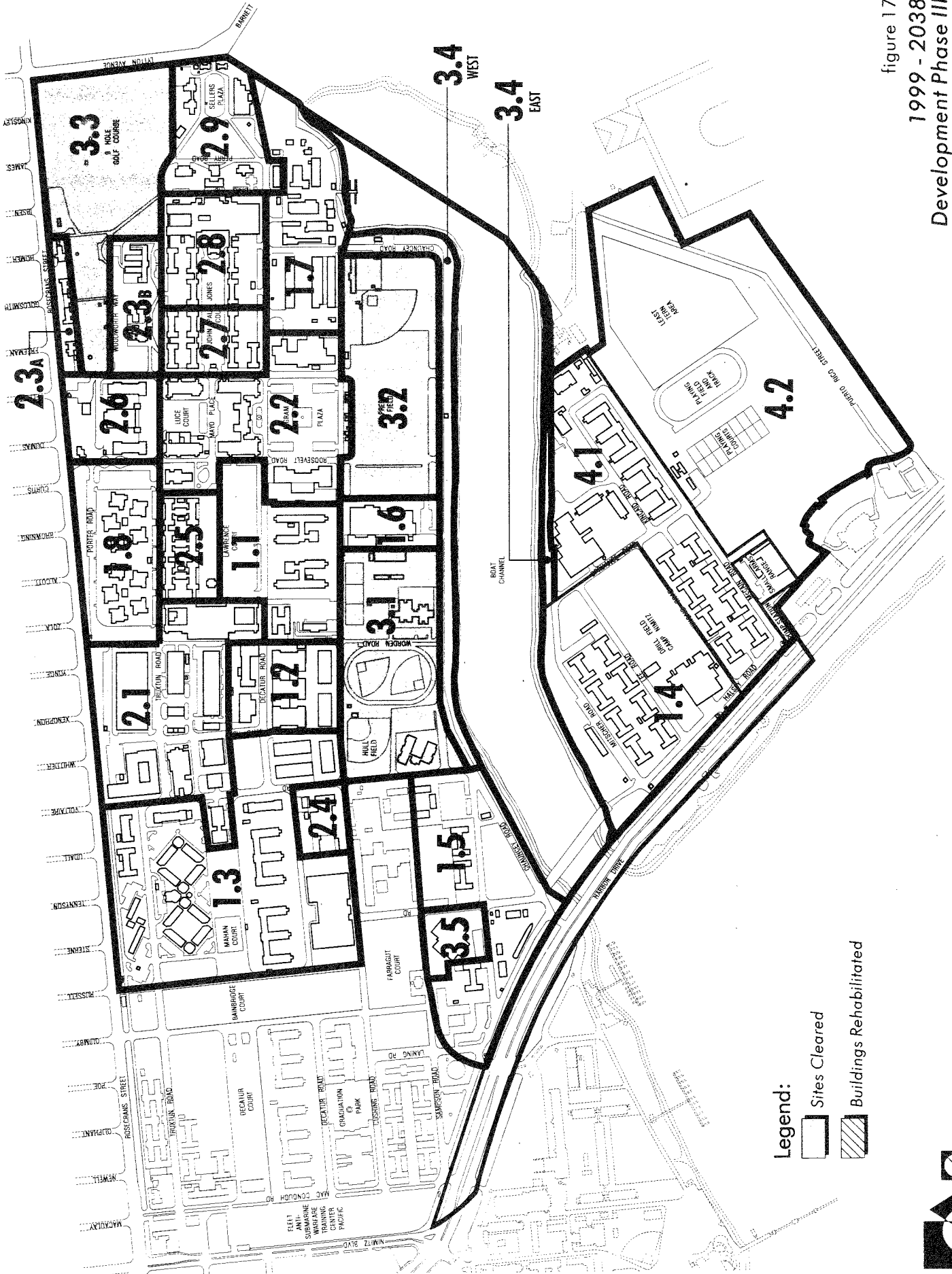
figure 16
 2009 - 2018
 Development Phase II
 NTC Reuse Plan

Legend:
 [White Box] Sites Cleared
 [Hatched Box] Buildings Rehabilitated



5-15-97/17-28-98/18-5-98





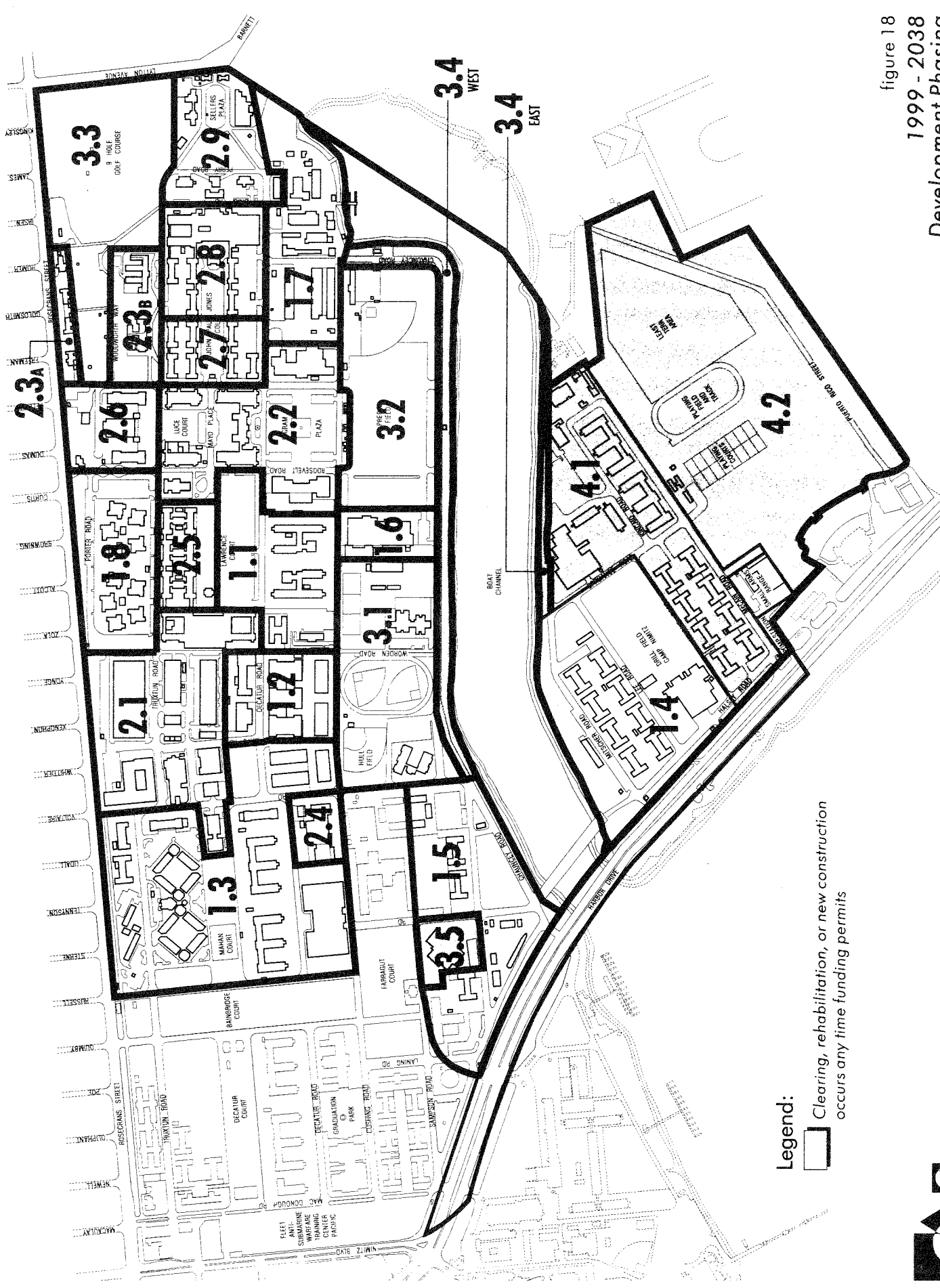
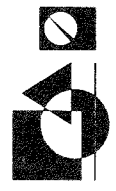


figure 18
 1999 - 2038
 Development Phasing
 NTC Reuse Plan

Legend:
 [Outline] Clearing, rehabilitation, or new construction
 occurs any time funding permits

Scale in Feet (approx.)
 200 100 0 200 400 600 800 1000

5-16-97/7-29-98/8-5-98



Development Phasing Units that begin with the number "3" are in the Waterfront/Recreation Subarea where development will occur primarily with City Capital Improvement Funds and, secondarily, through private investment. DPUs in the "3" series may develop at any time City funds are available and/or a private sector developer is willing to invest in a site.

Development Phasing Units that begin with the number "4" all occur on that portion of Camp Nimitz where development timing depends entirely on the users, the Public Safety Institute, MWWD, and the Port District.

The proposed phase plans set forth in the following sections reflect the need to begin the clearing of developable property in the office/R&D and residential areas and the progressive improvement of physical access to the westerly portion of property.

F. Development Phasing Sequence

Current conditions and anticipated improvements suggest a three stage development program extending over a period of 25 or more years. This protracted development schedule directly reflects funding constraints, particularly with regard to full rehabilitation and noise mitigation of buildings in the Historic Core.

1. Phase 1 - 1999 to 2008 (10 Years)

Initially, the primary access to NTC will be from Roosevelt Road and its intersection with Rosecrans Street (Gate 3). Alternative access can be gained from the intersection of Bainbridge Court and Rosecrans Street (Gate 6) which could serve as construction access to the Navy and private sector residential housing projects. Laning Street at the intersection with Harbor Drive (Gate 10) can serve as access to the NTC Support Center and Navy facilities such as the clinic.

Traffic measures have been identified as part of the Navy's traffic consultants study for the Environmental Impact Statement/Environmental Import Report, and will require completion of certain projects prior to the conclusion of Phase I. Among anticipated improvements are the widening of Rosecrans Street, Roosevelt, Farragut, Bainbridge Court and Rosecrans, and new intersections at Rosecrans/Farragut, Rosecrans/Dewey, and Rosecrans/ Worden.

DPU 1.1 and 1.2 - Demolition of buildings and site clearing should proceed immediately for Office or R&D development in accordance with the Reuse Plan. Access to the parcels would be from Decatur and Roosevelt Roads. With the exception of the need for a gas line, utilities are in place.

DPU 1.3 - This residential parcel should be advertised with requests for proposals from residential developers. Depending on funding availability, demolition and clearing of the site could be considered either part of the developer proposal or advanced by the City/master developer.

DPU 1.4 - The Camp Nimitz hotel site and MWWLD laboratory site could be contracted for demolition and clearing as a de-construction effort. The contract would allow an extended completion period to allow the contractor to maximize the salvage value of building materials and thus produce the least cost. The new connection to Harbor Drive at Lee Road would serve the hotel and MWWLD developments.

DPU 1.5 - The hotel site on the west side of the boat channel could be handled in a similar manner to DPU 1.4. If necessary, a clearing contract could be issued to prepare the site following demolition. An alternative would be to include the demolition and site clearing as a condition of the lease.

DPU 2.1 - Educational institutions will begin their rehabilitation efforts in the buildings in this area.

DPU 3.1, 3.2 and 3.3 - Park improvements (golf course modifications and ball field improvements) would proceed as funding permits.

DPU 4.1 - The Public Safety Institute would proceed with funding provided from a bond issued for that purpose. The connection to Harbor Drive at Kincaid Road would serve the Regional Public Safety Training Institute and the Port parcel.

2. Phase 2 - 2009 to 2018 (10 Years)

This phase anticipates on-site traffic mitigation measures to accommodate projected traffic from development.

DPU 1.6, 1.7 and 1.8 - Demolish and clear buildings for park and parking purposes as funding permits.

DPU 2.5, 2.6, 2.7, 2.8 and 2.9 - Rehabilitate buildings in the Historic District to the extent funding will provide and to the level justified by the market for reuse.

DPU 3.1, 3.2 and 3.3 - Continue park improvements as non project funding provides.

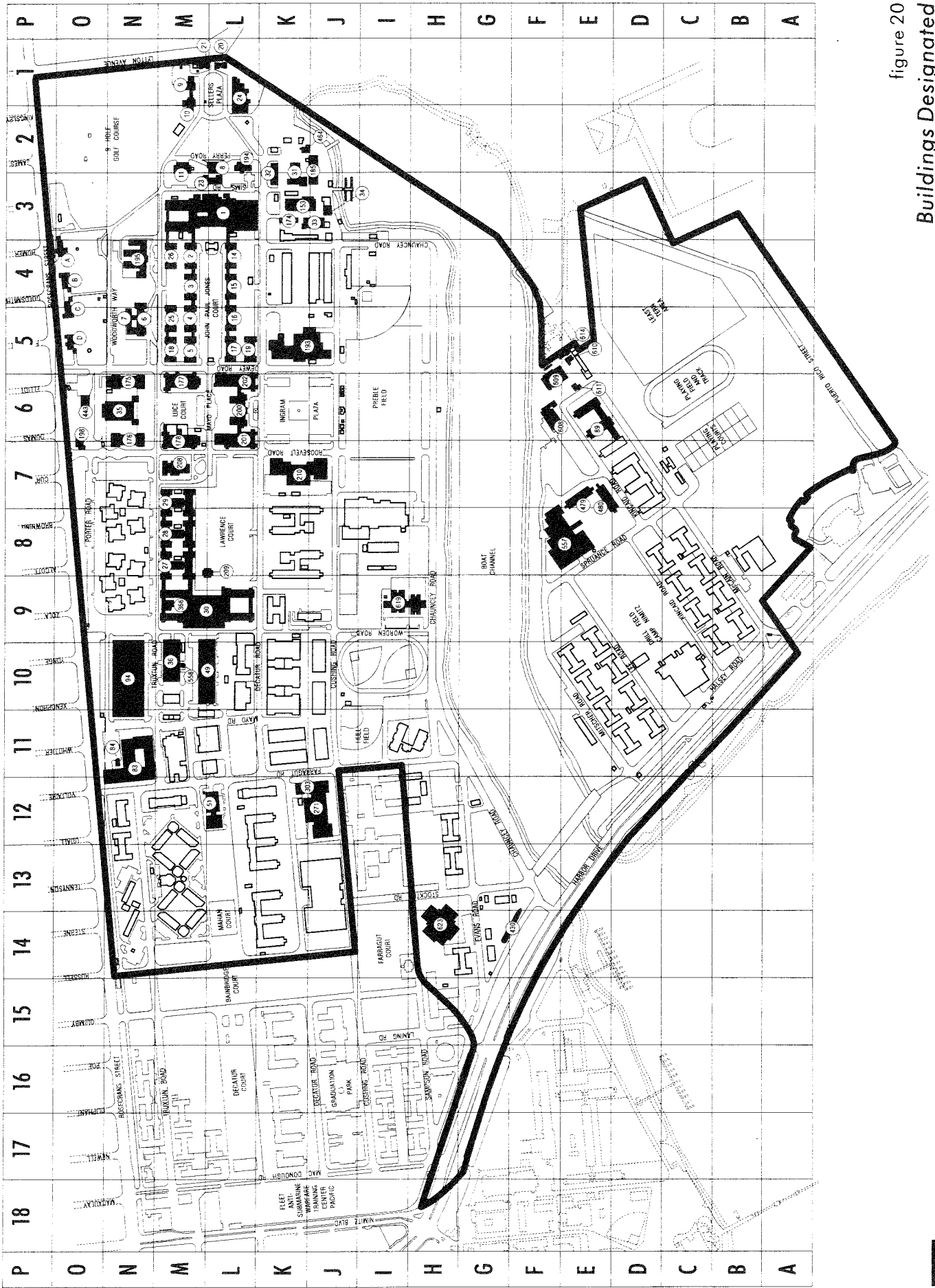
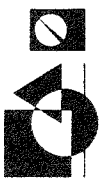


figure 20
 Buildings Designed
 for Rehabilitation
 NTC Reuse Plan



Scale in Feet (approx.)
 200 100 0 200 400 600 800 1000

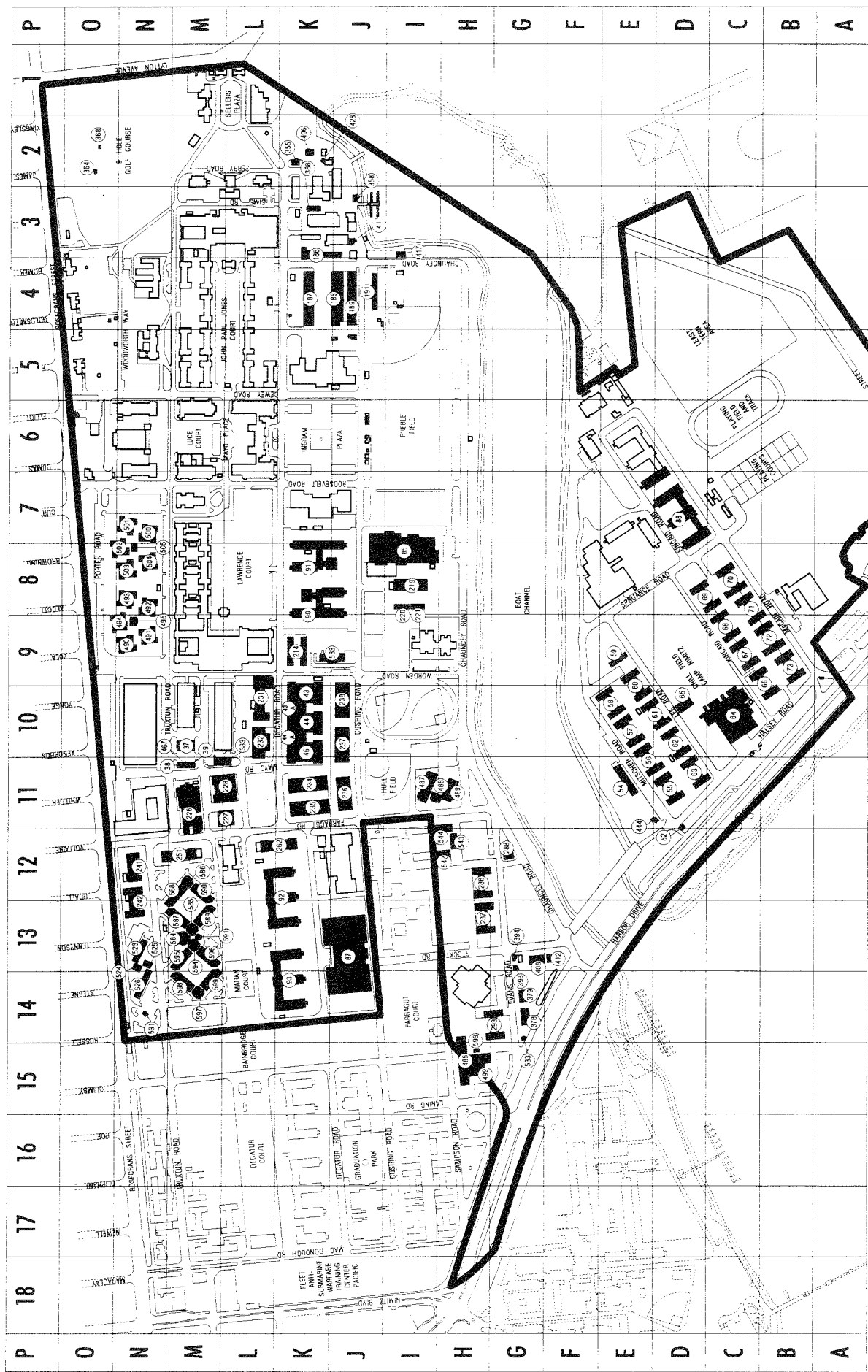
TABLE 38: BUILDINGS ELIGIBLE FOR DEMOLITION				
A	B	C	D	E
Bldg No.	Map Grid	Navy Use	Area Sq Ft	DPU
37	M10	Welding School	5,304	2.1
38	M11	Compressed Air Plant	720	2.1
39	M11	Switch House	720	2.1
41	J3	Kennel	1,440	1.7
43	K10	General Warehouse	25,713	1.2
44	K10	Warehouse	21,965	1.2
45	K10	Warehouse	21,965	1.2
52	D11	Gate #11A	371	1.4
54	E11	Exchange Retail Store	3,145	1.4
55	D11	Recruit Barracks	17,734	1.4
56	E11	Recruit Barracks	17,734	1.4
57	E10	Recruit Barracks	17,734	1.4
58	E10	Enlisted Barracks	17,734	1.4
59	E9	Medical Clinic Office	2,910	1.4
60	E9	Recruit Barracks	17,734	1.4
61	D10	Recruit Barracks	17,734	1.4
62	D10	Recruit Barracks	17,734	1.4
63	D11	Recruit Barracks	17,734	1.4
64	C10	Food Service Galley #18	53,910	1.4
65	D10	Regimental HQ	3,145	1.3
66	C9	Recruit Barracks	17,734	4.1
67	C9	Recruit Barracks	17,734	4.1
68	C9	Recruit Barracks	17,734	4.1
69	D8	Recruit Barracks	17,734	4.1
70	C8	Recruit Barracks	17,734	4.1
71	C8	Recruit Barracks	17,734	4.1
72	B9	Recruit Barracks	17,734	4.1
73	B9	Recruit Barracks	17,734	4.1
85	J8	Bowling Alley	54,790	1.6
87	J13	Messhall	89,404	1.3
88	D7	Recruit Barracks	90,567	4.1
89	E6	Recruit Barracks (Portion of 90,567)	22,642	4.1
90	K8	Enlisted Barracks	70,600	1.1
91	K8	Enlisted Barracks	70,600	1.1
92	K12	Recruit Barracks	90,567	1.3
93	K12	Recruit Barracks	90,567	1.3
186	K3	Security Office Bldg	7,434	1.7

TABLE 38: BUILDINGS ELIGIBLE FOR DEMOLITION				
A	B	C	D	E
Bldg No.	Map Grid	Navy Use	Area Sq Ft	DPU
187	K4	Storage	15,100	1.7
188	K4	PWC Material Storage	12,080	1.7
189	J4	Automotive Hobby Shop	12,230	1.7
190	J5	Transportation Office	720	1.7
191	J4	Recreation Bldg	6,172	3.2
214	K9	Navy Campus Counseling	9,962	1.1
219	I8	Handball Court	10,395	3.1
220	I8	Locker Room\Office	1,244	3.1
221	I8	Locker Room	1,200	3.1
226	M11	Dry Clean, Tailor, Plant Shop, Del Taco	24,443	2.1
227	L11	Exchange Warehouse	8,505	2.2
228	L11	Cold Store Bldg	25,387	2.2
231	L10	Exchange/School	16,544	1.2
232	L10	Uniform Outlet Store	14,050	1.2
234	K11	Storehouse #5 (Dry Store)	13,433	1.3
235	K11	Storehouse #6 (Dry Stores)	13,433	1.3
236	J11	Storehouse #9 (Food Service)	11,041	1.3
237	J10	Central Bedding Warehouse	12,261	1.2
238	J10	Office/Storehouse	12,261	1.2
241	N12	School Bldg #5	19,240	1.3
242	N12	School Bldg	17,800	1.3
251	M12	School Bldg	24,676	1.3
262	L12	Classroom Bldg	24,676	1.3
286	H12	Enlisted Barracks now Admin Office	17,800	1.5
287	H13	Admin Office Bldg	17,800	1.5
293	G14	Office/Self Help	17,800	1.5
355	K2	Office Bldg	1,534	1.7
358	J3	Boathouse	518	1.7
361	J5	Gasoline Filling Station	126	1.7
364	O2	Golf Course Maintenance Shed	120	3.3
368	O2	Pump House and Chlorinator	234	3.3
378	G14	Training Aids Bldg	3,712	1.5
379	G14	School bldg	1,848	1.5
383	L10	School Bldg & Offices	4,080	2.1
388	K3	Lumber Shed	2,250	1.7
393	G13	Storehouse (Paint Locker)	187	1.5
394	G13	Disaster Control Storage	187	1.5

TABLE 38: BUILDINGS ELIGIBLE FOR DEMOLITION				
A	B	C	D	E
Bldg No.	Map Grid	Navy Use	Area Sq Ft	DPU
408	G13	Damage Control Instructor Bldg	3,712	1.5
412	F13	Storage	980	1.5
417	I3	Boathouse	950	3.2
428	K2	Public Toilet	96	1.7
444	D11	Steam Valve House	525	1.4
485	H15	Classroom/Admin Office Bldg	58,679	1.5
487	I11	Enlisted barracks	25,644	3.1
488	I11	Barracks Lobby for B487 & B489	1,425	3.1
489	H11	Enlisted barracks	17,298	3.1
490	N9	Enlisted barracks	19,403	1.8
491	N9	Enlisted barracks	19,430	1.8
492	N8	Enlisted barracks	19,430	1.8
493	N9	Enlisted barracks	19,430	1.8
494	N9	Enlisted barracks	19,430	1.8
495	N9	Barracks Lobby for B490 to B494	2,700	1.8
496	K2	Car Wash (Self Service)	880	1.7
499	H15	TV Studio	6,105	1.5
500	N7	Enlisted Barracks	20,000	1.8
501	N7	Enlisted Barracks	20,000	1.8
502	N7	Enlisted Barracks	20,000	1.8
503	N8	Enlisted Barracks	20,000	1.8
504	N8	Enlisted Barracks	20,000	1.8
505	N7	Barracks Central Core for 500-504	2,170	1.8
523	N13	Enlisted barracks	14,796	1.3
524	N13	Enlisted barracks staff	5,106	1.3
525	N13	Enlisted barracks	5,106	1.3
526	N14	Enlisted barracks	19,656	1.3
531	N14	Chlorinator Station	144	1.3
533	G14	Chlorinator Station	36	1.5
542	H12	Enlisted Barracks	10,065	1.5
543	H12	Enlisted Barracks	10,084	1.5
583		McDonalds		1.1
584	N13	Primary Core Bldg for Enlisted Barracks	8,113	1.3
585	N12	Secondary Core for Enlisted Barracks	3,025	1.3
586	N12	Secondary Core for Enlisted Barracks	3,025	1.3
587	N13	Enlisted Barracks	19,872	1.3
588	N12	Enlisted Barracks	19,872	1.3

TABLE 38: BUILDINGS ELIGIBLE FOR DEMOLITION				
A	B	C	D	E
Bldg No.	Map Grid	Navy Use	Area Sq Ft	DPU
589	N13	Enlisted Barracks	19,872	1.3
590	N13	Enlisted Barracks	19,872	1.3
591	N13	Mech Bldg for enlisted barracks	1,089	1.3
593	H15	Refrig/Air Cond Plant Bldg for 485	600	1.5
594	M13	Core Bldg for enlisted barracks	3,061	1.3
595	M13	Enlisted Barracks	20,286	1.3
596	M13	Enlisted Barracks	20,286	1.3
597	M14	Lounge/Laundry	3,025	1.3
598	M14	Enlisted barracks	44,717	1.3
599	M14	Enlisted barracks	44,717	1.3

figure 19
Buildings
Eligible for Demolition
NTC Reuse Plan



Scale in Feet (approx.)
200 100 0 200 400 600 800 1000

8-4-98

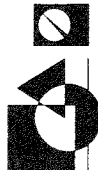


TABLE 39: BUILDINGS DESIGNATED FOR REHABILITATION

A	B	C	D	E
Bldg	Map	Navy Use	Sq Ft	DPU
1	M3	Community Facilities Bldg	75,670	2.8
2	M4	Enlisted Barracks	12,658	2.8
3	M4	Enlisted Barracks	12,658	2.8
4	M5	Enlisted Barracks	12,658	2.7
5	M5	Enlisted Barracks	12,658	2.7
6	N5	Medical Admin	8,666	2.3
7	N5	Dispensary/Eye Clinic	3,638	2.3
8	M2	Office/Storage	3,313	2.9
9	M1	Telephone Exchange (CATS)	3,893	2.9
10	M1	Golf Clubhouse	3,503	2.9
11	M2	Old Child Care Center	6,888	2.9
14	L4	Enlisted Barracks	12,658	2.8
15	L4	Enlisted Barracks	12,658	2.8
16	L5	Enlisted Barracks	12,658	2.8
17	L5	Enlisted Barracks	12,658	2.7
18	M5	Enlisted Barracks	12,658	2.7
19	L5	Enlisted Barracks	12,658	2.7
20	L1	Gate House #1	981	2.9
21	M1	Pass/Decal Office	1,048	2.9
23	M3	Naval Investigative Service	5,469	2.9
24	L1	MWR Club	16,080	2.9
25	M5	Enlisted Barracks	12,181	2.7
26	M4	Enlisted Barracks	13,361	2.8
27	M8	Enlisted Barracks	29,390	2.5
28	M8	Recruit Barracks	29,390	2.5
29	M7	Recruit Barracks	29,390	2.5
30	M9	Community Services Mall	64,219	2.1
31	K2	Utilities Shop	8,865	1.7
32	K2	Exchange Warehouse	6,010	2.9
33	K3	Self help Weld Shop	5,965	1.7
34	J3	Paint Shop	2,160	1.7
35	N6	Auditorium 1	20,365	2.6
36	M10	Air Conditioning School	25,704	2.1
49	L10	Machinery Repair School	38,862	2.1
51	L12	Pattern Maker Molder Training Bldg	23,938	2.1
83	N11	Communications School	99,266	2.1
84	J8	Air Conditioning Bldg for Bldg 83	918	2.1
89	E6	Recruit Barracks (Portion of 90,567)	67,925	4.1
94	N10	School	247,667	2.1

TABLE 39: BUILDINGS DESIGNATED FOR REHABILITATION				
A	B	C	D	E
Bldg	Map	Navy Use	Sq Ft	DPU
153	K3	Carpenter Shop	11,412	1.7
174	K3	Pest Control/Paint Storage	3,330	1.7
175	N6	School Bldg	26,455	2.6
176	N6	School Bldg	22,984	2.6
177	M6	Library	12,814	2.2
178	M6	Navy Exchange	41,048	2.2
185	K2	Public Works Shop Building	8,500	1.7
193	K5	Enlisted Personnel Club	53,636	2.2
194	L2	Administrative Office Bldg	4,255	2.9
195	N4	Hospital Dispensary/Navy Band	17,352	2.3
198	O6	Gate House #3	1,637	2.6
200	L6	NTC HQ Bldg	9,723	2.2
201	L6	Personnel/Staff Civil Engr Offices	23,104	2.2
202	L6	Personnel Support Detachment Office	23,104	2.2
208	M7	North Chapel	7,868	2.2
209	L8	Office Bldg	2,395	2.5
210	K7	Admin, Gym, Pool	41,994	2.2
271	J12	Swimming Pool/Gym	37,873	2.4
303	K12	Central Fire Station	5,484	2.4
366	M9	Administrative Storage	2,224	2.1
443	O6	Classroom Bldg	3,012	2.6
464	K2	Boathouse	1,260	1.7
479	E7	Recruit Barracks	33,306	4.1
480	E7	Recruit Barracks	33,306	4.1
557	F8	Recruit In-processing facility	91,992	4.1
558	M10	Storage/Training Materials	195	2.3
569	B8	Small Arms Range	26,212	4.1
608	F6	Fire Fighting School	21,476	4.1
609	F6	Fire Fighting Trainer	15,187	4.1
610	E5	Fire Fighter, Maintenance	2,882	4.1
611	E6	Gas Mask Trainer Bldg	1,437	4.1
614	F5	Fire Fighting, Storage Bldg	1,176	4.1
619	I9	Child Development Center	19,650	3.1
623	H14	Support Center	33,000	3.5
A	P4	Officers Quarters A	5,584	2.3
B	O4	Captain's Quarters B	3,810	2.3
C	O4	Captain's Quarters C	3,810	2.3
D	O5	Officer's Quarter's D	4,108	2.3

3. Phase 3 - 1999 to 2038 (40 Years)

Because of the considerable financial investment required, only partial rehabilitation of historic structures is considered likely during the initial reuse effort. In fact, however, complete rehabilitation of historic structures and completion of off-site traffic mitigation can occur any time funds are available.

DPU 2.2, 2.3, and 2.4 - Rehabilitation and noise mitigation of historic buildings continues progressively as funding permits and justified by market conditions.

5.2 STRATEGIES FOR REAL PROPERTY CONVEYANCE

A. Introduction

The purpose of this section is to provide an overview of the various methods available for transfer of property at NTC, and also to provide guidance to the City in determining the appropriate methods of conveyance of property and lay out a preliminary conveyance strategy. The various conveyance methods are identified below:

B. Principal Methods of Real Property Conveyance

The various conveyance methods are:

METHODS OF CONVEYANCE	
Public Benefit Conveyance	Transfer for public purposes such as education, airport, parks, public health and human services, prisons, historic preservation, highways, etc.
Negotiated Sale:	Purchase of parcels by public agencies at fair market value.
Lease-Back to Federal Agencies:	Transfer of base closure parcels that are then leased back (no-cost) to federal agencies.
Market Sale (Public Sale)	Sealed bid or auction sale (fair market value) of property by federal government to private sector or public agencies.
Economic Development Conveyance:	Transfer of base closure property by Department of Defense to Local Reuse Authority (LRA) for job - creation purposes, at or below fair market value, or "for consideration."

In consideration of the estimated expenditures for site clearing, infrastructure upgrades, and/or building rehabilitation, the total cost may significantly

exceed the economic value of the land, structures, or leaseholds. That circumstance, in combination with a) the need for tax increment to finance NTC reuse, b) the public ownership requirements imposed by the tidelands trust, and c) the desire to capitalize on the job-producing and economic development potential of the reuse plan, all lead to a recommendation for requesting an Economic Development Conveyance for all of NTC except for portions of the Tidelands Trust where a Public Benefit Conveyance is more reasonable.

C. Public Benefit Conveyance (PBC)

One of the helpful features of the Federal Property & Administrative Services Act of 1949 ("Property Act"), is the opportunity it provides for communities to acquire surplus base closure property for a broad range of public purposes, without cost or at a significant PBC discount. It is important to analyze how PBCs might be applied for in order to create the least costly approaches to real property conveyance.

The public benefit authorities that influence these decisions are listed above. These authorities and land uses related to the authorities have been carefully analyzed at NTC as well as the restrictions that come with PBCs.

PUBLIC BENEFIT CONVEYANCE			
Parcel Number	Public Benefit Conveyance Parcel	Sponsor	Land Use
1.	Utilities (water, sewer, telephone, electricity lines, etc.)	Department of Health and Human Services	Underground and surface utilities
2.	Park and Recreation Area, Shoreline, Boat Channel	Department of the Interior, National Park Service	Recreation and open space
3.	Airport	FAA	Airport Expansion

The following criteria has been established to determine which parcels are most appropriately designated PBCs:

- Long-term public use is the only alternative;

- Use restrictions imposed by federal departments are probably acceptable; and
- All revenue generated on site will be used exclusively within the PBC site area.

The parcels of land at NTC that are proposed for PBC are illustrated on the Figure 21, Land Conveyance.

D. Economic Development Conveyance

EDCs relate to the President's Five-Point program for "Revitalizing Base Closure Communities" which was issued on July 2, 1993. The first point in the President's program calls for "Jobs-Centered Property Disposal that puts local economic redevelopment first." The Senate responded to the President's program by including a number of base closure recovery amendments in Title XXIX of the 1994 Defense Authorization Act. The most important is Section 2903, known as the Pryor Amendment, which authorizes the transfer of base closure property for economic development purposes.

In order to create jobs, stimulate the local San Diego economy and finance the recycling of NTC, a major portion of the base will need to be conveyed from the Navy to the City of San Diego through an EDC. Figure 21, Land Conveyance, indicates all properties considered available for transfer through an EDC.

- Rehabilitation
 - . Bed and breakfast use
 - . Golf clubhouse and health club
 - . Educational uses
 - . Commercial uses including retail, office, live/work, meeting rooms, and restaurants
 - . Civic uses including non-profit office and work spaces, auditorium, chapel, day care, pool and gyms, and museums
- New Construction
 - . Office buildings
 - . Research and development buildings

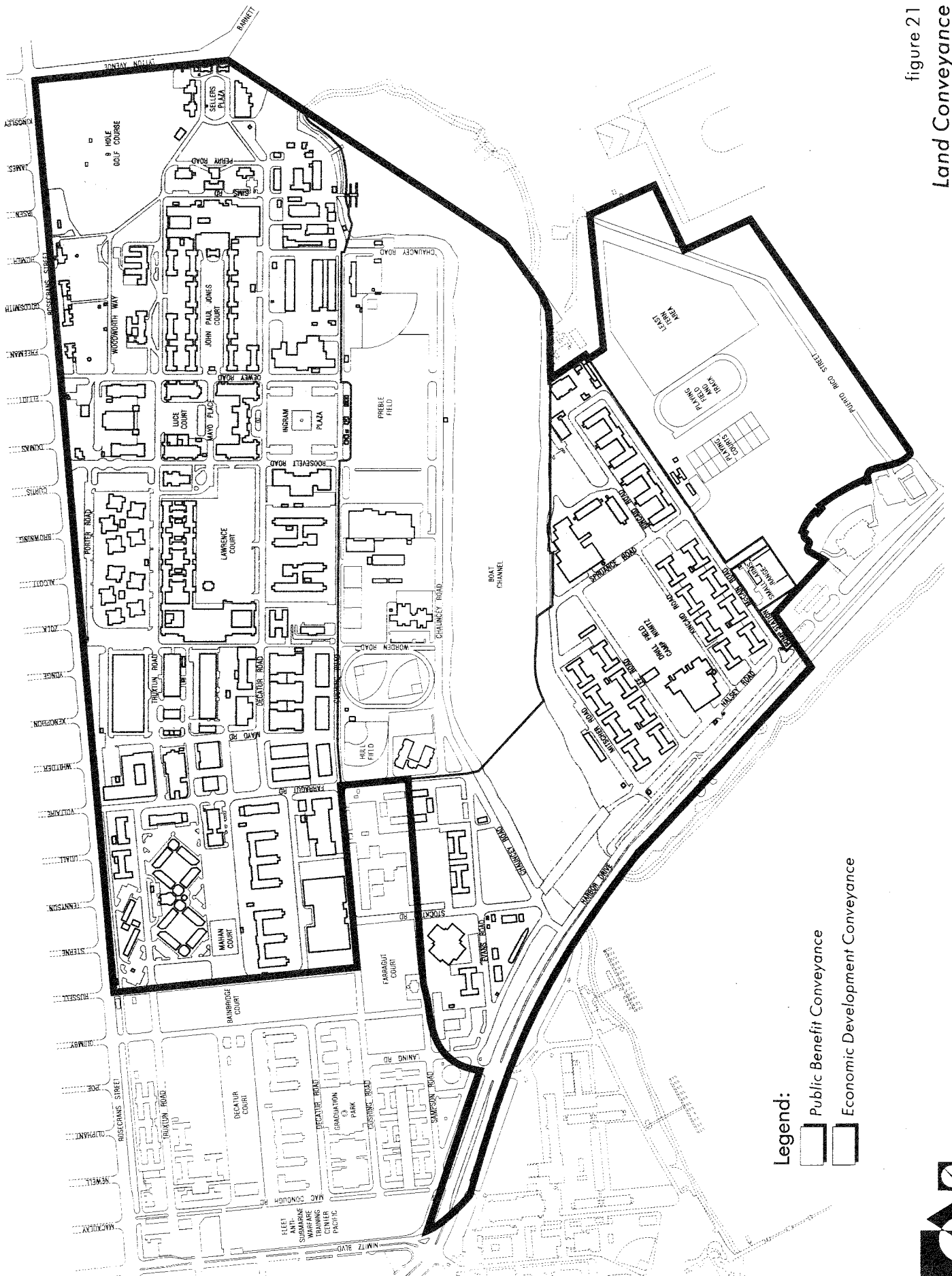
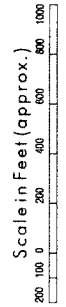
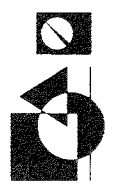


figure 21
Land Conveyance
NTC Reuse Plan

- Legend:**
- Public Benefit Conveyance
 - Economic Development Conveyance



7-30-98



- . Hotels and associated facilities
- . Residences
- Special Purpose Uses
 - . MWWD Laboratory
 - . City Pump Station
 - . Public Safety Training Institute (PSTI)
 - . Off street parking facilities
 - . Boat channel (portion)

The channel will contain uses that generate revenue and jobs related to the hotels and retail-commercial establishments. Some of the uses may be sports complexes, boat slips, marinas, boat rentals, seafood sales, water park, bait barge, boat repair, boat sales, amusement, aquatic instruction, boat rides, equipment rentals, jet ski rentals, water taxi, wind surfing, etc.

An analysis has been prepared of the properties proposed to be conveyed by EDC to assist the City in developing the EDC application. All potential properties available for transfer have been identified by land use, area of the site, or square footage of use.

D. Boat Channel Conveyance Issues

In January 1996, the Navy performed a sediment characterization study of the NTC boat channel. The study found levels of metals and pesticides that required further evaluation inasmuch as the Navy is responsible for all aspects of boat channel cleanup prior to conveyance.

Following the requirements of the federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA), the Navy must proceed with a Remedial Investigation, Feasibility Study, Proposed Plan, Record of Decision, and Remedial Action.

Boat channel cleanup is projected to occur in 2002, but Navy staff indicate that federal budget constraints and potential difficulties in the regulatory review process may delay the program completion.

Normally, the boat channel would only be eligible for conveyance to the City following the cleanup. However, the Navy is required to *either* remediate the

boat channel prior to conveyance, or make sure that remedial action is achieved either through a Lease in Furtherance of Conveyance (LIFOC) or an early transfer.

Implementation of a LIFOC or an early transfer enables the City or a private developer to accelerate the remediation process and begin developing the site ahead of the Navy's current program schedule.

Navy staff anticipate that it will take approximately six months to develop the terms and conditions of a LIFOC.

Following completion of the Remedial Investigation, the property could be leased to the City to sub-lease to a private developer who would complete the required Remedial Action. This approach would allow development to occur at the same time as the Remedial Action. Under a LIFOC, development of the NTC boat channel could begin prior to conveyance of the boat channel. The LIFOC would be in effect for the duration of the cleanup and would become void after the property is conveyed.

These considerations do not affect the type of conveyance proposed for the boat channel, they do impact the timing of conveyance.

E. Preliminary Conveyance Strategy

No property at NTC is proposed for conveyance using the negotiated sale method. All property is proposed to be conveyed utilizing the PBC or the EDC methods of conveyance.

To qualify for an EDC conveyance, permanent jobs must be created and the local economy stimulated in order to qualify for this method of conveyance. Most of the property at NTC will be conveyed utilizing the EDC method of conveyance. A process of elimination has been used to determine which parcels qualify for methods of conveyance other than EDC since this approach will be the most challenging.

The following uses are proposed for an EDC, in spite of the fact that the uses appear to be public.

- Metropolitan Wastewater District (MWWWD):

A new facility for MWWWD of 100,000 SF on just over eight acres of land at Camp Nimitz requiring water access is anticipated to be constructed on land conveyed by the Navy to the City and then developed by MWWWD. Alternatively, the site could be leased to a private developer who would construct a build-to-suit facility. After

the facility was completed, it could be leased to MWWWD and be included on the tax rolls. Permanent jobs would be created and revenue generated to offset some of the costs of overall base redevelopment.

- **Public Safety Training Institute (PSTI):**

It is proposed that 25 acres of land be conveyed to the City by the Navy for the PSTI. The City could lease the land to a Joint Powers Agency (JPA) created for development of the PSI. The cost of development could be financed through JPA-issued revenue bonds. Some of the revenues at the PSTI will be private, therefore an EDC is the most appropriate method of conveyance. Permanent jobs and economic benefits will accrue from this development.

- **Boat Channel (portion):**

The shoreline property along both the east and west side of the boat channel, as well as a portion of the channel itself, is expected to be made available for use by hotel patrons. As well, hotel operators may choose to lease portions of the shoreline area to commercial recreation providers. Hotel use at NTC produces the most jobs and the most revenue, and therefore the maximum amount of land possible is being reserved for hotel use.

- **Harbor Drive**

While Harbor Drive will remain in public use, federal agencies do not typically sponsor PBCs for roadways. For this reason, the recommendation is for an EDC transfer of that portion of Harbor Drive currently owned by the Navy

F. Description of Land Uses Matrix

A land uses matrix has been developed as a decision tool to assist the City in evaluating the pros and cons of an EDC application on a parcel-by-parcel basis. It is based on the NTC Reuse Plan and the Preliminary Business Plan and supporting documents.

Elements of the matrix are:

Description - The first four columns identify the land parcel being considered. The estimated size (both gross acreage/sf and anticipated net acreage available for development) are shown, along with a brief description of the ultimate development programmed for

the area per the Reuse Plan.

Development Potential - The first column under this section indicates the timing of the development as forecast in the Reuse Plan, including the anticipated absorption for each use. The next column provides information regarding the availability and cost of providing infrastructure to the land use parcel. The next column discusses the area's relative attractiveness to the private development community.

Community Impacts - These columns summarize the financial analysis undertaken for each land use area. The first column represents the gross revenue over 20 years from the sale/lease of the properties within each area. This includes net revenues for land sales/lease revenues plus taxes, development fees and assessments. The second column is the total costs allocated to each land use area, including infrastructure, demolition costs, the land use area's share of "overhead" costs, property management, etc. The third column is the total difference between revenues and costs over 20 years, while the fourth column is the present value of the annual cash flow. The last column is the net present value of the anticipated fiscal impact on the City of San Diego. These numbers should not be considered forecasts, but rather estimates provided to indicate the magnitude of the cumulative impact over the implementation period.

EDC Implications - these two columns summarize the job generation potential of each land use area within a 20 year horizon, along with a brief comment on the logic for including or excluding a land use area from consideration for transfer via an EDC.

G. Conclusion

A conveyance strategy has been established for all of the property at NTC. The next steps in the process are to divide each area into parcels, determine the exact area of each parcel, determine the infrastructure requirements, determine the reuse value of each parcel, and develop the justification for the EDC. Table 40 is a matrix created for use in assembling all of the data which will be accompanied by economic data in the form of development costs and refined revenue projections.

5.3 ACQUISITION PROGRAM FOR PERSONAL PROPERTY

Personal property includes all moveable furniture, fixtures, equipment and vehicles. The Navy has an inventory of all of these items. It is incumbent upon the City to inspect all buildings and areas at NTC to determine which property items will be useful to the City or to the private or public users at

TABLE 40: PROPERTY CONVEYANCE MATRIX FOR EDC APPLICATION

Site Area Description				Development Potential			Community Impacts					EDC Implications	
Planning Area	Parcel	Acreage/SF Gross Net	Description of Dvlpmnt per Reuse Plan	Market Timing (Absorption)	Infrastructure Availability	Attractive to Developer within 20 years?	Revenue to the Community	Cost to the Community	Net Rev/Cost to the Community	NPV	Estimated NPV of Fiscal Impacts	Employment Impact/ Job Generation by 2015	Implication on EDC Negotiation
REHABILITATION													
Bed and Breakfast													
Golf Clubhouse and Health Club													
Educational Uses													
Commercial Uses													
Institutional Uses													
NEW CONSTRUCTION													
Golf Course													
Hotels													
Office Buildings													
Offstreet Parking Facilities													
Residential													
Office/R&D													
SPECIAL PURPOSE USES													
MWWD													
Public Safety Institute													
Public Park - Open Space													
Boat Channel													

NTC. There are many items that will further the goal of creating jobs and stimulating the local economy, therefore a great deal of creativity should be introduced during the inspection of inventory process.

Any of the items that the City feels will further base reuse can be stored by the Navy at NTC until the time of conveyance.

5.4 HOMELESS ASSISTANCE

The City of San Diego, as the Local Redevelopment Authority, is required to include a Homeless Assistance Submission as part of its reuse planning effort. This submission has several components and has been provided to the Departments of Housing and Urban Development and Defense under separate cover.

The City received two Notices of Interest (NOIs) from homeless assistance providers to be reviewed for screening as part of the conveyance process. One of the NOIs was from the Vietnam Veterans of San Diego for buildings to be used as warehouses. The other NOI was from a consortium of homeless providers for the entire Residential Subarea to be redeveloped as transitional housing for homeless.

A Homeless Subcommittee of the NTC Reuse Committee, consisting of homeless providers within the San Diego community as well as other community members, was established at the onset of the reuse planning effort. The Subcommittee met on a regular basis to review and discuss the NOIs and make recommendations to the Reuse Committee.

On July 1, 1996, the City Council voted to approve a homeless assistance proposal to provide 150 units in City Council District 2, but not on the NTC site. The proposal also directed the City Manager to consider non-residential homeless assistance on the base.

In April, 1997, an agreement was subsequently negotiated between the Local Redevelopment Authority for NTC and homeless providers which provided a dollar commitment equivalent to \$50,000 for each of the 150 units. Equal to \$7,500,000, the funding was considered a preferable form of assistance to more efficiently serve a population in need of transitional housing. The agreement was reviewed and approved by the Department of Housing and Urban Development in June 1997.

See Appendix D for a copy of the Homeless Assistance Element agreement.

5.5 LEAST TERN AREA

The office of the Secretary of the Navy made a final determination on the DoD/Federal screening requests, which was published in the form of a Federal surplus determination on June 9, 1995. The surplus determination describes the property which is surplus to the needs of the federal government. Excluded from the determination of surplus was:

A parcel of property for the maintenance and possible enhancement of the existing California least tern nesting area at a location or locations to be determined by the Navy and the U.S. Fish and Wildlife Service in connection with the development of a reuse plan for NTC.

Since that time, the USFWS revised its position and, currently, federal protection of the California least tern site is proposed to be maintained through establishment of a conservation easement to the USFWS. Under the Reuse Plan, the California least tern site would remain in its current configuration, but would be transferred to the San Diego Unified Port District.

5.6 HISTORIC DISTRICT

A Memorandum of Agreement (MOU) among the Department of the Navy, California State Historic Preservation Officer, and the Advisory Council on Historic Preservation - which was agreed to by the City of San Diego and the Save Our Heritage Organization - stipulates conditions for redevelopment and use of properties and areas designated within the NTC Historic District. Prior to conveyance of the property from the Navy to the City, use within the designated Historic District must follow procedures described in the MOU. Following conveyance, the City of San Diego's historic preservation program and ordinances apply.

See Appendix for a copy of the Historic District MOU.

5.7 TIDELANDS TRUST

Because of the limitations on use and ownership imposed by the Tidelands Trust, the Public Safety Training Institute (PSTI) may not be an eligible use of the designated site. If that circumstance is determined to exist, it is proposed that the City work with the State Lands Commission and seek to extinguish the Trust on that portion of Camp Nimitz designated for the PSTI. Other areas of NTC - especially those proposed for public recreation - may be added to the Trust properties.

Figure 22 portrays a recommendation for a reconstituted Tidelands Trust boundary. Existing boundaries are shown on Figure 4.

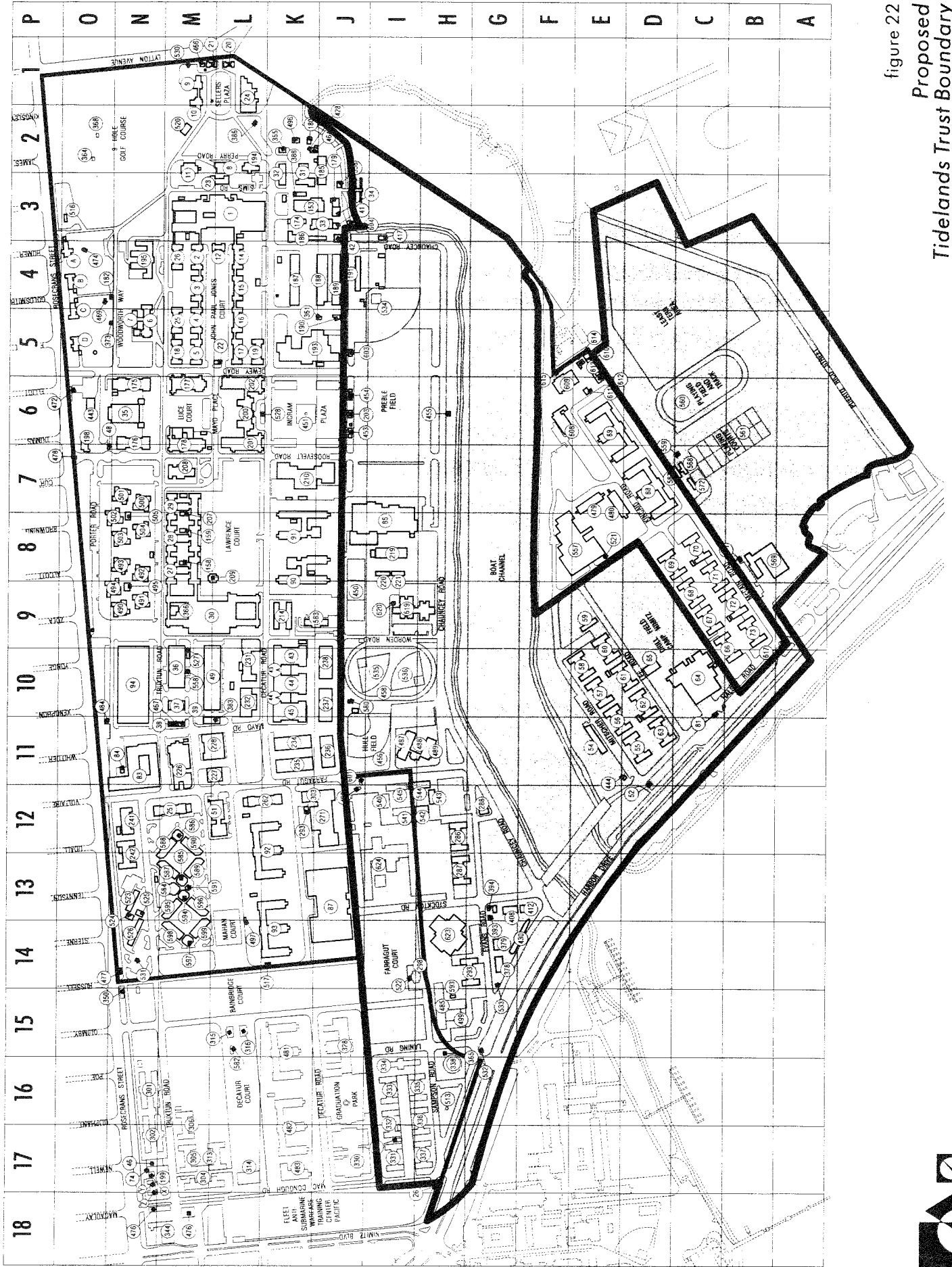
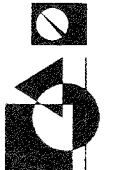


figure 22
 Proposed
 Tidlands Trust Boundary
 NTC Reuse Plan



Scale in Feet (approx.)
 200 100 0 200 400 600 800 1000

7-10-97

5.8 RESOURCE MANAGEMENT PROGRAM

To determine relationship between the reuse plan and the City of San Diego resource protection regulations, an analysis of constraints and opportunities within the planning area was conducted by City staff.

Because NTC is a developed site and was used as an active military base for almost 75 years, it contains limited naturalized open space and generally lacks native vegetation and associated wildlife. However, due to the age and cultural importance of the Naval Training Center, the site does contain a number of historic resources. In the discussion which follows, each of the sensitive resources considered by the Resource Protection Ordinance are listed and, if identified on base, are described with the policies and procedures that will be used to minimize impacts.

A. Natural Resources

1. Floodways

There are no mapped floodways or floodplains on NTC which would be subject to inundation from one hundred (100) year frequency flood.

2. Hillside Areas

There are no slopes of 25% or greater on NTC.

3. Wetlands

The boat channel, which divides NTC and connects to the San Diego Bay, is considered a Subtidal Estuarine Open Water Wetland Habitat. It is a habitat for eelgrass.

As part of the Mitigation Monitoring and Reporting which will be required as part of the implementation of the reuse plan, measures will be taken to contain sediment runoff and erosion to maintain water quality and avoid disturbance of the habitat values or functional capacity of the wetlands.

4. Biologically Sensitive Lands

There is a California least tern nesting colony located on a 10-acre portion of inactive landfill on Camp Nimitz. It is surrounded by a 15-acre buffer. This site and buffer remains designated as a least tern colony in this Reuse Plan.

There are also three large ornamental trees at the corner of Worden and Cushing Roads which support a nesting colony of great blue heron and black-

crowned night heron. These trees will be maintained in their present location.

C. Cultural Resources

As part of the reuse planning process, 52 buildings have been identified as eligible for inclusion on the National Register of Historic Places as contributors to an NTC Historic District. A map of the Historic District and the buildings contributing to the Historic District are shown on Figure 5.

A memorandum of agreement (MOA) among the Navy, the City of San Diego, the California State Historic Preservation Officer (SHPO) and the National Advisory Council on Historic Preservation has been signed. A copy of the agreement is included in the Appendix.

5.9 CONSISTENCY WITH THE REUSE PLAN

The NTC Reuse Plan identifies policies, uses, densities and intensities, use characteristics, and design guidelines for the 430 acre reuse site.

In the process of redeveloping NTC, a proposed use shall be deemed consistent with this Plan so long as it is consistent with the development concepts identified in Chapter 3.

Should any question of consistency arise, it shall be resolved by the LRA.

5.10 IMMEDIATE ACTION PROGRAM

A. Actions to be Taken Prior to Transfer of Title of NTC to City

1. Seek a master development partner to work with the City in implementing the NTC Reuse Plan. Negotiate a Development and Disposition Agreement with a selected master development partner.
2. Solicit letters of interest from firms, organizations, and individuals interested in developing, managing, or leasing portions of NTC. Based on this solicitation, provide information to the master development partner.
3. Support the involved educational institutions in the preparation of an MOU for operation and funding of the educational campus
4. Work with MWW, the Port, and the Police and Fire Department personnel to assure the consistency of their Camp Nimitz development plans with the NTC Reuse Plan.

5. Work with Navy regarding the transfer of power, gas, steam, communication and CATV to private operators.
6. Develop EDC application.

B. City Budget Impacts Prior to and After Title Transfer

An estimate of impacts to the City budget is shown in Table 41, Estimated Facility Maintenance Budget. The table includes:

1. Estimated increases in the maintenance and operations budget for City departments responsible for streets, storm drain, street lighting, park improvements, water, and sewer systems for future budgets;
2. Estimated increases in the maintenance and operations budget for those City departments involved in the care of buildings and grounds for future budgets;
3. Estimated increases in the operating budgets for those City departments which provide support for the redevelopment and marketing of NTC for future budgets.

Details regarding potential increases to the San Diego City maintenance and operations budget will be documented by City staff in future City budgets.

Table 41: NTC ESTIMATED FACILITY MAINTENANCE BUDGET IMPACT IN 1997 DOLLARS

Facility	Quantity and Condition	Exceptions	Est. Ann. Budget in 1000 \$	Project Portion in 1000 \$
Streets (1)	6.2 miles of local streets, substandard pavement fair to poor condition	Pavement thickness, curbs, and sidewalks need repair, improvements do not comply with ADA requirements.	50	none
Storm Drain (2)	5 miles of 10 to 60 inch diameter storm drains; some lines are plugged or damaged; system in average to poor condition	Outlets need repair, some lines need cleaning and repair, NPDES Permits may be required.	323	none
Street Lighting (3)	2.5 miles of conduit; 19 circuits; 150-low pressure sodium fixtures. System constructed in 1980; fair to good condition.	Lighting level above City standard for safety, lighting district to fund excess costs	12	7 60% of Lighting cost
Park Improvements (4)				
Swimming Pools	One in operation, good condition, the second in need of repair and out of service.	Consistent with General Plan standards; Capital commitment required for second pool to operate	434	none
Recreation Bldgs	Three gyms in fair condition.	Within General Plan standards and will reduce existing community deficiency	283	none
Ballfields	3 lighted baseball fields; two are substandard and one is full size.	Within General Plan standards and will reduce existing community deficiency	60	none
Tennis Courts	10 lighted courts in fair condition	Exceeds number of courts city will maintain; Require operator agreement to cover O&M	32	32
Multi-Use Fields	One soccer field possibly substandard in poor condition	Within General Plan standards and will reduce existing community deficiency	8	none
Racquetball/ Squash Courts	8 courts in fair to poor condition	Exceeds city standards; would require an operator to fund O&M.	27	27
Water System (5)	About 5.0 miles of 8 to 20 inch water lines consisting of various type pipes in fair to good condition. Metering only on boundary no internal meters or back flow prevention	Meters will need to be provided by the project.	50	none
Sewer System (6)	About 5 miles of sewer lines of which 2 miles are City trunks and 3 miles are Navy; collectors in fair to good condition.	No exceptions.	30	none
Total Estimated Budget Impact			1309	66

Table 41: NTC ESTIMATED FACILITY MAINTENANCE BUDGET IMPACT IN 1997 DOLLARS				
Facility	Quantity and Condition	Exceptions	Est. Ann. Budget in 1000 \$	Project Portion in 1000 \$
Buildings and Grounds (7)	In excess of 200 buildings between 5 and 75 years in age fair to good condition. About 120 will be demolished in 5 years and remaining will be rehabilitated over next 25+ years. Grounds surrounding the buildings of approximately 25 acres to be maintained.	Building maintenance required until demolition or rehabilitation is completed. Costs may be recovered from the project.	400	400 Full cost of maintenance
Building Utility Services				
Water and Sewer (8)	Water and sewer service will continue until the buildings are demolished or rehabilitated and individual meters installed and property billing is transferred.	Water and sewer charges will be charged to CRA until the buildings are transferred.	120	120
Power (9)	About 5 miles of underground conduit installed by Navy (1980s) to Navy specs, not in accordance with CPUC, SDGE may purchase system.	All power charges billed to CRA until meters are installed.	120	120 Power Consumption
Communication (10)	Conduit in joint trench with power and in good condition. Will need new switch when Navy disconnects.	Service charges to users.	0	0 Switch cost
Steam (11)	About 3 miles of steam and return lines in poor condition will need to be continued north of Farragut until they can be phased out and replaced by Gas.	Contract purchase of steam and O&M of steam lines will be required by CRA.	150	150 Steam and O&M
Gas (12)	Minimum gas service exists on NTC and must be replaced by a new system. Usage of exist system will be limited during initial period.	Charges direct to users.	18	18
Total Estimated Budget Impact			808	808

Operation	Activity	Est. Ann. Budget in 1000 \$	Project Portion in 1000 \$
Administration (13)	Direct and coordinate maintenance, security, redevelopment, marketing and negotiations of sale and lease of the property	600	600
Process entitlements, tentative and final maps (14)	Rezoning and Tentative maps need to be processed and final maps prepared.	500	500
Security (15)	Provide 2 roving patrols and 3 gate controls until an appropriate level of development and occupation is obtained	400	400
Total Estimated Budget Impact		1500	1500
Budget Impact Sheet 1	Normal maintenance and usually a City responsibility	1309	66
Budget Impact Sheet 2	Unique maintenance requirements for NTC	808	808
Budget Impact Sheet 3	Unique requirements for NTC as a redevelopment project	1500	1500
Total Budget Impact		3617	2374
Contract services	Estimated Costs		
Building Maintenance Sheet 1	400		
Water Sewer Billings Sheet 2	120		
Electric Billings Sheet 2	120		
Steam O&M, Purchase. Sheet 2	150		
Gas Billing Sheet 2	18		
Security Sheet 3	400		
Entitlement (Portion) Sheet 3	500		
Total	1708		

NOTES ON MAINTENANCE AND OPERATIONS BUDGETS, as described in Table 41

City Facilities Maintenance

- (1) Costs for street maintenance for the approximate 6.2 miles of streets is based on \$8200 per mile per year and includes periodic street resurfacing and sidewalk maintenance, weekly sweeping, street signing, pavement marking and curb painting. Source J. Levy, Street Division PW Department.
- (2) Costs for storm drain maintenance of the approximate 5 miles of drain line was based on \$63,400 per mile per year and includes cleaning and repair. In addition a cost of \$42 per inlet per year was added for the approximate 150 inlets and provides annual cleaning. Source J. Levy, Street Division PW Department.
- (3) Costs for the approximate 150 street lights was based on a cost of \$81 per fixture per year and includes electrical energy and maintenance of underground circuits and fixtures. Source J. Levy, Street Division PW Department.
- (4) Costs for park facility maintenance and operations were based on similar facilities operated within the existing inventory. In addition initial expenses of \$37,000 was prorated to each facility over the first two fiscal years. Source June Dudas, P&R Management Division, C&N Services Department.
- (5) Costs for water system maintenance of the five miles of 8 to 20 inch water mains were based on City wide average costs for regular or routine maintenance of similar sized mains. Source Alex Ruiz, Water Distribution PW Department.
- (6) Costs for sewer system maintenance of the five miles of trunk and collector lines were based on City wide average costs for similar sized mains. Source Wastewater Collection Division PW Department.

Building and Grounds Maintenance

- (7) Buildings and grounds maintenance costs provide external maintenance only and reflects 2 person hours per building per month. This would allow inspection of each building for vandalism and internal condition and minimal painting (cosmetic) clean up. The approximate 200 buildings would require 2.4 person years annually. This would

require an annual budget of about \$200,000 at \$80,000 per person including overhead. Grounds maintenance would involve about \$8,000 per acre per year for the 25 acres of landscaping surrounding the various buildings. Source Meyer, Fac., Mgmt. Division PW Department

Building Utility Service

- (8) Costs for water and sewer service to the buildings will continue to be a cost to the City until the buildings are demolished or rehabilitated and separately metered and transferred to the new user or occupant. The costs are estimated based on recent usage will be for irrigation of the grounds during the early phases of redevelopment. Source navy utility cost records.
- (9) Power: Should the Navy contract with SDG&E for the purchase of the power distribution system the charges to the City would follow the usual billing procedure and reflect the standard rates. For purposes of this estimate the recent usage by the Navy was adjusted downward to reflect the full closure of the base. Source Navy utility cost records.
- (10) Communication: The Navy may, as in the case of the power system, sell the communication system. If so the users including the City would pay the standard rates for usage. However, if the system were transferred to the City then operation and maintenance would need to be contracted for and be funded by the City. In addition the cost of a new switch (connection) with the external system will need to be funded and installed. Further information is required to determine costs to the City.
- (11) Steam System: A contract would be necessary for O&M of the system should it be determined that the system continue on a temporary basis until a full gas system could be installed (five years or so) and the buildings converted to gas heating. Preliminary indication by the steam supplier (Sithe Energies) suggest that the O&M costs could be as high as \$100,000 per year. To this cost would be added the cost of steam which the Navy would charge estimate at \$50,000. Source: Sithe Energies and Navy utility cost records.
- (12) Gas System: Minimum number of gas lines and connections exist on NTC. Projections based on recent Navy usage have been used to predict possible costs following transfer of the property. Source Navy utility cost records.

Operations

- (13) Administration: Includes the staffing cost related to coordination of maintenance, contracts for security, utility

services and the redevelopment and marketing of the property.

- (14) Process and entitlement: Includes the costs related to the rezoning, tentative and final map processing required to prepare the property for sale or lease.
- (15) Security: Contract for two (2) roving patrol and three (3) gate controls during first 5 to 10 years or until an adequate level of development has been achieved. Full operation of this security 24 hours per day is estimated at \$400,000 per year. These cost are based on recent proposals for Nimitz. Source Real Estate Assets, PW Department.