

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. R-03006

ADOPTED ON JUNE 22, 1999

WHEREAS, in 1993, the Federal Base Closure and Realignment Commission recommended closure of the Naval Training Center [NTC] in San Diego; and

WHEREAS, on April 30, 1997, NTC ceased its military function and went into Navy “caretaker” status, in which it remains until the property is conveyed to the City at the end of the reuse planning process; and

WHEREAS, on October 20, 1998, the City Council of The City of San Diego adopted the Naval Training Center San Diego Reuse Plan; and

WHEREAS, the difficulties with near term financing for demolition, infrastructure and administration, and the complex nature of land disposition and development at NTC led to the creation of a Redevelopment Project Area as the best opportunity for implementation of the Reuse Plan; and

WHEREAS, given the City’s limited ability to finance redevelopment at NTC in an expedited manner, it was deemed appropriate to seek a master developer who could take on the opportunity of developing NTC pursuant to the Reuse Plan; and

WHEREAS, on June 8, 1998, the Rules Committee directed staff to issue a Request for Qualifications/Request for Proposals [RFQ/RFP] for a Master Developer to implement redevelopment at NTC; and

WHEREAS, the City issued a RFQ in August, 1998, and interviewed all five candidate teams that had submitted qualifications; and

WHEREAS, following the selection committee’s recommendation, the Executive

Director of the Redevelopment Agency of The City of San Diego [Agency] narrowed the field to the top three, whereupon, RFPs were sent to and proposals were received from all three development entities; and

WHEREAS, following the selection committee's recommendation, the Executive Director narrowed the field to two finalists; and

WHEREAS, the Agency has considered the recommendation of the Selection Committee and such other information presented to the Agency subsequent to the Selection Committee's decision; and

WHEREAS, the Executive Director of the Agency, or designee, has recommended that the Agency approve an Exclusive Negotiation Agreement to commence exclusive negotiations with the Developer regarding the redevelopment and reuse of NTC; NOW, THEREFORE,

BE IT RESOLVED, by the Redevelopment Agency of The City of San Diego, that the Executive Director, or designee, is authorized and empowered to execute, for and on behalf of the Agency, a six month Exclusive Negotiation Agreement [ENA] with Corky McMillin Companies [McMillin] for the redevelopment and reuse of the Naval Training Center, under the terms and conditions set forth in the ENA on file in the office of the Secretary to the Agency as Document No. D-03006, to be modified to incorporate as necessary all of the following conditions:

1. Funding of \$1.5 million for six months of entitlements, property management, and the City's Administration costs prior to execution of a Disposition and Development Agreement [DDA]. Further, if the Agency and McMillin agree to extend the ENA beyond the six month initial term, then McMillin will continue to fund these items.
2. A non-refundable deposit of \$250,000.
3. An agreement to deposit \$1 million to ensure performance, upon the execution of the DDA.
4. Funding of \$34.3 million for rehabilitation and infrastructure costs in the Historic

Core and \$11.9 million for similar improvements in the Education Core including 100,000 square feet to an educational institution, as selected by the Agency, at no cost.

5. A commitment to develop and provide 600,000 square feet of the Historic Core for ownership by either a Non-Profit Foundation or the Agency/City at the Agency's discretion for Civic, Cultural, and Arts uses. That 275,000 square feet will be initially developed for those uses and the balance over time as demand is created.

BE IT FURTHER RESOLVED, that staff shall include in the negotiating process a cap on TOT and/or TI that can be used by the Master Developer to execute the Reuse Plan as described in the RFP.

BE IT FURTHER RESOLVED, that should negotiations not reach agreement, then the City Manager shall seek to enter into negotiations with Lennar Communities and LNR Property Corp. should they chose to participate.

APPROVED: CASEY GWINN, General Counsel

By

Richard A. Duvernay  
Deputy Counsel

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