

October 18, 2012

Kimberly K. Elliott, Senior Vice President  
The Corky McMillin Companies  
P. O. Box 85104  
San Diego, Ca 92186

RE: Building 271 / Fit for Life Building

Dear Ms. Elliott,

This letter has been prepared by the NTC/Liberty Station Sub Committee of the Peninsula Community Planning Board. The Peninsula Community Planning Board has been assigned the task of oversight of the completion of the NTC Precise Plan. The current action is intended to request that McMillin fulfill their obligations to maintain and rehabilitate Building 271.

This committee and the Peninsula Community Planning Board are now requesting action from the Corky McMillin Companies to restore the building to a state of repair in accordance with the Precise Plan which may remove the appearance of blight to the NTC/Liberty Station community. This action is intended for the benefit of the community and further to assist McMillin to attract a suitable tenant.

The Peninsula Community Planning Board has established this sub-committee, which among other tasks, intends to address this matter. We do not plan to belabor the issues, concerning this property, as those have been addressed in prior documents. We do intend to solicit community and government support to find a suitable solution to this eyesore in our community.

Numerous community communications have been made to The Corky McMillin Companies concerning building 271, located at the intersection of Farragut and Cushing Roads. The response from McMillin has been that the Rock Church was in Escrow to purchase the property but did not perform. Following the failure of the transaction with Rock Church, McMillin determined that their highest and best use was to convert the property to a residential use and develop. This determination by McMillin was opposed by Liberty Station residents. Since that point the property has fallen further into disrepair and now may be considered blight on the NTC/Liberty Station community. In a letter from you dated February 23, 2012, in response to a similar request from P3, you stated McMillin abandoned the effort to convert the location to residential use and have been marketing the property from that time. This committee has found no evidence that the property has been marketed. It has been determined by this committee that The Corky McMillin Companies have ignored their obligation to the NTC/Liberty Station community.

This letter is accompanied with a completed petition containing signatures from 110 liberty station residents in support of the efforts of this committee. Also, copies of this communication have been sent to the offices of City Councilman Kevin Faulconer and Mayor Jerry Sanders.

This committee seeks action to be demonstrated within 90 days of this letter.

Sincerely,

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Dominic Carnevale  
NTC Sub Committee Chairman

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Patricia Clark  
NTC Sub Committee Member

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Geoffrey Page  
PCPB Chairman

ENCLOSURES:

1. Copy of letter prepared by Point Loma People for Progress (P3) to Kimberly Elliot dated 2/13/2012
2. Copy of letter prepared by Kimberly Elliot replying to P3.
3. Copy of Page 40 of NTC Precise Plan containing language regarding building 271. Chapter II, Section C (Governing Policies).
4. Copy of Page 124 of NTC Precise Plan containing language regarding building 271. Chapter VI, D.2. (Program for Recreation Policies).
5. Copy of Pages 133-134 of NTC Precise Plan containing language requiring the Master Developer to provide funding for infrastructure improvements and rehabilitation. Chapter VII, E (Capital Improvements).
6. Photographs of Building 271
7. Signed Petition from citizens



## Point Loma People for Progress

Feb. 13, 2012

Kimberly K. Elliott, Senior Vice President  
The Corky McMillin Companies  
P. O. Box 85104  
San Diego, CA 92186

Dear Ms. Elliott:

The P3 organization, Point Loma People for Progress, has been in existence for a number of years in Liberty Station. Its Mission Statement is:

**Point Loma People for Progress (P3) works to make Liberty Station and the greater Peninsula Area a great place to live work and play. We support fulfilling the vision contained in the NTC Precise Plan.**

The business and homeowners on the Board of Directors are committed to informing others about the positive aspects of Liberty Station, but we are also committed to ensuring that this valuable property be maintained and enhanced so that property values are not degraded.

In 2002 when McMillin Co. obtained the former Naval Training Center, the developer entered into an agreement with the city of San Diego to maintain historic properties to the "extent economically feasible" in the Precise Plan. This was particularly spelled out with regard to the historic core of Liberty Station.

P3 requests that McMillin Properties examine this commitment in the Precise Plan with particular regard to Bldg. 271, the former Navy, "Fit for Life Center," located at the intersections of Cushing Rd. and Farragut Ave. It is an eyesore in our beautiful

community with peeling paint, weeds, and boarded windows. The building attracts vandals and vermin and is a constant reminder to residents of Liberty Station that McMillin's agreement when obtaining the former NTC was that the developer would "rehabilitate and reuse existing buildings."

We respectfully request a meeting with you to ascertain whether or not McMillin is willing to make Bldg. 271 an attractive asset in Liberty Station or just another run-down, historic building that invites ridicule from homeowners and adjacent communities. Fit for Life is anything but.

Sincerely,

Joel Young, Chairman  
P3

(619) 794-2700  
joelyoung@cox.net



Claudia Betzner, Vice Chair  
P3



**The Corky McMillin Companies**  
Realty • Mortgage • Land Development • Homes • Commercial

February 23, 2012

Mr. Joel Young  
Ms. Claudia Betzner  
Point Loma People for Progress

Re: Building #271

Dear Joel and Claudia,

I received your letter of February 13, 2012 on behalf of the P3 organization. I appreciate all the work that you and P3 do to make Liberty Station a great place and fulfill the vision created by the community and the City.

McMillin-NTC, LLC (the master developer) was in escrow to sell building #271 to the Rock Church for use as a gymnasium for their school. A few years ago the Rock advised McMillin they would not be purchasing #271.

The site is highly constrained by various factors making it a difficult and expensive property to utilize effectively and thus difficult to find an appropriate user. Once Rock determined that their needs had changed, McMillin then began a process of analyzing the highest and best use for the site. It was determined that residential use made the most sense since the property is zoned residential and surrounded by homes. McMillin presented this idea to the community in several public meetings in mid-2010. However, Liberty Station residents were resolutely opposed to residential use on the site. McMillin abandoned that effort and has been marketing the property since that time.

We are currently in discussions with a prospective buyer and will make that information public if and when a deal is consummated. I assure you that our company is fully committed to completing the Liberty Station project. You requested that I meet with you to discuss this further, however I really don't have any additional information to share at this time.

Please contact me if you have additional questions.

Sincerely,

Kimberly K. Elliott  
Senior Vice President



A demolition and construction program is presumed by this Precise Plan and described in Table 2.1, *Anticipated Development Program*, which quantifies anticipated development at buildout. However, nothing in this Precise Plan should be construed 1) to *require* the demolition of any structure remaining on-site at the time NTC is/was conveyed to the City, nor 2) to *prohibit* new on-site construction, so long as the gross square footage shown in Table 2.1 is not exceeded, and the use is consistent with the governing policies described for each specific plan area.

## **C. RESIDENTIAL AREA**

### **Governing Policies**

Within the residential area up to 350 market rate housing units are to be developed. To assure a mix of housing type, both single family and multi-family housing units must be provided.

*Priority Uses* include single family dwellings, including attached, detached, and town-house units, as well as multi-family dwellings.

*Other Uses* must be evaluated to determine if their presence and impact are compatible with the Priority Uses. Uses typically allowable to support residential uses include parks, playgrounds, recreational, and child care facilities.

*Special Considerations* - Navy Building 271, constructed as a gymnasium and swimming pool, is expected to remain and continue in non-residential use within the residential area. The Foundry, Navy Building 51, while not actually a part of the residential area, will be surrounded on three sides by residential uses. The Foundry and any successor use of the facility is expected to function so that any noise, odor, or vibration is contained within the walls of the facility.

### **Design Features**

Within the residential area at NTC, the design intent is to create a finely-scaled neighborhood where front doors and porches face the street and where the neighborhood is created to serve people and not cars. Most homes should be developed on small lots located on a grid of narrow streets serviced by alleys. Garages should be accessible via the alleys. Streets should align with and act as visual extensions of the existing street on the west side of Rosecrans Street. The north-south streets - Decatur, Truxtun and Cushing - should be extensions of the streets defining the Historic District.

- Parking areas to serve public and private development shall be distributed throughout the site, specifically including the residential area, the education/mixed use area, the office/research and development area, the public park area, and the hotel sites. This will mitigate against the impacts of overcrowding or overuse by the public of any single area.
  - When feasible, private parking areas shall be made available for public uses during peak recreation times and/or times where demand for private parking is low (e.g. evenings and weekends).
- i. Any parking structure shall be closely reviewed for its impact on public views. Dense plantings of evergreen trees and large shrubs are to be incorporated for visual screening in front of any multi-story parking structure fronting on or visible from a public street. Surface parking will be allowed and must be sufficiently screened from public street views with perimeter landscaping.
  - j. Continuous public access shall be provided along the NTC esplanade, connecting Gate 1 (Lytton/Barnett Street) to the Spanish Landing approach point.

## **D. PROGRAM FOR RECREATION**

### **1. Goal**

Waterfront land suitable for recreational use shall be provided for public recreational use.

### **2. Policies**

The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development.

Upland areas necessary to support coastal recreational uses shall be reserved for such uses. Lower-cost facilities, community recreational facilities such as Navy Building 271, sports fields, and areas for court sports shall be available to the general public, and not solely for the use of local residents.

### **3. Standards of Review**

- a. The park adjacent to the boat channel shall be developed as NTC's

## **B. PHASING**

Development phasing at NTC is to be based primarily on market conditions and a Disposition and Development Agreement entered into by the San Diego Redevelopment Agency and the NTC Master Developer. A build-out period of 5 to 8 years is anticipated for new homes and office buildings. For Navy buildings that are being retained, occupancy and reuse is expected within 5 years, although rehabilitation will occur over a longer period based on the availability of public and private funds for reconstruction, repair, and upgrading.

Specific infrastructure improvements will be identified as conditions of tentative map approvals.

## **C. PUBLIC PARK PLANNING**

Planning for the 40 acre park site at NTC will occur through the Park and Recreation Department. A General Development Plan (GDP) establishing park improvements will be prepared by the Park and Recreation Department working with a citizens committee.

Park planning typically involves: public input; a site inventory; site, user, and maintenance system analyses; design synthesis; area relationship studies of different alternatives; detailing of a single concept; and preparation and processing of a GDP.

Program, design, construction and ongoing maintenance of recreational elements must conform to standards of the City of San Diego and other relevant public agencies.

## **D. SCHOOL FINANCING**

The U.S. Navy has agreed to provide a seven acre site for an elementary school on the military housing site adjacent to the residential area of NTC. Customary school fees will be paid by the builder of the NTC residential units at the time building permits are issued. The Redevelopment Agency is also required to pay a portion of the tax increment revenue to the School District.

## **E. CAPITAL IMPROVEMENTS**

Under the agreement worked out between the City of San Diego Redevelopment Agency and its Master Developer, the Master Developer will be required to provide the up-front funding for infrastructure improvements and rehabilitation. This funding is based on improvements defined in the

and rehabilitation. This funding is based on improvements defined in the City/Developer agreements. Financing will be provided by a combination of privately arranged equity and debt finance.

Due to the major up-front requirement for infrastructure, public land-secured financing is likely to be an essential component of the overall financing plan for public improvements. This public financing may take the form of an assessment district, community facilities district or other similar mechanism whereby tax exempt bonds are sold and are repaid through the levy of special taxes or assessments on the land.

## **F. MAINTENANCE AND OPERATION**

Provision for the maintenance and operations of public facilities and amenities should be made prior to construction. Measures to maintain and operate public facilities include City and Redevelopment Agency funds, user fees, service charges for public utilities, property taxes, and assessment districts.

In addition, the mechanism(s) for maintaining designated open space areas, landscaped areas, parking areas, and entry areas should be determined. Mechanisms available include project, community, or business associations; assessments or special taxes through a community-wide open space maintenance district; and private owner or lessee maintenance of areas under an open space easement.

## **G. SUPPLEMENTAL PLAN REQUIREMENTS**

Given the NTC use and development program, a number of specialized studies and approvals will be required to implement this Precise Plan. Some of those studies are described in Table 6.2, Supplemental Plans.

## **H. ENVIRONMENTAL REVIEW**

Under the terms of the California Environmental Quality Act (CEQA) and the City Land Development Code, all rezonings, subdivisions, use permits, and other discretionary acts required for implementation of this Plan are subject to environmental review. This review includes City staff analysis of the proposed project and related impacts, as well as a public review period.

In the case of NTC, an EIS/EIR was prepared by the U.S. Navy and the City's Environmental Services Division for the *NTC Reuse Plan*. That document covered program level impacts and mitigation measures identified in the EIS/EIR.







