

**Navy Old Town Campus Revitalization Agreement**  
**U.S. Navy / SANDAG**  
**23 January 2020**

**1. Preamble**

This Agreement is entered into between the United States Department of the Navy (“Navy”) and San Diego Association of Governments (“SANDAG”) (collectively, the “Parties”). The purpose of this Agreement is to supplement, not supersede, the “Agreement Regarding Naval Base Point Loma Old Town Campus” executed by the Secretary of the Navy and SANDAG in September 2019 (“September 2019 Agreement”).

The Navy has concluded a Request for Interest (“RFI”) process, to which SANDAG was a respondent. The Navy’s RFI process was performed to seek industry input on potential revitalization of the Naval Base Point Loma Old Town Campus (“Old Town Campus”) and construction of new Navy facilities. The Navy and SANDAG entered into the September 2019 Agreement to describe a planning process intended to lead to the redevelopment of the Old Town Campus, to include a potential Transit Center and the redevelopment of Navy facilities. Both Parties continue to explore alternatives related to revitalization of Old Town Campus, construction of Navy Facilities and Transportation Facilities. Further, obligations under this Agreement are contingent upon satisfying all applicable federal, state, and local requirements including, but not limited to National Environmental Policy Act (“NEPA”) and California Environmental Quality Act (“CEQA”), and executing the required real estate decision documents.

As specified below, the Navy and SANDAG agree to pursue property interest transfer(s) to allow for (i) constructing new, mission ready facilities for Naval Information Warfare Systems Command (“NAVWAR”) and the Navy’s other current Old Town Campus tenant commands (collectively, the “Navy Facilities”); (ii) evaluating the potential construction of a new SANDAG transit hub and subsequent separate airport connector facility to provide the travelling public with transit access to the San Diego International Airport (collectively, the “Transportation Facilities”); and (iii) facilitating mixed use real estate development (“Transit Oriented Development”) proximate to the Navy Facilities and the Transportation Facilities. The Navy Facilities, Transportation Facilities and Transit Oriented Development are referred to in this Agreement as the “Old Town Campus Revitalization.”

**2. Exclusivity**

The Navy agrees to engage with SANDAG on an exclusive basis regarding development of the Old Town Campus and the associated transfer by the Navy to SANDAG of certain real property interests owned at the Old Town Campus. As mutual consideration for this exclusivity, Navy and SANDAG agree that non-privileged products generated as a result of this Agreement, including but not limited to all elements of the Design Project Program and environmental studies, will be fully utilizable by both Parties. Further, SANDAG agrees to fund certain Navy administrative expenses, as mutually agreed upon by the Parties, in order to effectuate the September 2019 Agreement. This exclusivity is subject to the Termination provisions in Section 6 of this Agreement.

Navy and SANDAG confirm separately that they are authorized to enter into the exclusive arrangement described above.

### **3. Transfer of Navy Property to SANDAG**

#### **a. Transfer of Property Rights; Legal Authority**

Subject to receiving appropriate approvals and Section 6 of this Agreement, Navy may transfer to SANDAG (or other party mutually agreed upon by Navy and SANDAG) such real property interests in the Old Town Campus as may be necessary or appropriate to facilitate the transactions contemplated in this Agreement. This transfer of interests would be accomplished under existing legal authority or via appropriate legislation, as approved by the Navy, to be introduced as soon as reasonably feasible under the circumstances.

#### **b. Environmental Alternatives Analysis**

Each Party reserves its discretion under CEQA and NEPA, as applicable, to select other alternatives and/or a no project alternative.

#### **c. Nature of Real Property Interests to be Transferred**

The real property interests transferred may take the form of a long-term leasehold interest, a fee title interest or a combination of the two. The Parties will discuss and mutually agree upon the nature, timing, triggering event(s), terms and conditions for each proposed real property transfer.

#### **d. Timing of Real Property Transfers**

The possession of the property interests transferred to SANDAG (or other party mutually agreed upon by Navy and SANDAG) would occur on or after Navy's completion of NEPA review thereof and the final Record of Decision ("ROD"), if at all.

#### **e. Consideration**

In consideration for such transfer(s), subject to Section 6 of this Agreement, Navy would receive new, mission capable facilities for current Old Town Campus tenant commands, the specifics of which shall be mutually agreed upon by the Parties.

#### **f. Access to Property and Data**

- i. **Site Access.** The Navy will provide temporary access to the Old Town Campus to SANDAG and its representatives, consultants, contractors, agents, and employees, for the purpose of conducting environmental review activities and associated site investigative work. SANDAG understands and agrees that Navy will only provide such access during Navy's normal business hours and only to persons and entities to whom access can be reasonably granted in accordance with Navy security regulations and policies. The terms and procedures governing such access shall be the subject of a separate agreement between the Navy and SANDAG.

- ii. **Sharing of Data.** Navy will provide SANDAG with access to available unclassified information, data, and studies concerning the physical condition of the real estate and facilities at the Old Town Campus and any other unclassified information reasonably requested from time to time by SANDAG to perform appropriate due diligence. SANDAG shall provide Navy with copies of any tests, studies or analysis obtained or made by SANDAG about the Old Town Campus within ten business days after receipt by SANDAG.
  
- iii. **Licenses and Approvals.** SANDAG will ensure that all licenses, permits and governmental approvals required by applicable law are secured prior to performing any tests, studies, or analysis on the Old Town Campus property, and will coordinate the application process with the Navy prior to obtaining any necessary permits or governmental approvals. Navy will cooperate with SANDAG in securing necessary permits or governmental approvals to the extent reasonable and feasible under the circumstances.

#### **4. Industry Outreach**

During the duration of this Agreement, SANDAG will serve as the lead agency in connection with industry outreach on the Old Town Campus Revitalization, with the cooperation and assistance of Navy and in accordance with the roles and responsibilities to be outlined and agreed upon by the Parties. The industry outreach process is designed to ensure, among other things, financial feasibility and sufficient market interest.

The Parties will meet and confer to agree upon the roles and responsibilities of each Party and identify the optimal transactional and procurement structure. SANDAG will serve as the lead agency in connection with industry outreach and procurements on the Old Town Campus Revitalization.

#### **5. Schedule**

The Parties will meet and confer to develop an effective and efficient schedule and sequence of the various components of the Old Town Campus Revitalization so as to ensure timely completion of all components in an economically and commercially feasible manner. The Parties agree to the following process for the immediate next steps.

**a. Project Development Timeline (to be initiated by SANDAG by 31 January 2020):**

The Parties will develop a proposed timeline (the "Project Development Timeline") for the development of each component of the Old Town Campus Revitalization. The Project Development Timeline is subject to the mutual agreement of the Parties and to the NEPA/CEQA environmental review process.

**b. Design Project Program (to be provided by SANDAG by 28 February 2020):**

The Parties will meet and confer to facilitate SANDAG's development of a layout, site plan and floor plan of the Navy Facilities in accordance with Navy-provided technical requirements and guidelines. This Design Project Program will include an initial site plan and facility plan for the Navy Facilities.

**c. Term Sheet (to be agreed upon by Navy and SANDAG by 31 March 2020):**

Navy and SANDAG to work towards executing a term sheet outlining the basis for the agreements for the eventual transfer of real property interests in the Old Town Campus and completion of Navy Facilities. The Term Sheet shall also include the following from the September 2019 Agreement:

- i. Conceptual Plan of Financial Participation
- ii. Identification of Third-Party Agreements Required
- iii. Agreement on Potential Role of the Developer(s)
- iv. Solicitation Process and Timeline to include issuance of a Request for Expressions of Interest
- v. Plan and Timeline for initiating Design of Navy Facilities

**6. Termination**

This Agreement may be terminated in writing by either party if:

- a. There is a lack of substantive progress on the projects for any reason;
- b. There exist hazardous materials on the Old Town Campus that materially impact the feasibility of the Old Town Campus Revitalization;
- c. There is a failure of either party to receive necessary approvals or funding; or
- d. Either Navy or SANDAG select a different alternative.

**7. Confidentiality**

To the greatest extent allowable under applicable law, the Parties agree to maintain the confidentiality of all communications, documents, surveys, feasibility studies, appraisal reports, site investigative reports or other materials directly or indirectly generated by the Parties. To facilitate such confidentiality, the Parties agree to cause all consultants, advisors or contractors at whatever tier to execute a confidentiality and non-disclosure agreement in a form mutually agreeable to the Parties.

**8. Additional Agreements**

The Parties will enter into subsequent agreements after additional details emerge and corresponding commercial and legal terms have been discussed and agreed.

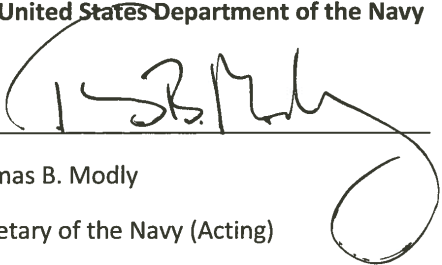
It is so agreed.

**The United States Department of the Navy**

By: \_\_\_\_\_

Thomas B. Modly

Secretary of the Navy (Acting)



**San Diego Association of Governments**

By: \_\_\_\_\_

Hasan Ikhata

Executive Director



**San Diego Association of Governments**

By: \_\_\_\_\_

Kevin L. Faulconer

SANDAG Board Member

