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Liberty Station Marketplace Receives Funding to Rehabilitate Five Historic Buildings in San Diego

By Alex Ruiz, Managing Editor, Novogradac & Company LLP

C.W. Clark, the developer charged with the preservation and renovation of five historic buildings at the former Naval Training Center in San Diego, Calif., has received approximately \$6.2 million in new markets tax credits (NMTC). The funding was realized through the collective efforts of public and private partners, including Border Communities Capital Company LLC and Bank of America. The bank is providing conventional construction lending and both NMTC lending and NMTC equity investment for the project. Advisers in the structuring included staff at The Corky McMillin Companies and the redevelopment agency of the city of San Diego.

"Tax credits allow projects to happen that are otherwise too expensive to be undertaken and completed," said Craig Clark, president of C.W. Clark. "Documentation, guarantees and operating parameters are extensive, and it took great team effort on the part of the finance departments at McMillin and C.W. Clark to put this financing in place."

The five buildings, totaling 160,000 square feet, are the barracks buildings and the base mall, all originally constructed in 1932; and the North Chapel, constructed in 1941. The buildings are being reused as a neighborhood serving marketplace. The architect and builder for the rehabilitation efforts are Heritage Architecture & Planning Inc., Nadel Architects Inc., and Legacy Building Services Inc., respectively. Now that funding is secured, the buildings are expected to be completed in second quarter 2007.

The 361-acre Liberty Station community, being developed jointly by the city of San Diego and The Corky McMillin Companies, includes 125 acres of parks, open space and a boat channel; shopping villages and restau-

rants; a 28-acre civic, arts and cultural district; the nine-hole Sail Ho Golf Club; an additional hotel site across the boat channel; and six schools. Nearly 350 families currently reside at Liberty Station and more than a dozen companies, with hundreds of employees, are doing business there. For more information, visit libertystation.com.

The neighborhood also qualifies for historic tax credits. In 1915, Assistant Secretary of the Navy Franklin D. Roosevelt first surveyed San Diego as a possible site for the country's newest Naval Training Center. Construction didn't begin until 1921 and by 1923 the first recruits arrived and a rich San Diego military history had begun. The first buildings constructed on the site included a mess hall, the first four barracks buildings, the dispensary, the fire station and the guards' quarters, among others.

During the war years of 1941-1945, the Naval Training Center continued to grow to accommodate the need for sailors. During the peak of World War II, in September of 1942, the population reached 33,000, the most that the station would ever see. Throughout the next 40 years, the center remained a vital part of the military effort even as late as the 1990s. With San Diego being home to more than a sixth of the Navy's fleet, the Naval Training Center played a key strategic role throughout the last century.

In 1993, the federal Base Realignment and Closure (BRAC) Commission slated the center for eventual closure. The Navy officially closed the Naval Training Center on April 30, 1997, and all military operations ceased. On April 27, 1994, the city of San Diego's reuse planning committee adopted a redevelopment plan for the center as an anchor for revitalization of the North Bay region. ❖

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Funding for Historic San Diego Buildings

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