



Maritime Industry of San Diego

September 6, 2013

Via Email

Councilmember David Alvarez
City of San Diego
202 C Street
San Diego, CA 92101
davidalvarez@sandiego.gov

Re: Barrio Logan Community Plan Update

Dear Councilmember Alvarez:

On behalf of the maritime industry, which includes shipyard owners, workers, suppliers, and Barrio Logan residents, we are extremely disappointed that we were unable to reach a solution on the Barrio Logan Community Plan Update (BLCPU). Despite our good faith efforts to meet with your policy advisor, Gabriel Solmer, and offer specific revisions to address the maritime industry's serious concerns about the long-term threat to its viability, we unfortunately have not reached a mutually acceptable resolution. Notwithstanding, we are submitting this letter collectively in order to memorialize our issues and proposed revisions.

As a group, we are concerned about two specific issues related to the BLCPU. First, any new zoning regulations should prohibit sensitive receptors, including but not limited to residents, schools, elder care and child care facilities or hospitals along Harbor Drive and Main Street between Evans and 28th Streets. Second, the shipyard suppliers and vendors should be allowed to do business by right in the same area (both requests are described in more technical detail below). These issues are of equal importance to the undersigned and non-negotiable because they have a direct impact on our ability to conduct business. On the other hand, if the City Council is willing to address these concerns, we will wholeheartedly support the BLCPU.

As a threshold matter, we believe the staff recommendation of proposed land use Scenario 1 will have detrimental impacts to the future of the maritime industry in San Diego and present more negative environmental impacts when compared to the existing Barrio Logan Community Plan and land use Scenario 2 as described in the environmental impact report. Furthermore, we are dismayed that City staff has intentionally withdrawn land use Scenario 2 from consideration, despite the City's significant investment in analyzing both Scenarios, and multiple assurances from City staff during the stakeholder outreach process that both Scenarios would be presented objectively and fully to the decision makers. It is our understanding that this omission was directed by former Mayor Bob Filner. At a minimum, we hope with his departure the City will honor its original commitment to present both land use Scenarios to the City Council for consideration on September 17, 2013.

Specifically, we believe the following changes must be made to the BLCPU in order to protect the long-term viability of the maritime industry:

1. Prohibit the establishment of sensitive receptors, as defined in the City of San Diego General Plan, between Harbor Drive, Newton Avenue, Evans Street and 28th Street (outlined in the red box on the map attached to this letter);
2. Zone the area between Harbor Drive, Newton Avenue, Evans Street and 28th Street CO-2-2 and make Maritime Industry and Maritime Related Uses permitted by right; and
3. Designate and zone the property located at 3202 Main Street as Heavy Industrial.

Collectively, the San Diego region has a lot invested in the Barrio Logan community. We recognize that the City has spent five years and over \$3 million on the BLCPU process. But it should be noted that the shipyards and maritime businesses have invested over \$300 million in operational upgrades and environmental remediation in the past decade. As a result, we have a responsibility and obligation to protect these investments and the more than 45,000 employees who work in the maritime industry and contribute \$14 billion annually to San Diego's economy.

The United States Navy does not have its own shipyards in San Diego. They rely on the maritime industry to repair and build their ships. If our industry is ultimately forced out, the shipyards will close and the Navy will go elsewhere for service, and once the shipyards are gone, they will never come back to San Diego.

As stated above, we are committed to supporting a solution, which precludes sensitive receptors within 1,000 feet of the shipyards' front doors and provides a safe haven for maritime businesses to operate within the identified area. However, if the City Council approves the BLCPU without including the provisions described above, we are prepared to referend the City Council's decision to ensure that our employees and our industry are protected well into the future.

Very truly yours,



Frederick J. Harris
President
General Dynamics NASSCO



Robert Kilpatrick
Vice President & General Manager
BAE Systems



Daniel L. Flood
Vice President & General Manager
Continental Maritime of San Diego



Jerry Gray
Owner
Sloan Electromechanical Service & Sales



Glenna Schmidt
General Manager
Mitchell Investments



Ernie Martinez
General Manager
Performance Contracting, Inc.



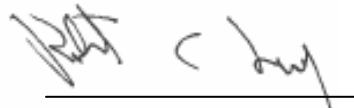
David Bain
Owner
Pacific Ship Repair & Fabrication, Inc.



Derry Pence
President
San Diego Ship Repair Association



Ruben Andrews
President & Founder
Graphic Solutions



Robert C. Leif
Property Owner



Matt Carr
President
California Marine Cleaning



Derek M. Bateman
President
Pacific Marine Propeller



David J. Duea
Owner
Fire Etc.

September 6, 2013

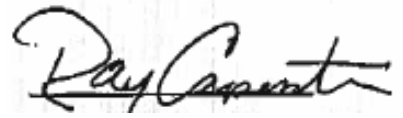
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Bill Hall
Chairman
San Diego Port Tenants Association



Jack Monger
Executive Director
Industrial Environmental Association



Ray Carpenter
President
R.E. Staite Engineering Inc.

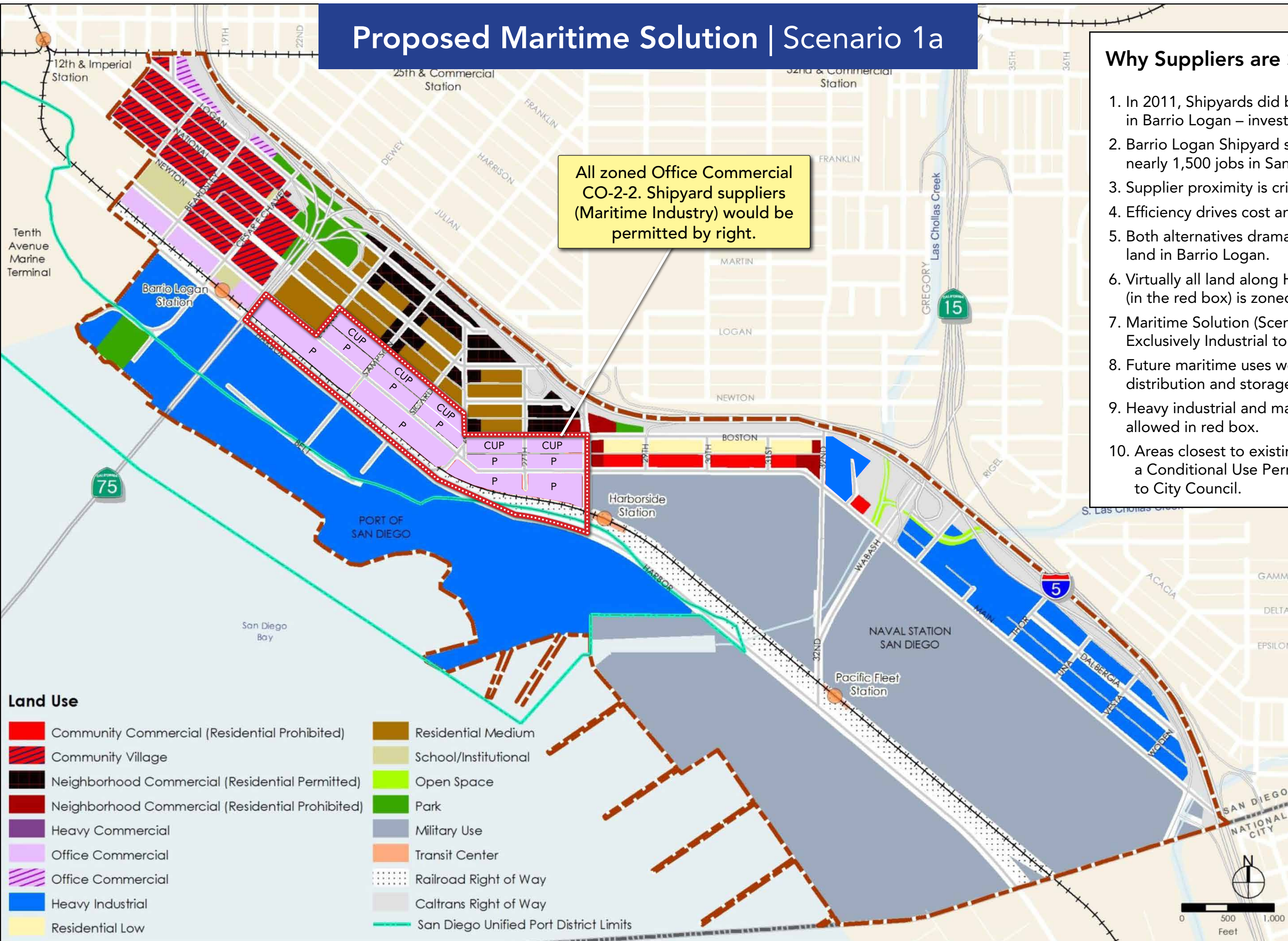
cc: Mayor and Council President Todd Gloria
Council President Pro Tem Sherri Lightner
Councilmember Kevin Faulconer
Councilmember Myrtle Cole
Councilmember Mark Kersey
Councilmember Lorie Zapf
Councilmember Scott Sherman
Councilmember Marti Emerald
Congressman Darrell Issa, 49th District
Congressman Duncan Hunter, 50th District
Congressman Juan Vargas, 51st District
Congressman Scott Peters, 52nd District
Congresswoman Susan Davis, 53rd District
Chairwoman Ann Moore, Board of Port Commissioners
Vice Chairman Bob Nelson, Board of Port Commissioners
Dan Malcolm, Secretary, Board of Port Commissioners
Lou Smith, Board of Port Commissioners
Robert "Dukie" Valderrama, Board of Port Commissioners
Rafael Castellanos, Board of Port Commissioners
Marshall Merrifield, Board of Port Commissioners
Kanani Brown, California Coastal Commission
Vice Admiral Thomas H. Copeman III, Commander Naval Surface Force, U.S. Pacific Fleet
Rear Admiral Patrick J. Lorge, Commander, Navy Region Southwest
Captain Curt Jones, Commanding Officer, U.S. Navy

Proposed Maritime Solution | Scenario 1a

All zoned Office Commercial CO-2-2. Shipyard suppliers (Maritime Industry) would be permitted by right.

Why Suppliers are So Critical to Shipyards

1. In 2011, Shipyards did business with 80+ companies in Barrio Logan – investment of \$145 million.
2. Barrio Logan Shipyard suppliers are responsible for nearly 1,500 jobs in San Diego.
3. Supplier proximity is critical to Shipyard efficiency.
4. Efficiency drives cost and cost drives competitiveness.
5. Both alternatives dramatically reduce existing industrial land in Barrio Logan.
6. Virtually all land along Harbor Drive and Main Street (in the red box) is zoned exclusively industrial today.
7. Maritime Solution (Scenario 1a) changes zoning from Exclusively Industrial to Office Commercial
8. Future maritime uses would be limited to production, distribution and storage in red box.
9. Heavy industrial and manufacturing would not be allowed in red box.
10. Areas closest to existing residential would require a Conditional Use Permit (CUP) which is appealable to City Council.



DRAFT

