

Story by David Malcolm, Councilmember 1982-1992 (term was extended twice)

During my tenure on the Chula Vista City Council, the City accomplished the Montgomery annexation, the largest inhabited annexation in California history. Many streets in the Montgomery area had no sidewalks. Parks were as rare as lease terns on San Diego Bay and police, fire and library services were not up to Chula Vista's standards. The City Council believed that by annexing Montgomery to Chula Vista, the quality of life for Montgomery area residents and for Chula Vistans who lived near the area could be improved.

During my term on the Council, the City negotiated the land use and density transfer to make the building of the Olympic Training Center a reality. At Ernie Hahn's request, I took Conrad Hilton to the undeveloped site. He donated a million dollars to help fund its initial construction.

The most dangerous stretch of highway in California was Interstate 5 between National City's 24<sup>th</sup> Street and Chula Vista's E Street. The project to connect Interstate 5 and Interstate 805 (SR-54) was delayed by concerns over least tern habitat and construction costs increased by tens of millions of dollars. The "bridge to nowhere" finally opened in December 1990.

The land currently occupied by Cricket Amphitheater was de-annexed from the City of San Diego and was annexed to the City of Chula Vista. Later, as Chula Vista's Port Commissioner, I wanted the Amphitheater located on the waterfront, and that a waterfront location was superior. I favored a 'Sydney Opera House' type facility on San Diego's waterfront that would provide a Cultural Center for Chula Vista for decades to come -- a venue that would demand first class productions.

The master planned community now known as Eastlake was approved.

In the late 80s, early 90s, people thought the City Council was crazy in thinking about creating gated communities in what is now Rancho Del Rey. The Council thought that while we had plenty of low cost housing, higher end housing was needed. Many people thought high end housing was not needed in the South Bay. Planning Commissioner Shirley Horton was a proponent of gated communities. After much discussion and on split votes, the City Council decided that gated communities added a balance to Chula Vista, serving all levels of family income.

After leaving the City Council, the Mayor and City Council appointed me as Chula Vista's Commissioner to the Port of San Diego. As Port Chair in 1998, I worked with State Senator Steve Peace (Chairman of the Senate Finance Committee), Supervisor Greg Cox (Chairman of the County Board of Supervisors) and Mayor Shirley Horton to lay the groundwork that would change the face of Chula Vista's waterfront for decades to come.

The Port of San Diego was created in 1963 with the waterfront areas of San Diego, Coronado, National City, Imperial Beach and Chula Vista, covering about 2,400 acres. In

1998, the Port acquired nearly 2,400 acres of land in the South Bay. Doubling the size of the Port were Western Salt Works, the South Bay Power Plant site and land owned by Goodrich Aerostructures (formerly Rohr Corporation) between H and J Streets and between Interstate 5 and the waterfront. These acquisitions also allowed the creation of the Sweetwater National Wildlife Refuge, forever preserving thousands of acres of open space.

The team sought a way to tear down the South Bay Power Plant. When Senator Peace created the legislative opportunity to acquire the Plant and nearly 200 acres of land, the Port gave me, as Port Chairman, clear conditions:

1. The Port would put up no money, and
2. The Port would provide no credit for the purchase of the \$200 million dollar asset.

I convinced San Diego Gas & Electric (SDG&E) to donate the acreage for an approximately \$100 million tax deductible receipt, and have Duke Energy, a North Carolina power company, pay \$115 million up front for the right to operate the plant for 10 years. The Port then paid SDG&E \$110 million in cash plus the tax deductible receipt in exchange for the land and power plant, thus fulfilling the Port's requirements of No Cash and No Credit. The lease covered the Plant's purchase price and the Port got the land for free.

The acquisition of the power plant site and SDG&E's ownership of land, 250 feet wide from the Power Plant all the way to F Street (the right of way occupied by the power transmission lines) allowed the clean-up of Chula Vista's waterfront its ultimate development.

As part of the purchase price, Duke Energy bore the approximate \$70 million dollar cost to demolish the Plant, remove the materials and remediate (clear up pollutants in both the water and soil and restore the site). At the close of escrow, \$5 million (the difference between the purchase price and Duke Energy's upfront payment) was given to taxpayers by way of the Port. Nearly 200 acres of land was acquired by the Port for free.

This was possibly one of the single best financial deals in California's history. The plant's demolition adds between \$50 and \$100 per square foot for the 16 million square feet in and around the power plant property. If downtown San Diego land is worth \$100 a square foot and waterfront San Diego land is worth five times that, then Chula Vista's waterfront land property could be as high as \$1.6 billion. I can't think of a better gift to leave the citizens of Chula Vista.

In 2010, with help from former Senator Peace, the Environmental Health Coalition's Laura Hunter, Chula Vista Mayor Cheryl Cox, Councilmember Pamela Bensoussan and I the California Independent Service Operators (CAISO) was convinced to end the Plant's operations. On December 31, 2010, the switch was turned off. I look forward to the Plant being demolished and remediation taking place in order to open up this portion of the bayfront for Chula Vista's residents and visitors.