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CHARLESTON NAVAL COMPLEX BASE DEVELOPMENT STUDY FINAL REPORT CNC  
CHARLESTON SC  
3/1/1998  
FLUOR DANIEL TEAM

Charleston Naval Complex  
Base Development Study  
Final Report

Prepared For:  
Charleston Naval Complex  
Redevelopment Authority

Prepared By:  
The Fluor Daniel Team

Fluor Daniel Consulting  
North American Realty Advisory Services  
Kutak Rock  
TerCorp

March 1998



**Fluor Daniel Consulting**

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Fluor Daniel Consulting has been engaged by the Charleston Naval Complex Redevelopment Authority to assist them in preparing for conveyance of Naval base property from the U.S. Navy. The Fluor Daniel Consulting team consists of Fluor Daniel Consulting (Greenville, SC), North American Realty Advisory Services (New York, NY), Kutak Rock (Washington, DC) and TerCorp (Austin, TX).

The fundamental approach to the project was clear from the RDA's Request for Proposal as well as communications from the RDA in the pre-proposal conference and subsequent selection of Fluor Daniel. The RDA was seeking a market-driven approach to development and conveyance that was designed for implementation; the Fluor Daniel Consulting team was created with that very approach in mind. As a result, this report is based upon sound private sector business practices: market-based appraisals, market-driven development planning, and experience-based conveyance strategies.

This effort required activity in four broad areas:

1. Reuse Plan

Examine the 1994 Reuse Plan to determine its viability as a development plan for the RDA. In particular, the team evaluated the various scenarios of the Reuse Plan, with particular emphasis on Scenario 3B. Then, based on our team's perspectives of real estate development, recommended modifications to the Reuse Plan.

## 2. Appraisals

The RDA requested two distinct property appraisals be completed. (This approach was designed to best prepare the RDA to address the requirements of conveyance application and price negotiations.) The Fluor Daniel Consulting team determined an "As-Is" valuation. Then, the team determined a market valuation based upon the property's highest and best use.

## 3. Development Plan

Upon completing review of the 1994 Reuse Plan, the Fluor Daniel Consulting team crafted a Base Reuse Plan for development. Based upon extensive market research and evaluation, the Plan takes into account local, regional and national market forces, financial viability (costs and returns analysis), political sensitivities, economic development possibilities (job creation and tax revenue goals), local implementation issues, and private investment return requirements. In addition, as requested in the RFP, the Base Reuse Plan examines in more detail the historic officers quarters areas, using the RDA's preference that the Reuse Plan be sensitive to historic preservation.

## 4. Conveyance Strategy / Application

Finally, this project is to provide a conveyance strategy and conveyance application. This entails consideration of the various types of conveyance available to the RDA, identification of the strengths and weaknesses of such options, and finally preparation of a conveyance application.

With this document, and with completion of the conveyance application in April, the Charleston Naval Complex Redevelopment Authority is "at the doorstep" of negotiations with the Navy. (In fact, as part of our due diligence in such areas as development planning and environmental evaluation, lines of

communication regarding this plan and conveyance application have already been with established with key Navy representatives.)

## **I. Present Situation**

When the U.S. Navy officially closed the Charleston Naval Base in April, 1996, the 1,514 acre property, with its 7,700,000 square feet of space in over 600 buildings, became surplus to the needs of the Navy and the Department of Defense. Fortunately, through the efforts of the Charleston Naval Complex Redevelopment Authority (CNC RDA), created in anticipation of Base closure in 1994, the Base's shipyard and numerous building assets were immediately put to interim use. Job retention and creation was the RDA's goal.

A Reuse Plan, prepared in 1994, recommended a reuse alternative that included a large port maritime facility for most of the Base's industrial land. Extensive demolition and infrastructure improvements on and off-site were required. The City of North Charleston initially accepted, then turned against the Reuse Plan and refused to endorse it. This event effectively delayed the process of transfer of the property to the RDA and created the need to re-examine the Reuse Plan. As a result, evaluation of the Reuse Plan had to account for local sensitivities with regard to long term land use plans for the Base property. This, of course, has to be balanced against the fact the Reuse Plan, as accepted by the Navy, has important legal standing as the basis for the Navy's Final Environmental Impact Statement and subsequent Record of Decision.

Today, the CNC supports over 3,700 governmental and private-sector jobs in businesses and agencies that occupy 60% of the existing buildings. Several U.S. government agencies and departments have made long-term space commitments. Many of the private sector occupancy agreements are short-term interim leases or licenses that, to make more permanent, will require re-negotiation once the RDA takes ownership. The CNC facility is operating in a "caretaker" status that

enables the Navy to provide funding to the RDA to pay for much of the costs of operation and up-keep of the property prior to transfer. This funding is scheduled to expire in 1998, unless extended by the Navy.

## II. Base Development Plan

The Base Development Study achieves the following goals:

- **Provide fair market valuations**, for the land and building assets “as is”, and for highest and best use development, to be used in acquisition negotiations with the Navy;
- **Present a vision for reuse and development of the property**, with a “road map” for obtaining municipal approvals, and support from various business and public sector stakeholders in the city, county, and region, recognizing that their endorsements are crucial for success of the Base’s long-term redevelopment;
- **Set forth an operations, marketing and management strategy** that responds to potential mixed-use markets in the Charleston region;
- **Frame the opportunity, in financial terms**, for use by private sector businesses, investors and developers, to help them respond to opportunities at the Base;
- **Provide a foundation upon which the RDA** will redefine its future role as master developer, and fulfill its economic development mission for eventual private sector ownership of the property.

## **Reuse Plan**

The marketplace has set the tone for the CNC's Reuse Plan, by producing interim occupants of the CNC's building assets, primarily industrial (shipyard) and office (government/public sector).

The recommended modifications to the 1994 Reuse Plan considers elements from Scenario 1 (existing assets) and 3 (maritime cargo 3a and industrial 3b), with selective demolition of obsolete and unusable buildings.

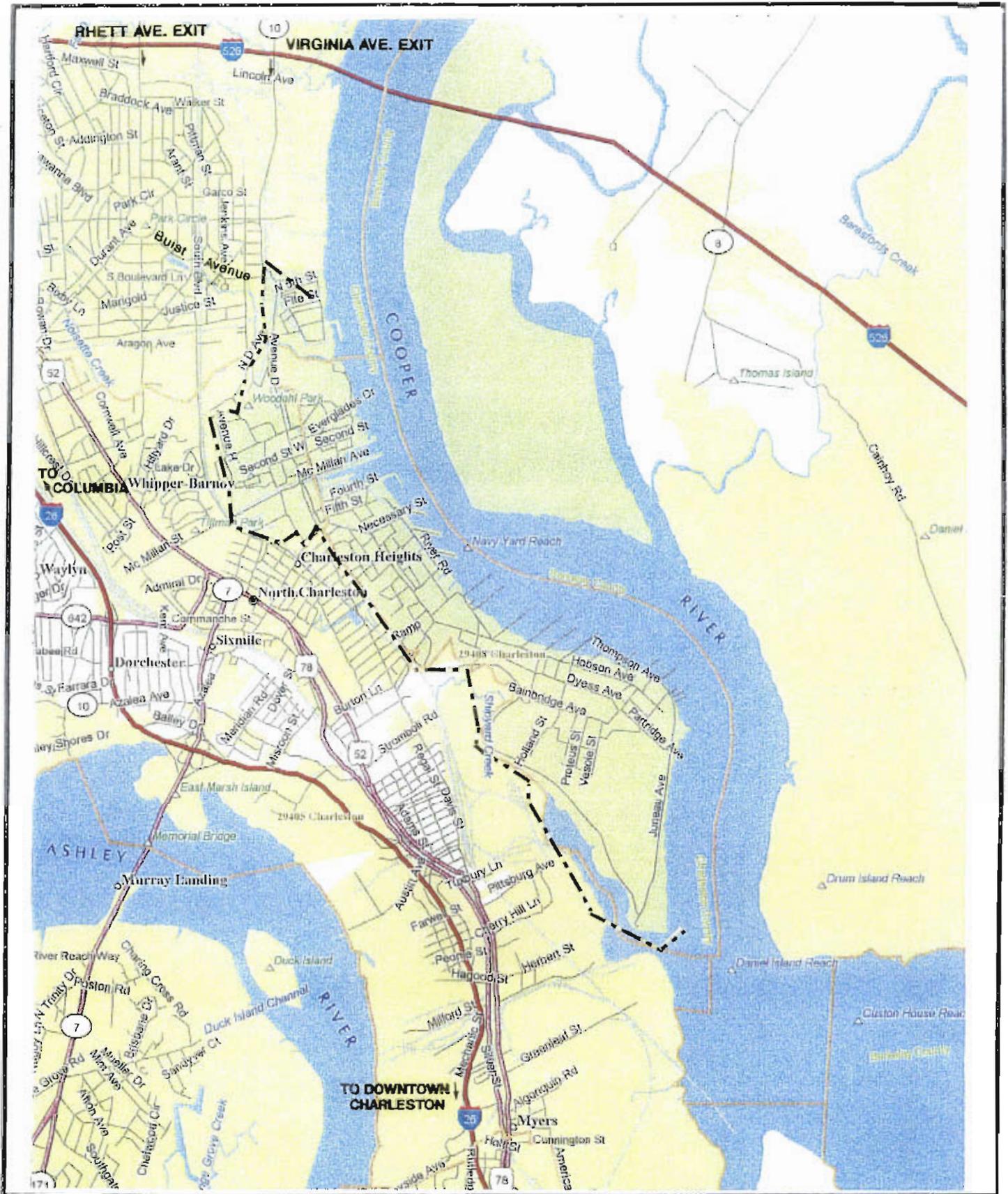
Major modifications to the 1994 Reuse Plan are:

- **A port maritime (cargo) facility and railyard** of reduced size, in an open space area, using a “less is more” approach that permits selected demolition;
- **A residential development scheme** that combines retirement, lodging, recreation and community uses with a separate identity;
- **A technology-oriented training and education campus**, featuring a “distance learning center” concept, that utilizes building assets originally slated for demolition;
- **An industrial Research & Development (R&D) “flex” business park**, that will house small to mid-sized companies in multi-tenant or build-to-suit facilities, in a commercial setting, with a separate identity.
- **Surface roadway improvements** that reuse and upgrade the existing infrastructure and provide required modifications, at a reasonable cost;

Modifications to the 1994 Reuse Plan will enable development of the CNC that will conform to the Navy's Final Environmental Impact Statement (FEIS) and subsequent Record of Decision (ROD).

In summary, the Base Reuse Plan has the following characteristics:

- Six employment centers, consisting of **3 industrial** (shipyard, marine mfg. / distribution, port maritime), **2 office** (business / government, education / training), and **1 residential** (lodging / retirement), are combined to create a mixed-use master planned development;
- The Reuse Plan creates 14 marketing districts based upon land use zoning categories, incorporated under the City's Planned Development District (PDD) zone;
- The Plan will yield an estimated 6,865,734 net square feet of space in renovated and newly constructed buildings, on 1,232 usable acres;
- Surface infrastructure, such as roadways and utilities, are in serviceable condition, requiring modest upgrades and repairs; and
- Subsurface infrastructure, such as water, sanitary sewer and stormwater drainage, require repairs and maintenance that can be phased in over a manageable timeframe.

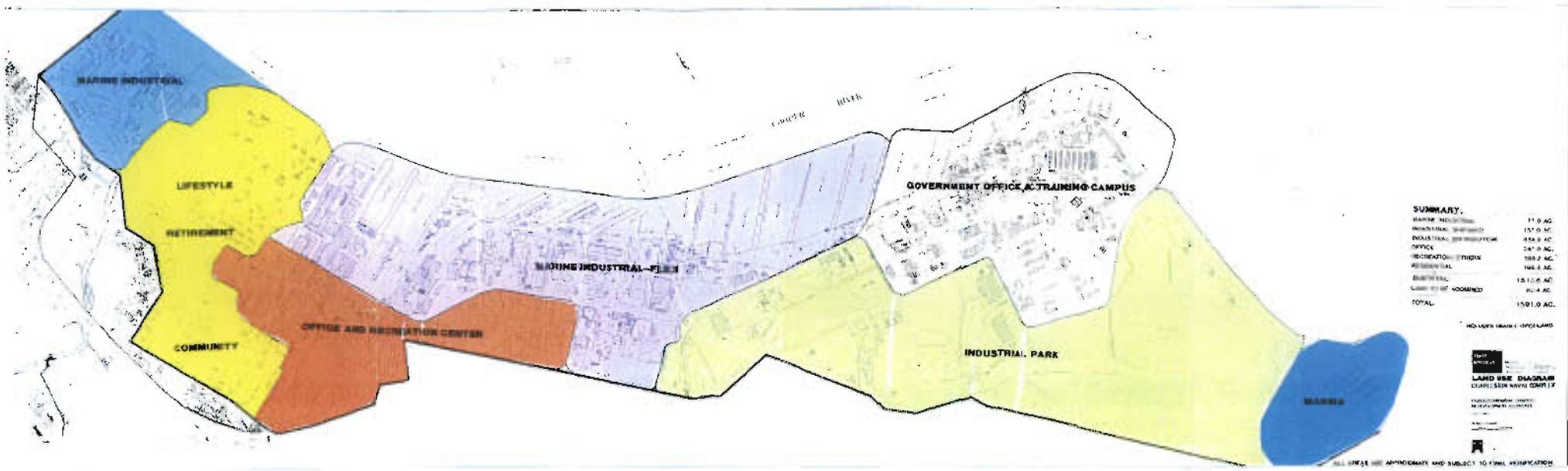


**North American** Realty Advisory Services

**SITE LOCATION MAP**

Charleston Naval Complex  
Charleston, S.C.

This drawing is not a survey. It is a conceptual plan. All measurements are approximate and subject to final verification.

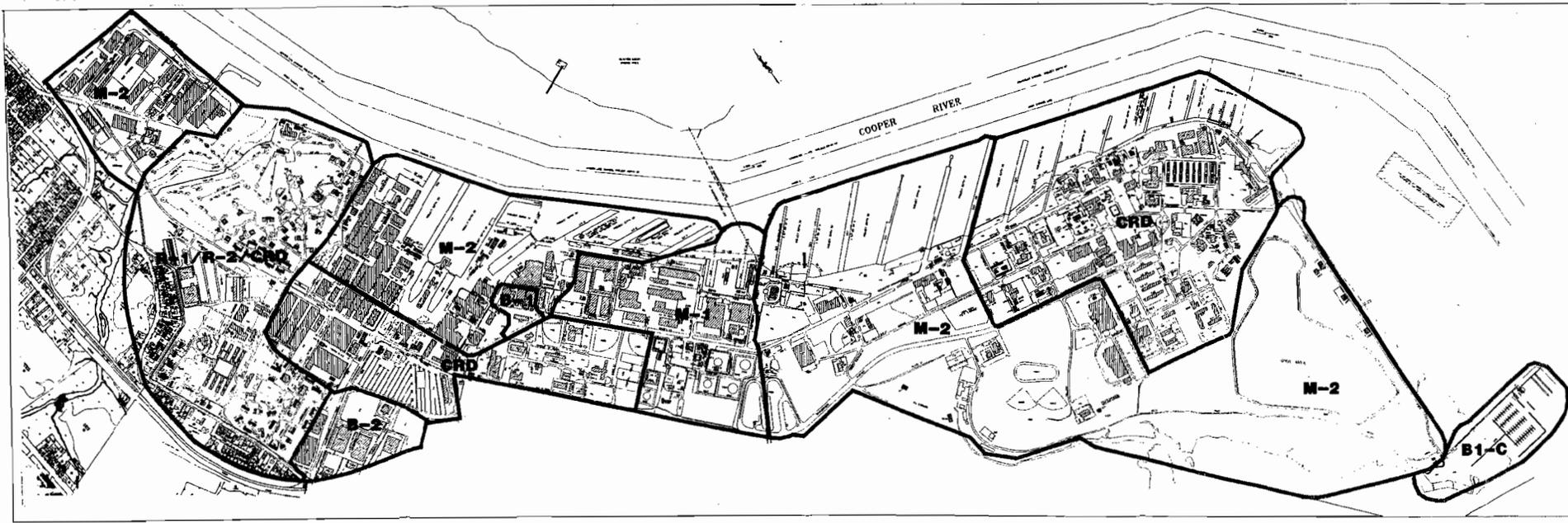


**SUMMARY:**

WATER	11.0 AC
INDUSTRIAL	157.0 AC
INDUSTRIAL DEVELOPMENT	852.0 AC
OFFICE	247.0 AC
RECREATION / TRAILS	188.2 AC
RESIDENTIAL	146.4 AC
SUBTOTAL	1531.6 AC
LAND TO BE ACQUIRED	80.4 AC
<b>TOTAL</b>	<b>1612.0 AC</b>

NO OPEN SPACE OFFERED

**LAND USE DIAGRAM**  
 DEVELOPMENT PLAN  
 PREPARED BY: [Logo]  
 DATE: [Date]  
 ALL DIMENSIONS APPROXIMATE AND SUBJECT TO FINAL VERIFICATION



### III. Activities to Date

Over the course of this study, we have proceeded along the following lines to complete the required tasks:

- Inspected the site, buildings, and their environs.
- Analyzed the local zoning, land-use and subdivision ordinances affecting the property.
- Reviewed the following documents, supplied to the Team by the RDA:
  - Summary report of the Charleston Naval Complex Reuse Plan of June, 1994, and its accompanying Technical Resource Notebook;
  - Final Environmental Impact Statement for Disposal and Reuse of the Charleston Naval Base;
  - DoD Base Reuse Implementation Manual (BRIM);
  - Charleston Naval Shipyard Facility Layaway Standards;
  - RDA enabling legislation, policies, procedures and by-laws.
  - Programmatic Agreement (historic areas);
  - U.S. Navy's Record of Decision for the Disposal and Reuse of the Charleston Naval Base;
  - Leases and lease abstracts for the interim use occupants on the property.

- Met with municipal, county and regional planning officials to discuss ideas, exchange viewpoints, and review the range of reuse alternatives;
- Met with two Charleston-based traffic consultants/engineers, who have knowledge and involvement with the Base, to receive their professional opinions, and communicate on infrastructure repair and maintenance issues;
- Analyzed the physical characteristics of the land, buildings, utilities and infrastructure, to define how new uses could be positioned on the land, and how the existing buildings could be reutilized;
- Received input from the Navy's Environmental Detachment about environmental conditions, currently under management by the Navy's environmental, engineering, and remediation consultants and staff;
- Met with local elected officials to establish lines of communication, cooperation, and mutual assistance;
- Met with, over the course of the study, Navy and staff members of the Naval Facilities Engineering Command/Southern Division (South Div.) to establish early lines of communication, and solicit their input with reuse planning issues;
- Upon the Navy's suggestion, set up communication with the consultant team involved with the reuse plan for the Navy's Naval Training Center in Orlando, Florida, to share insights on the various issues of reuse and conveyance, that could be applicable to the program at the Charleston Naval Complex;
- Met with and established communication with business and public sector leaders, to discuss a reuse vision and development program, and elicit their comments and suggestions.

- Interviewed local and regional real estate developers and brokers, investors, economic development officials, government leaders, retirement and healthcare professionals, and others to receive their insights and to validate the mixed-use components of the reuse plan and the property appraisal;
- Evaluated the 1994 Reuse Plan's Scenario 3b, and its original alternatives 1 through 3 to create a modified reuse plan, development vision, marketing districts, and phasing for the property;
- Provided a certified summary appraisal of the naval complex as a whole and for each of the marketing districts recommended in the modified reuse plan;
- Reviewed a reuse plan sketch with the Navy's Environmental Detachment, consultants and state regulators, to obtain comments and establish on-going communication;
- Created land use, zoning, demolition and marketing district plans for the property, based on the technical, market, environmental and financial analysis, for use in obtaining local municipal approvals;
- Created land use and illustrative concept plans for the former golf course and Naval Base Senior Officers Housing historic district, to illustrate a potential market supported reuse of this particular area;
- Prepared *pro-forma* analyses for the reuse, development and operation of the land and buildings, based on the modified reuse plan for the property, to help characterize the RDA's alternatives in financial terms, and determine the most viable strategic reuse program and acquisition approach;

- Identified community benefits, in the form of potential tax revenues, new job opportunities and designated low-cost or donated property, based on the recommended modifications to the 1994 Reuse Plan;
- Prepared a recommended action program to obtain municipal approvals, stakeholder support and endorsements, to create value toward the timely acquisition of the property, and the eventual sale/lease of the land and buildings to the private sector.

#### **IV. Findings and Conclusions**

##### **A. Land and Buildings**

1. The Base consists of 1,514 acres of land with existing buildings and structures estimated to total 7,700,000 square feet of space.
2. Over 60%, or 4,647,000 square feet of the existing buildings are occupied by users with private business or government operations.
3. The majority of businesses occupy space under short-term lease or licensing agreements, while the government users either own or occupy their space rent-free.
4. Of the total existing building's square footage of 7,700,000, about 1,000,000 square feet is slated for demolition. The net useable square footage is estimated to be 6,565,000 square feet, including new space to be built.
5. Overall, the Base's environmental remediation program is predictable and appears manageable, but will require a phased approach. Abatement costs for asbestos, to reuse existing office and residential buildings, will add to development costs.

## B. Zoning

1. The municipality of North Charleston controls the development and reuse of the property through land-use planning, zoning and subdivision approvals that will be required for eventual private sector ownership to occur.
2. As a result of our outreach to municipal officials, the recommended modifications to the 1994 Reuse Plan can receive their support by addressing their immediate and long-range land use concerns, while providing community benefits that include new recreational areas, low-cost and donated assets, new job opportunities and increased tax revenues;

## C. Additional Findings and Conclusions

- The logical buyer of the Base is the CNC RDA, serving as economic developer, to raise public sector funds for infrastructure and off-site improvements for the goals of long-term job retention and creation;
- To achieve economic and community goals, the best reuse scheme is for a mixed-use development that makes optimum use of the Base's existing industrial, office, residential, waterfront and recreational assets;
- The Base's historic residential areas (Naval Hospital/Senior Officers Housing) can be largely preserved and reused for a combination of lodging, retirement, convention and recreational uses, for which a market exists;
- The CNC's mixed uses of industrial, office, residential and recreational, share a common infrastructure, and must operationally interrelate, until the property is under public sector control of the roadways, water, sewer, and stormwater systems;

- The Navy’s Clouter Island dredge disposal area must be available, in perpetuity, for future dredging requirements;

## **V. Implementation**

- To realize long-term private sector capital investment in the Base, a clearly defined development vision, marketing strategy, financial structure for acquisition and infrastructure improvements, and land use approvals must be in place;
- Successful reuse and disposition of the property by the RDA will hinge on effective negotiation for required city zoning and subdivision approvals. The City has suggested use of a master planning approach for long-term phased reuse of the entire property;
- Based on market research, regional office and industrial space absorption is steady and predictable. To accomplish lease-up goals for over 2.6 million square feet of space, marketing districts created for the Base should be packaged as “new product” based on reuse for industrial, office, residential, etc., and aimed directly to targeted users, developers and investors;
- To achieve the targeted results, in a timely fashion, the required municipal approvals, acquisition negotiations with the Navy, environmental remediation work plan/clean-up, off-site acquisition/ implementation and negotiations, and targeted marketing, should all occur simultaneously, in a coordinated fashion, under the RDA’s control.

## VI. Evaluation of Reuse Plan's Scenario 3B and Recommended Modifications

### A. Introduction

The CNC's 1994 Reuse Plan considered three reuse scenarios for the property as follows:

**Scenario 1** – Asset Management Plan. Emphasizes optimum reuse of existing assets. Focus on management, maintenance and response to market opportunities. Limited and selective redevelopment of the land, existing buildings and infrastructure, as required to attract and maintain jobs in the community. Lowest cost.

**Scenario 2** – Community Redevelopment Plan. Redevelopment of the property with emphasis on creating extensive open landscaped waterfront park areas for public use and recreational purposes, specialty retail oriented toward tourists, and Class "A" office development, with extensive demolition, and reuse of key building assets. High cost.

**Scenario 3** – Civil and Marine Resource Plan. Redevelopment of the property, with emphasis on developing a large, ten-berth port maritime distribution (container cargo) facility, requiring massive demolition, infrastructure upgrades, extensive off-site improvements, with office and industrial parks and numerous open community-oriented areas for public use and recreation. Highest cost.

All three scenarios would retain the Base's shipyard facilities. The third scenario was divided into two versions. **3A** related to the location of the maritime cargo use, while **3B** related to substituting additional maritime

(shipyard oriented) industrial uses on over 400 acres of land proposed for maritime cargo/intermodal rail use in Scenario 3A.

The Reuse Plan's recommended Scenario 3, in both its A and B versions, was the reuse alternative endorsed by the Navy in its 1995 Final Environmental Impact Statement (FEIS), and subsequent Record of Decision (ROD). These documents established the federal government's acceptance of the reuse plan, in terms of required mitigation of environmental contamination, impacts to plant and wildlife species, and long-range community impacts, such as traffic, air and water quality.

Over the past several years, before and after the Navy officially closed the Naval base in 1996, the property has been in the process of integration into the economic, political, and physical structure of the City of North Charleston and surrounding communities. No formal reuse plan has been officially implemented at the CNC. Activity has focused on the management and maintenance elements, and response to market opportunities indicated in the Reuse Plan's Scenario 1, with the RDA in the role of caretaker.

Our evaluation of the 1994 Reuse Plan focused on use of its planning analysis as a baseline document, with its supporting conceptual land use graphics. The Naval Base, as a whole, is placed into the urban context of the City of North Charleston and the adjacent neighborhoods. Cumulative impacts from the proposed reuse and development of the Base were analyzed to characterize off-site infrastructure improvements. An important planning objective of the modified Reuse Plan, is to create marketable opportunities for private sector development of the Base's residential and hospital historic districts, industrial and office land and building assets.

Modifications to the 1994 Reuse Plan for the CNC are based on a variety of factors, including the location and configuration of the site, existing uses, market considerations, site access, utility services and zoning, environmental and governmental regulations. The physical planning team analyzed the buildings and land, and evaluated them as to usefulness and marketability. This was based on site inspections, a review of existing site and building plans, discussions with RDA and Navy personnel, community leaders and periodic discussions with City officials.

The recommended modifications to the 1994 Reuse Plan are intended to assure fulfillment of the RDA's mission to encourage private sector ownership of the property. This requires that the Reuse Plan's modifications, strategy and implementation be:

- **Market supportable**, for uses that meet market needs, or for markets that can be created;
- **Physically sustainable**, for reuse of historic and readily adaptable buildings and existing infrastructure, at the least cost and disruption;
- **Financially feasible**, by justifying investment of public and private sector funds, whereby the Navy's property, and the State's infrastructure funding, are leveraged to permit realistic returns for private sector ownership and reuse, while assuring future pay-back to the Navy and State from sale proceeds and long-term job creation;
- **Politically realistic**, by securing endorsement and support of municipal officials for a mutually beneficial reuse of the property;
- **Environmentally compatible**, by creating a reuse development scheme that adheres to regulations for remediation, and related environmental controls.

The CNC operated as a single entity over its many years of Navy stewardship. It became a fully integrated self-contained base. Its specialized purposes did not require sensitivity to adjacent land uses, such as residential and office abutting heavy industrial.

The Reuse Plan has been modified to incorporate a strategy for reuse, development and marketing. It includes the elements of a real estate Master Plan, based on creating functional environments in separate land use areas, united with a *common infrastructure* and "*common area*" management plan.

The Reuse Plan provides the basis for estimating projected financial returns, as well as development costs. The Plan also provides the basis for supporting the valuations to be used in acquisition negotiations with the Navy, and for obtaining required governmental approvals. On both practical and conceptual levels, the Plan identifies potential multiple market-driven land uses and reuse of existing buildings. Site access, roadway and infrastructure issues are addressed, including recommended off-site acquisitions and improvements.

#### B. Reuse of the Site

The recommended Reuse Plan combines elements of the 1994 Plan's Scenarios 1 and 3A, by encouraging optimum reuse of existing buildings and infrastructure assets, and selectively demolishing obsolete and derelict buildings, structures, and systems. We recommend incorporating scaled-down port maritime distribution facilities.

The objective is to create a financially self-supporting CNC project, with built-in flexibility to attract mixed uses and phased private sector development. All in response to a targeted marketing program to attract private sector involvement by new businesses, developers and investors.

### *Land and Buildings*

To enable transfer to the private sector, the property will be transformed into a mixed-use development composed of four land use categories, based on future reuse and development of existing buildings and land. These categories will support six employment centers and consist of:

- **An industrial center**, consisting of three use components of shipyard, marine industrial and distribution, with port maritime cargo facilities.

The majority of the CNC's land and buildings are industrial in character and will remain so. Shipyard and marine uses will dominate, while the remainder of the acreage will support marine-oriented light industrial uses, such as distribution, fabrication and assembly. A "less-is-more" approach to development of a maritime cargo distribution facility, appears to have political support, if the facilities are smaller than originally proposed, and limited to a combination of roll-on/roll-off and smaller scale container cargo uses.

- **Two commercial-office districts**, intended for general business and governmental use, with education and training facilities;

The principal office center will be situated between the Shipyard and Naval Hospital Historical Districts, and contain most of the existing buildings clustered along Avenue 'D' between McMillan and Turnbull Avenues. A second office, and education/technology training center, will be located at the former Naval Station area, and contain the existing buildings clustered along Hobson, Dyess and Bainbridge Avenues, between Holland and Osprey Streets.

Both office employment centers have existing buildings occupied by government and private sector users. Demolition in the office districts will

remove obsolete buildings to make way for additional surface parking and open areas. Future uses could include a combination of world trade center, educational complex, and office/research and development (R&D) technology center.

- **A residential area**, that will combine lodging, recreational, and retirement components, co-existing in a secure campus setting, that would include special community oriented buildings, i.e.: police department;

Reuse and development of the residential area buildings will conform to standards for reuse of historic properties, governed by both state and federal laws. The area will receive a separate identity and access, to provide an environment conducive to a self-contained development of residential, retirement, recreational and business oriented (conference) activities, as further described in the "Marketing Districts" section of this chapter.

- **Recreational areas**, consisting of land and buildings to be utilized by the North Charleston community, i.e.: magnet school, nature park, marina;

Each recreational area will become an amenity to both private and public sector activities, thereby providing a logical, practical and sustainable purpose for establishing the areas. For example, a renewed Chicora Gardens and nature park will be located adjacent to the residential area; the existing marina could be adjacent to shipping/port maritime use; the centrally located ballfields and open area will become a shared amenity for the office and industrial employment centers, as well as the community.

The Land Use Categories table illustrates that at full utilization, 1,232 useable acres of the Reuse Plan will yield a total of 6,564,953 net square feet on the Base's 1,514 acres. This takes into account demolition of over 1 million square feet of space, and new development, as further described in this section.

<b>Land Use Categories</b>		
<b>Use Category</b>	<b>Acres</b>	<b>Square Feet</b>
Industrial		
Shipyards	157.0	1,467,829
Light Industrial & Dist.	531.0	2,353,639
Port Maritime	200.0	N/A
Industrial	888.0	3,821,468
Office	247.0	1,556,330
Residential	195.4	571,024
Recreational/other	183.2*	916,912
<b>Total</b>	<b>1,232.0</b>	<b>6,865,734</b>
<i>* Includes usable open land</i>		

### C. Marketing Districts

Achievement of beneficial, long-term reuse, will require that the mixed use building assets on the property be planned, packaged and marketed to appeal to both private sector and government users. Property will be transferable when the RDA is permitted to subdivide individual parcels, large and small, with or without buildings, to business users, developer or investor buyers.

The Reuse Plan divides the site's 1,514 acres and its building and infrastructure assets into 14 inter-related districts as depicted on the following Marketing Districts plan. The districts result from our physical, environmental and marketplace data analysis. They are based on the Land Use Diagram and future zoning categories. Use of marketing districts presents a logical breakdown of the Reuse Plan for the property into "bite-sized pieces," and will be utilized to aid with the following:

- Acquisition and valuation/price negotiations with the Navy;
- Financial breakout of development costs for land, buildings and infrastructure, and allocation of these costs;
- Development phasing and financing;
- Land use discussions with municipal and environmental officials;
- Basis for obtaining zoning and subdivision approvals from the City;
- Basis for creating marketable areas, by current and future use;
- Focus for creating marketing identities for the project's mixed uses, and reasoning behind a targeted marketing program.

The Base's marketing strategy will provide for specific identities for the districts, either individually or collectively, based on land use, targeted market, and planned subdivision approvals to be received from the City of North Charleston.

Boundaries for the marketing districts may be modified as required to conform with future agreements to be made with the City, or changes to the marketing strategy.

## **VII. Description of the Districts**

### **District I**

This 77-acre district, the Base's former Fleet Industrial Supply Center, contains more than 600,000 square feet of space in 25 industrial buildings, ranging in size from 4,000 to 100,000 square feet. More than 70 percent of the space is occupied, primarily the East operation of the Naval In-Service Engineering Command (NISE East).

More than 141,000 square feet of vacant space in the buildings is leasable for storage and distribution uses, with minimal alteration to the structures. Three acres of land could be developed for a build-to-suit user upon demolition of an obsolete open storage shed.

Direct truck access to I-526 via Virginia Avenue will attract users for lease or build-to-suit warehouse and distribution requirements. The currently occupied buildings may become available over time. Should this occur, lease and build-to-suite activity may require selective demolition of the storage sheds and unheated buildings to produce the buildable sites for modern buildings.

Direct rail access into District I would enable its long-range use for a vehicle roll-on/roll-off or break bulk distribution facility. The rail capacity, together with truck access, in combination, would provide competitive flexibility for such an operation.

## **District II**

The 29 acres in District II are combined in the Reuse Plan with both Districts III and IV to provide an open space area. The existing production “lay-down” area for a tenant, Charleston Marine Containers (District V), will be reconfigured to enable uninterrupted new access to Districts III and IV as described below.

Building 1079, built in the 1980’s for storage of hazardous flammable material, is the only usable asset in District II. This building may have an interim use if it can be properly buffered, otherwise it will be demolished with the existing staging area structures the Navy utilized for large bulk industrial supplies.

### **District III**

The 63.4-acre district contains a heterogeneous collection of residential housing, multi-level office and administrative buildings surrounding the former Naval Hospital complex. The majority of the 429,318 square feet of space is vacant, and most of the 105,351 square feet of occupied space is under short-term interim leases or licenses. Future reuse and development of this area will relate to development of the nearby Senior Naval Officers Housing in District IV.

The Reuse Plan for District III focuses on reuse of the hospital complex for an assisted living development to be made a part of a Continuing Care Retirement Community (CCRC). This seniors housing concept combines “independent” living in an apartment/condominium setting, with a progressively offered array of lifecare services, made available as residents “age in place”. The assisted living complex would become the first component in the overall development of a CCRC facility.

It is envisioned that the hospital building will retain its Spanish mission-style architecture, in combination with extensive demolition and new construction for the assisted living facility. Alterations to or demolition of the building’s obsolete areas, (such as its narrow corridors) will require approvals from South Carolina’s SHPO, who will likewise approve the entire plan for the Base’s historic areas. The RDA must “make a case” for adaptive reuse in its development vision, including the required demolition and alterations that are consistent with protective covenants on the historic properties.

The office administration and support buildings surrounding the hospital complex will house ancillary functions and offices for a Planned Retirement Community (PRC), of which the CCRC is a major component. The PRC concept is further described under District IV.

District III will probably experience the most demolition, alteration, and landscaping and overall new development under the Reuse Plan. In addition to the retirement project, the district could support several community-oriented operations for the City. North Charleston's police department currently occupies space in the district for a command center.

Building M-17, built in 1910, is a former office building of 26,000 square feet on four levels. It is the only office building with architectural character on the Base and commands presence despite its small size. The Reuse Plan requires reconstruction of this historic building for office and community uses. Renovation costs may not support private sector investment or ownership of the building, thus it is conceivable that a future public sector use and funding will be obtained.

The Team recommends that District III become the next area (after District IV) for more detailed conceptual reuse planning, market validation for reuse of buildings, and creation of a marketing program to attract private investment that would be accomplished concurrently with Districts II and IV.

#### **District IV**

This district contains 103 acres and offers 154,304 square feet in 46 buildings, mostly single family residences. The former Senior Officer Housing area consists of 25 buildings with historic designation.

The 1994 Reuse Plan suggested conference center and open parkland for recreational uses in this area. Traditional residential use was not recommended and the plan ambiguous. In light of this, the following development scheme is prepared at the RDA's request. The development plan minimizes demolition or alteration of the historic homes. When based on the specific reuse vision, the

developmental valuation discipline (as utilized for the overall Reuse Plan) is more definitive.

The district's 103 acres are allocated into 48 acres of usable land, most of which is developed, and 55 acres of open land in the floodplain of the Cooper River/Noisette Creek, that was utilized for the Navy's golf course and Officers' Club on the riverfront.

Our analysis, including market research and evaluation of the physical assets for reuse, produces a development plan that will encourage flexibility, by providing a design layout that is logically integrated with the existing natural and scenic features of the land, including the mature trees, shrubbery, and positioning of the historic homes.

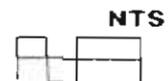
To create a reuse vision for District IV, it was determined that the area will require a distinct identity, dedicated access, and "critical mass" for a development. The Aerial View Looking West on the following page provides a graphic portrayal and current land use perspective of Districts II, III, and IV, and their relationship to each other. The development vision for reuse of these three districts, *recognizes proximity, impact and condition of the deteriorating neighborhoods adjacent to the west.*

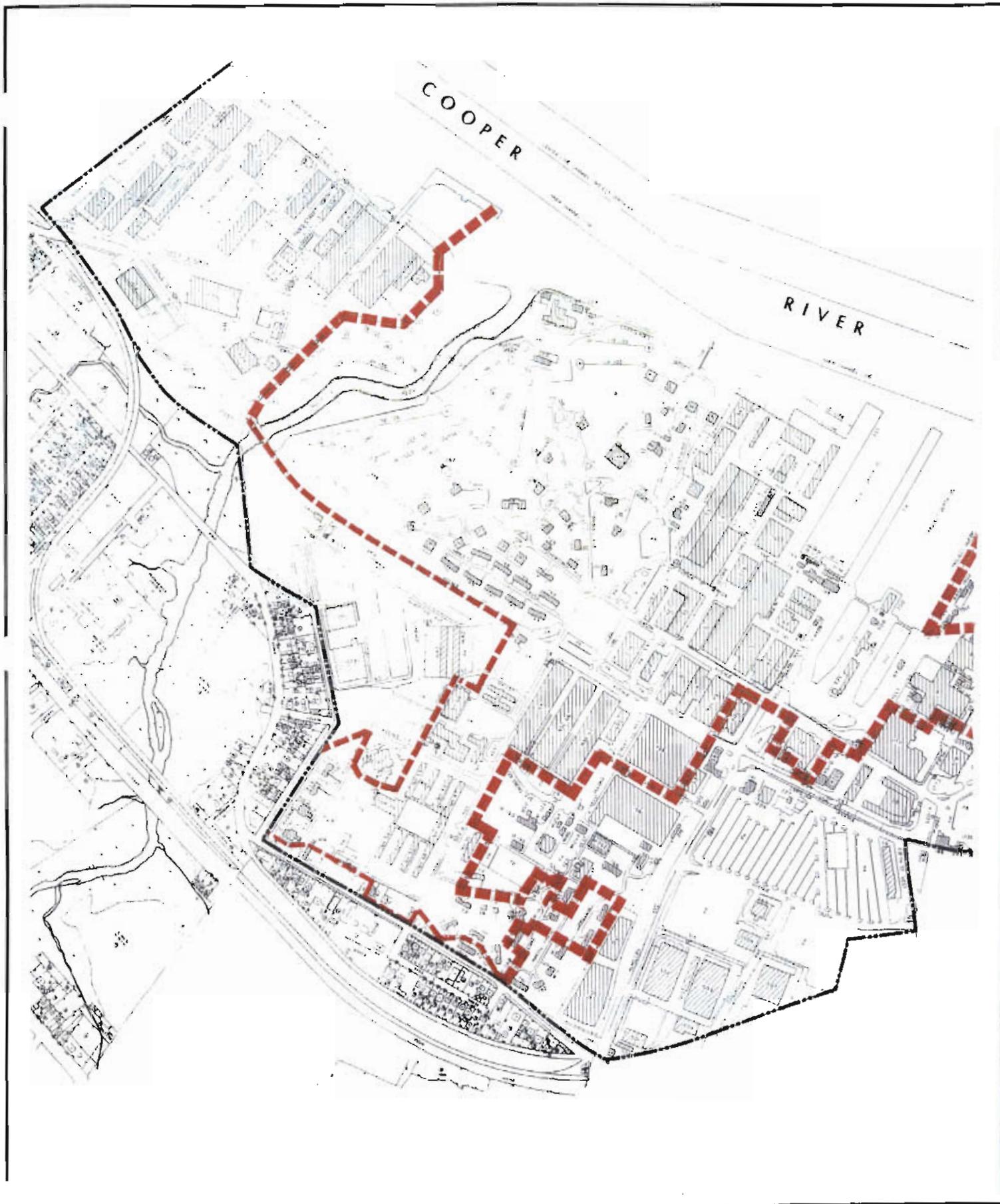


**AERIAL VIEW LOOKING WEST**

**CHARLESTON NAVAL BASE  
SENIOR OFFICE HOUSING  
N. CHARLESTON, SOUTH CAROLINA**

North American  
Realty Advisory Services  
100 Park Avenue, New York, NY 10017  
(212) 883-0500





**RESIDENTIAL-HISTORIC STUDY AREA**

Charleston Naval Complex  
Charleston, S.C.

North American

Healthy  
Advisory  
Services

This drawing is not a survey. All measurements are approximate and subject to final verification.

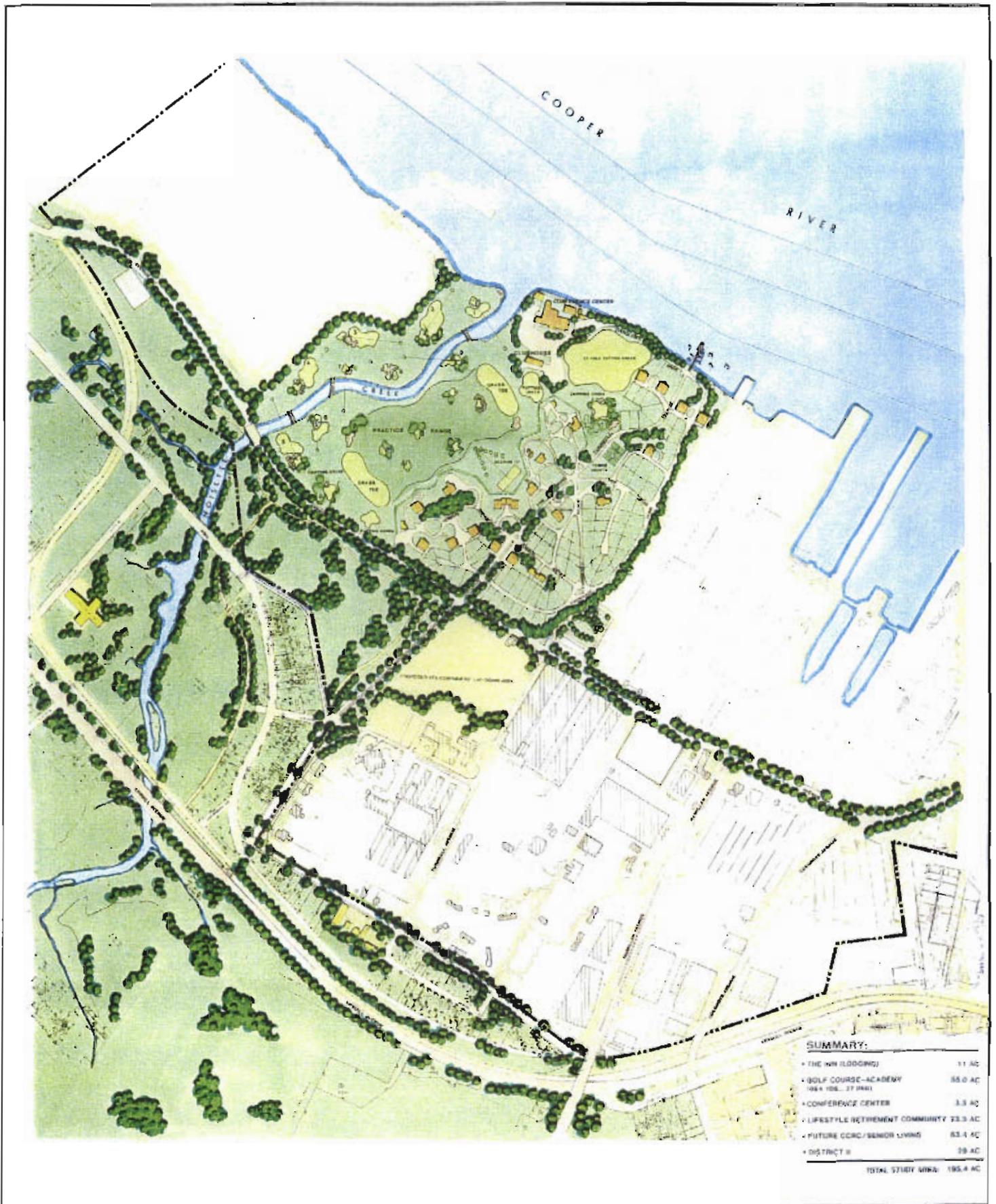


After development, District IV, surrounded on two sides by industrial uses in Districts I and VIII, will have no future relationship to them. It is oriented eastward toward the Cooper River, and westward to a “front door” that will be created by incorporating the 29 acre District II.

The Illustrative Site Plan depicts a residential mixed-use development complex that will include:

- **A residential community of 15 historic homes** on 15.5 acres of land (Quarters F, H, I, J, K, L, M, N, P, Q, R, S, T, W & X), for a total of 59,913 square feet. These homes will serve as a core element in a Planned Retirement Community (PRC), as a “lifestyle” component for single family living. The PRC will incorporate the CCRC planned for District III.
- **90 residential building** lots configured in the Plan as one-fifth acre each, that will complete the “lifestyle” component of the PRC. This 18-acre area is created by demolishing 18 existing “Capehart” dwellings. The new zoning category will permit high-density single family residential development. The units will resemble the architectural style of the historic homes, and will require extensive landscaping to buffer the development from the adjacent industrial area.

It is envisioned that the ownership concept will be structured as a "timeshare" that would enable the new homes, and the aforementioned historic dwellings, to be offered as “surge” expansion space, coordinated through the inn, for conventions, conferences, tourists and guests visiting the PRC, businesses on the Base and in the community, and the Charleston area's numerous attractions.



**SUMMARY:**

• THE INN (DODGING)	11 AC
• GOLF COURSE-ACADEMY (184 x 106 - 27 PAR)	88.0 AC
• CONFERENCE CENTER	3.5 AC
• LIFESTYLE RETIREMENT COMMUNITY	23.3 AC
• FUTURE COHC/SENIOR LIVING	83.4 AC
• DISTRICT II	29 AC
<b>TOTAL STUDY AREA:</b>	<b>195.4 AC</b>



**ILLUSTRATIVE SITE PLAN**  
 Charleston Naval Complex  
 Charleston, S.C.

This drawing is not a survey. It is a conceptual site plan. All measurements are approximate and subject to final verification.

200 0 200

- **A golfing facility**, on 55 acres, situated on the former golf course between the inn complex and Noisette Creek. This facility is illustrated in the Plan as a golf academy. The academy will feature a contemporary design/layout, and would offer formal golfing instruction, and nine holes of “executive” golf in a par-3 configuration, that renders 964 yards on a par 27 course. The former pro-shop building of 2,800 square feet will house the academy’s clubhouse facility. It is envisioned that the golf facility would appeal to inn guests, conference/convention visitors, PRC and area residents, and would be marketed with selected Charleston area championship golf facilities to offer customers a golf experience tailored to their skill level and available time.
- **A riverfront entertainment area** on a 3½-acre parcel. The former Cooper River Center, a 22,149 square foot building, becomes the focal point of an entertainment area, on a three and one-half acre parcel, that features a conference/catering complex, including restaurant facilities, overlooking the Cooper River.
- **A lodging complex configured as an inn**, containing up to 30 rooms, operating in seven of the historic officer's homes. The Admiral’s House (Quarters ‘A’), and six senior officers’ residences that feature large rooms (Quarters B, C, G, O, Y & Z), will be restored and refurbished. The Inn requires 11 acres of land situated on the highest ground, which will provide a premier setting and offer exceptional views for guests. It will contain 31,707 square feet in the seven buildings.

### **District V**

This district consists of former warehouse and office buildings that total 1,400,947 square feet of space on 101.3 acres. Over half the space is occupied by long-term government and private sector users. The majority of buildings,

clustered along Avenue 'D', reflect the on-demand development history of the Base, such as single level warehouse buildings abutting multi-level administrative and office buildings. Parking is at a premium in this area.

The Plan calls for "opening up" this area, by demolishing non-conforming warehouse buildings to provide parking. Buildings 4, 1138, and 76, currently vacant, and warehouse building 45, under interim lease, will be demolished to provide parking for the adjacent office buildings. Future use of the large parking field, east of the McMillan Avenue entryway, is linked to redevelopment of office space in District V, hence the irregular shape of the district to include these areas.

The office building assets, such as buildings 198, 234 and 400, will anchor this office employment center. Buildings 198 and 400 are fully occupied. Building 234 will be renovated with new mechanical systems and interior design upgrades. Historic buildings 7 and 8 will be restored and renovated as office buildings. Over 300,000 square feet of office space will be available.

The large parking area was satisfactory for Navy employees, but its distance from the employment center will not appeal to contemporary users of office space. Over time, as parking is made available along Avenue 'D', obsolete warehouse buildings located at the Base's McMillan entrance, will be replaced by new office/industrial 'flex' buildings. These buildings can be designed to appear as office structures, and will enable businesses the flexibility to house both their office and industrial uses under one roof. Visual appeal of the McMillan entrance will markedly improve. In the interim, however, the existing buildings will be rented on a short-term basis, with minor improvements.

An alternative use in District V, a World Trade Center (WTC) facility of up to 250,000 square feet, could be accommodated on Avenue 'D', with long-term expansion space provided in the vicinity of the McMillan Avenue entrance.

Preliminary discussions with proponents of this use were promising. However, the concept's market, financial and operational feasibility are unknown. Our suggestion, made to the Trade Center's proponents (primarily businesses that are members of the Charleston Area Chamber of Commerce), is to establish a business relationship with the new Coliseum located in North Charleston, occupy space at the Coliseum, jointly market the WTC with the Coliseum, and validate the WTC use. If proven successful and financially viable, the CNC site could become a future candidate for the WTC's relocation and expansion.

### **District VI and District VII**

District VI's 30.6 acres and District VII's 30.8 acres contain 235,195 and 107,090 square feet of buildings, respectively. Over 289,000 square feet of this space (85%) is occupied by public sector users.

Together, these districts will provide a recreational open area in line with their past use, with community utilization of building assets for uses such as an interdenominational chapel and magnet school. Future development will reflect the Reuse Plan's specific utilization of buildings and recreational assets in the district. For example, the historic, centrally located powerhouse building is envisioned for public sector use that will feature its open interior. Reuse of this building will require agreement with SCE&G to accommodate their utility needs for service to the Base.

Demolition of Building 25 (occupied by the Environmental Detachment) will enable realignment of Cosgrove Avenue and redesign of the three-way intersection with Hobson and Reynolds Avenues.

## **District VIII**

The Navy's former shipyard facilities are the focal point of District VIII. The densely developed area of 157 acres contains 1,707,048 square feet of space in over 75 buildings. Most of the shipyard area is in a designated historic district, and although heavy industrial, is subject to the same regulations that will affect the reuse of the residential and hospital areas. Special-purpose assets in District VIII include several dry docks, six wharf's and piers, and heavy-duty cranes, located both inside buildings and outside on the riverfront.

Over 70% of the space is occupied by Charleston Marine Manufacturing Corporation (CMMC), including a special purpose machine shop building originally leased to Babcock and Wilcox. Many of the shipyard buildings that were intended for heavy manufacturing use, with high bays and large clerestory windows, are ideal for continued shipyard use, and will require minimal repair or modification.

CMMC operates as a single user. Its two major components, Dentyen Shipyard and Metal Trades Corp., have managed to operate with the shipyard's outmoded utility systems, (i.e.: several power source connectors in each building), reflecting the Navy's "as-needed" electrical overlays, put in place over time on demand. The high cost to the RDA, for re-routing electric service conduits and installing separate meters, has been avoided. In addition, CMMC has adapted the buildings to alternative heat sources from the Navy's steam system that was disconnected in mid-1997.

CMMC, in its "Controlled Industrial Area", controls most of the more notable buildings in the shipyard, such as buildings 2, 2A, and 3 (built in 1902, 1937 and 1905, respectively), that offer over 350,000 square feet of shop and office space, and are in good condition. Their length (over 600 feet), high bays of 50-80 feet,

high capacity cranes, and heavy manufacturing equipment, are valuable fixed assets that could not be replaced today, due to high replacement costs, and receive a commensurate return on investment.

### **District IX**

This district, of 7.8 acres and 136,684 square feet, with a majority of the space in four buildings, is “surrounded” by District VIII. It is created as a subdividable parcel, in recognition that NISE East occupies over 80,000 square feet, with most of this space contained in three buildings. Once Building 13, containing over 50,000 square feet of industrial space, is occupied, it may be sold with a subdivided parcel of land, without affecting District VIII or NISE East.

### **District X**

District X’s 127.2 acres include the southern section of the shipyard. The space totals 739,834 square feet and over 35 buildings and structures. Seventy percent of the space is occupied by three users.

Charleston Shipyards Incorporated (CSI) is the largest user, containing over half the district’s space, in 19 buildings. The Charleston Public Works (CPW) occupies over 105,000 square feet in six buildings, including building 1175, which has been demolished, bringing their total occupancy to 79,370 square feet. The Base’s Environmental Detachment occupies four buildings on an interim basis.

The Plan’s reuse of District X will utilize five buildings of 247,087 square feet, ranging in size from 17,810 square feet in building 1824 to 85,327 square feet in building 79. This core group of buildings will be utilized to create a marine industrial area.

## **District XI**

The 37.2 acres in District XI, the Base's former fuel farm, have eight small buildings totaling 34,288 square feet, of which 28,072 square feet is vacant. None of the tanks, with their 14 million gallon fuel capacity, related pump houses, testing facilities and infrastructure extending to Pier K, will be reused. Should an extraordinary opportunity occur, the Plan could accommodate a specific user for the fuel farm in an "all or none" package, recognizing that it is unlikely multiple users for the fuel farm could be attracted, and the facility divided, to economically allocate the storage capacity.

Removal of the tanks and demolition of nine buildings/structures will yield 12,201 square feet for lease and subdividable land available for build-to-suit construction of light industrial buildings. Proximity to the Viaduct gate is a special selling feature for users with distribution requirements. The Plan for District XI will incorporate the aforementioned rail access.

## **District XII**

This district includes the Base's former Naval Station, with Fleet Mine Warfare and Submarine Command units, occupied for office, training and housing uses in a self-contained environment. Ninety five percent of the district's 247.5 acres are developed into 1,289,521 square feet of space in over 70 buildings. Sixty percent of this space, over 780,000 square feet, is occupied by five federal government agencies such as the State Department, NOAA, NCCC and Border Patrol, for long-term and interim use.

The buildings that merit reuse are newer (i.e., dental clinic) and have been properly maintained, such as the Dining Hall (NS 43) and BOQ (bldg. 28). The Plan's vision for this district will require demolition of over 270,000 square feet

of the 500,000 square feet of vacant space. Most of the space square footage is in eight former barracks buildings (NS 31-38), clustered in a concentrated area that will be opened up to create a "vest pocket" park. Most of the remaining available square footage will be refurbished in buildings 654 and NS1, to include new mechanical systems and common area upgrades, while five smaller buildings will be offered "as-is", with most tenant improvements to be funded by the users.

The government's use of over 460,000 square feet of space for the Border Patrol and NNCC could become long-term, by negotiating net leases that will direct all maintenance and operating costs be paid by the government. Should the buildings become available to the open market, it is contemplated they will be packaged as a high technology training center for institutional and educational users. Building 61, a large submarine training facility, with no exterior windows, has useful amenities such as a 160 seat auditorium, 35,000 square feet of raised floor computer space, two elevators, loading dock and sound systems infrastructure. It will require minimal capital improvements if reused in its current configuration.

Building 202, another significant training building of 31,119 square feet, contains classroom and office space, and 1,800 square feet of raised computer floor space. Due to age and condition, it will require systems upgrades. It will be available at below market rent, with minimal tenant improvement funding. It could also be offered with building 61 to create a 210,000 square foot education and training facility that would require manageable capital improvements for reuse. An initial use for this building may be to house a high technology business "incubator" facility, intended to assist start-up enterprises, in collaboration with the Medical University of South Carolina (MUSC).

Our reuse vision is to create a high technology educational campus that features a training facility for "Long-Distance Learning". Such a facility will utilize collaborative computing and a high-speed community network that uses

web-based (Internet) education and knowledge programs available over the World Wide Web.

There would be multiple Charleston area participants and beneficiaries of such a "distance education" and training facility:

- **Businesses on the base**, by providing business oriented education for the "life long" knowledge improvements required to stay competitive in a global marketplace;
- **Convention attendees**, by linking with the Charleston Convention Center, and making long-distance learning programs available to convention participants;
- **Charleston area public schools**, by providing a regional training facility and augmenting their internet connectivity;
- **Higher education**, particularly MUSC, to enhance their initiative to promote technology transfer, and by providing group long distance training capabilities for their students;
- **Governmental users on the Base**, by providing DHEC, DFAS, NOAA, Coastal Guard, State Department, and future users, a long-distance learning link, in a group setting.

Reflecting the "self-contained" nature of CNC's training programs, several of the major buildings in District XII (and XIV) are residential, multi-story former barracks housing dating from 1958, with newer additions as late as 1990. All are brick, flat roofed, and straightforward in design. The former bachelor officers quarters (building 28), and dining facilities (building NS 43), if vacated by the federal government, would be bundled, along with NS46 & 53, and 686, with the educational/ training facility.

Future study is required, in conjunction with South Carolina's Science and Technology Advisory Council, to incorporate the reuse strategy for District XII's assets into the State's strategic plan for building a knowledge-based economy in South Carolina. The potential to establish a Long-Distance Learning facility at the CNC would contribute toward overcoming the economic development obstacles the State faces as it positions itself to compete in the 21st century.

The 13.4 acres of developable land in District XII, consisting of in-fill parcels that would be created on-demand, will not support financially feasible new construction, unless on a build-to-suit basis, and assuming the additional construction costs for foundation pilings are financially realistic, when added to the user's overall occupancy cost for the facility.

The riverfront area in the district, between piers Z, M, N and P, will be designated for a port maritime facility. Vehicle preparation and temporary storage will be accommodated in District XIII. Rail connections for this facility would extend through Districts XI and XIII. Further study and preliminary design/layout will be required, in conjunction with aforementioned planning activity-involving Districts VI, VII, XI and XIII.

### **District XIII**

The majority of the CNC's open land is in District XIII. The 441-acre district borders Shipyard Creek to the west, and Cooper River to the south. Two hundred and sixty-five acres of floodplain and wetland areas reduce the developable land to only 40 acres. The remaining 135.9 acres is developed with 329,300 square feet of buildings.

To address planning issues, especially the size and scope for development, the two designated port maritime uses in Districts XII and XIII will require a combination

of engineering, environmental, dredging and infrastructure investigation. The RDA should incorporate this effort in District XIII with a response to an open space plan put forth by the Charleston County Park and Recreational Commission. The Commission's proposed Cooper River Water Front Park (November, 1996) would utilize all of District XIII's riverfront and the existing marina facility, to create their park, thus precluding port maritime use.

#### **District XIV and Reserved Area**

These two districts total 60.9 acres, with 401,287 square feet of space in former barracks and special purpose buildings, such as racquet and fitness center, mini-mart, pistol range and "sports bar". The 16.6 acres in the reserved area is separate, in recognition of the environmental condition of the land, which may preclude new development or reuse until a comprehensive long-term environmental clean up is completed.

Both districts are situated in the "transition" area between District XII's educational training, office/R&D uses, and the port maritime industrial reuse planned for District XIII. The Reuse Plan will provide flexibility in District XIV to incorporate a buffer between Districts XII and XIII.

The Plan will require that the NCCC use of the former Kossler barracks (Buildings 676-77), and the Border Patrol's use of the BEQ barracks (Buildings 668-69), be subject to long-term lease, in line with their role in the reuse of Buildings 61 and 202.

Former barracks Buildings 65-67 and 652 will be held in reserve, in the event the future educational training reuse of Buildings 61 and 202 requires support residential facilities. Alternatively, these buildings (and Building 653) can be utilized for group housing, should port maritime development in District XIII

require demolition of the Kossler and BEQ complexes, to make available land west of Bordelon Avenue. Building 657 would remain for reuse as a support amenity.

### **Riparian Areas**

In addition to the CNC's 1,514 acres of land, there are riparian areas, estimated at 230 acres, extending into the Cooper River from the six riverfront districts, as depicted on the Riparian Areas Map. The area of riparian rights extends to the ends of the piers and wharves. This area will require periodic dredging and perpetual use of the Navy's Clouster Island disposal area.

Port maritime distribution in Districts I, X, XII, and XIII may utilize portions of the riparian areas for landfill/dredging activity. Special permits will be required from the Army Corps of Engineers, which has governing jurisdiction over navigable waterways.