

Navy Selects Developers for What Would Be Among San Diego's Largest-Ever Projects Manchester Financial, Edgemoor Infrastructure Tapped To Lead Redevelopment of Former Bomber Factory

By Lou Hirsh

The U.S. Navy selected its development team for a planned mixed-use redevelopment of its massive defense technology research complex in San Diego, considered among the largest redevelopment projects in the city's history.

After a year-long selection process, the Navy said it will negotiate formal project details and construction timelines with a team led by developers Manchester Financial Group of San Diego and Edgemoor Infrastructure & Real Estate of McLean, Virginia. The 70-acre project will also require regional government planning and environmental approvals before moving forward.

The Navy is looking to replace its aging Naval Information Warfare Systems Command complex, better known as NAVWAR and built in 1942 to produce bomber planes, with a new facility as part of a larger redevelopment in partnership with private developers. Potential elements discussed by the Navy and local government officials include more than 4,000 apartments along with new retail, offices and possibly a hotel.

Rear Admiral Brad Rosen, commander of the Navy's Southwest regional operations, called the selection "an exciting milestone for the Navy and San Diego," a region that is home to one of the world's largest concentrations of military personnel and contractors.

"While the Navy's goal is new mission-capable facilities for NAVWAR and other tenant commands, the Navy recognizes that any project that is good for the Navy should also provide positive impacts to the community," Rosen said in a Navy statement Tuesday.

The statement said the selected project team also includes Clark Construction Group as design-builder, with architecture firm HKS set to design the project's government facilities. Architecture and design firm HOK will serve as master planner for the project's private-sector elements, with Dealy Development handling entitlements.

Manchester Financial was founded by longtime office and hotel developer Douglas Manchester, who previously worked with the Navy to redevelop an aging military office campus on the downtown San Diego waterfront into what is now a single office tower housing the Navy's southwestern headquarters.

Manchester Financial CEO Ted Eldredge said in the Navy statement that the Manchester/Edgemoor team will work with the Navy and city "to deliver the next generation of elite government facilities" for the military with mixed-use elements to serve the community.

The Navy said it will also continue to evaluate the feasibility of a NAVWAR-only development funded by traditional military construction methods. For now, its public-private plan calls for the

Navy to grant developers a 99-year ground lease at no charge for the federal property spanning about 70 acres and located 2 miles north of downtown San Diego.

In exchange, developers will build the Navy a new defense technology research campus spanning about 1.7 million square feet on 10 acres within the property. The remaining 60 acres would be deployed by developers for elements that could include between 4,000 and 8,000 apartments, up to 1.3 million square feet of commercial offices, 225,000 square feet of retail and possibly an on-site hotel.

Project costs have not been finalized and will depend on elements ultimately planned for the site, but local officials have called the NAVWAR project among the largest redevelopments in the city's history based on its acreage and the scope of its mixed-use elements. It is among several projects nationwide where the Navy is looking to redevelop older facilities to include commercial and housing components.

The Navy first issued a request for proposals in 2022 for the San Diego project and subsequently narrowed its selection process to at least four undisclosed development teams. The Navy is looking to update its regional cybersecurity and communications technology research operations after conducting patchwork repairs and updates to the aging San Diego hangar facility over the past few decades.