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**Plain Speaking**

**Who owns NTC?**

By **Ron Carrico**, San Diego Daily Transcript  
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It looks like things are progressing toward the development of the Naval Training Center. Even though the name of the project was changed to Liberty Station, it will be a while before people drop the name NTC. So I'll stick with the NTC name a bit longer.

But there is something more worrisome than the name issue. Who actually owns NTC? Or more precisely, who has the development rights? It turns out that the answer is not clear. In fact, the true owners are hidden from sight behind a maze of interlocking partnerships.

Like most people I haven't followed the project very closely and I thought the old base would be redeveloped by San Diego homebuilder Corky McMillin.

NTC is located on the bay along a short channel beginning about 100 yards from the Barnett street gate. The Navy deeded approximately 366 acres to the city of San Diego. At \$100 per acre, that makes the NTC site at least a \$43 million asset. However, many people feel the land is worth about \$2 million per acre due to its prime location. The Navy said they made \$500 million in improvements and when 49 acres was deeded over for a park, the U.S. Park Service valued the land at \$16,025,000, or \$327,000 per acre.

In other words, our city was given an asset worth between \$100 million and \$750 million. The city has essentially just given it to Corky McMillin. Well, all except the old officer's quarters on Rosecrans which the city may have to buy back.

This seems like a very large giveaway to a builder. But what really concerns me is that McMillin is partners with out-of-state and perhaps out-of-country companies, and the ownership of these organizations is undisclosed. They are hidden from view because they are Delaware Limited Liability partnerships and companies, and the state of Delaware doesn't divulge the real people involved. For all we know the partners could include Ross Perot, Osama bin Laden, Richard Silberman, Byron Wear or even Susan Golding. Imagine the possible conflicts of interest.

The San Diego City Charter mandates that all persons doing business with the city must disclose their identities. The City of San Diego Charter Article XIV Section 225 states "Unless the person applying or bargaining therefore makes a full and complete disclosure of the name and identity of any and all persons directly or indirectly involved in the application of proposed transaction and the precise nature of all interests of all persons therein." The section goes on to say that "failure to disclose all of the information enumerated above shall be grounds for denial of any application or proposed transaction or transfer and may result in forfeiture of any and all rights and privileges that have been granted heretofore." Section 225 defines the term "person" as "any natural person, joint venture, joint stock company, partnership, association, firm, club, company, corporation, business trust, organization or entity."

So who really owns the right to develop NTC? Sorry for the confusion which follows but this is all the public knows about who we are dealing with.

From a lawsuit filed to determine the ownership, the city divulged that McMillin NTC, Delaware LLC, the "managing member," is partners with Merced Partners, Delaware Limited Partnership, the "investment fund."

The managing member consists of four Delaware LLCs. The investent fund, Merced Partners, is involved as a partner with Global Capital Management Inc., a Delaware Corporation (50 percent John Brandonborg and 50 percent Mike Frey). Further information from a Securities and Exchange Commission Schedule 13D document shows that Global Capital Management Inc. is the general partner of Global Bermuda Partners LP, a Bermuda limited partnership, and Merced Partners LP, a Delaware partnership.

From the Schedule 13D document, "Global is also the limited manager of Lakeshore International, Ltd. a Bermuda limited liability company (the "Offshore Fund") ..." with Richard J. Emmerich, John D. Brandonborg and Michael J. Frey the "directors." The principal office of Global is in Minnetonka, Minn.

So there you have it: Delaware and Bermuda Limited Liability partnerships, offshore funds, Global Capital and complete obfuscation about who the city is dealing with in the NTC redevelopment.

A lot of citizens are upset about the NTC/McMillin deal for many reasons. Doesn't it seem like we should at least know who we are dealing with? With all the talk about Enron corruption and confusing offshore partnerships, shouldn't city leaders like our mayor, city council, city attorney and city manager want to know who we are dealing with?

At least the people who wrote the City Charter thought we should know. But that was when people cared.

Why isn't the city attorney investigating this and forcing disclosures?

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