

NOTE: Feb. 20, 2009... The sudden exposure and collapse of lobbying group PMA Group may create a huge problem for Speaker of the House Nancy Pelosi — much bigger than the Jack Abramoff scandal. PMA Group, most closely tied to John Murtha, and founded by former top Murtha aide Paul Magliocchetti, has raised funds for scores of Democrats in the House, including Speaker Pelosi. But, as the article below shows, the Pelosi – Murtha corruption link goes back much, much farther and much deeper...

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#### SAN FRANCISCO

#### Navy signs binding pact on first parts of shipyard

#### *1,600 housing units planned in area -- cleanup key to deal*

Edward Epstein, Chronicle Washington Bureau

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(04-01) 04:00 PDT Washington -- The Navy and San Francisco reached Wednesday what they maintain is the final binding agreement for the first section of the **Hunters Point shipyard** to finally be turned over to the city within weeks.



The agreement means that work on developing the shipyard's 78-acre Parcel A into 1,600 housing units, 300,000 square feet of commercial space and 39 acres of open space and community facilities could begin by the end of summer. The total price tag on the long-delayed project could reach \$500 million, with up to five years of construction envisioned.

Big announcements on the future use of the shipyard have been made before, only to later be stymied amid disagreements between the Navy and the city, primarily over the requirement that the Navy spend hundreds of millions of dollars on environmental cleanup at the 500-acre former naval facility that closed in 1974. Cleanup work across the shipyard is under way.

But the latest negotiation has produced a legally binding agreement, said Jesse Blout, director of economic development in Mayor Gavin Newsom's administration.

"This is the real thing," Blout said. "This forever changes the relationship between the city and the Navy."

The accord sets out a binding process for the Navy to clean up all the land at the former Hunters Point shipyard and turn it over to the city, a process that could take several years.

"Today's announcement is important because, for the first time, we have the Navy's signature on an agreement that ensures the conveyance will begin shortly," Newsom said after the Navy signed the accord.

The agreement came a few weeks after the Navy sent Newsom a letter saying that it was having doubts about going ahead with an agreement that was announced with great fanfare in Washington in January 2002 by Rep. Nancy Pelosi, D-San Francisco, then-Mayor Willie Brown and Navy Secretary Gordon England.

When he was in Washington last Wednesday, Newsom met in the Capitol offices of Pelosi, the House minority leader, with Pelosi, Navy Assistant Secretary Hansford T. Johnson, representatives of California Democratic Sens. Barbara Boxer and Dianne Feinstein, and Rep. John Murtha, D-Pa., a big gun brought in by Pelosi to convince the Navy the time for delays had passed.

Murtha, the powerful ranking Democrat on the House military appropriations subcommittee, made it clear to the Navy that he wanted a binding agreement signed by Wednesday. Another meeting was held in Pelosi's offices Wednesday, minus Newsom, and the Navy signed the accord.

The next step is for the city's Redevelopment Agency board to accept the agreement, which it plans to do in a meeting on April 20.

Parcel A's developer, Lennar/BVHP, could begin the first phases of construction this summer. The initial work would include clearing the site of old buildings, removing underground tanks and old utility lines and the installation of new utility lines, streets and sidewalks.

"I have been working on this agreement for more than a decade, and I am proud we are near our goal," Pelosi said in a statement. In addition to thanking San Francisco politicians for helping, she singled out Murtha for pushing a settlement.

Supervisor Sophie Maxwell, whose district in the city's southeast corner includes Hunters Point, said she welcomed the agreement because the development plan had been created over several years with community involvement. "I am excited to bring good, community-oriented development to Bayview Hunters Point," she said.

Maxwell's district, which includes the city's old industrial and shipyard remnants, has suffered disproportionately from environmental problems. The Hunters Point shipyard cleanup and rebirth represents a major breakthrough, if the construction finally begins, as promised.

Part of the project calls for the Redevelopment Agency to put about \$36 million it expects to get from selling shipyard land into a community development fund. The money will go for items such as down-payment assistance for area residents trying to buy homes, job training and help in setting up small businesses.

The city hopes that a second area, Parcel B, will be turned over by the Navy next year. Plans call for a mix of development on that site.

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