



MASTER PLAN 100%

NAVY SEAL MUSEUM

Executive Summary

The Navy SEAL Museum in San Diego presents an extraordinary opportunity to add a new **world-class attraction** to the city's bustling waterfront. But as SEALs are no ordinary sailors, this will be no ordinary museum. **Dynamic, engaging, revelatory, even exhilarating**, the unique permanent exhibition will invite visitors of all ages and backgrounds into the world of the SEALs, a world that has been hidden in the shadows, cloaked in mystery, for decades.

Anchoring the exhibition in the core SEAL values of **Honor & Patriotism, Endurance & Never Quit**, and **Duty & Legacy**, we will bring to life why SEALs do what they do, how they train for the impossible, and what they have done to make our world safer. **First-person accounts** will unmask the real people behind the heroic acts. **Activated artifacts** will tell their own compelling stories. Through **immersive digital media** and **full-body engagement**, we will put visitors at the center of the experience, allowing them to see through SEALs' eyes, test their mettle, and forge their own path through the exhibition.

1.0 FOUNDATION

IN TIMES OF WAR OR
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IS A SPECIAL BREED
OF WARRIOR READY TO
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I AM THAT MAN.



Museum Goals

- Create a new visitor destination near the waterfront that taps into tourist patterns (including from the USS Midway Museum)
- Honor San Diego's extensive Naval and military heritage and connect to the regional SEALs family
- Expose San Diego civilians to the history and merits of the SEALs
- Connect to Coronado and the training component of the SEALs experience
- Provide a multi-generational educational opportunity via programs, special events, video production, and linkage to surrounding educational institutions
- Teach teamwork and collaboration to youth and corporate audiences
- Create a destination for events and celebrations for SEALs / their families and related industries
- Establish a long-term, financially sustainable operating plan
- Develop a strong balance sheet for the opening and long-term growth of the facility

2.0 INTERPRETIVE APPROACH

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Target Audiences

The museum's primary target audiences are:

1. Families
2. Military veterans and active duty servicemembers
3. Conventioneers and other corporate groups
4. School groups
5. USS Midway Museum visitors

Note: The audiences above will include locals and tourists, both domestic and international.



Guiding Principles

The museum must:

- Embody, express, and celebrate the SEAL ethos and core values including Honor, Patriotism, Endurance, Never Quit, Duty, Legacy, Leadership, and Teamwork.
- Educate visitors in an experiential, discovery-based way that engages and excites them.
- Move visitors emotionally, provoking inspiration, pride, awe, and gratitude.
- Resonate with visitors of all ages and backgrounds regardless of their connection to the military.
- Deliver a compelling experience to all visitors, whether they have an hour to spend in the space or an entire day.
- Represent the SEAL experience and SEAL history honestly and accurately.
- Emphasize the local connection to the San Diego/Coronado community.
- Create opportunities for participation, conversation, reflection, and group engagement.
- Tell a human story that features authentic Navy SEAL voices.
- Give roughly equal weight to historical and contemporary content.
- Incorporate artifacts as dynamic storytelling devices.
- Leverage digital media and film thoughtfully to bring the exhibition's content to life.



Emotional Takeaways

The museum’s impact isn’t just educational—it’s emotional. Through the thoughtful choreography of content and design across the space, we can affect how people feel during the experience and ensure the museum’s content stays with them long after they leave. The visitor journey will blend information with emotion, allowing for peaks and valleys, crescendos and decrescendos, and moments of release and reflection.

We want museum visitors to feel:

AWED

- “I had no idea how hard the SEAL training process was. I’m surprised anyone ever makes it through!”
- “The equipment SEALs get to use is so cool.”
- “I’m blown away by how SEALs balance courage and calm even in the most intense circumstances.”

INSPIRED

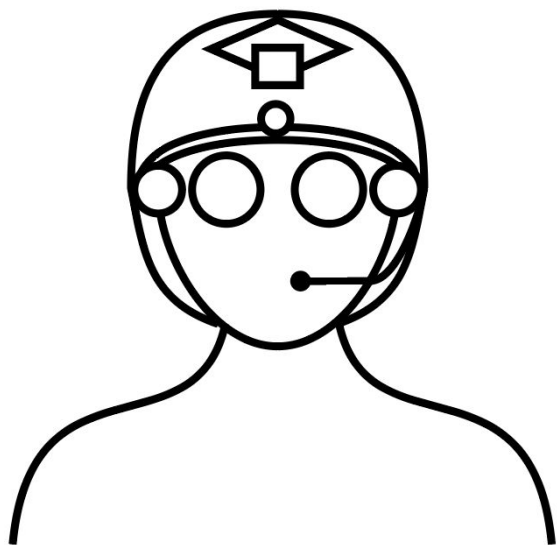
- “It’s amazing what people can do when they work together as a team.”
- “SEALs never quit. I can persevere like that too.”
- “I want to be a SEAL.”

GRATEFUL

- “SEALs risk their lives to keep me and my family safe.”
- “America does so much around the world to defend freedom.”
- “These are the warriors who have helped change our history.”

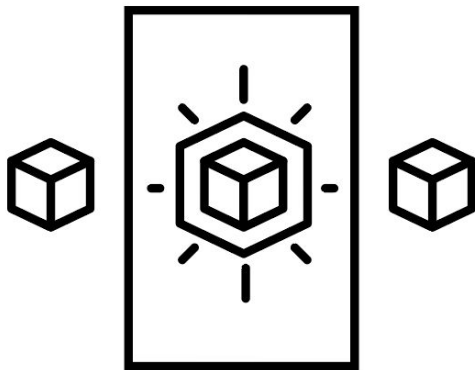
Experience Motifs

Throughout the exhibition, we will utilize a range of recurring experience techniques to foster visitor engagement and ensure we reach all of our diverse audiences. Those techniques might include:



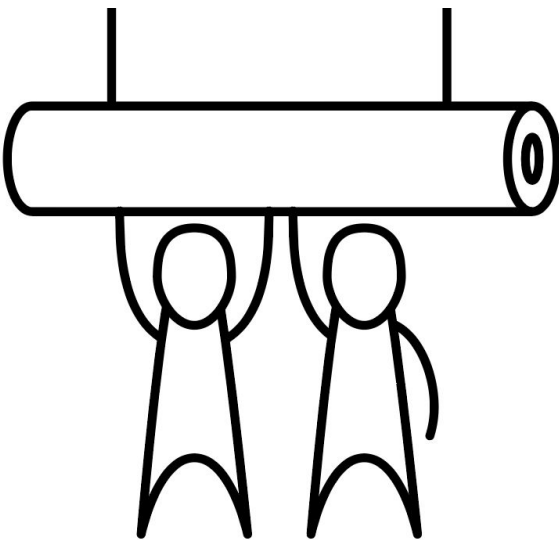
First-person Accounts

Hearing directly from SEALs in their own words will remind visitors that the incredible accomplishments detailed in the museum were achieved by ordinary people, just like them.



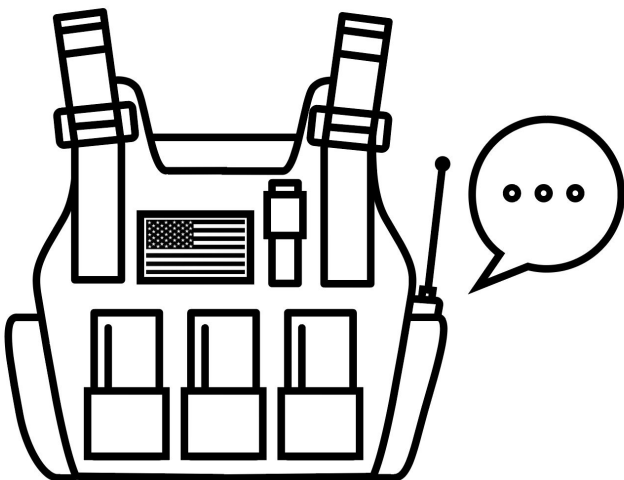
Hidden Content

Playing upon the stealthy nature of special operations, visitors will use an interpretive lens—either digital or analog—to help them unlock a secondary content layer.



Physical Interaction

Visitors will use their bodies to engage with the exhibition. They might participate in a BUD/S training simulation or even carry out a “mission” of their own.



Activated Artifacts

Through unconventional display techniques and strategically integrated technology, visitors will discover the unique stories each artifact has to tell.

Experience Qualities

Relatable
Inspiring
Human

Revealing
Exploratory
Surprising

Engaging
Immersive
Exciting

Dynamic
Unexpected
Photographable

3.0 CORE EXHIBITION

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Overview

This section of this document outlines one way in which primary exhibition elements—content, graphic design, physical design, and media—could work together to affect and inform visitors. The ideas presented here are preliminary, a jumping-off point for collaboration.



Organizing Principles

Whether they take a deep dive into the exhibition's content or simply skim the surface, every visitor's experience must be both educational and emotional. To that end, we will structure the exhibition's content around some of the core values held by Navy SEALs: **Honor & Patriotism, Endurance & Never Quit, and Duty & Legacy.**

These values are open-ended and meaningful, familiar and accessible. They can be explicitly rendered within the exhibition or communicated more subtly. Telling the SEALs' story through this universal lens offers every visitor—regardless of age, background, nationality, or profession—something to connect to. By anchoring the exhibition in these relatable values, we will encourage visitors to see themselves in the SEALs story.



**Honor &
Patriotism**



**Endurance &
Never Quit**



**Duty &
Legacy**

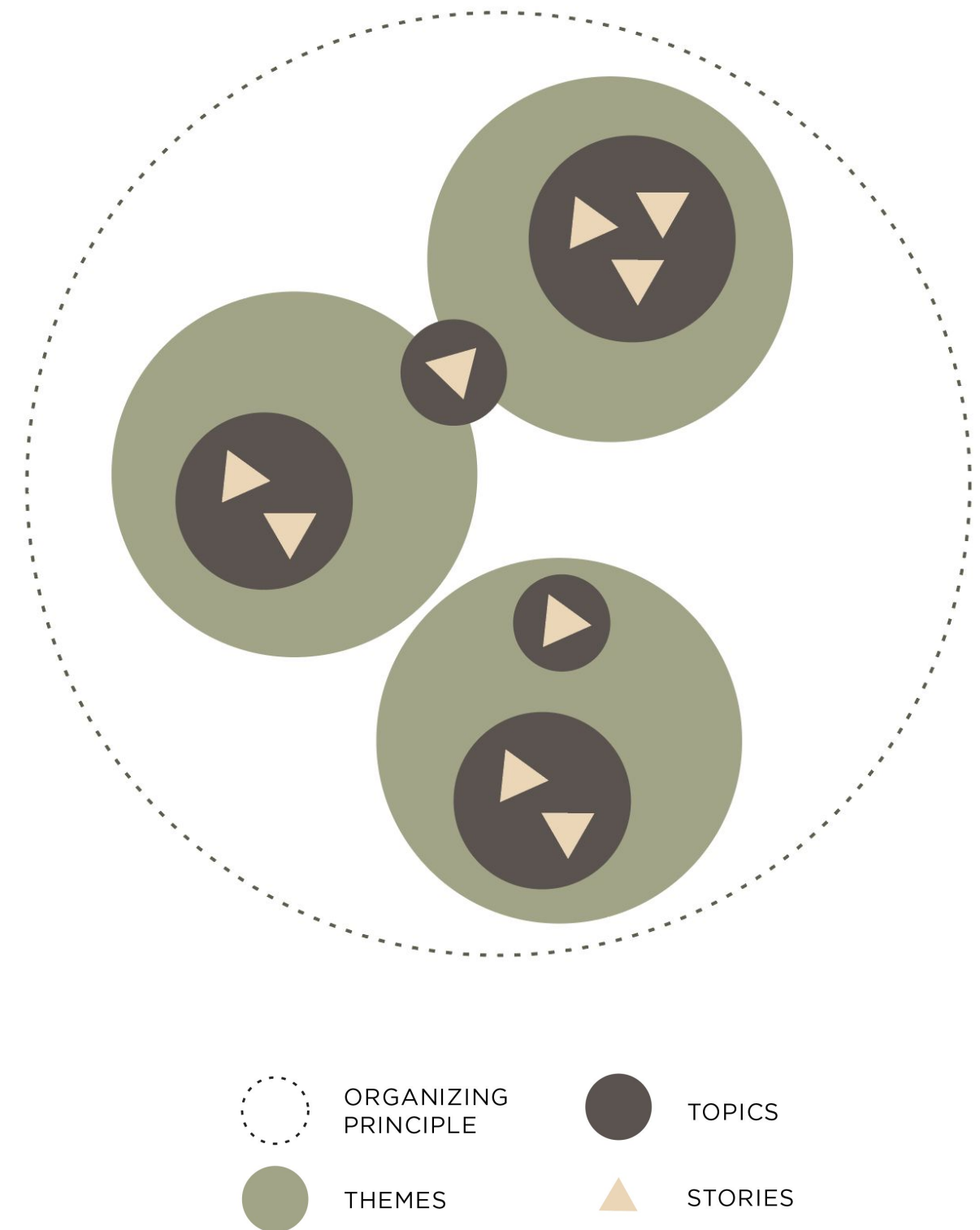
Narrative Framework

The exhibition will showcase how Honor & Patriotism, Endurance & Never Quit, and Duty & Legacy guide SEALs throughout their military careers and beyond. These **Organizing Principles** represent the scaffolding—the emotional center—upon which the rest of the exhibition will be built.

From there, the exhibition content will be broken down into the following categories, from broad to specific:

- **Themes**
- **Topics**
- **Stories**

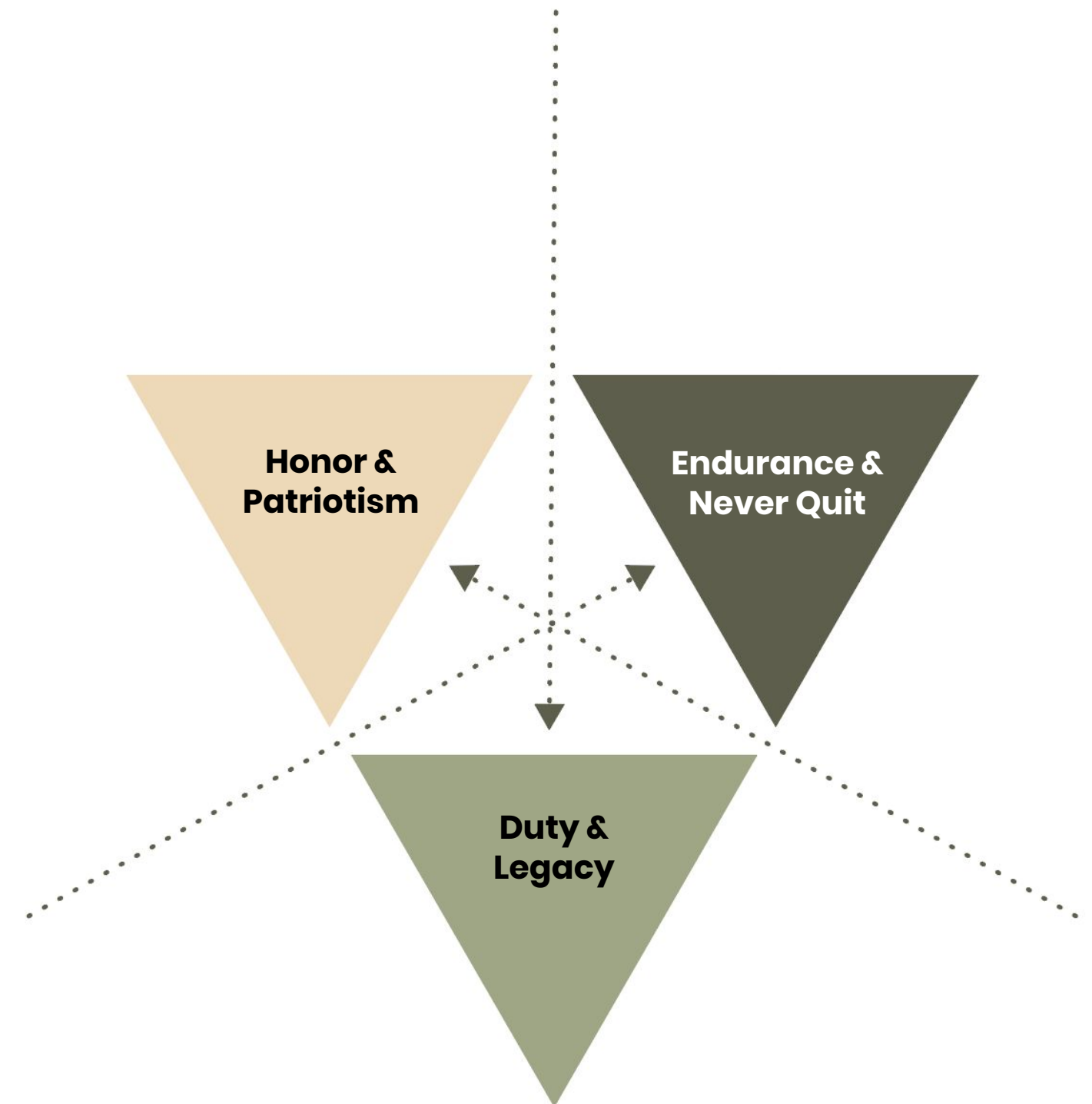
The pages that follow outline one way in which the exhibition content could be arranged and mapped to the Organizing Principles.



Visitor Journey

By structuring the content around these three open-ended ideas, we can create an exciting, impactful, educational, and emotional exhibition without being prescriptive about how people experience it.

Visitors can forge their own path through the museum, beginning and ending wherever they choose. This nonlinear approach will work well with the layout of the Headquarters space, leveraging the courtyard as a central hub. It will also accommodate a variety of audience types, from families with hours to spend at the museum to conventioners paying only a brief visit.



Honor & Patriotism | Overview

This area of the exhibition will highlight the human side of the SEALs, offering a window into who they are and why they do what they do. Technology will enable visitors to hear directly from SEALs—in their own words—about their decision to enlist. What inspired them to military service? What does it mean to be a patriot? What qualities must a great Navy SEAL possess? Interactive opportunities will invite visitors to consider their own patriotism and how they too can serve their country.

Tone of this area

Moving, emotional, human

Visitor takeaways

Feeling inspired, proud, reflective, motivated

SEAL values communicated

Honor, patriotism, integrity, brotherhood, empathy, selflessness

Themes covered

Motivation, family, sacrifice

Potential topics covered

Why I enlisted, what drives a SEAL, purpose of the SEALs

Potential stories covered

Personal accounts from current and former Navy SEALs

Honor & Patriotism | Experience Opportunities

Behind the Mask

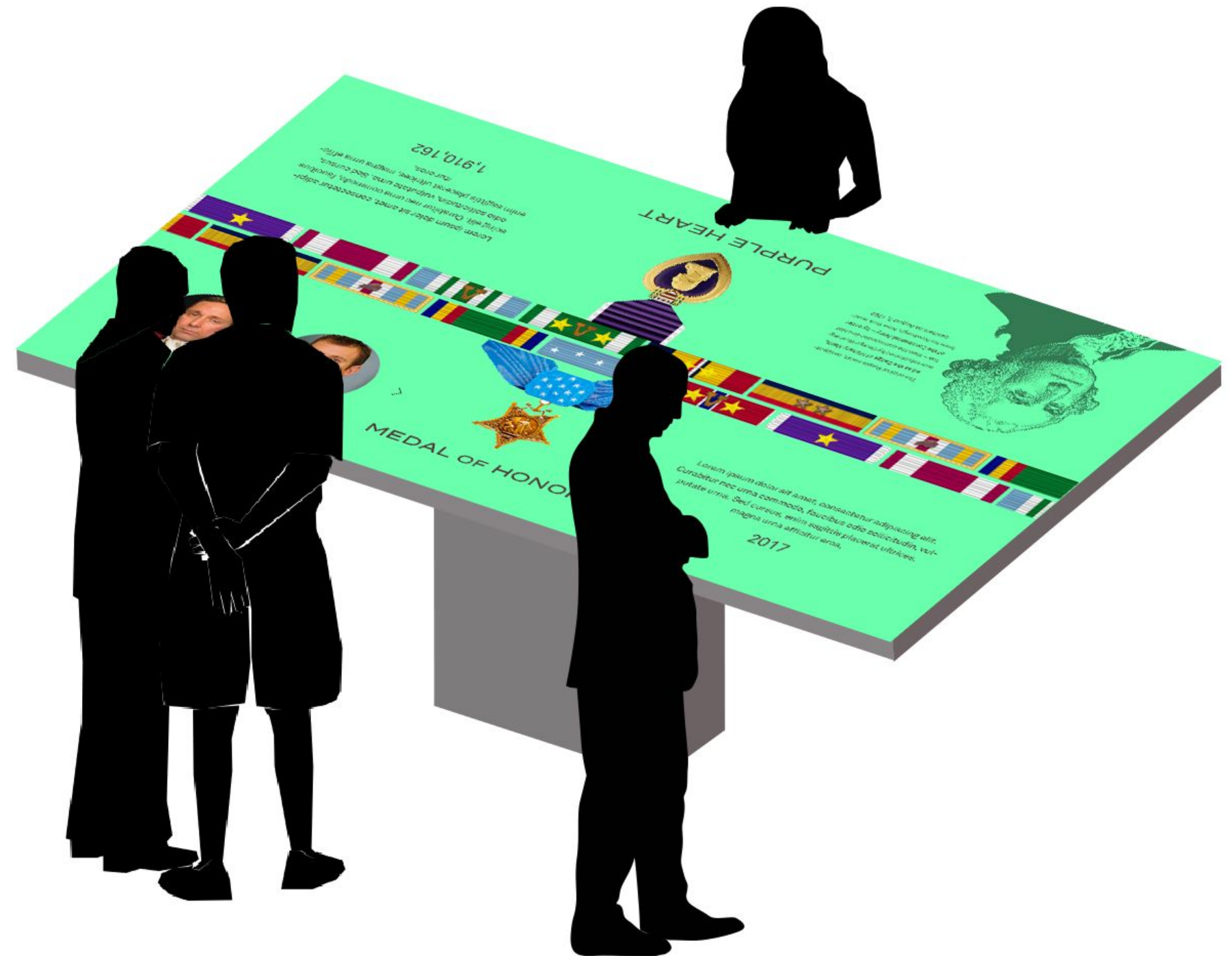
A media installation triggered by a visitor's presence could let people "meet" and have a conversation with individual SEALs and discover what inspired them to service. At the beginning of the experience, life-sized SEALs could appear in full gear, which could gradually fade away as visitors get to know them. Visitors would eventually stand face-to-face with SEALs in civilian clothes, inspiring feelings of connection and empathy.



Honor & Patriotism | Experience Opportunities

Decoding Decorations

Visitors might be accustomed to seeing an impressive array of ribbons and pins affixed to a SEAL's uniform, but how many people know what those symbols actually signify? An interactive table could help visitors learn the language of Naval recognition. They could even hear directly from recipients of each award.



Honor & Patriotism | Experience Opportunities

What You Can Do For Your Country

Patriotism is a value that many visitors will share, regardless of their background or profession. To encourage them to forge a personal connection to the exhibition, we could ask visitors to consider how they express their love of country. Is it through military service? Political activism? Charity work? To them, what does it mean to be a patriot? Contributions could be collected and displayed in a digital or analog format (ex. photography, oral recording, written card, etc.).





Endurance & Never Quit | Overview

With a focus on training, this section of the exhibit will show visitors that SEALs are made, not born. Interactive experiences and immersive media will bring the challenges of BUD/S and SQT to life and invite visitors to test their own mettle. Do they have the persistence, grit, and mental toughness it takes to stay in the game? With special emphasis on the BUD/S training program in Coronado—located right near the museum—this area will show visitors how SEALs develop the mental, physical, and technical skills they need to accomplish the impossible.

Tone of this area

Gritty, immersive

How the visitor feels

Impressed, challenged, surprised

SEAL values communicated

Endurance, never quit, mental toughness, honesty, dedication

Themes covered

Training

Potential topics covered

History of SEALs training, BUD/S and SQT today, Combat Assault Dog training

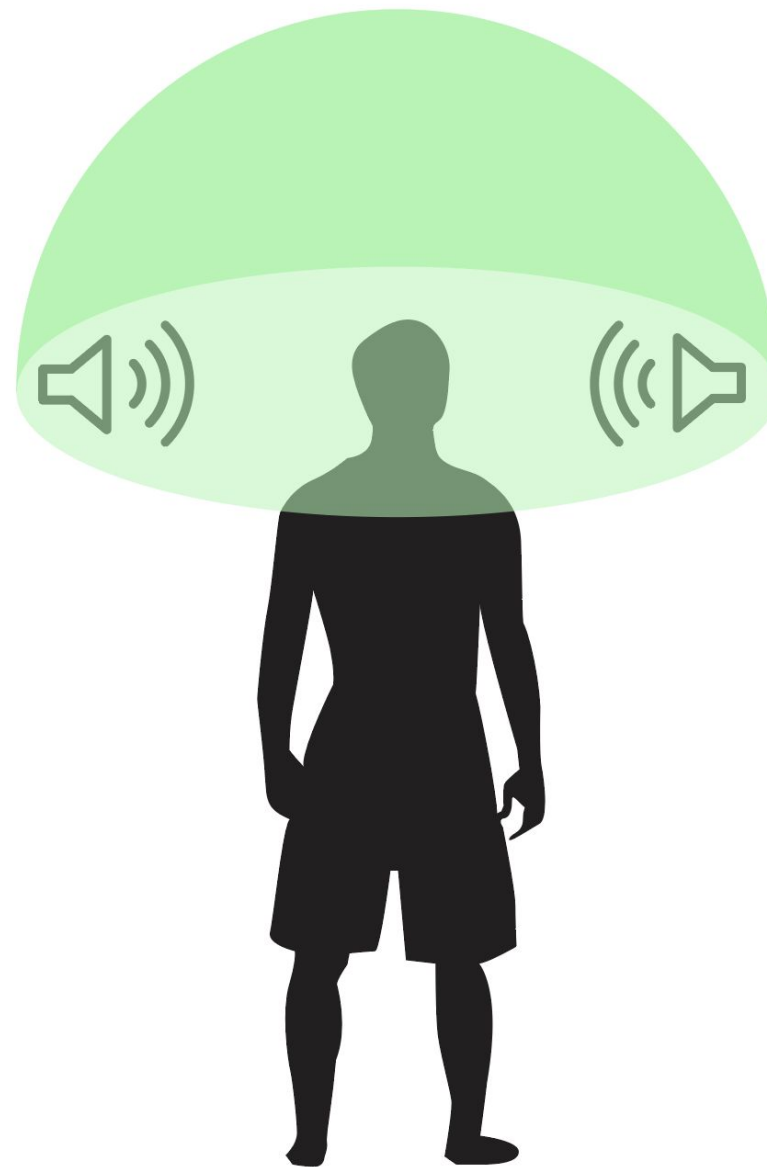
Potential stories covered

Fort Pierce/birthplace of the Frogmen, BUD/S and SQT goals and activities, selection criteria, education, the role of San Diego in training, lessons learned from BUD/S that SEALs apply beyond service, personal accounts of BUD/S and SQT

Endurance & Never Quit | Experience Opportunities

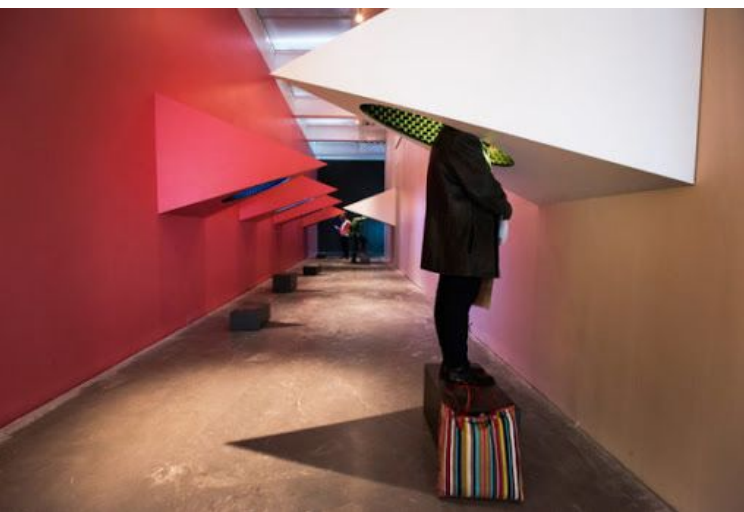
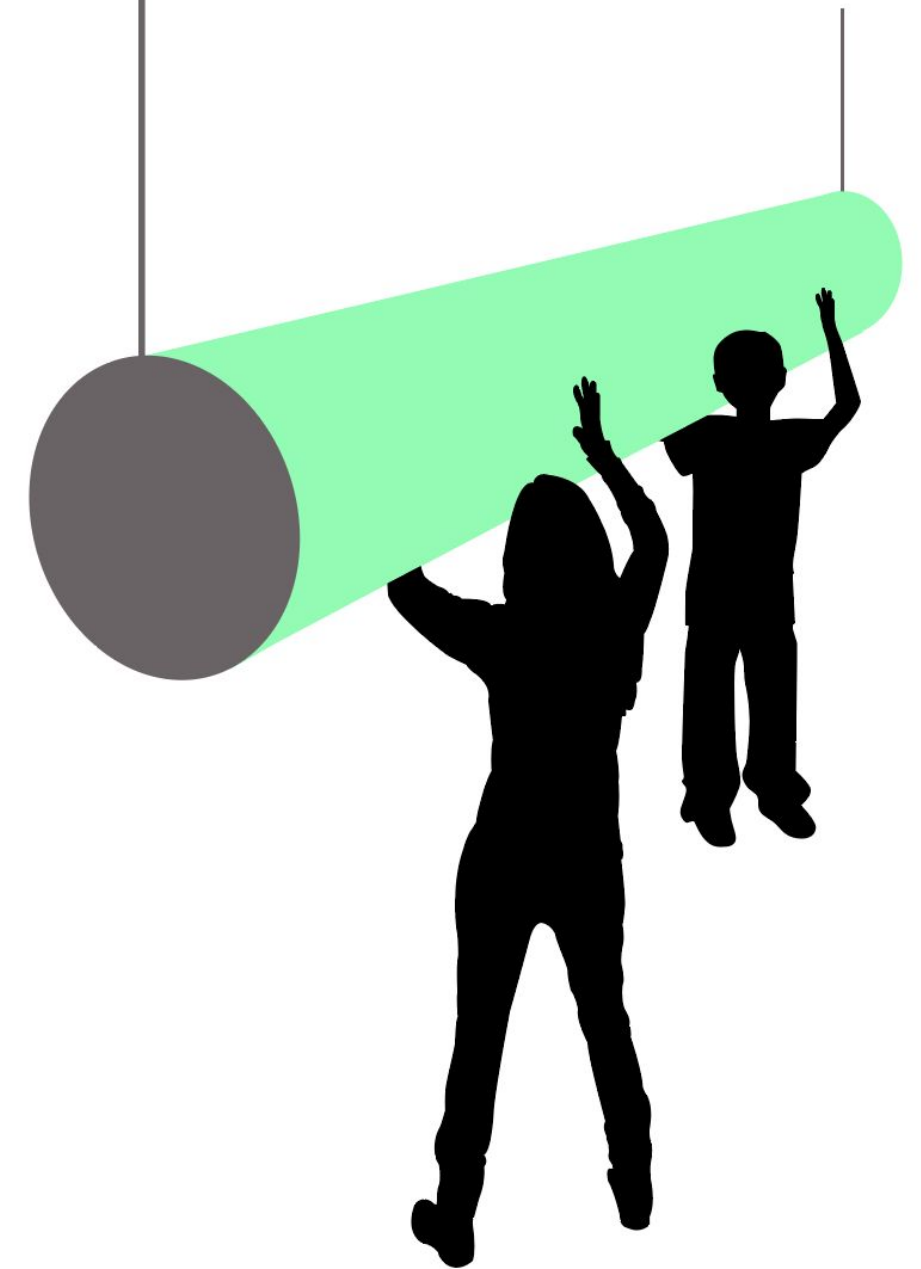
Aurally Challenged

Visitors could test their mental toughness in a dome with a simulated BUD/S soundscape. Instructors bark orders. Waves crash on the shore. How long can visitors withstand the intensity? Do they have to ring the bell?



Getting Physical

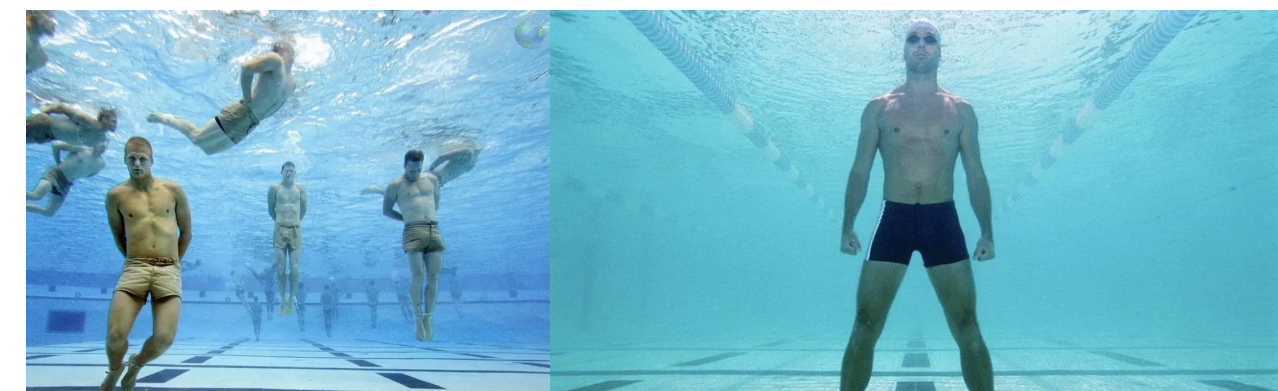
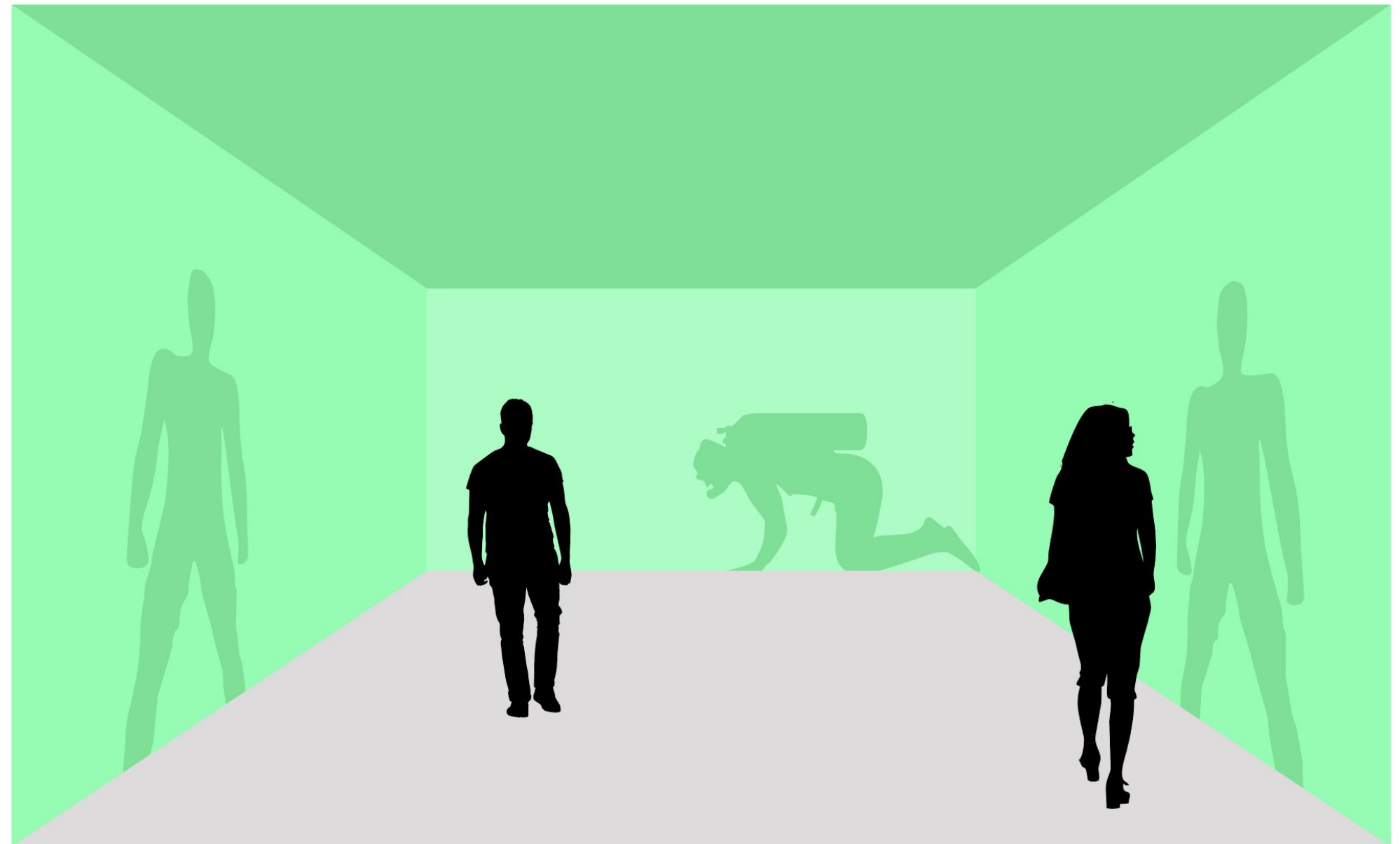
Interactive experiences could mimic some of the challenges that BUD/S participants must endure. A log mounted to the ceiling could offer them a sense of the weight prospective SEALs have to carry. Coordination exercises could test visitors' ability to work together.



Endurance & Never Quit | Experience Opportunities

Under Water

An immersive digital water tank could bring the Drownproofing Test to life for visitors. Large-scale video screens could show footage of prospective SEALs bound underwater, while an ambient soundscape plays. Using sensor technology, visitors could test their own ability to stay calm under pressure by trying to consciously slow their heart rate.



Duty & Legacy | Overview

This area of the exhibition will be dedicated to SEAL missions, historical and contemporary. From Normandy to Abbottabad, Saigon to Benghazi, visitors will learn the inside stories behind the SEALs' most significant operations. Activated artifacts will reveal the stories of the technology used in combat, and first-person accounts will bring to life the extreme circumstances that trained SEALs expertly navigate. An exhilarating immersive media experience could invite visitors to participate in a mission of their own.

Tone of this area

Bold, energetic, exciting, technical, tactical

How the visitor feels

Amazed, grateful, proud, humbled

SEAL values communicated

Duty, legacy, drive, leadership, teamwork, courage, empathy, brotherhood, eliteness, instinctiveness, loyalty

Themes covered

Combat experience, teamwork, sacrifice, heroism

Potential topics covered

Direct action, special reconnaissance, diving, hostage rescues, special ops, unconventional warfare, warrior dogs

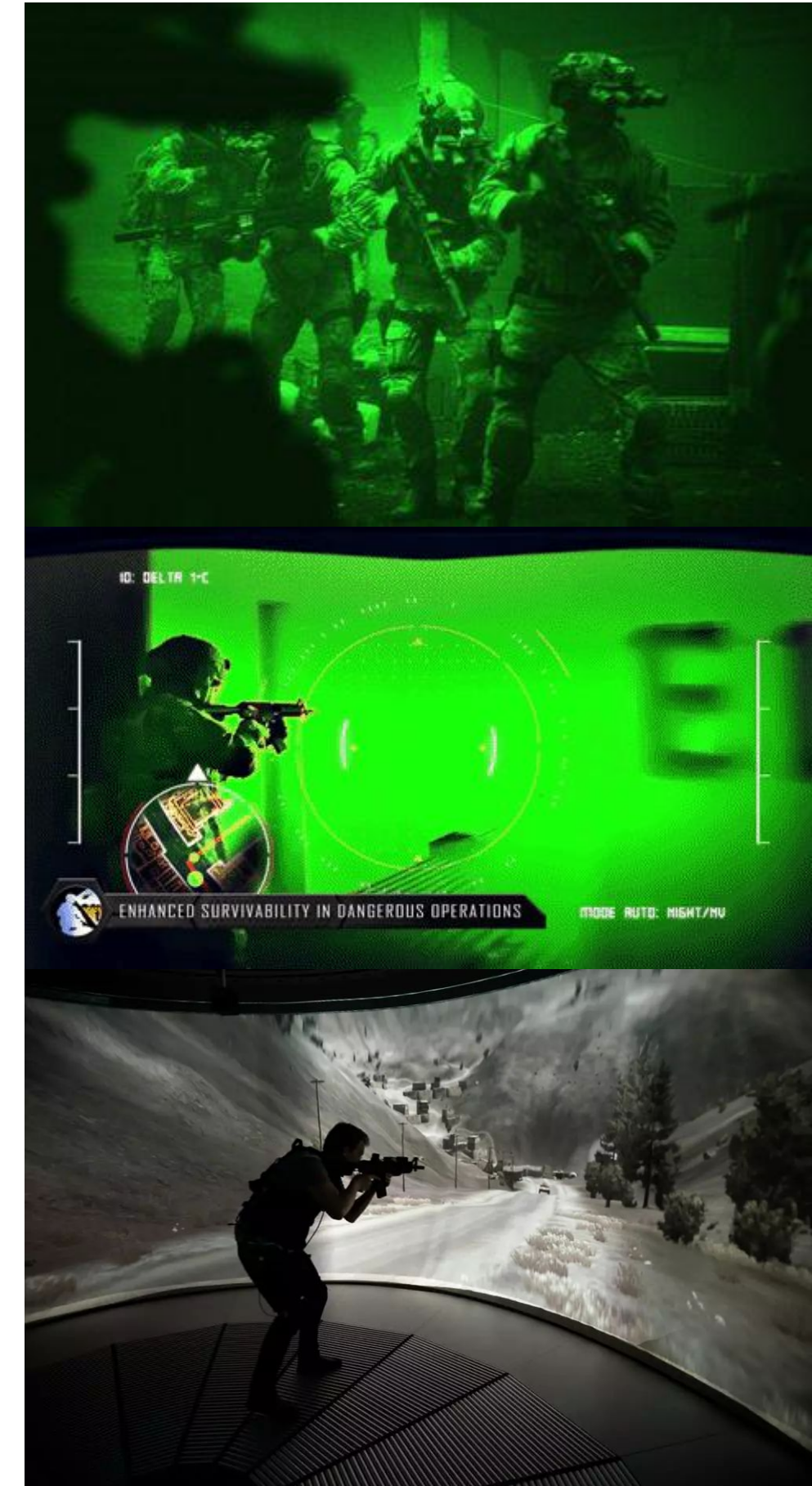
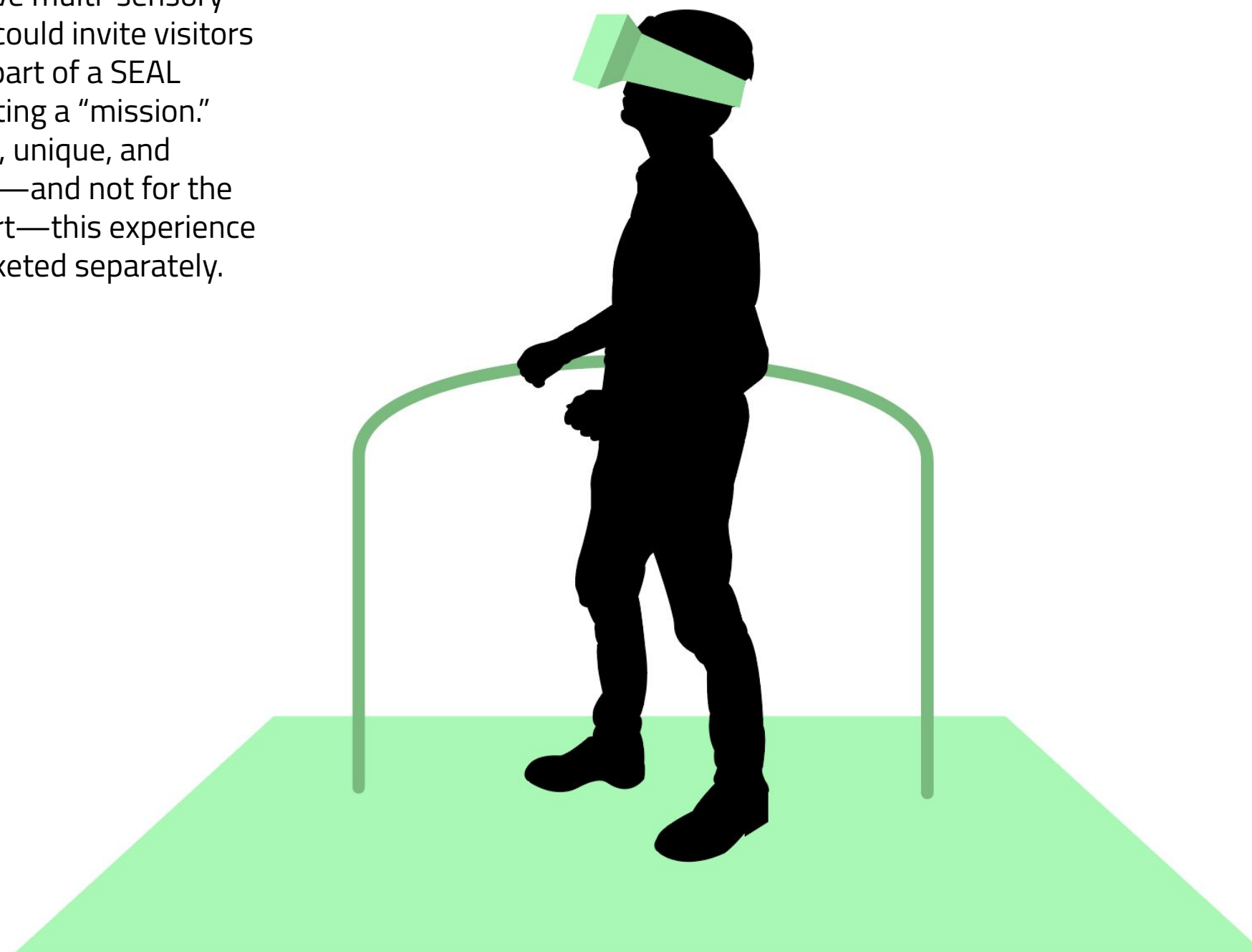
Potential stories covered

Naked Warriors, D-Day/Normandy, Black Hawk Down, 9/11, Jessica Lynch, Captain Phillips, Osama bin Laden, Benghazi, Medal of Honor recipients, East Coast vs West Coast team roles, wetsuits & rebreathers, evolution of equipment, Trident House

Duty & Legacy | Experience Opportunities

Through a SEAL's Eyes

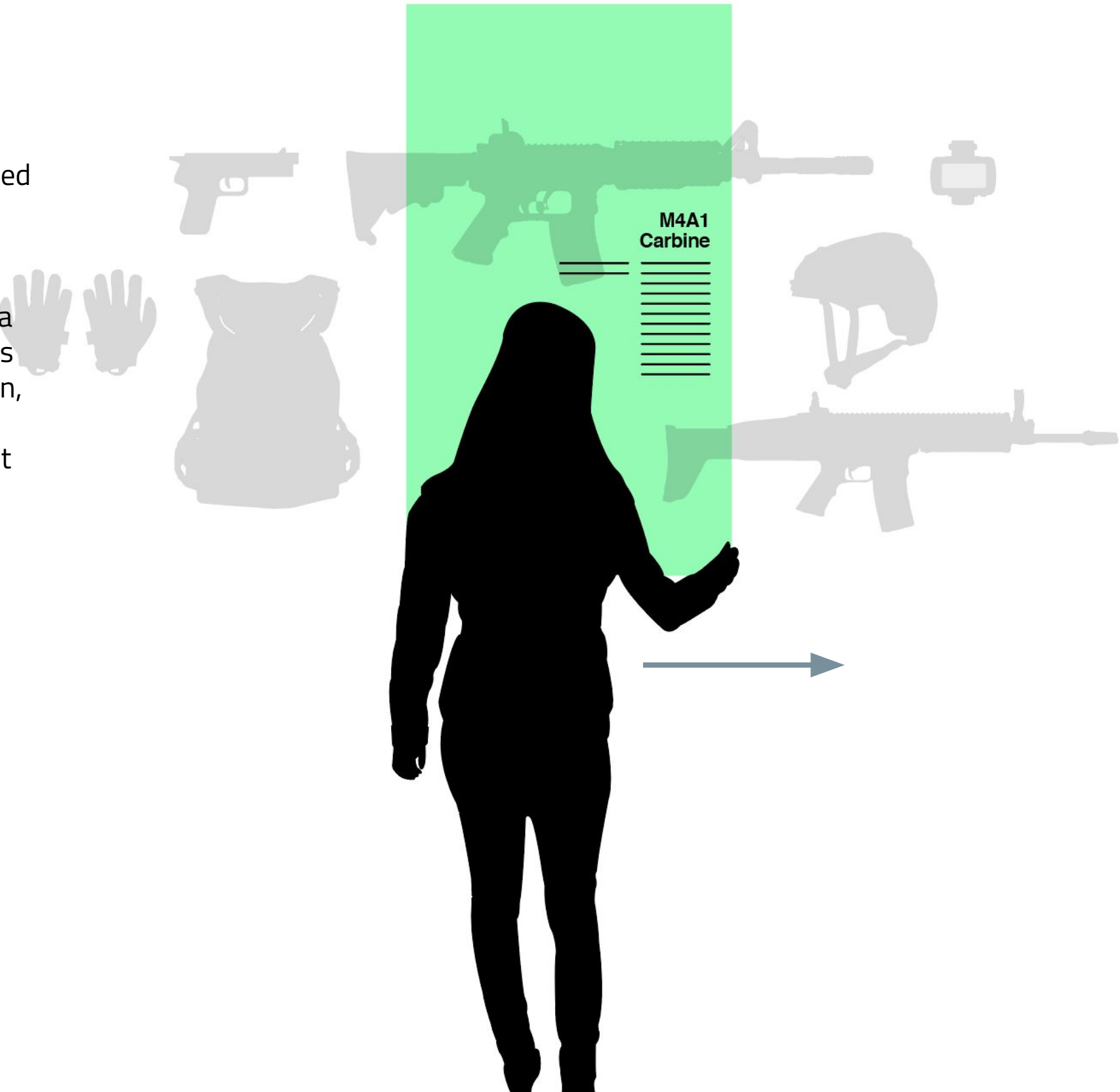
An immersive multi-sensory experience could invite visitors to become part of a SEAL team executing a "mission." Exhilarating, unique, and memorable—and not for the faint of heart—this experience could be ticketed separately.



Duty & Legacy | Experience Opportunities

Hidden Figures

Augmented reality technologies could be used to enhance the visitor's experience of artifacts, which have their own stories to tell. By sliding a translucent screen across the walls of the exhibition, visitors could uncover hidden information about each object or set of objects.



Duty & Legacy | Experience Opportunities

Testing the Waters

Leveraging the museum's location near the waterfront, we could offer adventurous visitors the chance to hit the water like a SEAL. A premium ticketed experience could take them out on the San Diego Bay for a ride on a Rigid Hull Inflatable Boat (RHIB).



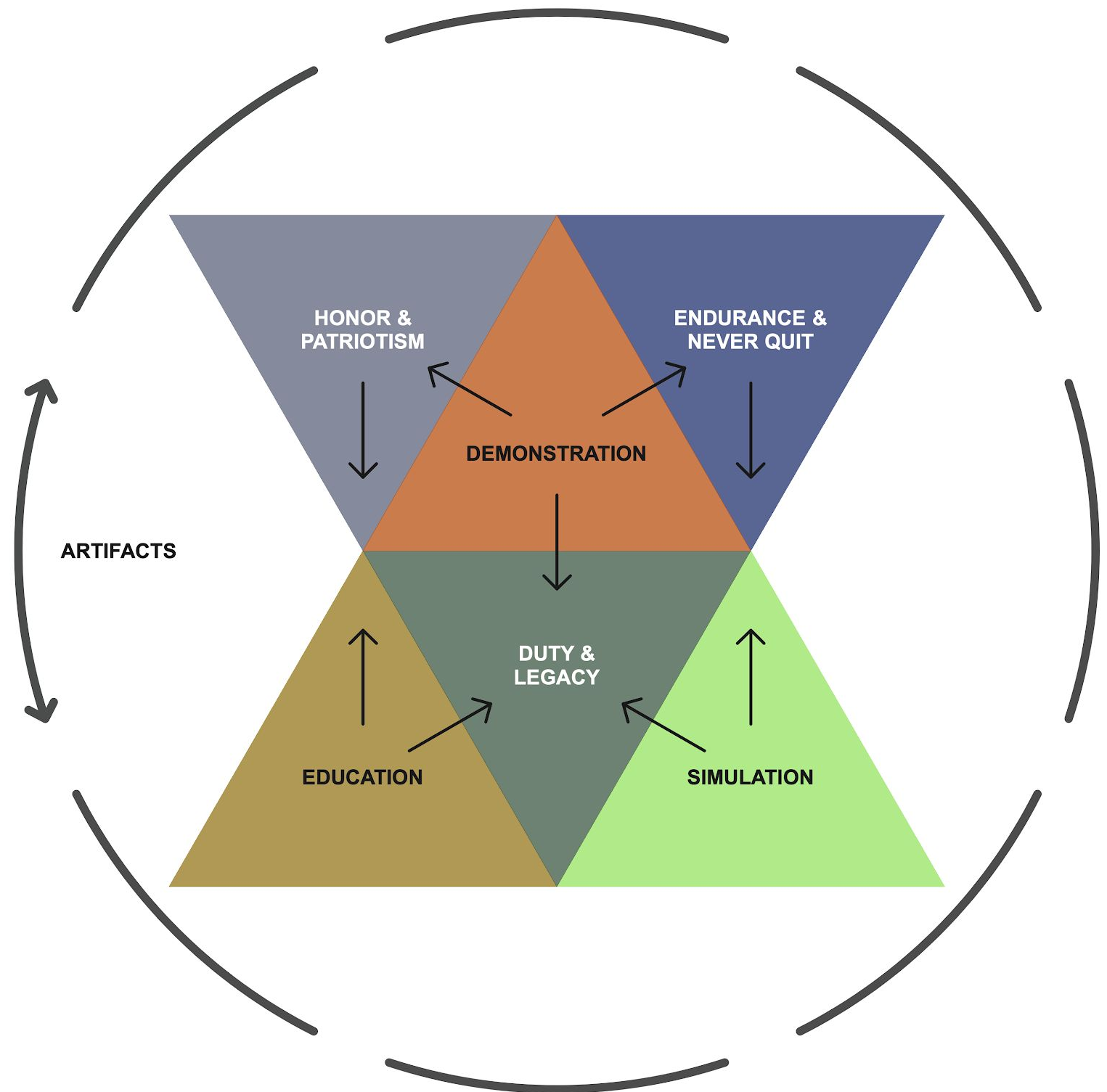
4.0 CONTENT MAPPING

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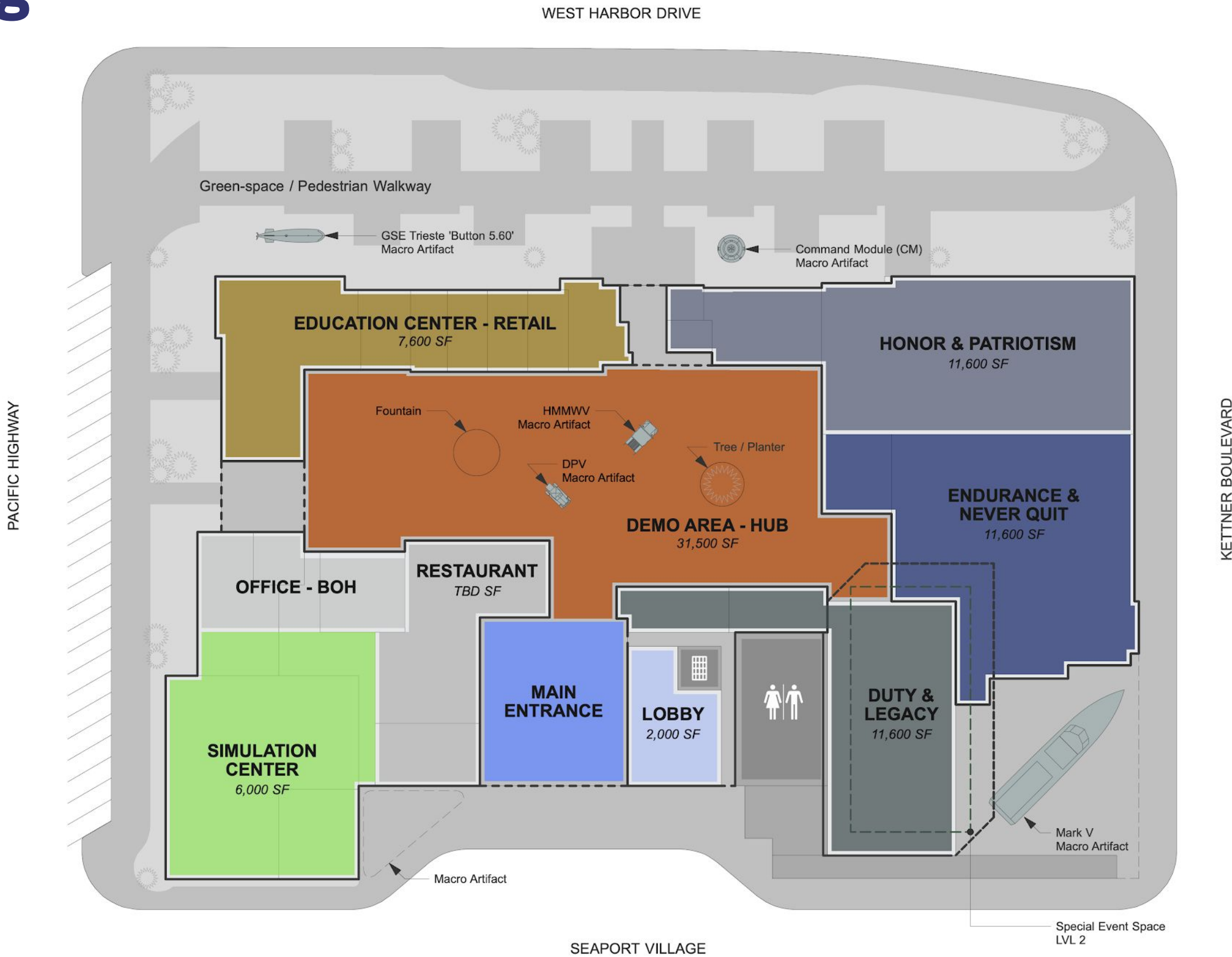
Overview

The Core Exhibition is reinforced by on-site Education, Simulation, and Demonstration Areas. The flexibility of both the Headquarters space and the exhibition's content framework allows these components to be experienced in any order. The museum's unique collection of artifacts anchors all areas of the exhibition. Macro objects used in training and combat flank the building and offer an up-close look at the technology and equipment employed by SEALs past and present.



Content Mapping

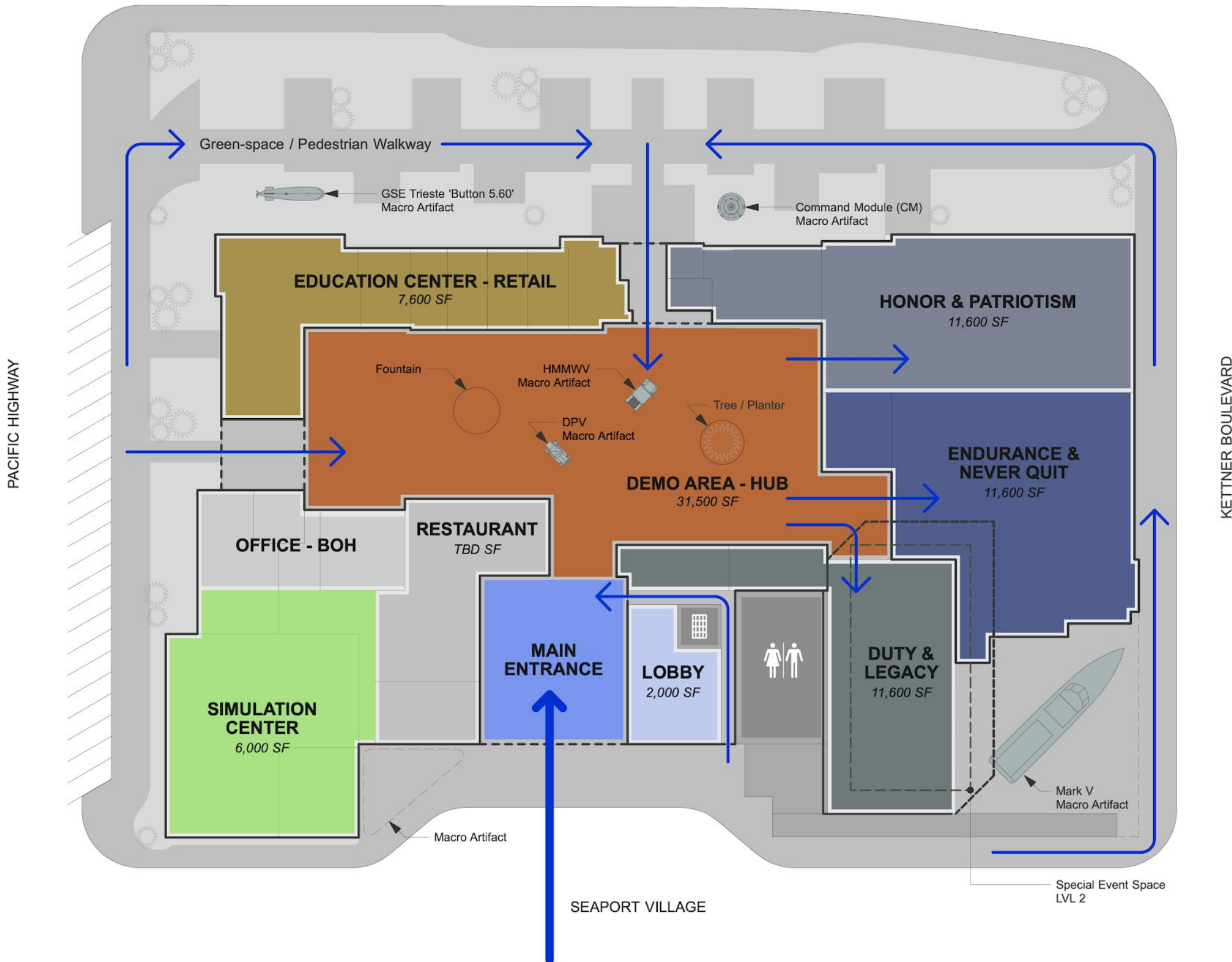
The Central Hub of the Headquarters site functions as a flexible area for SEAL demonstrations and museum events. Large-format artifacts experienced in the round centrally anchor the Demo Area and populate areas around the museum campus, reinforcing the SEALs story.



Content Mapping: Visitor Journey

WEST HARBOR DRIVE

Visitors and staff can access the museum from North, South, and West entrances. The main entrance is located South at Seaport Village, where there is currently ample parking. A lobby and ticketing area is located adjacent to the main entrance. Visitors are encouraged to walk the perimeter of the museum site to access macro artifacts.



5.0 PHASE I: FORWARD OPERATING BASE

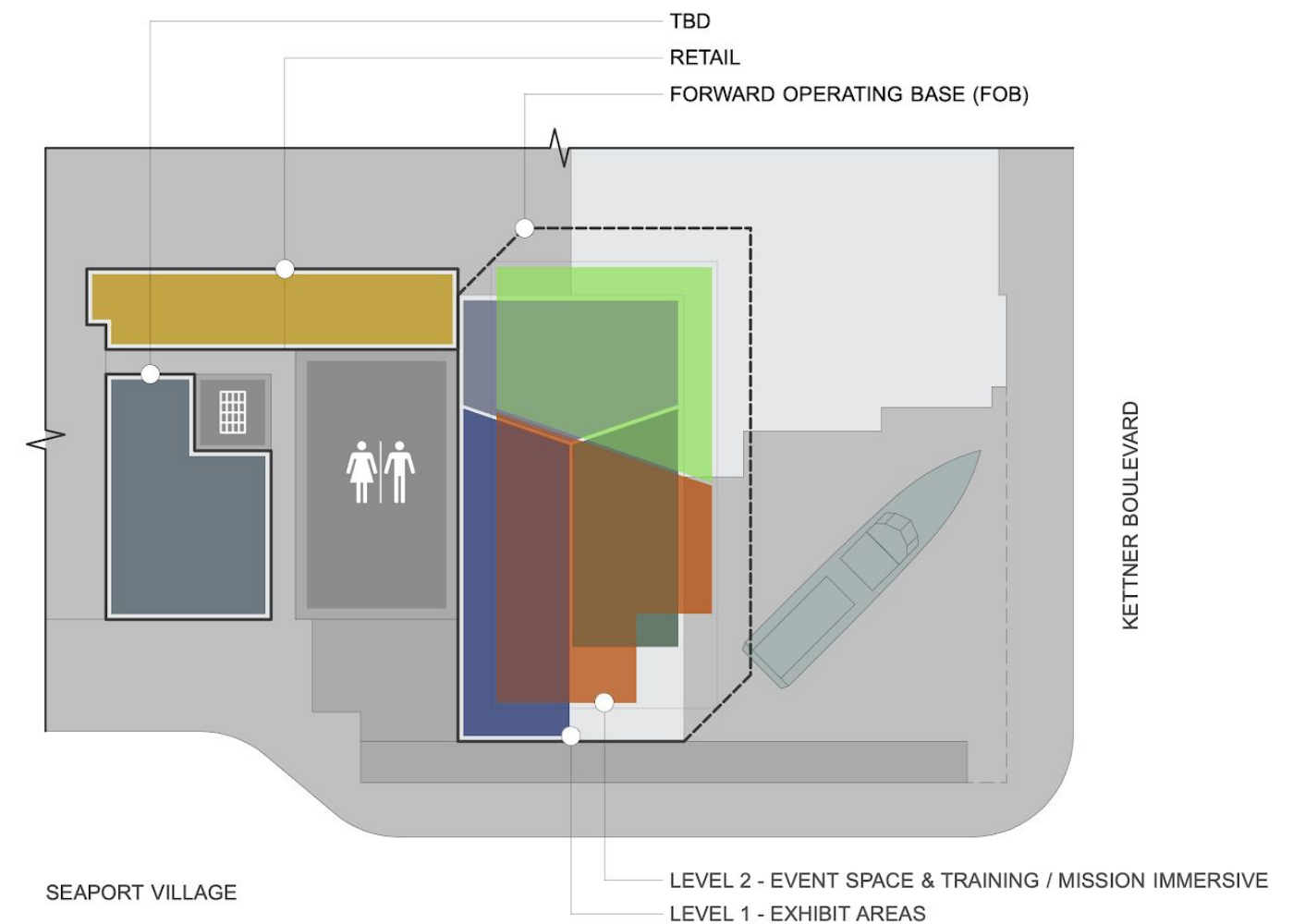
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Overview

In advance of the museum's opening, we will activate a Forward Operating Base (FOB) on the Headquarters site. Housed primarily in an existing two-level space, currently a gymnasium, the FOB will serve three main purposes:

- Generating excitement about the upcoming museum by previewing the visitor experience
- Providing a rentable space for private events
- Offering a ticketed experience for revenue generation

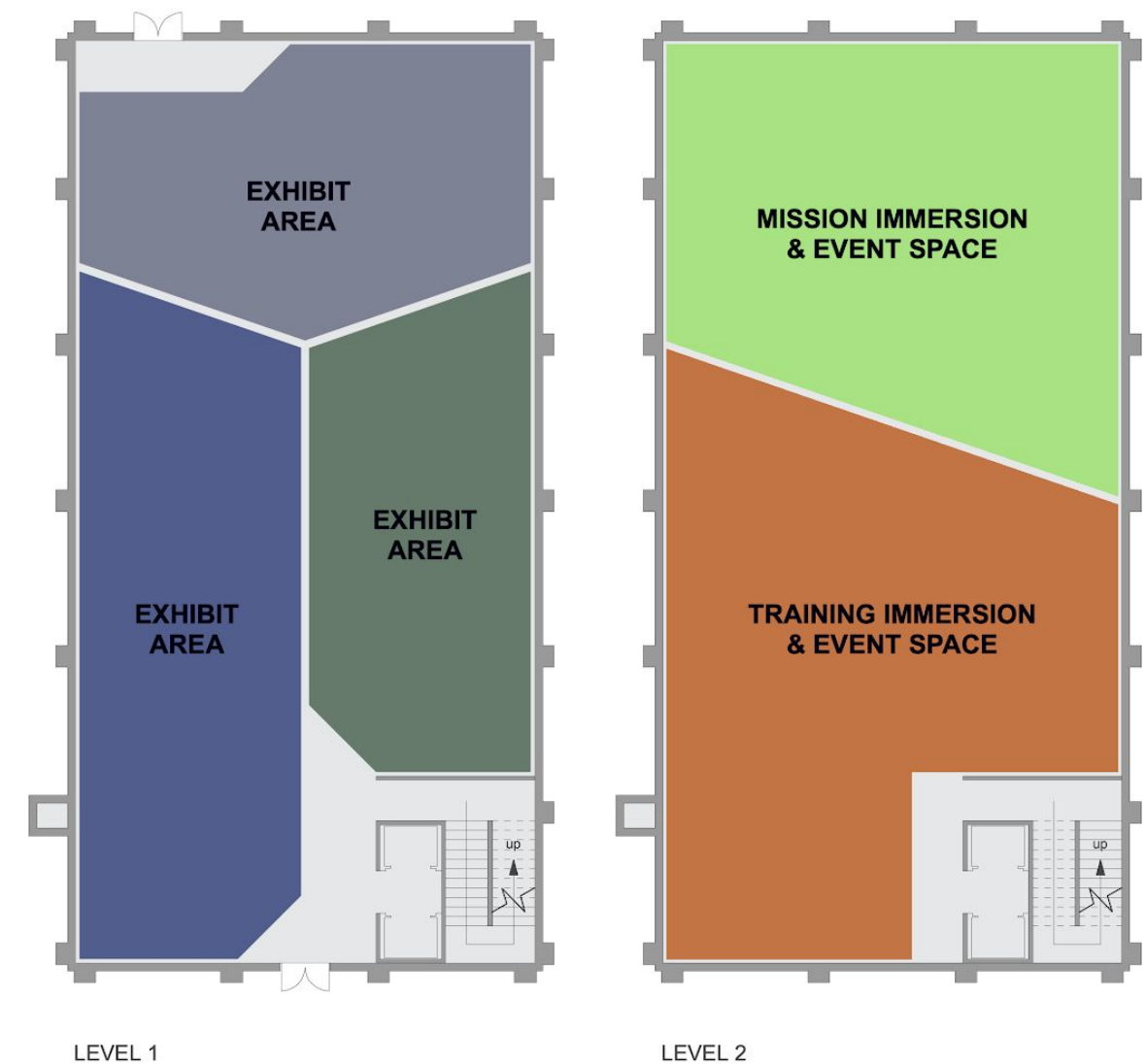


Interpretive Approach

The first level of the Forward Operating Base will tease the future museum, exciting visitors and building buzz.

It can incorporate the same tools and techniques as the museum at large: first-person storytelling, dynamically displayed artifacts, digital media, and engaging interactives.

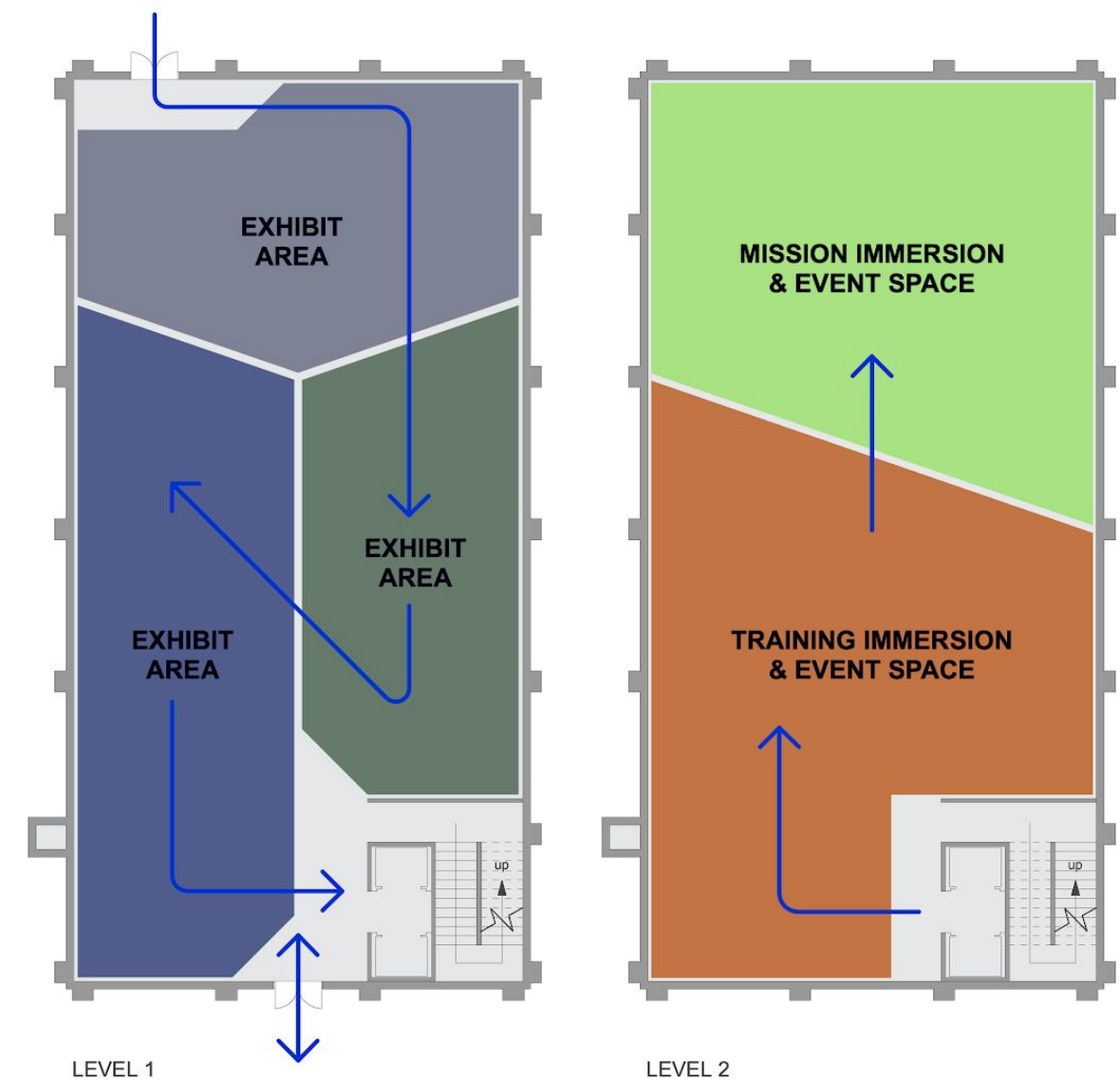
The ideal approach to this space is still to be determined. We will collaborate closely with the museum team to align on a strategic direction.



Visitor Journey

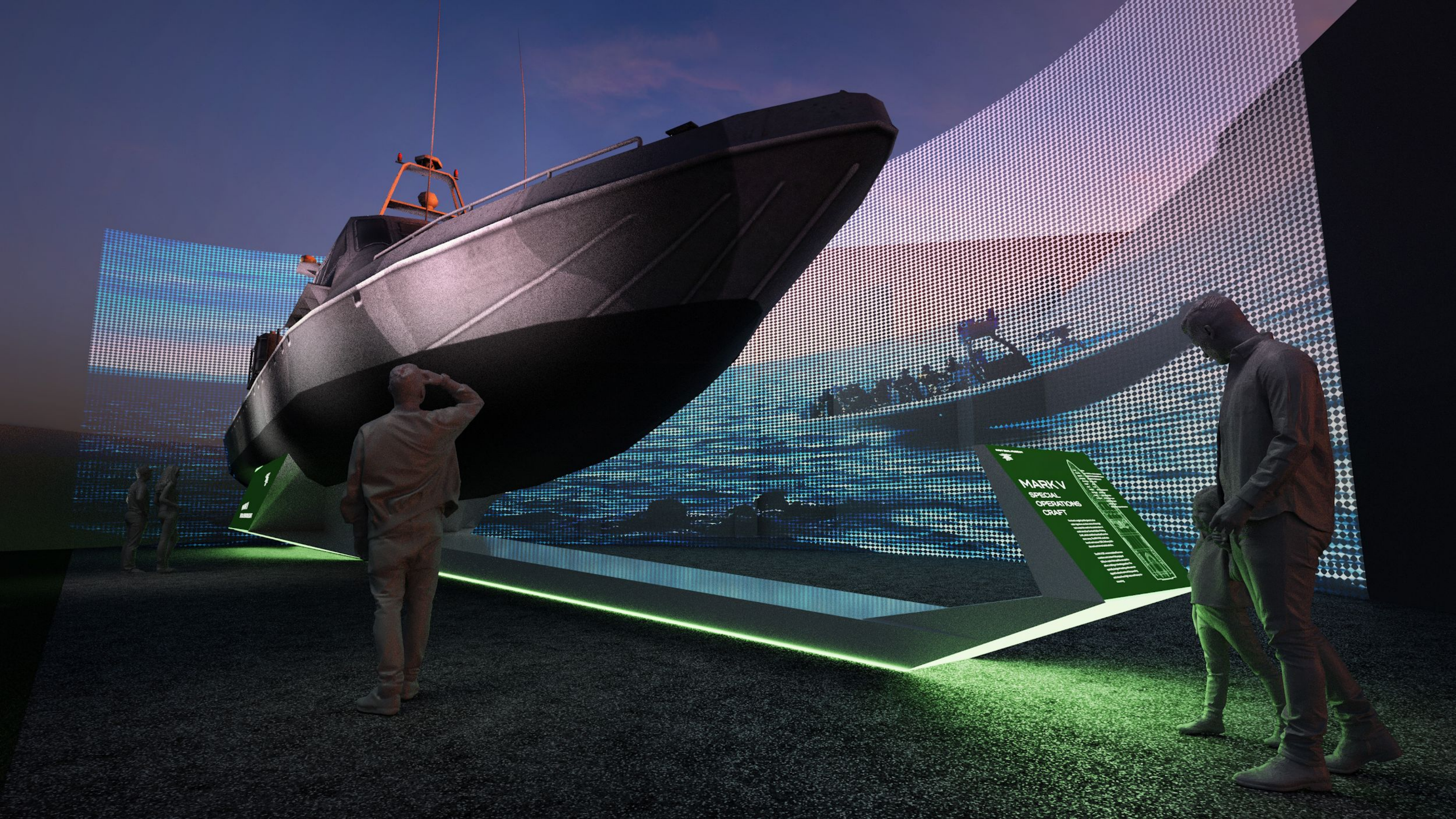
Although the second floor of the FOB will serve primarily as an event space, the integration of a Retractable Content Delivery System (RCDS) could allow it to also be used for exhibitry—perhaps even a premium, ticketed experience—during non-event times.

For example, we could divide Level 2 into two main areas, one dedicated to an immersive training installation, the other dedicated to a mission-focused interactive media experience. Those components could be repurposed within the larger museum or they could be bespoke for the FOB.



6.0 RENDERS

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Outside: Macro Artifact Display



Core Exhibition: Interactive Artifact Wall



Forward Operating Base: Immersive Training Installation with RCDS



Forward Operating Base: Mission VR Experience with RCDS

7.0 VIRTUAL MUSEUM

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Virtual Museum

Visitors expect to discover things digitally. They expect that the institutions they are interested in will find them online and vie for their attention. Institutions that don't meet these expectations risk being less relevant to visitors.

Beginning with a virtual museum, we can develop a digital ecosystem that helps maximize the museum's reach, relevance, and revenue. This virtual museum can:

- Augment fundraising efforts
- Broaden and deepen audience engagement
- Inform content development for the physical exhibition



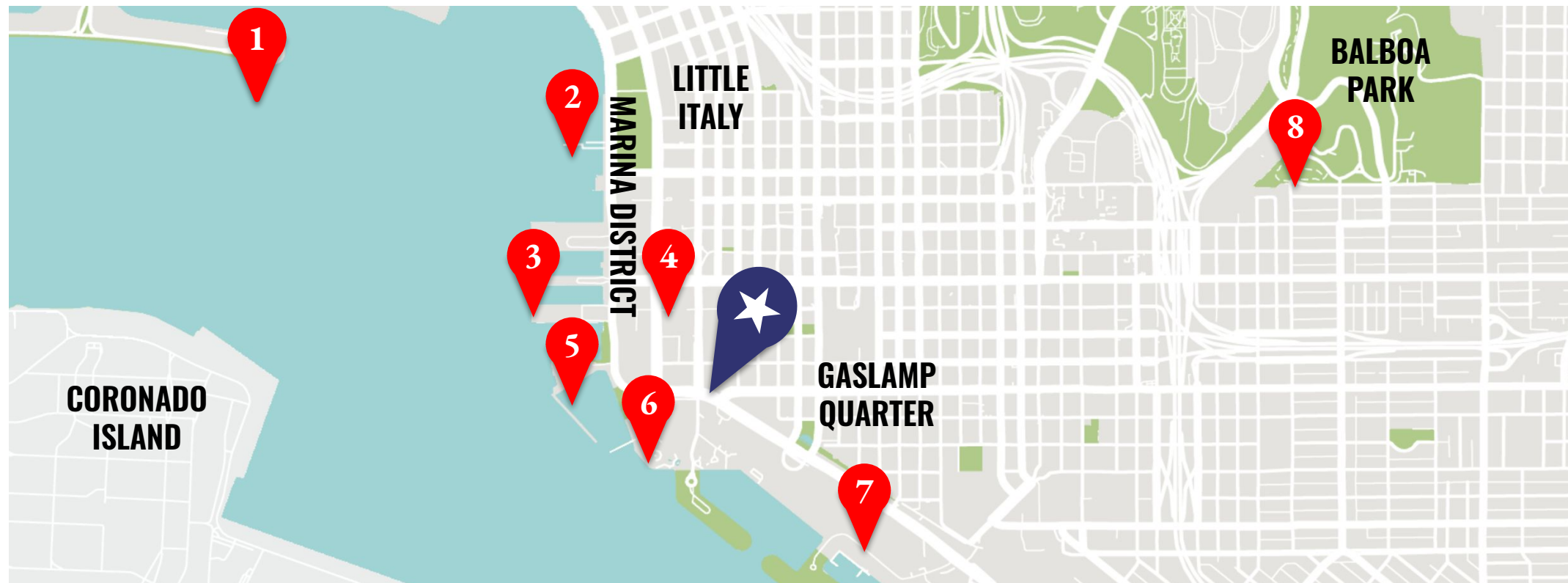
Top: Johnson and Johnson, Our Story
<https://ourstory.jnj.com/>

Bottom: Armenian Genocide Museum of America
<http://www.armeniangenocidemuseum.org/>

8.0 MARKET INSIGHTS

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San Diego | Points of Interest



Points of Interest

★ Old Police Station

1. San Diego Airport
2. San Diego Maritime Museum
3. USS Midway
4. Manchester Pacific Gateway
5. The Fish Market
6. Seaport Village
7. San Diego Convention Center
8. Balboa Park

INSIGHTS

- Overall, the San Diego visitor market is strong and healthy, with over 35 million annual tourists. The market has remained strong for the last several years, and all indications are that it will remain so for the foreseeable future.
- In April, the City Council voted to place an initiative on the 2020 primary ballot that would raise hotel taxes to fund an expansion of the San Diego Convention Center. The near \$1B project will add 400K SF to the Center's existing 800K SF footprint, taking it from the 22nd largest convention center in the country to the 13th largest.
- None of the local cultural institutions viewed the SEALs Museum as a threat. Most in fact viewed the museum as an important asset for the area, given the large naval base on Coronado Island and the expansive naval community in the area. All thought the museum would have strong support and as a result would be well attended, if located along the waterfront.
- While Balboa Park is home to several cultural institutions, it really is considered a separate market from the San Diego waterfront area and therefore is not seen as a competitor to the Navy SEALs Museum.

Marina District | Development Projects



Buildings of Interest

★ Old Police Headquarters

1. New Navy Headquarters
2. Site of mandated 40K SF museum
3. The Fish Market
4. USS Midway
5. Broadway Pier
6. Cruise Dock
7. San Diego Maritime Museum
8. Coast Guard Air Station

Development Sites

Manchester Pacific Gateway (MPG)

Seaport Village Redevelopment (SVR)

WHY IT MATTERS TO THE NAVY SEALS MUSEUM

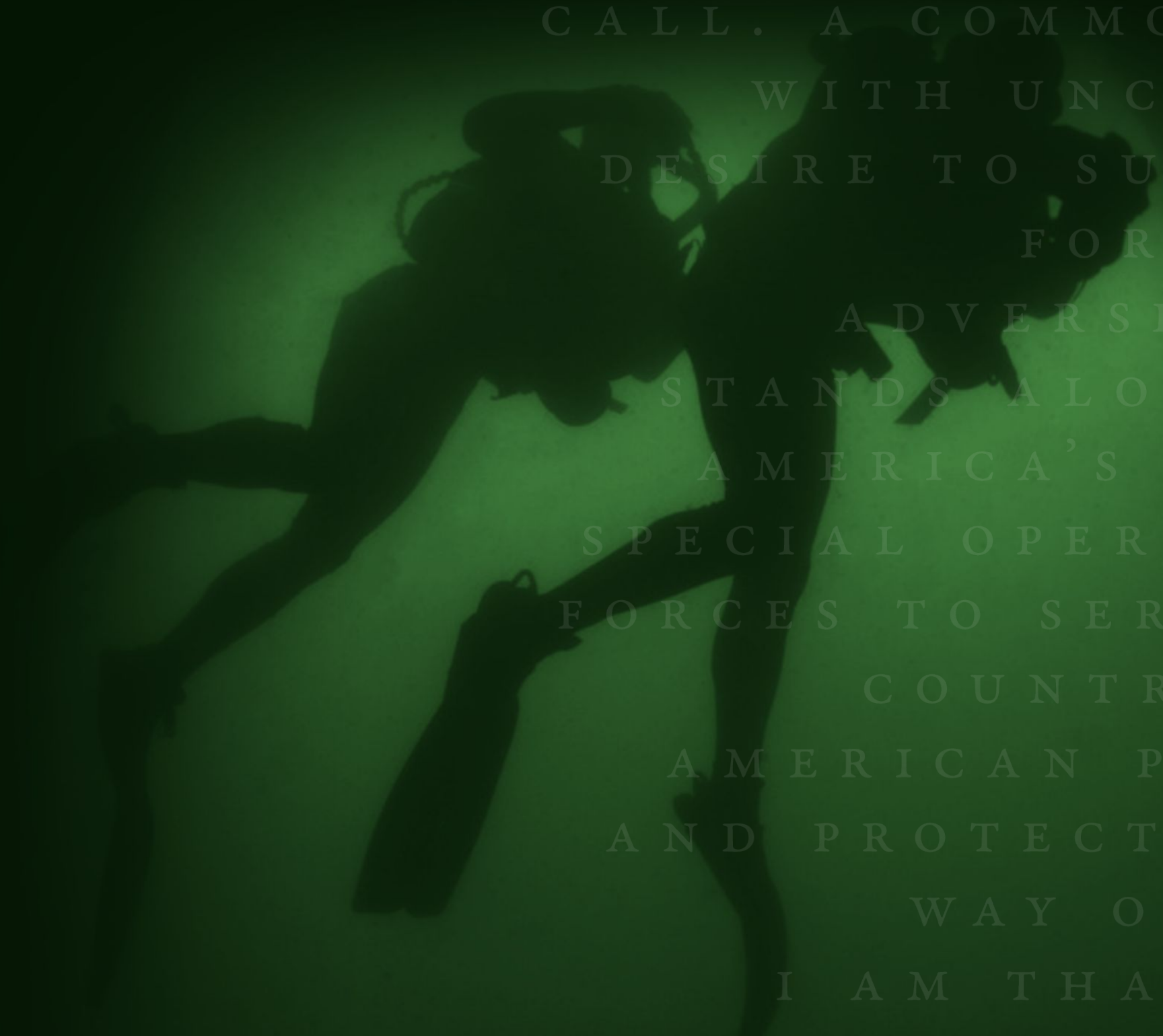
- Marina District is the best possible location for the museum in the city and in some ways the only location that makes sense (Balboa Park is saturated & w/o an adequate building, the Marina District's military presence creates a strong common thread for the SEALs museum to latch onto)
- Includes the current Police Headquarters site (★) as well as a required 40K SF museum component in the Manchester Pacific Gateway development
- The waterfront land of the Marina District is controlled by the Port of San Diego which has recently issued a draft master plan for a major port redevelopment. The master plan has yet to be finalized and therefore may change what is possible for the Marina District.
- The other two major redevelopment project have very long development timelines. MPG has only broken ground on one building and there are rumors that the balance of the project is for sale leading to a likely development timeline of at least 10 years. The SVR project has yet to be fully approved (e.g. California Coastal Commission, Port of San Diego) and a recently discovered earthquake fault directly beneath the site will likely extend the timeline to 15-20 years
- Because both major developments plan to offer significant private event venues, it is imperative that the SEALs museum leverage the "Navy SEALs Experience" in order to remain unique and competitive
- Based on the long lead times of both of the prime redevelopment projects above (MPG & SVR), the Old Police Headquarters site appears to be the strongest short-term development option to pursue. The key will be determining how much of the overall site can be assembled and at what cost.

Market Summary

- Overall, the San Diego visitor market is strong and healthy, with over 35 million annual tourists. The market has remained strong for the last several years, and all indications are that it will remain so for the foreseeable future
- The Marina District is a prime location for the proposed SEALs museum and perfectly complements the other cultural institutions already operating (USS Midway, Maritime Museum of San Diego) and/or proposed (SVR Aquarium) within the district
- The Navy SEALs museum will greatly benefit the large and strong military community in the market
- The proposed Convention Center Expansion would be a benefit to the Marina District, however, should the ballot initiative fail, the neighborhood's outlook is still strong
- There are two major development projects in process (MPG) and proposed (SVR) in the Marina District, however the uncertainties surrounding them due to their lack of funding and/or approvals, makes the the Old Police Headquarters site the only viable museum location in the short term
- The USS Midway is the premier tourist destination in the Marina District and one of the most unique museum's in the country. Its immense size and aircraft collection place it in a class by itself. It should not be viewed as a competitor to the Navy SEAL museum, only a compliment
- Tourists visiting San Diego are generally driving-in so parking capacity is a critical concern for all Marina District attractions
- Uncertainty around possible development options remains as long as the Port's final master plan is unknown

9.0 CAPITAL BUDGETS

IN TIMES OF WAR OR
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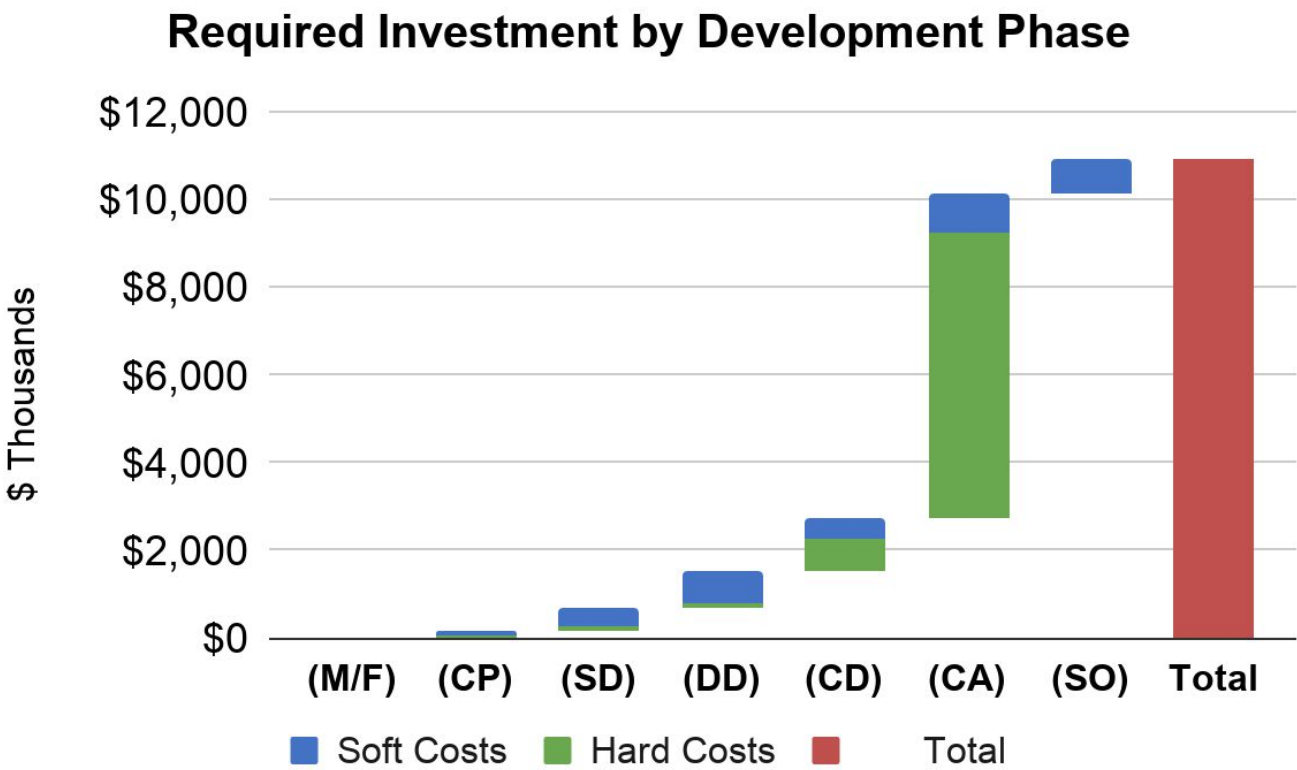
Capital Budget | Forward Operating Base "FOB" Only

Development Components	Square Feet (SF)	Development Cost (\$/SF)	Total Development Cost		
			<u>Total Fit-out</u>	<u>Total * Infrastructure</u>	<u>Total Development Cost</u>
Core & Shell					
Infrastructure Upgrades	15,387	\$150	-	\$2,308,000	\$2,308,000
Fit-out Costs					
Exhibit Space	5,500	\$600	\$3,300,000	-	\$3,300,000
Retail	2,011	\$150	\$302,000	-	\$302,000
Lobby	500	\$200	\$100,000	-	\$100,000
Special Event/Flex Space	5,000	\$150	\$750,000	-	\$750,000
Office	1,000	\$25	\$25,000	-	\$25,000
Back of the House	1,376	\$25	\$34,000	-	\$34,000
Total Fit-out	15,387		\$4,511,000	\$0	\$4,511,000
Contingency		10.00%	\$451,000	\$231,000	\$682,000
Total Hard Costs			\$4,962,000	\$2,539,000	\$7,501,000
Soft Costs					
Exhibit Design Fees		20.00%	\$992,000	-	\$992,000
Architect & Engineering Fees		12.00%	\$0	\$305,000	\$305,000
Pre-opening Marketing/Staffing/Operations		Allowance	\$500,000	-	\$500,000
Virtual Museum		Allowance	\$500,000	-	\$500,000
Project Management Fees		2.50%	\$124,000	-	\$124,000
Exterior Branding		Allowance	\$0	\$500,000	\$500,000
Total Soft Costs			\$2,116,000	\$805,000	\$2,921,000
Owner's Contingency		5.00%	\$329,000	\$167,000	\$496,000
Total Development Costs			\$7,407,000	\$3,511,000	\$10,918,000
Operating Reserve/Endowment Fund			-	-	TBD
Total Capital Raise			\$7,407,000	\$3,511,000	\$10,918,000

Commentary

- Renovation of existing GYM spaces and separate retail outlet with frontage along Pacific Highway (15,387 SF total)
 - Exhibit Fit-Out allows for SEALS mission and training simulations
 - Dual use for 2nd Floor - Exhibit area during daytime (with film and simulation experiences) and Private Event venue during evenings
 - Optimally, venue should be able to accommodate up to 200 to 250 for sit-down events and 500+ for cocktail parties/standing events
 - Retail store key to leveraging the strong interest and brand recognition for NAVY SEALS into maximum earned income
- * Assumes delivery of a warm vanilla shell with elevators and bathrooms provided by Developer

Cash Flow | “FOB” Only



Development Phase	Duration	Required Investment (\$000s)			Pct. of Total
		Hard Costs	Soft Costs	Total	
Concept Programming	2	\$56	\$121	\$177	1.6%
Schematic Design	3	\$75	\$459	\$534	4.9%
Design Development	3	\$75	\$725	\$800	7.3%
Construction Documents	3	\$750	\$483	\$1,233	11.3%
Construction Administration	6	\$6,511	\$854	\$7,365	67.5%
Soft Opening	1	\$34	\$775	\$809	7.4%
Total	18	\$7,501	\$3,417	\$10,918	100%

- Commentary**
- The design and construction of the first phase of the project, the Forward Operating Base, should take approximately 18 months to complete.
 - Initial work during 1st year is mostly design = Soft Costs
 - Majority of investment (75%+) needed during the last year (i.e., construction) = Hard Costs
 - Early hard cost amounts refer to possible pre-construction and/or pre-fabrication services, as well as possible pre-bid awards of small project pieces (e.g., sitework)
 - Ideally, much of the investments made during this initial phase will be leveraged in phase two, when the full HQ site is developed. For example, any media (films, 1st person accounts, etc.) created can be used in the larger museum exhibit areas

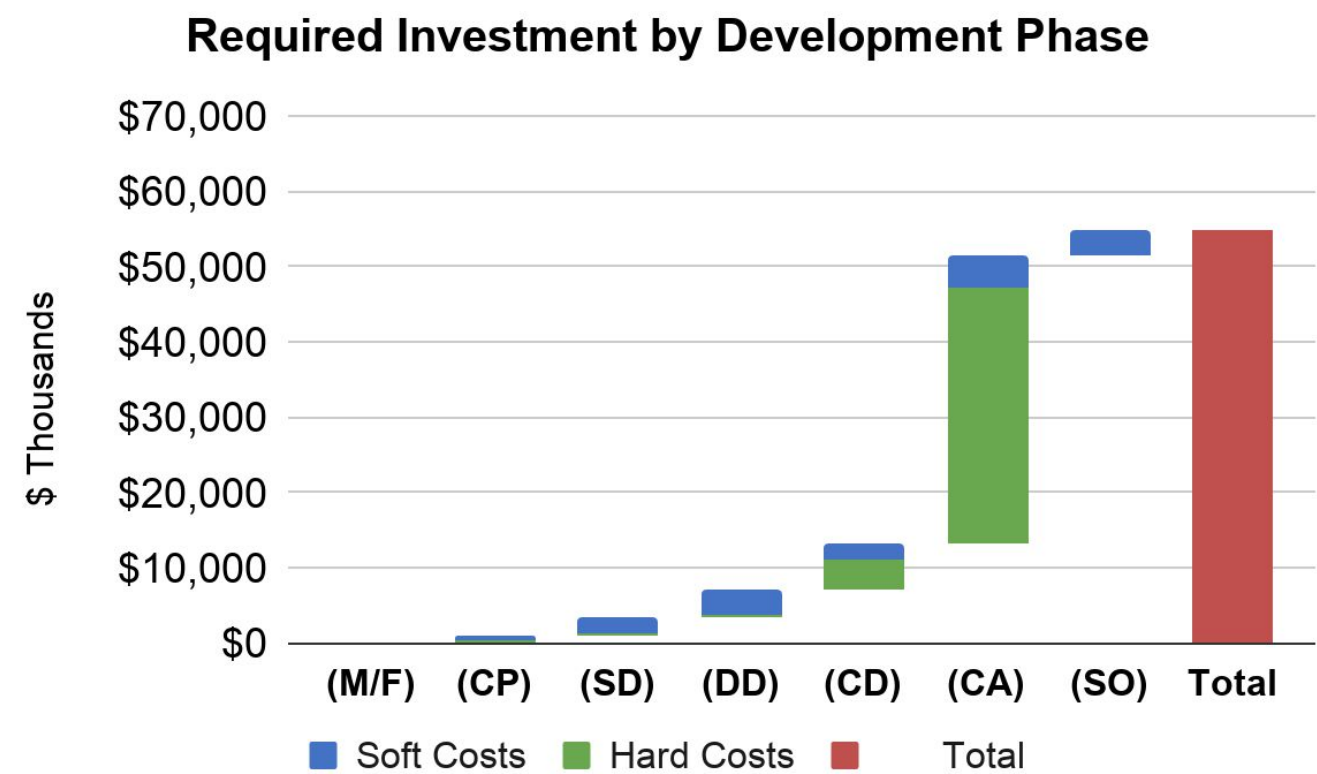
Capital Budget | Full HQ

Development Components	Square Feet (SF)	Development Cost (\$/SF)	Total Development Cost		
			Total Fit-out	Total Infrastructure*	Total Development Cost
Core & Shell					
Infrastructure Upgrades	98,276	\$100	-	\$9,828,000	\$9,828,000
Fit-out Costs					
Attraction Exhibit	23,200	\$750	\$17,400,000	-	\$17,400,000
Simulation Center	6,000	\$300	\$1,800,000	-	\$1,800,000
Lobby	2,000	\$250	\$500,000	-	\$500,000
Retail	3,600	\$350	\$1,260,000	-	\$1,260,000
Education Center	4,000	\$300	\$1,200,000	-	\$1,200,000
Special Event/Flex Space	11,600	\$100	\$1,160,000	-	\$1,160,000
Courtyard	31,500	\$50	\$1,575,000	-	\$1,575,000
Office / Back of House	16,376	\$57	929,000	-	\$929,000
Total Fit-out	98,276		\$25,824,000	\$0	\$25,824,000
Contingency		10.00%	\$2,582,000	\$983,000	\$3,565,000
Total Hard Costs			\$28,406,000	\$10,811,000	\$39,217,000
Soft Costs					
Exhibit Design Fees		20.00%	\$3,840,000		\$3,840,000
Architect & Engineering Fees		15.00%	\$1,381,000	\$1,622,000	\$3,003,000
Pre-opening Marketing/Staffing/Operations		Allowance	\$3,500,000		\$3,500,000
Virtual Museum		Allowance	\$1,000,000		\$1,000,000
Exterior Branding		2.50%		\$750,000	\$750,000
Project Management Fees		2.50%	\$710,000	\$270,000	\$980,000
Total Soft Costs			\$10,431,000	\$2,642,000	\$13,073,000
Owner's Contingency		5.00%	\$1,942,000	\$673,000	\$2,615,000
Total Development Costs			\$40,779,000	\$14,126,000	\$54,905,000
Operating Reserve/Endowment Fund			-	-	TBD
Total Capital Raise			\$40,779,000	\$14,126,000	\$54,905,000

Commentary

- This is a standalone capital budget that does not assume any efficiencies with development of the "Forward Operating Base"
 - Assumes renovation of Full HQ, building areas and courtyard, except for Puesta restaurant (6,000 SF) = approximately 98,000 SF total
 - Exhibit Fit-Out of \$750 PSF enables fully immersive and engaging visitor experience, including state-of-the-art interactive technologies (e.g., AR and VR)
 - Courtyard (31,500 SF) enables an indoor/outdoor visitor experience, plus far greater area to present SEALS artifacts (e.g., Watercraft, Equipment)
 - Larger site accommodates greater event capacities, both indoor and outdoor, and enables more immersive theming
 - We assume the retail space will include some type of limited F&B amenity (e.g., snack bar)
- * Assumes delivery of a warm vanilla shell with elevators and bathrooms provided by Developer

Cash Flow | Full HQ



Commentary

- Typical Museum development timeline is approximately three to four years, excluding fundraising
- Initial work during 1st year is design = Soft Costs
- Majority of investment (75%+) needed during the last 18 months (i.e., construction) = Hard Costs
- Early hard cost amounts refer to possible pre-construction and/or pre-fabrication services, as well as possible pre-bid awards of small project pieces (e.g., sitework)

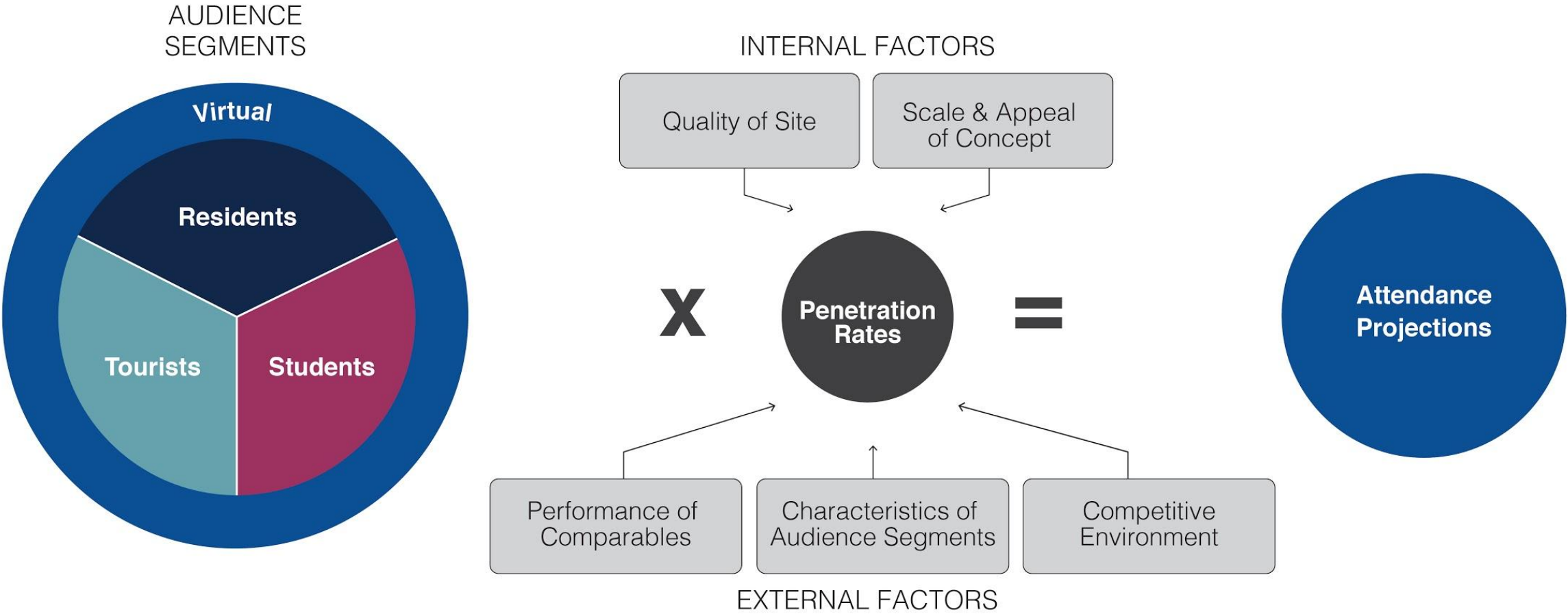
Development Phase	Duration (Months)	Required Investment (\$000s)			Pct. of Total
		Hard Costs	Soft Costs	Total	
Concept Programming	2	\$290	\$572	\$862	1.6%
Schematic Design	4	\$392	\$3,284	\$3,676	6.7%
Design Development	9	\$392	\$2,059	\$2,451	4.5%
Construction Documents	8	\$3,922	\$2,238	\$6,160	11.2%
Construction Administration	14	\$34,042	\$4,167	\$38,209	69.6%
Soft Opening	1	\$178	\$3,367	\$3,546	6.5%
Total	38	\$39,217	\$15,688	\$54,905	100%

10.0 ATTENDANCE

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Attendance Analysis



Balboa Park Museums | Comparable Museums

Museum	Museum Type	Attendance	Capture Rate
San Diego Zoo	Zoo	3,836,000	9.80%
Fleet Science Center	Science	450,000	1.15%
San Diego Natural History Museum	Natural History	401,000	1.02%
San Diego Museum of Art	Art	374,000	0.96%
San Diego Air & Space Museum	Air and Space	266,000	0.68%
Timken Museum of Art	Art Museum	242,000	0.62%
San Diego Museum of Man	Anthropology	226,000	0.58%
Japanese Friendship Garden Society of San Diego	Botanical	181,000	0.46%
San Diego Model Railroad Museum	Railroad	128,000	0.33%
Mingei International Museum	Art	111,000	0.28%
San Diego Automotive Museum	Automotive	105,000	0.27%
Museum of Photographic Arts	Photographic Arts	104,000	0.27%
San Diego History Center	History Museum	72,000	0.18%
The Veterans Museum	Military History Museum	56,000	0.14%
Average of Balboa Park Comps		468,000	1.20%
Median of Balboa Park Comps		203,500	0.52%

Source: Online Museum Database, U.S. Census Bureau, Individual Institution Websites

San Diego Museums | Comparable Museums

MSA	MSA Population	City Tourism
San Diego-Carlsbad, CA	3,337,685	35,800,000

Museum	Museum Type	Attendance	Capture Rate
USS Midway Museum	Ship Tours / Military History	1,400,000	3.58%
The New Children's Museum	Children's Museum	180,000	0.46%
Marine Corps Recruit Depot Museum	Branch Specific	175,000	0.45%
Museum of Contemporary Art San Diego - Downtown	Art Museum	168,000	0.43%
Maritime Museum of San Diego	Ship Tours / Maritime Museum	144,000	0.37%
Thomas Whaley House Museum	House Museum	120,000	0.31%
Flying Leatherneck Aviation Museum	Aviation / Military Specific	30,000	0.08%
Gaslamp Museum at the Davis-Horton House	House Museum	30,000	0.08%
Average of Local Comps		280,875	0.72%
Median of Local Comps		156,000	0.40%

Source: Online Museum Database, U.S. Census Bureau, Individual Institution Websites

Large Military Museums | Comparable Museums

Museum	Museum Type	City	MSA & Total Tourism	Attendance	Capture Rate
National World War II Museum	War Museum	New Orleans, LA	19,275,762	755,000	3.92%
Intrepid Sea, Air & Space Museum	Aircraft Carrier	New York, NY	85,520,876	700,000	0.82%
National Museum of the Marine Corps	Branch Specific	Triangle, VA	30,016,589	535,000	1.78%
U.S. Air Force Academy Visitor Center	Branch Specific	Colorado Springs, CO	17,123,878	431,000	2.52%
USS Alabama Battleship Memorial Park	Battleship Museum	Mobile, AL	3,710,879	415,000	11.18%
USS Lexington Museum on the Bay	Aircraft Carrier	Corpus Christi, TX	8,454,008	340,000	4.02%
USS Constitution Museum	Historical Ship Museum	Boston, MA	26,672,557	332,000	1.24%
USS Bowfin Submarine Museum & Park	Submarine Museum	Honolulu, HI	6,953,207	307,000	4.42%
National World War I Museum and Memorial	War Museum	Kansas City, MO	27,328,912	283,000	1.04%
National Museum of the United States Navy	Branch Specific	Washington, DC	30,016,589	215,000	0.72%
Pacific Aviation Museum Pearl Harbor	War Museum	Honolulu, HI	6,953,207	150,000	2.16%
Average of National Comps				405,727	3.07%
Median of National Comps				340,000	2.16%

Source: Online Museum Database, U.S. Census Bureau, Individual Institution Websites

Attendance | Attendance Potential

Comparable Set	Capture Rates		Attendance	
	<u>Median</u>	<u>Average</u>	<u>Median</u>	<u>Average</u>
Balboa Park Museums	0.52%	1.20%	203,500	468,000
Other Local San Diego Museums	0.40%	0.72%	156,000	280,875
National Content Comparable Museums	2.16%	3.07%	844,309	1,202,907
Attendance Range			401,270	650,594

ATTENDANCE POTENTIAL

- Attendance for cultural institutions is based on a multitude of factors, both internal (e.g., themes and designed visitor experience) and external (e.g., competition and leisure tourism), and all should be considered when projecting the future potential for the Navy SEALs museum
- To best understand the attendance potential of the Navy SEALs museum, we started by formulating three lists of comparables museums: Balboa Park Museums, Other Local San Diego Museums, and a list of National Content Comparable Museums
- For each comparable set we evaluated how the museums performed relative to their respective population and tourism bases. For the national comparables, we also considered other geographic and market factors, including: relative standing and location to the market’s other major attractions/destinations, and other performance influencers such as subject matter, visitor experience, exhibit size, and admission prices
- **Using this information we determined the average and median capture rates for each set of museums. By applying these averages, we estimated an overall attendance range of 401K to 650K**

11.0 OPERATING PRO FORMAS

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Operating Assumptions | Revenue

"FOB" ONLY	FULL HQ
Attraction Admissions - Attendance stabilized at 150,000 per year - Weighted average ticket price of \$10 in Year 1, increasing 3% annually thereafter - Upcharge admission capture of 20% with revenue of \$7 per capita Retail and Food & Beverage Revenues - Average retail spend of \$6.00 per admission, increasing 3% annually - No Food & Beverage revenues included - Retail store to be self-managed by tenant Private Event Revenues 50 events in Year 1, growing to 100 events in Years 2 and 3 - Average room rental of \$3,500 - No Food & Beverage event revenue included Sponsorship/Fundraising Revenues - No Contributed Revenues included Programming - Assume programming revenue are offset by program expenses	Attraction Admissions - Attendance stabilized at 450,000 per year - Weighted average ticket price of \$21.15 in Year 1, increasing 3% annually thereafter - Upcharge admission capture of 20% with revenue of \$7 per capita Retail and Food & Beverage Revenues - Average retail spend of \$6.00 per admission, increasing 3% annually - Average Food & Beverage spend of \$2 per admission, increasing 3% annually thereafter - Both Retail and F&B Amenity to be managed by a 3rd party - Retail revenue share of 30-32% of total retail revenue - F&B revenue share of of 10% of total F&B revenue Private Event Revenues 70 events in Year 1, growing to 150 events in Years 3-5, - Average of 125 attendees per event - Average room rental of \$4,500 plus \$60 catering revenue per attendee - Private events managed by a 3rd party caterer with average revenue share of 13% Contributed Revenues - Contributed revenues are conservatively estimated to cover development related expenses (i.e., staffing and overhead) Programming - Assuming programming revenue is offset by expense

Operating Assumptions | Expenses

“FOB” ONLY

FULL HQ

Cost of Goods Sold

- Museum— No ticket/RFID
- Retail - 50% of Revenues due to self-operation (Inventory)
- Private Events—10% extra security, inventory and repairs/replacement

Operating Expenses

- Staffing—38% to 42% of total revenue
- General & Administration—10% of total revenues
- Marketing—7.5% of total revenues
- Utilities—\$5.00 per square foot
- Insurance—1.5% of total revenues
- Contract Services—\$6.00 per square foot
- Repairs & Maintenance—2% of total revenues
- Capital Expenditure Reserves—2%–3% of total revenues
- Contingency—5% of total revenues

Cost of Goods Sold

- Museum—ticket/RFID stock
- Private Events—10% for extra security, inventory and repairs/replacement
- Assumed retail/F&B are managed by third party therefore no cost of good sold.

Operating Expenses

- Staffing—approximately 40% of total revenue
- General & Administration—10% of total revenues
- Marketing—7.5% of total revenues
- Utilities—\$7.50 per square foot
- Insurance—1.5% of total revenues
- Contract Services—\$10.50 per square foot
- Repairs & Maintenance—2% of total revenues
- Capital Expenditure Reserves—2%–3% of total revenues
- Contingency—5% of total revenues



Operating Pro Forma | "FOB" Only

	Y1	Y2	Y3
Annual Museum Attendance	150,000	150,000	150,000
Revenues			
Admission Revenue	\$1,500,000	\$1,545,000	\$1,591,400
Simulation Experience	\$210,000	\$216,300	\$222,800
Retail Revenue	\$900,000	\$927,000	\$954,800
Private Event Rentals	\$175,000	\$350,000	\$350,000
Total Revenues	\$2,785,000	\$3,038,300	\$3,119,000
Cost of Goods Sold			
Retail	\$450,000	\$463,500	\$477,400
Private Events	\$17,500	\$35,000	\$35,000
Total Cost of Goods Sold	\$467,500	\$498,500	\$512,400
Operating Expenses			
Staffing	\$1,029,600	\$1,060,400	\$1,092,300
General & Administrative	\$278,500	\$303,800	\$311,900
Marketing	\$208,900	\$227,900	\$233,900
Utilities	\$76,900	\$79,200	\$81,600
Insurance	\$41,800	\$45,600	\$46,800
Contract Services	\$92,300	\$95,100	\$97,900
Repairs & Maintenance	\$55,700	\$60,800	\$62,400
Rent/CAM	\$0	\$0	\$0
Contingency	\$89,200	\$93,600	\$96,300
Total Expenses	\$1,872,900	\$1,966,400	\$2,023,100
Net Operating Income	\$444,600	\$573,400	\$583,500
Capital Ex Reserve	(\$55,700)	(\$76,000)	(\$93,600)
Net Cash Flow	\$388,900	\$497,400	\$489,900

Commentary

- No Rent expense included....Will solve for rent available
- Attendance based on performance of local comparables considering their size, subject matter and location
- Retail revenues based on the strong performance of the NAVY SEALS' Florida museum (\$6 per capita)
- Theming key to achieving proposed private event revenues (i.e., must be a unique venue within competitive market)
- Self-Operation of the Retail store carries greater risk (e.g., product mix, inventory management, staffing) but also greater margin if managed efficiently
- Operating Expense inputs supported by observed actual performance of other museum venues working with Gallagher & Associates

Operating Pro Forma | Full HQ

	Y1	Y2	Y3	Y4	Y5
Annual Museum Attendance	450,000	450,000	450,000	450,000	450,000
Revenues					
Admission Revenue	\$9,842,000	\$10,471,500	\$10,785,600	\$11,109,200	\$11,442,500
Simulator Experience	\$630,000	\$648,900	\$668,400	\$688,400	\$709,100
Retail, net	\$824,000	\$849,900	\$876,600	\$904,100	\$932,400
Food Service, net	\$90,000	\$92,700	\$95,500	\$98,300	\$101,300
Private Event Rentals	\$374,500	\$771,500	\$851,400	\$876,900	\$903,200
Contribution Revenue	\$300,000	\$309,000	\$318,300	\$327,800	\$337,700
Total Revenues	\$12,060,500	\$13,143,500	\$13,595,800	\$14,004,700	\$14,426,200
Cost of Goods Sold					
Admission & Simulator	\$900,000	\$927,000	\$954,800	\$983,500	\$1,013,000
Private Events	\$37,500	\$77,100	\$85,100	\$87,700	\$90,300
Total Cost of Goods Sold	\$937,500	\$1,004,100	\$1,039,900	\$1,071,200	\$1,103,300
Operating Expenses					
Staffing	\$4,856,600	\$5,002,200	\$5,152,300	\$5,306,900	\$5,466,100
General & Administrative	\$1,127,700	\$1,231,500	\$1,274,600	\$1,312,800	\$1,352,200
Marketing	\$832,200	\$897,900	\$927,500	\$958,200	\$989,800
Utilities	\$460,800	\$474,600	\$488,800	\$503,500	\$518,600
Insurance	\$149,500	\$160,500	\$165,700	\$173,200	\$178,400
Contract Services	\$634,400	\$653,400	\$673,000	\$693,200	\$714,000
Repairs & Maintenance	\$299,000	\$320,900	\$331,500	\$346,300	\$356,700
Rent	\$0	\$0	\$0	\$0	\$0
Contingency	\$603,000	\$657,200	\$679,800	\$700,200	\$721,300
Total Expenses	\$8,963,200	\$9,398,200	\$9,693,200	\$9,994,300	\$10,297,100
Net Operating Income	\$2,159,800	\$2,741,200	\$2,862,700	\$2,939,200	\$3,025,800
Capital Ex Reserve	(\$241,200)	(\$328,600)	(\$407,900)	(\$420,100)	(\$432,800)
Net Cash Flow	\$1,918,600	\$2,412,600	\$2,454,800	\$2,519,100	\$2,593,000

Commentary

- Attendance based on increased scale of experience and strength of market (e.g., Tourism, Navy Theme & Support)
- Simulator/Upcharge revenues covers simulators and possible water experiences
- Contribution revenue estimates based on covering related expenses only.
- Retail and F&B assumed to be operated by 3rd Parties to mitigate management risks of larger operations
- Larger scale of site enables accommodation of larger event groups, plus greater indoor/outdoor theming
- No Rent expense included....Will solve for rent available
- Operating Expense inputs supported by observed actual performance of other museum venues working with Gallagher & Associates

Capital Raise | Full HQ

Development Components	Total Development Cost	
	Forward Operating Base	Full HQ
Core & Shell	\$2,308,000	\$9,828,000
Hard Costs	\$4,511,000	\$25,824,000
Soft Costs	\$2,921,000	\$13,073,000
Contingency	\$1,178,000	\$6,180,000
Operating Reserve/Endowment Fund	-	\$10,000,000
Total Capital Raise	\$10,918,000	\$64,905,000

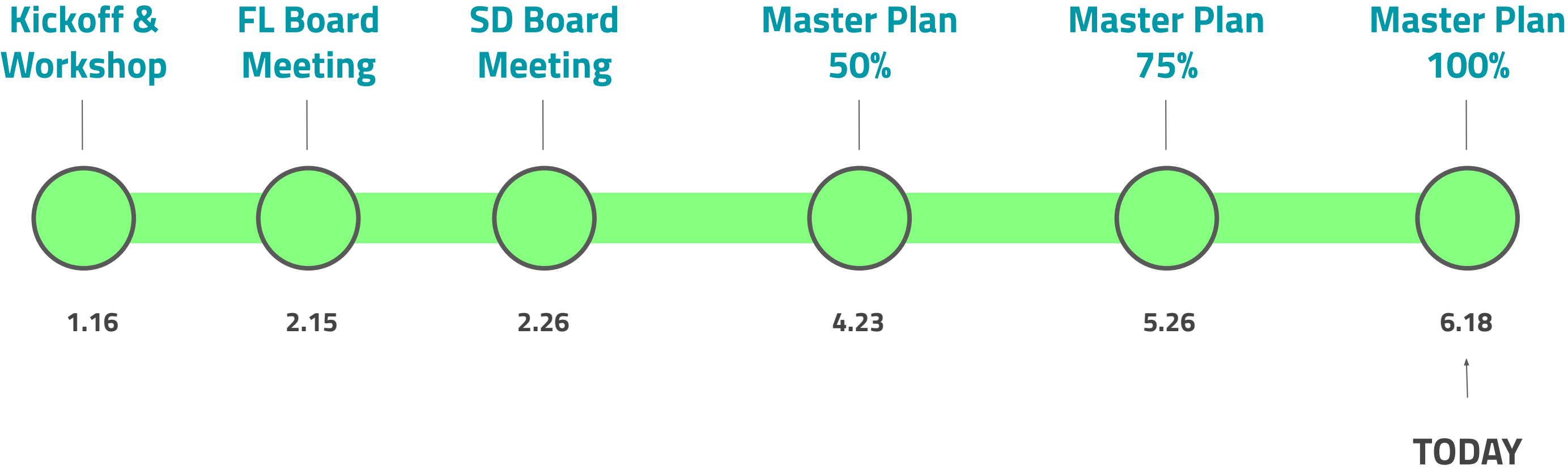
Commentary

- The first phase of the Navy Seals museum, the FOB, will require a total capital raise of approximately \$11 million
- Given the FOB’s performance estimates, we do not believe an operating reserve is required, however, the creation and funding of such a reserve would be additionally conservative
- The Full HQ budget is presented as a stand alone figure and does not consider possible efficiencies gained from leveraging the previous investment made into content and visitor experience of the FOB. If the Full HQ were to follow the FOB, reductions in the total budget would be likely
- We do recommend the creation of an operating reserve for the Full HQ phase, equal to approximately one year’s total operating expenses (approximately \$10 million). These funds will help insulate the museum from possible economic shocks (e.g., pandemic, recession)

APPENDIX A. EXHIBIT

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Where We Are



Health and Safety

Protecting the health of visitors and staff is a top priority for the museum. From the selection of antimicrobial materials to the integration of touchless technologies, there is much we can do from a design standpoint to create a safer environment for all.

In future design phases, we will work closely with the museum team to develop operational strategies that take the following factors into consideration:

- Accommodating social distancing recommendations
- Establishing cleaning protocols
- Managing throughput
- Mitigating natural human behaviors that pose health risks



Discovery Workshop

In January 2020, members of the Gallagher & Associates design team traveled to Vero Beach, Florida, to tour the existing museum in Fort Pierce and participate in a discovery workshop with Navy SEAL Museum staff and local board members. Board members based in San Diego joined via video conference.

The workshop helped reveal:

- **The values most important to Navy SEALs**
- **Some topics and stories that exemplify those values**
- **The emotions the museum experience should provoke**
- **Primary target audiences**
- **Experience priorities**

Our findings from the workshop, along with subsequent feedback provided by the Florida and San Diego museum boards, have informed the approach to the exhibition offered here.



APPENDIX B. GMS

IN TIMES OF WAR OR
UNCERTAINTY THERE
IS A SPECIAL BREED
OF WARRIOR READY TO
ANSWER OUR NATION'S
CALL. A COMMON MAN
WITH UNCOMMON
DESIRE TO SUCCEED.
FORGED BY
ADVERSITY, HE
STANDS ALONGSIDE
AMERICA'S FINEST
SPECIAL OPERATIONS
FORCES TO SERVE HIS
COUNTRY, THE
AMERICAN PEOPLE,
AND PROTECT THEIR
WAY OF LIFE.
I AM THAT MAN.



Rent Analysis | HQ Tenants & Terms

CURRENT LEASING ASSUMPTIONS

- Large Restaurants - \$2-\$3 PSF per Month = \$24 - \$36/PSF Annually
- Small Restaurants - \$4.30 - \$5.50 PSF = \$51.60 - \$66/PSF Annually
- Shops - \$2.50 - \$9.20 PSF = \$30 - \$110.40 PSF Annually
- Annual Rent Increases - Averages around 3% Annually
- Lease Terms - 5 to 10 Years
- Expense Reimbursement - Varies but averages 15% for CAM and Admin.
- Tenant Improvement (TI) Allocations - \$30 - \$80 PSF
- Current Occupancy - 68%, current rents are on avg. 33% below mkt. rates

COMPARABLES

- **Cheesecake Factory (9,779 SF)**
 - Base Rent = \$37 PSF, increasing to \$42 in 2023 (\$362k in 2020)
 - Plus 4.5% variable rent over \$6.5 Million in sales - Achieving
 - \$21 PSF CAM reimbursement = \$205K per year
- **Seasons 52 (10,031 SF)**
 - Base Rent = \$30 PSF
 - Plus 6% variable rent over \$7 Million in sales - Not Achieving
 - Plus 10% Administration Reimbursement = \$30K per year
- **Starbucks (1,295 SF)**
 - Base Rent = \$76 PSF, increases 3% per annually
 - Plus 5% variable rent over \$2 Million in sales - Achieving
 - Plus 10% Administration Reimbursement = \$10K per year

Source: CBRE Offering Memorandum

Tenant Roster	
Name	Square Ft.
A1	4,333
A3 - Hi Poke	833
A4	696
A5 - Fair World Fashion	742
A6 - Sunglass Hut	742
A7 - Gelato Paradiso	768
A8 - Urban Beach House	1,204
B1 - The Hopper	307
B2 - Dallman Fine Chocolates	340
B2.E3 - LG Retail	556
B4	1,913
B7 - Gepetto's	1,280
C1 - Cheesecake Factory	9,779
C2 - Seasons 52	10,031
D1 - United Streets of Art	2,472
D2-3	7,440
D3	5,936
D4 - Madison S.D.	1,164
D5 - Coco Rose	1,711
E1.E.2 - Eddie Vs	7,512
E2	2,011
E2-3A	1,309
E3 - Seaport Nails & Spa	1,511
E4 - Puesto	4,524
E5 - Cali Strong	1,493
E-7 Starbucks	1,295
E8 - Perfume Gallery	891
Total Tenants	72,793
Courtyard	31,500
TOTAL SITE	104,293



Rent Analysis | Both Scenarios

	Gym & Retail			Full HQ		
	Y1	Y2	Y2	Y1	Y2	Y2
Annual Museum Attendance	150,000	150,000	150,000	450,000	450,000	450,000
Total Revenue	\$2,575,000	\$2,822,000	\$2,896,160	\$11,139,500	\$12,197,285	\$12,623,592
Cost of Goods Sold	\$467,500	\$498,500	\$512,405	\$937,450	\$977,147	\$985,137
Total Expense	\$1,872,995	\$1,951,840	\$1,990,019	\$8,528,834	\$9,043,237	\$9,394,684
Net Cash Flow	\$234,505	\$371,660	\$393,736	\$1,673,216	\$2,176,901	\$2,243,771
Calculated Required Surplus	\$0	\$0	\$0	\$0	\$0	\$0
Modified Cash Flow Available for Rent	\$234,505	\$371,660	\$393,736	\$1,673,216	\$2,176,901	\$2,243,771
Base Rent Available (PSF)	\$15.24	\$24.15	\$25.59	\$22.99	\$29.91	\$30.82
Rent as % of Revenue	9%	13%	14%	15%	18%	18%
Targeted Base Rent (\$/PSF)	\$25.00	\$25.75	\$26.52	\$30.00	\$30.90	\$31.83

NOTES:

1. These rent estimates assume the landlord pays for the Building/Infrastructure costs and delivers a warm vanilla shell with elevator and bathrooms
2. If Navy SEAL Museum negotiates to cover the Building/Infrastructure costs, then the rent could be reduced significantly, if not down to \$0.
3. Additionally, any lease agreement should incorporate some level of Tenant Improvement allowance (currently \$30 - \$80 PSF).
4. Finally, we would suggest we include an option to “buy” the entire HQ site as part of any lease agreement.

Approach

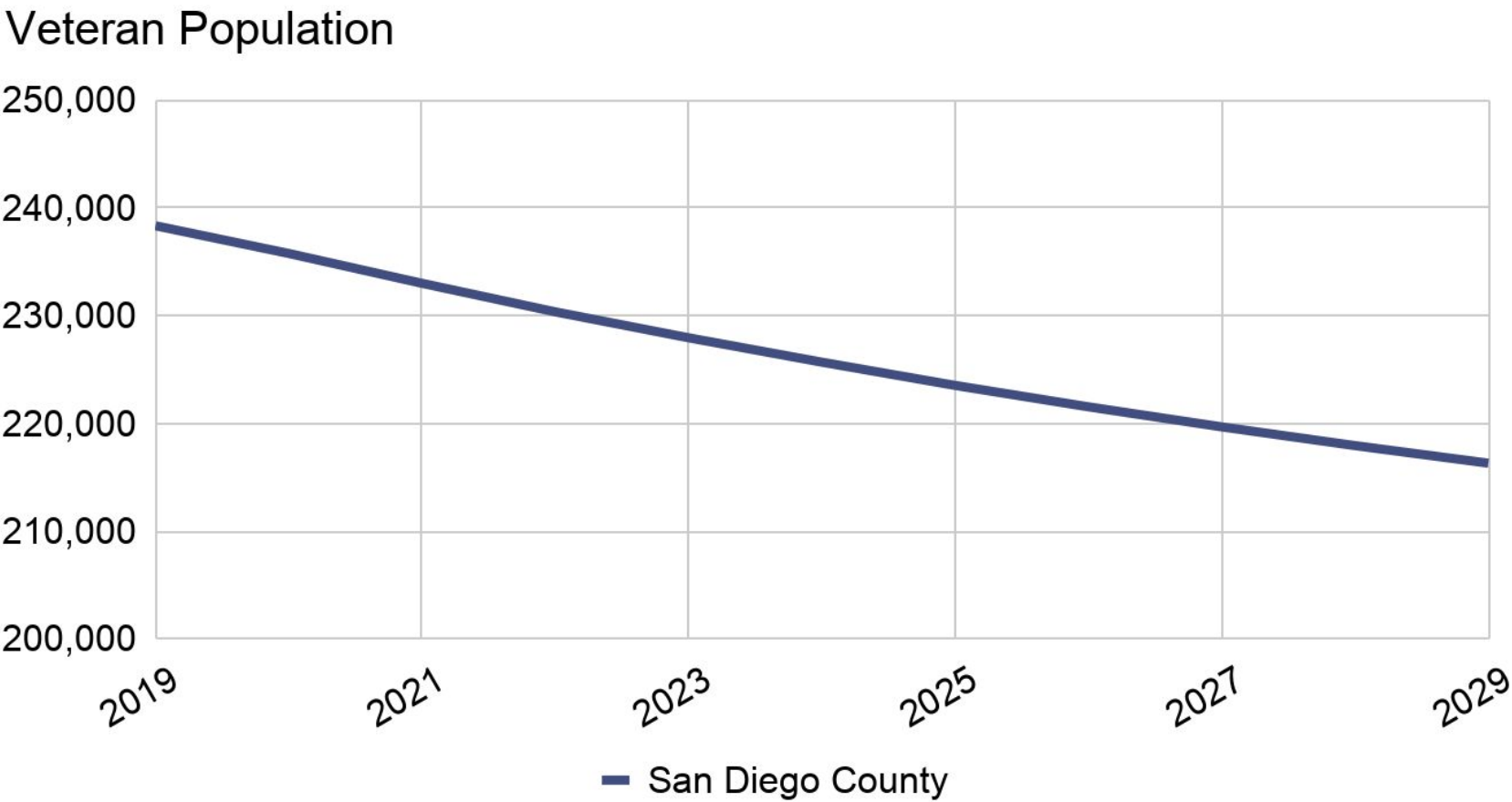
- Estimated Attendance, Revenues, and Expenses for Each Scenario
- Excluded Rent Expense from the Operating Pro-Forma
- Calculated available Cash Flow for Rent
- Currently assume zero surplus requirement by Tenant
- Therefore, all available surplus is used to calculate maximum rent possible

Military & Veterans | Military Base Population



Military & Veterans | Veteran Population

Year	San Diego County	Pop. Change
2019	238,352	-
2020	235,780	-1.1%
2021	233,008	-1.2%
2022	230,358	-1.1%
2023	227,953	-1.0%
2024	225,689	-1.0%
2025	223,531	-1.0%
2026	221,543	-0.9%
2027	219,683	-0.8%
2028	217,944	-0.8%
2029	216,315	-0.7%
Pop. Change	(22,037)	(9.2%)



Source: U.S. Dept. of Veteran Affairs

Population | Veteran Population

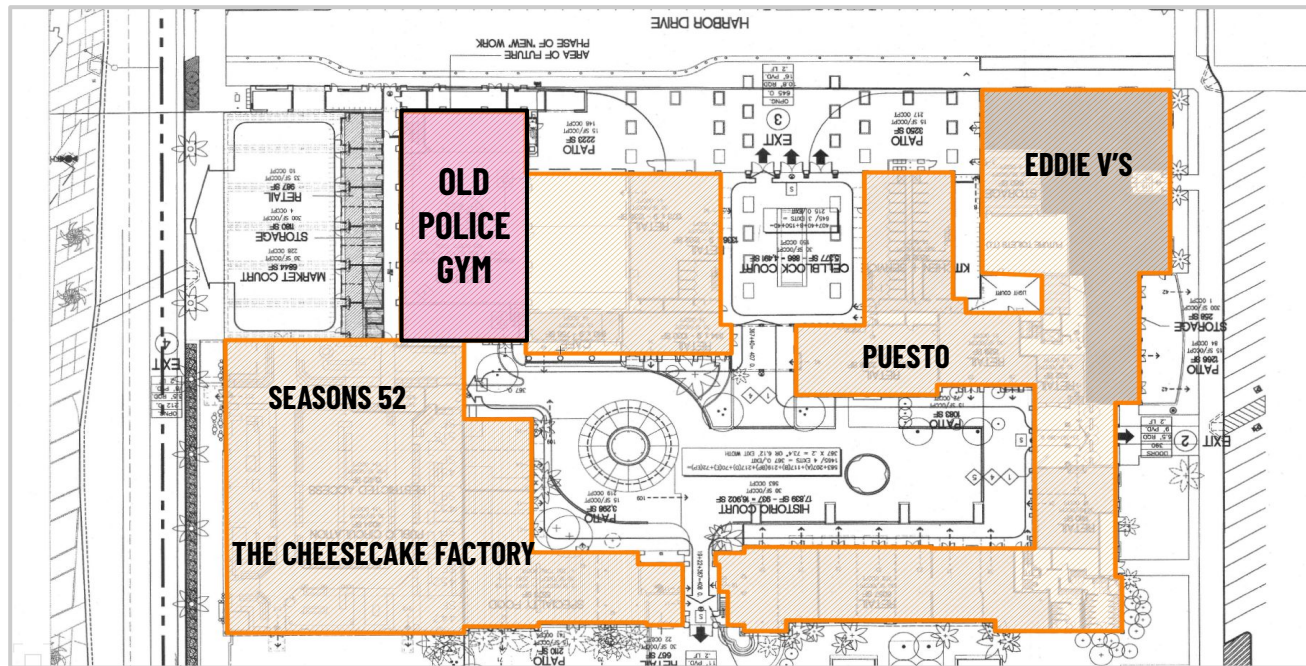
Year	Total of San Diego County		17-44		45-64		65-84		84+	
	Total	Pct Change	Total	Pct Change	Total	Pct Change	Total	Pct Change	Total	Pct Change
2019	238,353	-	78,381	-	72,729	-	70,827	-	16,416	-
2020	235,780	-1.1%	79,785	1.8%	70,647	-2.9%	69,905	-1.3%	15,443	-5.9%
2021	233,008	-1.2%	80,796	1.3%	68,773	-2.7%	68,979	-1.3%	14,460	-6.4%
2022	230,359	-1.1%	81,696	1.1%	66,981	-2.6%	68,255	-1.0%	13,427	-7.1%
2023	227,952	-1.0%	82,517	1.0%	65,471	-2.3%	67,110	-1.7%	12,854	-4.3%
2024	225,690	-1.0%	83,109	0.7%	64,337	-1.7%	65,981	-1.7%	12,263	-4.6%
2025	223,531	-1.0%	83,495	0.5%	63,398	-1.5%	65,068	-1.4%	11,570	-5.7%
2026	221,543	-0.9%	83,850	0.4%	62,685	-1.1%	63,839	-1.9%	11,169	-3.5%
2027	219,683	-0.8%	84,008	0.2%	62,237	-0.7%	62,364	-2.3%	11,074	-0.9%
2028	217,944	-0.8%	84,331	0.4%	61,845	-0.6%	60,651	-2.7%	11,117	0.4%
2029	216,315	-0.7%	84,591	0.3%	61,683	-0.3%	58,781	-3.1%	11,260	1.3%
Pop. Change	(22,038)	(9.2%)	6,210	7.9%	(11,046)	(15.2%)	(12,046)	(17.0%)	(5,156)	(31.4%)

Military & Veterans | Military Bases within 200 MI

Base	Branch	Nearest City	Dist. to Museum Site	Total Sponsors	Total Dependents	Total Personnel
San Diego NSC	Navy	San Diego	2 miles	242	425	667
Naval Medical Center	Navy	San Diego	3 miles	3,552	4,480	8,032
San Diego NAVSUBBASE	Navy	San Diego	3 miles	1,325	2,156	3,481
San Diego NAVSTA	Navy	San Diego	4 miles	30,255	33,228	63,483
Fleet ASW Training Center Pacific	Navy	San Diego	4 miles	1,358	2,350	3,708
San Diego MC Recruit Depot	Marine Corps	San Diego	5 miles	6,906	2,549	9,455
North Island NAS	Navy	San Diego	6 miles	8,465	10,665	19,130
Coronado NAV AMPHIB Base	Navy	San Diego	7 miles	5,579	7,602	13,181
MCAS Miramar	Marine Corps	San Diego	14 miles	8,206	7,622	15,828
Camp Pendleton	Marine Corps	San Diego	50 miles	38,441	32,146	70,587
March AFB	Air Force	San Bernardino	89 miles	289	513	802
Seal Beach NAVWEAPSTA	Navy	Long Beach	103 miles	217	354	571
El Centro NAF	Navy	El Centro	108 miles	237	290	527
Los Angeles AFB	Air Force	Los Angeles	122 miles	1,416	1,988	3,404
29 Palms MC Air/Ground Combat Center	Marine Corps	Palm Springs	181 miles	10,651	7,467	18,118
Point Mugu NAS	Navy	Oxnard	184 miles	1,259	1,689	2,948
Edwards AFB	Air Force	Los Angeles	187 miles	2,131	2,792	4,923

Source: U.S. Dept. of Defense 2017 Demographics Report

Old Police Headquarters | Potential Navy SEALs Museum Site



BACKGROUND INFO

- **The Headquarters Total Square Feet:** 68,000 SF
- **The Old Police Gym Total Square Feet:** 13,600 SF (both levels)
- **Key Tenants:**
 - The Cheesecake Factory
 - Seasons 52
 - Puerto
 - Eddie V's
- **Total Parking:** Approximately 130 dedicated parking spots
- **Walking Distance to Key San Diego Destinations:**
 - **USS Midway:** 0.5 miles / 10 minute walk
 - **Gaslamp Quarter:** 0.7 miles / 15 minute walk
 - **San Diego Convention Center:** 0.7 miles / 15 minute walk

KEY FACTORS FOR THE NAVY SEALS MUSEUM

- While the gym area is an important start, the eventual museum must include a much larger portion, if not all, of the Police Headquarters buildings, if it is to become a significant visitor experience and destination within the Marina District
- If a greater portion of the site is not obtainable within a reasonable time frame (1-5 years), then it may be better to pursue an alternative site, such as the required museum component of the Manchester Pacific Gateway
- However, if a greater portion of the site is obtainable within a reasonable time frame, we recommend positioning the gym areas as a dedicated "Forward Operating Base" and Navy SEALs-themed event venue, to raise awareness and funds for the eventual museum
- Museums only get one opening, so it is critical that this initial presence be distinguished from the eventual museum. By positioning this first space as a "teaser", the Board can build local and military support, test design ideas and concepts, and pursue significant fundraising opportunities.

Premier Marina District Attractions |

USS Midway Museum & Maritime Museum of San Diego



WHY THE USS MIDWAY MATTERS TO THE NAVY SEALS MUSEUM

- Stabilized attendance of 1.3M falls only behind the San Diego Zoo as the most visited attraction in the city, but it is the city's highest rated visitor experience (Trip Advisor). The museum's admissions (\$26 adult ticket price) account for 60-70% of the museum's \$32M in annual revenues
- About 85% of the Midway's visitation is from out-of-town visitors and about 70% are drive-in visitors which does cause parking challenges. The Navy SEALs museum should see a similar visitor segmentation and should expect similar challenges with parking as will the entirety of the Marina District
- The Midway is one of the prime event spaces in the city, hosting over 275 events and generating in \$5M+ in related revenues. It is considered the signature venue for large convention and corporate groups (1,000+)
- The likely smaller event capabilities of the SEALs museum position it more as a compliment rather than competitor to the larger scale of the Midway's facilities



WHY THE MARITIME MUSEUM MATTERS TO THE NAVY SEALS MUSEUM

- The MMSD is a natural extension of the maritime themes embodied by the Midway and Navy SEALs museums and thus creates a critical mass of complimentary cultural institutions
- The museum captures approximately 150K visitors each year with similar segmentation and seasonality trends as the Midway (75% out-of-towners & peak months in the summer).
- MMSD is planning a \$16.5M capital project to move the collection of ships to a series of floating docks off of the embarcadero, and add a new entry building with galleries, theater, and cafe. Only \$1.5M has been raised to date and with the balance to come from a mixture of private (\$5M) and state (\$10M) funding
- The museum's management team see great collaboration potential with the Navy SEALs museum

Manchester Pacific Gateway | Points of Interest & Development Projects



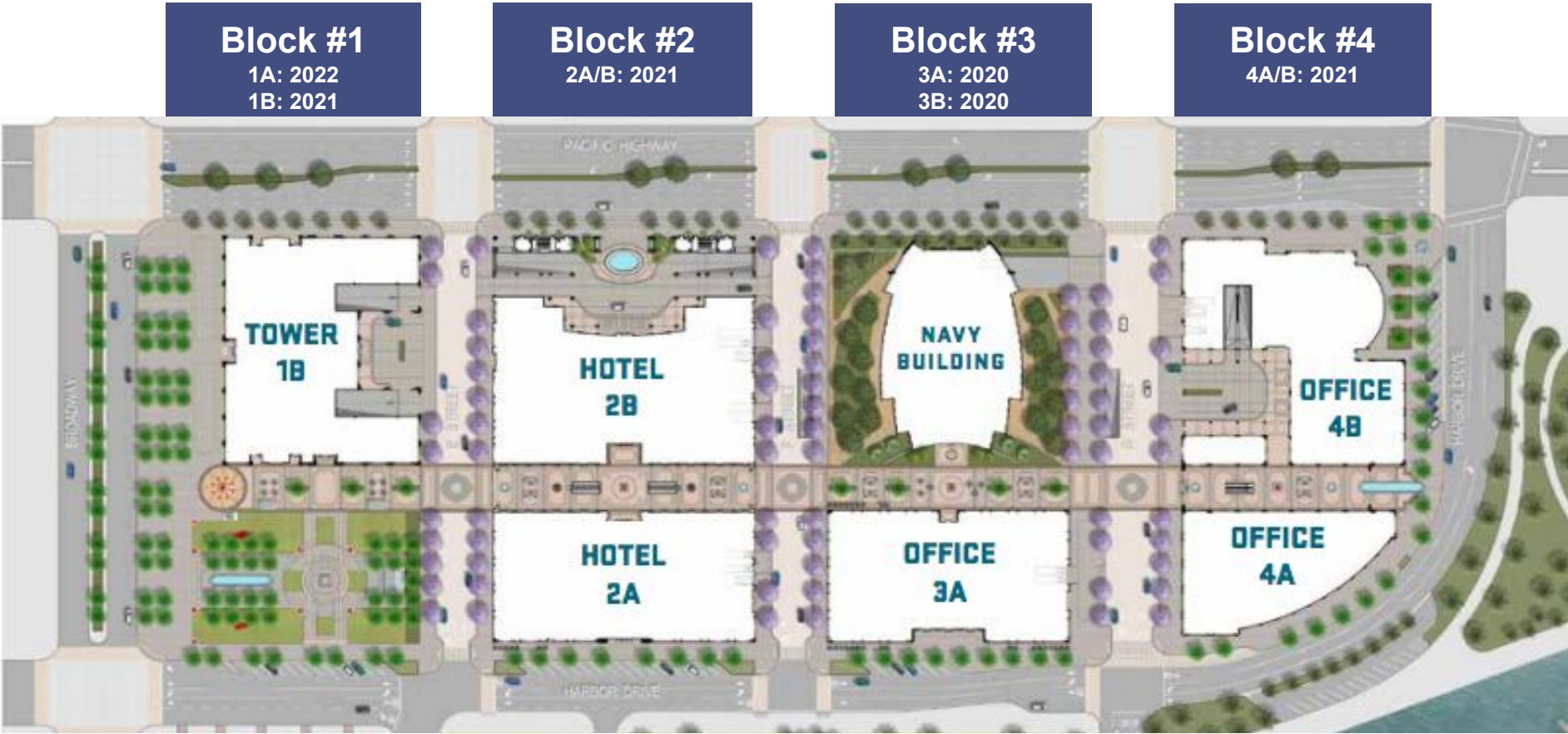
BACKGROUND INFO

- Situated directly across from the USS Midway, the Manchester Pacific Gateway by Manchester Financial Group is an already approved, 12 block mixed-use development project (*see appendix for planned build out*)
- Per the Port of San Diego's agreement, the project requires the building of the new Southeast Regional Headquarters for the US Navy as well as a 40K SF museum
- The new Navy headquarters is under construction, however, indications are that the balance of the project lacks additional funding and is rumored to be for sale
- Given the current uncertainties, many expect the development's completion to take another 10 years or more

WHY IT MATTERS TO THE NAVY SEALS MUSEUM

- The mandated museum within MPG could be a prime location for the SEALs museum that fully leverages the neighboring and highly successful USS Midway Museum
- Once completed, the mixed use development should greatly enhance tourist draw to the greater Marina District as well as its immediate neighbors
- The required museum component creates a potential risk in the creation of a competitive rather than complimentary institution, but until more details regarding what will be occupying this space are known, this is only a potential risk
- Aside from the uncertainty around the required museum component, the approved mixed-use project should enhance the tourism draw and use of the Marina District

Manchester Pacific Gateway | Development Projects



Space Use	Total SF	Pct. of Development
New Navy Building* (Block #3)	-	-%
Hotel (Blocks #1, #2)	1,292,115	45%
Office (Blocks #1, #3, #4)	1,175,229	41%
Retail (All Blocks)	291,264	10%
Park (Block #1)	83,000	3%
Museum (Block #2)	40,000	1%
Total	2,881,608	100%

Source: Manchester Pacific Gateway Project Brochure

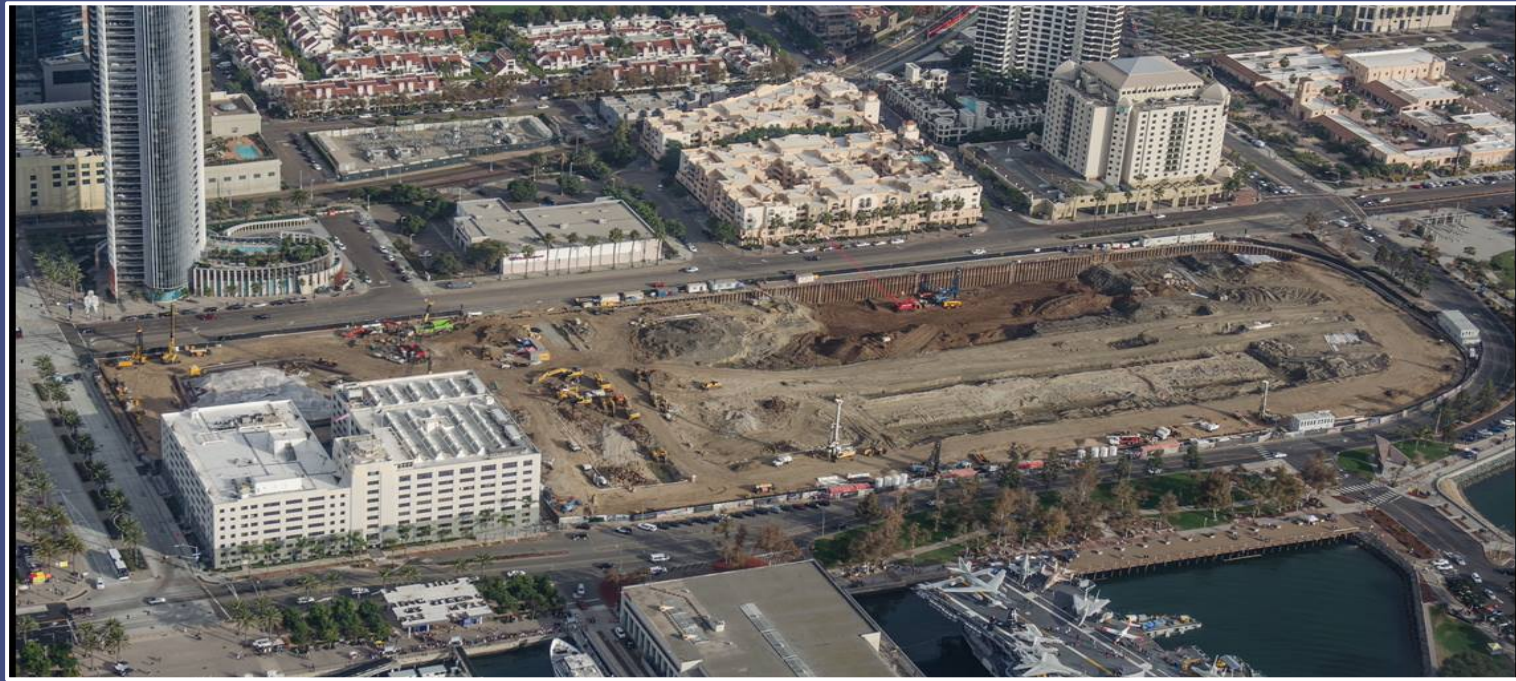
*Only building currently under construction

INSIGHT

- The \$1.5B, 12.1 net acre, approved development project by Manchester Financial Group (MFG) is considered the biggest development project in downtown San Diego
- The project requires a 40K SF museum to be built, the museum and exact position in Block #2 has yet to be selected or identified
- The project broke ground with the new Navy Building in June 2018, but so far no other building has started construction
- Though not official, rumors persist that Manchester Financial Group is looking to sell what remains of the project
- Mandated museum space in Block #2 could be an ideal location for the Navy SEALs Museum but the uncertain timeline means completion of that phase of the project could be 10 years away

Manchester Pacific Gateway | Development Projects

Current Site



Proposed Pacific Gateway



Seaport Village | Points of Interest & Development Projects



BACKGROUND INFO

- The current Seaport Village is mix of eateries, shops, and art galleries spread across multiple stand alone buildings on a 14 acre waterfront property
- A \$2B proposed redevelopment by Gafcon would add over 1.3M SF of mixed uses including hotels, new retail, new eateries, education space, office space, a one-of-a-kind space needle, and an aquarium (*see appendix for planned build out*)
- Environmental issues & the site being located above an earthquake fault has stalled the project
- Significant approvals are still required before development can be commenced (e.g. California Coastal Commission, EIR, Master development agreement)

WHY IT MATTERS TO THE NAVY SEALS MUSEUM

- Seaport Village has been a popular retail destination for area tourists for decades (est. 4M+ annual visitors). However, the mix of tchotchke stores and increasing age of the property diminishes its overall popularity
- Gafcon's redevelopment of the Seaport Village could be considered a potential site, however, its extended timeline and lack of approvals and funding make this possibility highly uncertain
- The redevelopment offers both benefits and risks for the SEALs museum. Benefits include a revitalized waterfront that draws more tourism to the area. The risks include adding additional event venues (i.e. Aquarium, Space Needle, events) competing for the same visitors

Seaport Village | Development Projects



Space Uses	Total SF	Pct. of Development
Hotel & Lodging*	645,636	36.5%
Parking**	433,800	24.5%
Retail	388,625	22.0%
The Spire	9,000	0.5%
Aquarium	178,490	10.1%
Education	65,150	3.7%
Event Center	20,000	1.1%
Office	19,130	1.1%
Marina	10,670	0.6%
Total	1,770,501	100.0%

Source: Gafcon Seaport Proposal

*Hotel & Lodging includes Major & boutique hotels and hostel lodging

** Parking SF is estimated based on 2,410 planned space in parking substructure

INSIGHT

- The current Seaport Village is a waterfront shopping & dining complex made up of 70 different shops, galleries, & eateries that total 90K SF
- The proposed mixed-use redevelopment project by Gafcon totals over 70 acres with parks, hotels, parking, retail, education, meeting, and office space as well as an aquarium
- The project proposal by Gafcon is yet to be approved and has run into problems because of unaccounted for earthquake fault line located directly beneath footprint
- The renovated Seaport Village would be a prime location for the Navy SEALs museum but the project is 5 to 10 years behind than the Manchester Pacific Gateway (15 - 20 years from completion)

Seaport Village | Development Projects

Current Village



Proposed Village



THANK YOU



Gallagher & Associates

