ITEM NO. 10

STAFF REPORT

CITY OF OCEANSIDE

DATE: September 17, 2008

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department/Planning Division

SUBJECT: **ACCEPTANCE OF $19,500 FROM THOMAS ENTERPRISES FOR A STUDY OF ECONOMIC BENEFITS ANALYSIS FOR THE OCEANSIDE PAVILION PROJECT, AND APPROPRIATION OF THE FUNDS TO THE PLANNING DIVISION**

SYNOPSIS

Staff recommends that the City Council accept funds in the amount of $19,500 from Thomas Enterprises of San Diego, for preparation by Keyser Marston Associates, Inc., of an economic benefits analysis related to the Oceanside Pavilion project, and approve the appropriation of the funds to the Planning Division.

BACKGROUND

Thomas Enterprises is proposing a shopping center of approximately 950,000 square feet on the former site of the drive-in-movie complex in the City. The project application includes a movie theater, health club, and drive-through uses, as well as an undergrounding waiver request for a portion of high-voltage overhead utility lines. The total site encompasses approximately 92 acres located north of Mission Avenue and State Route 76 and east of Foussat Road. The property has a General Plan land use designation and corresponding zoning of Community Commercial (CC).

The San Luis Rey River is located north of the project site, and the Oceanside Municipal Airport is located to the west. Single-family residential development is located east of the site, with Highway 76 and Mission Avenue to the south. Additional land uses in proximity to the site include a variety of industrial, commercial and residential uses.

ANALYSIS

Keyser Marston Associates, Inc., (KMA) of San Diego has been selected to provide consulting services for the preparation of an economic benefits analysis related to the development of the Oceanside Pavilion project. City staff has requested that Keyser Marston Associates, Inc., prepare an estimate of the economic benefits that the City may receive from the development of the project. KMA will review current market factors, key demographics, and retail spending in the City. The research will involve both quantitative analysis and qualitative surveys. KMA will present their conclusions in an executive summary format memorandum report, with appropriate supporting methodology. The results of the report will be used as part of the California Environmental Quality Act (CEQA) process to indicate any future economic benefits of the project that benefit the City to override any identified environmental impacts.

Keyser Marston Associates, Inc., (KMA) of San Diego was selected as the sole source vendor for this project. A Professional Services Agreement was previously executed in the department and the companion purchase order is in effect for payment for the Economic Benefits Analysis.

FISCAL IMPACT

The $19,500 in funds from Thomas Enterprises of San Diego will be appropriated to (1010.4895.00007) and transferred to the Planning Division operating account (101.264310.5241). The City will complete the study at no cost.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

City Attorney analysis does not apply.

RECOMMENDATION

Staff recommends that the City Council accept funds in the amount of $19,500 from Thomas Enterprises of San Diego, for preparation by Keyser Marston Associates, Inc., of an economic benefits analysis related to the Oceanside Pavilion project, and approve the appropriation of the funds to the Planning Division.

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