

ECONOMIC DEVELOPMENT COMMISSION
MEETING
December 11, 2012

ITEM NO. 6

Staff will be presenting the Economic Development Commission with direction provided by the City Council in numerous Closed Session meetings, that sets forth the essential terms and conditions of the development and disposition agreements that are currently being negotiated with Sudberry Development, Inc. for the development of El Corazon. Staff has been negotiating two separate development and disposition agreements (“DDA”) with Sudberry. One DDA is for the development of the multi-use athletic fields (“Recreational DDA”), together with a lease agreement (“Lease”) for the construction and operation thereof, while the other DDA is for the development of the commercial area and the balance of the recreational area of El Corazon (“El Corazon DDA”).

In a power point presentation, staff will describe the essential terms and conditions of both DDAs together with the essential terms and conditions of the Lease. The terms and conditions of the Recreational DDA to be presented will address the development responsibilities of each party, the conditions with respect thereto, and the schedule of development. In presenting the Lease terms and conditions, staff will discuss the length of the Lease, consideration, and the use of the subject property. In presenting the El Corazon DDA, staff will describe terms and conditions such as the time period in which Sudberry has the right to develop the commercial area and balance of the recreational area of El Corazon, consideration for acquiring the land (either by lease or purchase), the conditions that need to be satisfied prior to development, and other rights of each respective party.

EL CORAZON FACT SHEET OCTOBER 4, 2012

Background and Summary of Key Actions

- In 1994 the El Corazon property was given to the City by Silica Sand Mining Company
- In 1995 the City Council directed staff to initiate a program for the development of a long-range use plan for El Corazon
- In 1995 a green waste/compost recycling facility opened in the northeast portion of the site, where the City's green waste is recycled
- In 1996 reclamation work was begun to stabilize slopes and to eliminate the pooling of groundwater
- In 1997 a **Vision Plan** was prepared to assess how the range of land uses identified for El Corazon could be accommodated on the site
- In 2003 Council established a 15-member **El Corazon Planning Committee** to make recommendations on the future use of El Corazon and oversee the completion of a conceptual master plan
- In 2004 the portion of Rancho del Oro Drive between Mesa Drive and Oceanside Boulevard was completed and opened
- In 2005 the City Council approved a Conceptual **Master Plan** for the El Corazon site
- In 2005 the El Corazon Planning Committee was disbanded, and in November 2005 the new 10-member Council-appointed **El Corazon Oversight Committee** was established to oversee the development of the Specific Plan and Environmental Impact Report for the site
- On June 6, 2009 the City's **El Corazon Senior Center** was opened on seven acres in the southeast area of the site, providing a 1,500-square-foot building
- On June 3, 2009, the **El Corazon Specific Plan** and related Final Environmental Impact Report (**FEIR**) were approved, with the addition of up to 300 vertical mixed-use units, by the City Council at a public hearing on June 3, 2009
- Also on June 3, 2009, the City Council authorized staff to issue a Request for Qualifications (**RFQ**) to qualified parties interested in participating in the development of El Corazon. The RFQ was issued in late-September with a January 27, 2010, deadline for submissions

- On September 9, 2009, the amended **Specific Plan and FEIR**, including the June 3 modifications, were fully approved by the City Council
- On November 4, 2009, the City Council adopted a resolution to establish the **El Corazon Commission (ECC)** and approved the bylaws. This Commission would act in an advisory capacity to both the Planning Commission and the City Council during the development of the El Corazon project. The Commission was to be comprised of ten members, including four members of the El Corazon Oversight Committee.
- In January 2010, the City received three qualified proposals for the commercial development, but there was a poor response to the recreational component of the **RFQ**. Due to local, state, and national economic conditions, the effort to select a developer was put indefinitely on hold and consequently the El Corazon Commission was never convened
- On June 23, 2010, the City Council authorized staff to apply for grant funds from the State of California **Proposition 84** Nature Education Facilities Grant program. If the grant funds are awarded, they will be allocated to the El Corazon Habitat Trail (monies were not awarded to the City)
- On October 6, 2010, the City Council approved the appointments of 10 regular members to the **El Corazon Commission**: Diane Nygaard, Margaret Hernandez, Jerry Salyer, and Joan Bockman (former members of the El Corazon Oversight Committee), as well as Vanessa Webster, Hugh LaBounty, Sharon Dudzinski, Elaine Barton, Ruth Szabados, and Tina Ortiz
- On December 8, 2010, the City Council approved the **Request for Proposals (RFP)** for the development of El Corazon
- In December 2010, the Council, looking to separate the development of El Corazon into an area for immediate recreational use and the longer-term commercial development/balance of recreational uses, approved the issuance of an **RFP** for development of an up-to-80-acre portion of El Corazon as a temporary location for approximate 20 multiuse athletic fields and/or other similar activity. Council concurrently approved the issuance of an RFP for development of the commercial component of El Corazon to the three qualified commercial developers who responded to the El Corazon RFQ. The commercial developers were Stirling Development, LLC; Sudberry Properties; and the Corky McMillin Real Estate Group. Proposals in response to commercial RFP were due March 15, 2011. Only one proposal was received in January 2011 for the temporary fields RFP – Sudberry Properties/Soccer Field of Dreams Partnership
- On May 18, 2011, the City Council took action on a number of **Advisory Group consolidations**. As part of that action, responsibility for continuing oversight of the El Corazon project was assumed by the Economic Development Commission

- On June 22, 2011, the City Council approved revisions to the **EDC's** bylaws to reflect the addition of El Corazon issues
- On August 9, 2011, the Economic Development Commission (EDC) approved the El Corazon Ad Hoc Committee's and staff's recommendations to select **Sudberry Properties/Soccer Field of Dreams** as the developer of the multi-use athletic fields and the commercial areas of El Corazon
- On August 31, 2011, the City Council unanimously approved the selection of Sudberry Properties/Soccer Field of Dreams as the developer of the multi-use athletic fields and the commercial areas of El Corazon
- On November 30, 2011, the City Council approved an exclusive negotiation agreement with Sudberry Development, Inc., as the developer, to enter into a Development and Disposition Agreement (**DDA**) for the development of the multi-use athletic fields and the commercial areas of El Corazon
- Staff is currently working on the negotiations for the Recreational **DDA**, athletic fields lease agreement, and Commercial DDA, expected to be approved in October 2012
- On May 1, 2012, the EDC created the El Corazon Standing Committee and appointed Dr. Hugh LaBounty, Jim Schroeder, Howard LaGrange, and Man Lai Tam
- **Moody's** is permitted to remain on site until November 2027
- **Agri-Service** is permitted to remain on site until October 2025

Acreages

- 465 total acres
 - 212 parks and recreation
 - 164 habitat
 - 34 civic services
 - 25 Oceanside Blvd. commercial
 - 19 village commercial
 - 11 hotel

Funding Potentials (to be determined)

- General obligation bonds
- COPs
- Joint use agreements
- Private/public partnerships
- Impact fees
- TOT
- Sales tax

Role of the EDC's El Corazon Standing Committee

- The Specific Plan identifies an "El Corazon Oversight Committee". Due to the Council's changes to the Advisory Group Structure, the EDC's El Corazon Standing Committee is responsible for fulfilling the advisory group role identified in the Specific Plan

- The EDC El Corazon Standing Committee will act as an advisory body and will work cooperatively with the Planning Commission, City Council, and staff to ensure the implementation of the Specific Plan
- The Committee will act in an advisory capacity to the City; the Planning Commission and City Council will retain all decision-making authority for the Specific Plan area.
- The Committee will advise the City Council and Planning Commission on development proposals for the Specific Plan area

Next Steps

- Council to approve DDA for Recreational and Commercial usages with Sudberry (October/November)
- Complete due diligence period (120 days)
- Complete Development Plan application for fields
- Complete grading plan under the El Corazon Reclamation Plan
- Grading of temporary fields to be completed by July 2013
- Athletic complex to be open for tournament play November 2013
- AgriService to move prior to commencing grading
- Moody's to move prior to commencing grading