

EL CORAZON UPDATE
RECREATIONAL DISPOSITION AND DEVELOPMENT AGREEMENT

March 2013

As part of the Recreational Disposition and Development Agreement (“Recreational DDA”) with Sudberry Development, Inc. (“Sudberry”), to develop the temporary fields at El Corazon, the City of Oceanside (“City”) is required to grade a portion of El Corazon. On February 26, 2013, the City obtained and opened bids to determine the estimated cost for the El Corazon Reclamation Plan Grading Project (“City Improvement Costs”). Unfortunately the bids came in higher than the maximum amount of City Improvement Costs that the City is willing to approve.

The lowest bid obtained was in the amount of \$1,800,000. At this time, staff is only authorized to approve an amount of \$1,400,000 as the City Improvement Costs. In order to possibly reduce the City Improvement Costs, the City is planning to revise the El Corazon Reclamation Plan Grading Plan and Specifications (“Revised Grading Plan”) and rebid the Revised Grading Plan to see if it can obtain a new bid that is significantly lower than bids that were previously received.

In light of the City’s process to rebid the Revised Grading Plan, which the City is anticipating to obtain and open bids no later than May 5, 2013, the City would also need to amend the Recreational DDA in order to extend the period of time in which the City has to approve the City Improvement Costs to May 10, 2013. This extension would also extend the period of time in which Sudberry would begin its due diligence.

In order to move this matter forward as proposed above, staff will be scheduling an item for the March 27, 2013, City Council meeting whereby staff will recommend that the City Council: 1) reject the bids for the El Corazon Reclamation Plan Grading Project; 2) approve the Revised Grading Plan and authorize the City Engineer to call for bids; and 3) amend the Recreational DDA with Sudberry to provide for an extension of the City’s due diligence period as well as the commencement date of Sudberry’s due diligence period.

Attached is an updated El Corazon Fact Sheet setting forth the background and summary of key actions regarding the planning and development of El Corazon. The El Corazon Fact Sheet also sets forth the proposed next steps in moving the development of El Corazon forward.

EL CORAZON FACT SHEET

February 25, 2013

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 **EI 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 **EI 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
- On January 2, 2013, Council approved a Recreational Development and Disposition Agreement (**DDA**) with Sudberry, Inc., including an athletic fields lease agreement for the development of multi-use fields. Council also approved a DDA for commercial development and the balance of the recreational area development at El Corazon. Council approved plans for grading a portion of El Corazon pursuant to the Reclamation Plan and authorized City Engineer to call for bids.
- On February 27, 2013, City Council will consider approval of an easement to SDG&E for utility purposes, to serve the relocated Agri-service, Inc. operation located in El Corazon.
- **Moody's** is permitted to remain on site until November 2027
- **Agri-Service** is permitted to remain on site until October 2025

Acres

- 465 total acres
 - 212 parks and recreation
 - 164 habitat
 - 34 civic services

Funding Potentials (to be determined)

- General obligation bonds
- COPs
- Joint use agreements
- Private/public partnerships

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| 25 Oceanside Blvd. commercial | • Impact fees |
| 19 village commercial | • TOT |
| 11 hotel | • 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

- Complete due diligence period (120 days) - extended to May 10, 2013
- Complete Development Plan application for fields – extended to August 2013
- Revise grading plan under the El Corazon Reclamation Plan by March 27, 2013
- Grading of temporary fields to be completed by April 2014
- Athletic complex to be open for tournament play July 2014
- AgriService to move prior to anticipated grading in August 2013
- Moody’s to move prior to commencing grading