Item #5

EL CORAZON UPDATE
RECREATIONAL DISPOSITION AND DEVELOPMENT AGREEMENT

June 2013

As previously mentioned, part of the Recreational Disposition and Development Agreement ("Recreational DDA") with Sudberry Development, Inc. ("Sudberry"), to develop the athletic 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 Improvements Costs"). Those bids came in higher than the maximum amount of City Improvement Costs that the City is willing to approve and were rejected by the City Council.

Staff revised the El Corazon Reclamation Plan Grading Plan and Specifications ("Revised Grading Plan") and on April 23 2013, staff obtained and opened new bids based on the Revised Grading Plan. The lowest bid obtained was in the amount of $1,400,000. At this time, staff has scheduled an item for the June 26, 2013 City Council meeting whereby the City Council will be asked to approve the $1,400,000 bid. In addition, by not informing Sudberry that the City disapproves of the $1,400,000 bid amount by May 10, 2013, the City is deemed to have approved the new bid amount for the purpose of commencing Sudberry's due diligence period. Sudberry will have until August 5, 2013, to conduct and complete its due diligence.

Additionally, Sudberry's consultants are in the process of completing the technical reports necessary for the environmental review required as part of the submission of a Development Plan to develop the graded pad with athletic fields and ancillary improvements. These technical reports include traffic, biological, noise and air quality analysis. It is anticipated that the Development Plan will be submitted sometime in June 2013.