



The City of San Diego

Staff Report

DATE ISSUED: January 7, 2024

TO: City Council

FROM: Economic Development Department

SUBJECT: Update on the redevelopment of the City-owned real property located at 3220, 3240, 3250 and 3500 Sports Arena Boulevard (Midway Site)

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Council District(s): 2

OVERVIEW:

On September 13, 2022, the City Council selected Midway Rising as the successful respondent to the Midway Notice of Availability and authorized staff to negotiate and enter into an Exclusive Negotiating Agreement (ENA) for the redevelopment of a 48.5-acre city-owned site in the Midway District of Council District 2.

As part of its action, the City Council requested that City staff, at a minimum provide the City Council with quarterly information updates to include progress made to date, completion of milestones, anticipated next steps and to receive additional input.

Since the last quarterly update to City Council in fall 2024, in continuation of the City Council’s approval of the exploration of an Enhanced Infrastructure Financing District (EIFD) or other similar mechanism, the consultant appointed to conduct the exploration, Keyser Marston and Associates (KMA) has conducted an early draft analysis which is under review by the City of San Diego and Midway Rising. There are likely to be modifications to the analysis as negotiations continue.

Midway Rising continues to progress with their milestones and submittals in accordance with the ENA and formally requested an additional year extension, as allowable by the ENA to continue to negotiate with the City for the site. To encourage efficiency and ease in progressing remaining term sheet negotiations, weekly in-person discussions have been established between Midway Rising and the City’s negotiating team. Additionally, since the last update to Council, Midway Rising submitted a revised draft Environment Impact Report, of which review was completed by City Staff and returned to Midway Rising. Midway Rising and City Staff have met on a consistent basis to discuss comments on the resubmittal and continue to schedule meetings to discuss the remaining topics. The project currently continues to contemplate the development of 4,250 residential dwelling units, 2,000 affordable units, a 16,000-seat entertainment arena, up to 145,000 retail/commercial square footage, and ample parks and open space.

PROPOSED ACTIONS:

This item is for information only.

DISCUSSION OF ITEM:

In accordance with the City Council's action requesting quarterly informational updates, City staff will provide an update to Council on the progress made to date on the proposed redevelopment of the Midway Site.

City of San Diego Strategic Plan:

**Create Homes for All of Us:** San Diegans benefit from a diversity of different housing types, with homes that are affordable to everyone in all communities.

**Protect and Enrich Every Neighborhood:** San Diegans in all communities are connected to neighborhood assets that anchor community life, foster interaction, and promote well-being.

**Advancing Mobility and Infrastructure:** San Diegans travel on high-quality infrastructure that creates safe and comfortable spaces for people to walk, roll, ride, or drive.

**Champion Sustainability:** The City of San Diego provides a built environment that best sustains our natural environment and public health.

**Foster Regional Prosperity:** San Diego residents and businesses are supported by a strong local economy, with well-paying jobs, economic activity, and opportunities in every community.

Fiscal Considerations:

No fiscal considerations for this action.

Charter Section 225 Disclosure of Business Interests:

N/A

Environmental Impact:

There is not an environmental impact for this action.

Climate Action Plan Implementation:

There is not a connection to the CAP for this action.

Equal Opportunity Contracting Information (if applicable):

N/A

Previous Council and/or Committee Actions:

Approve exploration of an Enhanced Infrastructure Financing District or similar alternative funding mechanism for the redevelopment: City Council – March 11, 2024

Selection of Midway Rising and Authorization to negotiate and enter into an Exclusive Negotiating Agreement with Midway Rising: City Council - September 13, 2022, Land Use & Housing – September 8, 2022

Shortlist to Hometown SD, Midway Rising, Midway Village +: City Council – May 23, 2022, Land Use and Housing – April 21, 2022

Declaration of Surplus Property and Development Condition: City Council – September 21, 2021 and August 3, 2021, Land Use and Housing – July 23, 2021

Quarterly Updates to City Council – December 12, 2022; March 07, 2023; June 20, 2023; October 2, 2023; January 21, 2024, March 2024, June 24, 2024, September 24, 2024

Planning Commission Action: N/A

Key Stakeholders and Community Outreach Efforts:  
N/A

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