



The City of San Diego

Staff Report

DATE ISSUED: September 4, 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)

Primary Contact: Christina Bibler Phone: (619) 236-6421
Secondary Contact: Lucy Contreras Phone: (619) 236-7031

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 June 2024, Midway Rising requested a one-year extension of the ENA Negotiation Period on August 15, 2024. Under the terms of the ENA, the City may administratively extend the Negotiation Period for two extensions of one-year each. On August 20, 2024, the City granted Midway Rising's request, thus extending the expiration of the ENA to December 5, 2025.

Additionally, in continuation of the City Council's approval of the exploration of an Enhanced Infrastructure Financing District (EIFD) or other similar mechanism, a consultant was selected to help assist in the City's analysis and determination of the feasibility of these options.

Midway Rising continues to progress with their milestones and submittals in accordance with the ENA. To expedite term sheet negotiations, four working groups, containing member of City and Midway Rising staff, were created to focus on specialized provisions within the term sheet to further negotiations. Midway Rising is also continuing to work on the resubmittal of an Environment Impact Report. The project currently continues to contemplate the development of 4,250 residential dwelling units, 2,000 are 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

Planning Commission Action: N/A

Key Stakeholders and Community Outreach Efforts:
N/A

Christina Bibler _____
Economic Development Director

Casey Smith _____
Deputy Chief Operating Officer