

RESOLUTION NO. 2022-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHULA VISTA APPROVING AN EXCLUSIVE NEGOTIATING
AGREEMENT BETWEEN THE CITY OF CHULA VISTA AND
HOMEFED, LLC FOR THE UNIVERSITY-INNOVATION
DISTRICT PROJECT

WHEREAS, the City of Chula Vista (the “City”) has long had a goal of developing a higher education presence in the City; and

WHEREAS, the City owns certain real property comprised of approximately 383 acres located in the Otay Ranch and Eastlake communities (adjacent to Planned Villages 9, 10 and 11), in the City of Chula Vista, California (the “Property”), as depicted in Attachment No. 1 attached to the ENA (defined below); and

WHEREAS, the City wishes to foster the development of the University-Innovation District Project at the Property, as more particularly described in the Term Sheet (the “Term Sheet”), which is attached to the ENA as Attachment No. 2 (the “Project”); and

WHEREAS, the City adopted the University-Innovation District Sectional Planning Area Plan (the “SPA Plan”) to define the vision, land use character and mix, design criteria, pedestrian, bike and vehicular circulation systems, and the infrastructure requirements for an approximately 10 million square-foot University-Innovation District that will ultimately serve 20,000 students with supporting uses including office, retail, residential and research space; and

WHEREAS, the City approved the SPA Plan for the Property and on November 13, 2018 approved that certain certified Environmental Impact Report 14-01 (SCH No. 2014121097) (the “EIR”) for the Project; and

WHEREAS, the City wishes to explore an arrangement with a land developer to serve as the master developer for the Project, given the complexity and long-term development horizon for the Project and certain anticipated costs and performance efficiencies; and

WHEREAS, the City has come to the conclusion for the reasons set forth below, that HomeFed, LLC, a Delaware limited liability company (“HomeFed”), is uniquely qualified to serve as the master developer for the Project and that a sole-source procurement of HomeFed to serve in this capacity is justified; and

WHEREAS, HomeFed has a proven track record of successful and award-winning development, and

WHEREAS, HomeFed has familiarity with Otay Ranch and the Project, given its extensive and long-term land holdings near and adjacent to the Property; and

WHEREAS, HomeFed has significant demonstrated financial strength and stability as a wholly-owned subsidiary of Jefferies Financial Group Inc., which is a publicly traded company; and

WHEREAS, HomeFed has an established effective relationship with City staff based on mutual trust, cooperation and respect; and

WHEREAS, HomeFed shares the City's interest in exploring and negotiating the possible terms and conditions under which HomeFed would act as the master developer for the Project; and

WHEREAS, HomeFed is willing to invest substantial time and resources towards the negotiation of a Master Developer Agreement (the "MDA") with the City; provided that City is willing to negotiate exclusively with HomeFed for a specified time period on the terms and conditions as provided in the Exclusive Negotiating Agreement (the "ENA") between the City and HomeFed, the form of which has been negotiated by City staff and HomeFed, in substantially the form presented to the City Council herewith; and

WHEREAS, HomeFed and City have negotiated the terms of the Term Sheet; and

WHEREAS, the Term Sheet sets forth certain primary terms to be included in the MDA; and

WHEREAS, due to the unique nature of the proposed Project, which the City believes will foster economic development and educational advancement and provide a valuable amenity for the citizens of the City of Chula Vista, as well as HomeFed's unique "master developer" qualifications (described above), the City Council desires to approve the ENA with HomeFed.

NOW, THEREFORE, BE IT RESOLVED, based on the recitals set forth above:

1. The City Council finds HomeFed to be uniquely qualified for purposes of entering into an Exclusive Negotiating Agreement and, potentially, a sole-source candidate to act as master-developer of the Property.

2. Based on this finding, to the extent applicable, the City Council waives the competitive bidding processes in Chula Vista Municipal Code sections 2.56.070 A and 2.56.110 as impractical and determined that the City's interests will be materially better served by working exclusively with HomeFed under the terms of the ENA; and

3. The City Council hereby approves the ENA between the City and HomeFed regarding the planning and development of infrastructure and horizontal improvements supporting the ultimate development of the University-Innovation District Project in the form presented, with such minor modifications as may be required or approved by the City Attorney, a final copy of which shall be kept on file with the City Clerk.

Presented by

Approved as to form by

Maria V. Kachadoorian
City Manager

Glen R. Googins
City Attorney

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this ____ day of December, 2022 by the following vote:

AYES: Councilmembers:

NAYS: Councilmembers:

ABSENT: Councilmembers:

Mayor

ATTEST:

Kerry K. Bigelow, MMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF CHULA VISTA)

I, Kerry K. Bigelow, City Clerk of Chula Vista, California, do hereby certify that the foregoing Resolution No. 2022-____ was duly passed, approved, and adopted by the City Council at a regular meeting of the Chula Vista City Council held on the ____ day of December 2022.

Executed this ____ day of December 2022.
