



CITY COUNCIL STAFF REPORT



December 12, 2023

ITEM TITLE

Agreement: Approve a Partial Assignment and Transfer Agreement Regarding the Construction of Park Obligations within Lot 19 of the Millenia Sectional Planning Area

Report Number: 23-0320

Location: Millenia Lot 19, located at the southwest corner of Millenia Avenue and Birch Road.
APN No. 643-060-6900

Department: Development Services

G.C. § 84308: Yes

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act (“CEQA”) State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Adopt a resolution approving a partial assignment and transfer of agreement regarding the construction of park obligations within Lot 19 located in the Millenia Sectional Planning Area (“SPA”) between Millenia 2022, LLC. and Millenia Lot 19 Owner, LLC., with the consent of the City of Chula Vista.

SUMMARY

The Millenia 2022, LLC (“Developer”) is requesting a partial assignment and transfer to Millenia Lot 19 Owner, LLC (“Assignee”) of the park obligations for the construction of a public jogging trail (“Jogging Trail”) and a 0.25-acre public park plaza (“Park Plaza”).

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with CEQA and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

The Millenia SPA is located at the southwest corner of Birch Road and Eastlake Parkway, east of the SR 125 toll road. The SPA was originally adopted on October 6, 2009, via Resolution No. 2009-224 and Ordinance No. 3142 with subsequent amendments on March 5, 2013; August 9, 2016; December 6, 2016, and July 10, 2018. The Millenia SPA is 206-acres and described as an urban mixed-use center with a maximum buildout of 2,983 multi-family residential units and 3,487,000 square feet of commercial uses including office, hospitality, retail and civic uses.

Lot 19 in the Millenia SPA is located at the southwest corner of Millenia Avenue and Birch Road. A Development Agreement was entered into by the City of Chula Vista and McMillin Otay Ranch, LLC, recorded on October 27, 2009, as Document No. 2009-0595116. Two subsequent amendments to the Development Agreement were recorded (Document No. 2018-0306624 and Document No. 2023-0043553).

In addition to the Development Agreement, the Developer entered into an agreement regarding the construction of Parks (“Parks Agreement”) within the Millenia SPA that was recorded on October 28, 2009 (Document No. 2009-059289). Two subsequent amendments to the Parks Agreement were recorded on December 8, 2015 (Document No. 2015-0627423) and September 9, 2015 (Document No. 2016-0473597).

The Development Agreement requires compliance with, and satisfaction of obligations outlined in the Parks Agreement including in the event of a sale of property within the Millenia SPA. Lot 19 is being sold to new ownership, Millenia Lot 19 Owner, LLC. Therefore, the Parks Agreement obligates the new owner of Lot 19 to design, construct and install the public Jogging Trail and a 0.25-acre public Park Plaza as part of their mixed-use development project. The agreement for the transfer of these obligations is provided as Attachment 1 to this Staff Report.

The City reserves the right to approve the final design, location, acreage and alignment of the Jogging Trail and Park Plaza. The Jogging Trail would generally be located at the back of the sidewalk along Millenia Avenue and run parallel to the existing joint driveway. Both the Jogging Trail and Park Plaza will have a public access easement to allow public use of these park areas.

Staff supports the requested transfer of park obligations from Millenia Lot 19 Owner, LLC to the new ownership, Millenia Lot 19 Owner, LLC. as outlined in Attachment 1.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov’t Code §87100, et seq.).

Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

All costs associated with this Agreement are borne by the developer, resulting in no current year fiscal impacts to the General Fund or the Development Services Fund as a result of this action.

ONGOING FISCAL IMPACT

There are no ongoing fiscal impacts to the General Fund or the Development Services Fund as a result of this action.

ATTACHMENTS

1. Agreement

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