



CITY COUNCIL STAFF REPORT



March 26, 2024

ITEM TITLE

University-Innovation District: Appropriate Funds for Development of a University-Innovation District Phase One Feasibility Study

Report Number: 24-0112

Location: University-Innovation District

Department: City Manager

G.C. § 84308: No.

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

Recommended Action

Adopt a resolution appropriating funds in the amount of \$200,000 for development of a University-Innovation District phase one feasibility study. **(4/5 Vote Required)**

SUMMARY

Since 1993, through the adoption of the Otay Ranch General Development Plan, the City of Chula Vista has pursued a vision of locating a university within eastern Chula Vista. From 2001 through 2014, through a combination of Land Offer Agreements, land exchanges and agreements with developers, the City acquired 383 acres of land subject to restrictive covenants for University-Innovation District (UID) purposes. In 2018, the City certified Final Environmental Impact Report (FEIR-14-001/SCH 2014121097) and adopted the University-Innovation District Sectional Planning Area Plan (SPA) approving the entitlements for a UID.

To continue the City’s university planning efforts, a first phase of development requires further study to better understand development options and associated costs. The outcomes of this study will further inform efforts at the State level as funding and university partnerships are explored.

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. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

Since 1993, through the adoption of the Otay Ranch General Development Plan, the City of Chula Vista has pursued a vision of locating a university within eastern Chula Vista. The City has taken actionable steps to make this vision a reality. From 2001 through 2014, through a combination of Land Offer Agreements, land exchanges and agreements with developers, the City acquired 383 acres of land subject to restrictive covenants for University-Innovation District (UID) purposes. In 2018, the City certified Final Environmental Impact Report (FEIR-14-001/SCH 2014121097) and adopted the University-Innovation District Sectional Planning Area Plan (SPA) approving the entitlements for a UID.

Under the adopted planning documents that govern the development of the site, the UID entitlements provide the ability to accommodate up to 20,000 students with an innovation district capable of building approximately 10 million square feet of mixed-use development, 4.4 million square feet of academic space, 2 million square feet of commercial space for business innovation uses and 3.6 million square feet available for development of market rate and student/faculty housing. The City's goals for the UID are as follows:

- Develop a university campus offering four-year degrees consistent with the City's binational and multi-institutional university vision;
- Establish a business environment within the Innovation District that embraces the technology and/or higher education sectors to serve as a talent pipeline for the University(ies);
- Create an on-going income stream and/or one-time capital event;
- Support increases in tax revenue;
- Support equitable access to higher education;
- Foster additional economic development and education opportunities for the community at large; and
- Develop a financial model that allows development to occur with as little out-of-pocket cost to the City as possible.

Additionally, over the years, the City has engaged in a number of studies to determine the type of university(ies) that would best fit the UID from a land use and economic development perspective. These studies resulted in the vision of the City Council to develop a binational, multi-institutional university that leverages the border as a laboratory to attract students from both the United States and Mexico, offers baccalaureate and graduate level degrees and academic studies for the binational region, and serves as a catalyst for growth and economic development.

Currently, through a partnership with Southwestern College, an academic planning study is underway which will identify instructional programs that support the region's current and future workforce needs by way of an intentional engagement/inclusion with regional educational systems serving South County students and ensuring that instructional programming and university partnerships meet the needs of students and

families. An additional outcome of this study is a white paper that uses the project’s findings to inform specific legislative and funding actions needed for successful university recruitment.

To continue the City’s university planning efforts, the City intends to procure professional services to assist in visioning a first phase of UID development, encompassing approximately 20 acres. While the UID totals 383 acres, a phased development approach reduces the initial investment required and provides risk mitigation.

Anticipated outcomes of this effort include a preliminary phasing plan, a site plan, conceptual building layouts, artistic renderings, building area tabulations, and estimated infrastructure costs to deliver the first phase of the UID.

Staff is recommending appropriating American Rescue Plan Act interest earnings totaling \$200,000 for this effort, as allowed under the Coronavirus State and Local Fiscal Recovery Funds Final Rule (31 CFR Part 35), which are not subject to the requirement of the Cash Management Improvement Act and Treasury’s implementing regulations at 2 CFR 200.305(b)(8) and (9) as it pertains to interest earnings being remitted back to the U.S. Department of Treasury. Such interest is also not subject to program restrictions.

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

Approval of the resolution authorizes the use of up to \$200,000 in funds from American Rescue Plan Act interest earnings.

Staff recommend the following appropriations to fund this project:

FUND	ARPA CATEGORY	OTHER CAPITAL	TOTAL EXPENSE
American Rescue Plan Act 2021	EC0 ARPA 2021 Admin	\$ 200,000	\$ 200,000
TOTAL OTHER FUNDS		\$ 200,000	\$ 200,000

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact as a result of this action.

ATTACHMENTS

Staff Contact: Maria V. Kachadoorian, City Manager
Adrianna Hernandez, Special Projects & Legislative Manager