



CITY COUNCIL STAFF REPORT



April 14, 2026

ITEM TITLE

Lease Agreement: Approve a Lease Agreement with the Board of Trustees of the California State University Acting on Behalf of San Diego State University for a portion of the City-Owned Building Located at 1775 Millenia Avenue

Report Number: 26-0114

Location: 1775 Millenia Avenue

Department: City Manager

G.C. § 84308 Regulations Apply: No

Environmental Notice: The Project is adequately covered in a previously certified Final Second Tier Environmental Impact Report ("FEIR") for the Otay Ranch Eastern Urban Center ("EUC") Sectional Planning Area ("SPA") Plan and Tentative Map (EIR 07-01; SCH No. 2007041074; certified by City Council Resolution No. 2009-223 on September 15, 2009.

Recommended Action

Adopt a resolution to approve a lease agreement between the City of Chula Vista and the Board of Trustees of the California State University on behalf of San Diego State University for a portion of the Millenia Library Building located at 1775 Millenia Avenue.

SUMMARY

In [December of 2024](#), the City Council took action approving a Letter of Intent with the Board of Trustees of the California State University on behalf of San Diego State University for an approximately 6,505 square feet premises within the Millenia Library Building to support the School of Nursing and Global Campus. The City Council also appropriated funds necessary to complete tenant improvements for this purpose.

This item approves a ten (10) year lease agreement at a rental amount of \$1.00 per year and launches the first partnership between the City and a four-year university expanding access to higher education in the region.

ENVIRONMENTAL REVIEW

The Project has been reviewed for compliance with the California Environmental Quality Act ("CEQA"), and it has been determined that the Project is adequately covered in a previously certified FEIR for the Otay

Ranch EUC SPA Plan and Tentative Map (EIR 07-01; SCH No. 2007041074; certified by City Council Resolution No. 2009223 on September 15, 2009). Therefore, no further CEQA review or documentation is necessary.

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. 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.

The City has actively engaged through several planning efforts including the University Now Initiative, which studied workforce needs in the region and developed academic programming to support such needs as well as master planned an initial phase of development on the UID.

In 2022, a unique opportunity and legislative appropriation of \$30 million in State funding created a major opportunity to build the first Library in the City since 1995 and establish the first partnership between the City and a four-year university.

San Diego State University- School of Nursing and Global Campus

San Diego State University (SDSU) has worked within their vision of expanding access to higher education across the region with their Imperial Valley Campus, the Mission Valley West expansion, their partnership with Southwestern College and now opening their School of Nursing and Global Campus at the Millenia Library Building.

With the implementation of this project, for the first time, a four-year university has partnered with the City in support of its vision to expand access to higher education in the South County region. SDSU will additionally provide substantial public benefit to the residents of the City through workforce development as it educates and trains students at this facility. As the parties embark on this effort, it is the City's hope and intent to foster conversations with SDSU to consider establishing additional programs in the future within Chula Vista to meet the demand of South Bay students including on the City-owned, University-Innovation District.

The SDSU Premises includes approximately 6,505 gross square feet of interior space and an approximately 718 gross square foot exterior patio area and are intended to be dedicated to classroom and related purposes in connection with the SDSU School of Nursing and other educational uses, including programs associated with the SDSU Global Campus.

Key Terms of the Lease Agreement

1. Initial term of the lease shall be ten (10) years and shall commence upon the date the City has completed the tenant improvements (TIs) and delivered the space to SDSU, and SDSU has completed installation of all systems and equipment necessary to use the SDSU Premises as intended.
2. The annual rent to be paid by SDSU to the City shall be one dollar (\$1.00).
3. SDSU shall be responsible for certain insurance costs, janitorial and cleaning services, and utilities serving the SDSU Premises. SDSU shall also be responsible for the cost of any improvements SDSU makes to the SDSU Premises not required to be made by the City.
4. City shall construct and deliver TIs, consistent with TI plans and specifications to be provided by SDSU, at City's sole expense.
5. City shall operate and maintain all common areas at its sole cost and expense.
6. SDSU users will have a non-exclusive right to use the parking areas serving the site at no additional cost.
7. SDSU reserves the right to install information and technology equipment and systems in the SDSU Premises at their cost and subject to approval by the City.

Staff recommends entering into a lease agreement with SDSU in the form presented in Attachment 1.

Construction of Tenant Improvements

Swinerton Builders, the City's general contractor performing the improvements at the Millenia Library Building, has estimated this project to cost \$2,714,943 which is within the approved budget for SDSU.

Construction is anticipated to be completed by early August, which coincides with the beginning of the academic calendar.

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 this item will authorize a ten (10)-year lease agreement with annual rental revenue of \$1.00. The initial lease term is anticipated to commence in August 2026, upon completion of tenant improvements.

Funds appropriated to date for the SDSU warm shell, common areas and tenant improvements total \$3,360,000 within the Capital Improvement Projects Fund under capital improvement project GGV0267 (Millenia Library). Swinerton Builders, the City's general contractor performing the improvements, has estimated this project to cost \$2,714,943, which is within the approved budget.

Staff is currently conducting competitive bidding for low voltage needs for SDSU. This contract will be executed in accordance with procurement rules pursuant to Chula Vista Municipal Code Chapter 2.56.160.

ONGOING FISCAL IMPACT

Staff are currently negotiating the contract and budget for professional building management and maintenance services. Once determined, these costs will be incorporated as part of the annual budget development process in future years.

ATTACHMENTS

1. SDSU Lease Agreement

*Staff Contact: Scott Dickson, Real Property Manager
Tiffany Allen, City Manager*