



Department of Real Estate and Airport Management

Quarterly City Council Update #4
Midway Rising
October 2, 2023

Item No. 200

The Property

- 3220, 3240, 3250 and 3500 Sports Arena Blvd.
- 48.5 acres
- Council District 2



Next Steps (June 2023)



July 31, 2023:

Completion of physical due diligence
Updated and comprehensive financial feasibility analysis
Updated Pro forma and Financing Plan

August 2023:

3rd Quarterly Informational Workshop
Location TBD

September 2023:

4th Quarterly City Council Update



On-Site Due Diligence



December 2022/January 2023:

Formalize site access and mobilize consultants – **complete**

January – July 2023:

Conduct physical due diligence on-site

- Property research and visual site inspections – **complete**
- Geotechnical exploration – **complete**
- Soil vapor sampling – **complete**
- Hazardous materials testing – **complete**



Community Engagement



September 12, 2023: 3rd Quarterly Informational Workshop
• Approximately 100 attendees

Additional Presentations: July 25, 2023 – American Council of Engineering Companies – Transportation Liaison Committee
September 26, 2023 – Urban Corps of San Diego County – Board of Directors



Exclusive Negotiation Agreement



Term: December 5, 2022 – December 4, 2024
With up to two options to extend of one year each at the City's sole discretion

Deposits Paid:

- ✓ \$100,000 Good Faith Deposit – submitted December 8
- ✓ \$70,000 Non-Refundable Negotiation Payment – submitted December 8
- ✓ \$5,000 License Fees – submitted December 8

Performance Milestones:

- **March 3, 2023:** ✓ Community Engagement Plan – submitted February 22
- **July 31, 2023:**
 - ✓ Completion of physical due diligence – completed July 31
 - ✓ Updated and comprehensive financial feasibility analysis – submitted July 31
 - ✓ Updated Pro forma and Financing Plan - submitted July 31
- **October 29, 2023:** ✓ Project description sufficient to commence CEQA



Programmatic Changes



Hotel

- Eliminated
- Due to onsite due diligence and master plan consistency

“Middle Income” (80-120% AMI) Housing

- 250 middle income units converted to market rate
- Currently infeasible given current market conditions (high interest rates, regulatory challenges)

Please note: Neither of these were development conditions in the NOA



Next Steps (September 2023)



October 29, 2023: Project description sufficient to commence CEQA

November/December 2023: 4th Quarterly Informational Workshop
Location TBD

December 2023: 5th Quarterly City Council Update





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MIDWAY
RISING

