

SDSU MISSION VALLEY

Summary of Key Agreements

On May 5, 2020, CSU/SDSU delivered a signed purchase agreement to the City of San Diego to acquire the SDSU Mission Valley site. The agreement describes the terms upon which CSU/SDSU is ready to purchase the property and reflects 18 months of earnest and exhaustive negotiations with the City. It is built upon the City Attorney's draft document, and represents fair and equitable terms that are consistent with Measure G and CSU/SDSU's October 28, 2020 offer to the City. Below is a high level summary of the key terms of the Purchase Agreement and its related attachments.

Purchase Agreement. This is the document by which CSU/SDSU will acquire the Mission Valley stadium site and adjacent Murphy Canyon Creek Channel from the City.

- **Property:** Approximately 135 acres, including the San Diego County Credit Union stadium site and the portion of Murphy Canyon Creek located immediately adjacent ("Property"). (Section 2.2)
- **Purchase Price:** \$86,200,000, plus a time-vale adjustment factor that increases the purchase price with respect to the City's water fund utility ownership portion of the overall Property. (Section 2.3)
- **Closing Date:** 10 business days after the Mayor signs the purchase agreement. If closing is delayed through no fault of either party, CSU/SDSU will assume stadium operating and maintenance expenses pursuant to a lease until closing occurs. (Section 9.7 and 3.2)
- **Measure G.** Article 5 details how the City's sale of the Property and CSU/SDSU's development is in accordance with Measure G, including development of a mixed use campus project, the new stadium, the River Park and onsite affordable housing (generally, the "Project"). (Sections 5.1 through 5.21)
- **As-Is/Release of City.** CSU/SDSU will acquire the Property as-is and releases the City from claims, including for past, present and future environmental conditions. (Section 10.4)
- **Indemnities.** CSU/SDSU broadly and fairly indemnifies the City for any claims arising from the Purchase Agreement and related approvals, CSU/SDSU's ownership, maintenance and development of the Property, the Project and the River Park, as well as environmental claims relating to the purchased Property, among other things. (Section 7.3 and 12.5.)
- **Fenton Parkway Bridge.** CSU/SDSU agrees to construct the Fenton Parkway Bridge if necessary approvals under the California Environmental Quality Act are obtained in the future, which CSU/SDSU and the City agree to pursue in a cooperative manner. (Section 11.2)

Attachment 6 – Project Site Plan. The Campus Master Plan illustrating the main components of the CSU/SDSU project, including the stadium, the River Park, campus/office/innovation buildings, residential buildings and the hotel.

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Attachment 21 - Declaration of Property Development Restrictions and Permitting. A covenant that will be recorded against the Property requiring CSU/SDSU to develop the Property as contemplated by Measure G.

- **Project Construction:** CSU/SDSU will construct the Project, including the new stadium; the River Park; an additional 22-acres of publicly accessible parks, public trails and passive recreation areas; academic and administrative buildings and classrooms; commercial, technology, and office space; retail uses; a hotel; housing for faculty, students and the general public; and trolley and other public transportation uses and improvements. (Section 2)
- **Stadium and River Park Priority:** CSU/SDSU will complete the new stadium and the River Park within 7 years of entering into the Purchase Agreement with the City. (Section 2.3, 2.7)
- **Traffic Improvements:** CSU/SDSU will provide traffic improvements and fair share payments to the City consistent with the Final EIR for the Project, and will also provide \$5,000,000 of additional traffic improvements and funds to the City, above and beyond what is required by the Final EIR. (Section 2.9)
- **Murphy Canyon Creek:** CSU/SDSU will maintain the portion of Murphy Canyon Creek located on the Property (Section 5.5) and the portion of the Murphy Canyon Creek located on the River Park (Attachment 27, Section 1.2)
- **Development Impact Fees (DIFs) Contemplated by Measure G.** CSU/SDSU has contractually agreed to construct park improvements in lieu of paying park DIFs, prepay transportation DIFs as part of the purchase price, provide onsite affordable housing instead of paying in-lieu affordable housing fees, and collect and remit to the City other applicable DIFs for private development projects occurring on the Property. (Sections 4.1 through 4.4; Purchase Agreement, Section 5.8)

Attachment 22 - Declaration of Affordable Housing Restrictions. This covenant will be recorded against the Property requiring CSU/SDSU to provide affordable housing as part of the Project.

- **10% Affordable Housing Required.** At least ten percent of all residences constructed on the Property must be affordable to households earning, on average, 60% of area median income. (Section 2.1)
- **Phasing Plan.** If CSU/SDSU constructs up to 4,600 dwelling units as the Final EIR contemplates, CSU/SDSU will be required to comply with a phasing plan as follows:

Building Phase (Planned)	Total Affordable building permits	Total Market Rate building permits	Total building permits
1	Up to 100	Up to 900	Up to 1,000
2	Up to 100	Up to 900	Up to 1,000

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3	Up to 100	Up to 900	Up to 1,000
4	Up to 160	Up to 1,440	Up to 1,600
Total Planned	Up to 460	Up to 4,140	Up to 4,600

Certificates of occupancy must be obtained within 3 years after a building permit issues for an affordable housing unit. If CSU/SDSU ceases development for an extended period of time, 10% of all existing units must be set aside as affordable units even if one of the development thresholds listed above has not been reached. (Section 2.2)

- Additional Housing Opportunity Units. CSU/SDSU will provide below market rate housing for graduate students, undergraduate students with families, and new faculty, which is above and beyond the 10% affordable requirement. (Section 2.10)
- Security. CSU/SDSU will require developers to provide payment and performance bonds to secure the obligation to construct affordable housing units and also provide a deed of trust to further secure that obligation. (Section 3.1 and 3.3)
- Restrictive Covenant. A covenant requiring that affordable units be income restricted for at least 55-years will be recorded against all future housing projects with affordable units. The covenant will, among other things, require regular monitoring and compliance checks to ensure that occupants meet income eligibility requirements at all times. (Section 3.2)
- Remedies. The City can pursue specific performance remedies (meaning a court could compel compliance) if CSU/SDSU fails comply with these affordable housing covenants and requirements. (Sections 3.4, 8.1 and 8.2)
- Reporting. CSU/SDSU will provide an annual Housing Status Report to the San Diego Housing Commission regarding the status of construction of affordable housing units and compliance with occupancy requirements. (Section 4.1)

Attachment 24 – Future Recreation Center Site Agreement. This agreement gives the City 20-years to decide if it wants to lease a 1-acre site on the Property for construction and operation of a community recreation facility. The lease will have a 99-year term at a nominal rent to the City (i.e. \$1/year).

Attachment 26 – River Park and Storm Water BMP Development Agreement. This agreement, to be recorded against the Property, requires CSU/SDSU to design and construct the River Park.

- The River Park must be consistent with the Conceptual River Park Design attached as Exhibit D, which was developed in collaboration with the River Park Advisory Group and many other community stakeholders. (Section 1.3)
- Requires CSU/SDSU to complete the River Park within 7 years after the Purchase Agreement effective date. (Section 3.1)

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- Requires CSU/SDSU to submit plans and cooperate and coordinate with the City on design and construction matters. (Section 5.1 through 5.5 and Section 9)
- Provides broad indemnities in favor of the City arising out of CSU/SDSU's construction of the River Park. (Section 11.1)

Attachment 27 – River Park and Storm Water BMP Maintenance Agreement. This agreement, to be recorded against the Property, address CSU/SDSU's permanent maintenance obligations for the River Park.

- Requires CSU/SDSU to maintain the River Park and the portion of the Murphy Canyon Creek located in the River Park in perpetuity. (Section 1.1 and 1.2)
- Details maintenance standards and requirements for operation of the River Park to ensure it is accessible to the general public. (Sections 2.1 through 2.9, Exhibit C)
- Requires compliance with the City's public park regulations until the City Council adopts park regulations specifically for the River Park. (Section 2.10)
- Provides broad indemnities in favor of the City arising out of CSU/SDSU's construction of the River Park. (Section 15.1)

Attachment 28 – Easement Agreement for River Park Construction and Maintenance. This agreement, to be recorded against the Property, concerns construction and maintenance of the River Park.

- Establishes an easement for CSU/SDSU to construct and maintain the River Park and stormwater facilities. (Section 1)
- Reserves rights in favor of the City to construct water and sewer facilities within the River Park, including for the Pure Water program. The City is not required to restore River Park improvements to the level originally installed if damaged in connection with water/sewer infrastructure projects. (Section 6 through 6.6).
- Acknowledges the City's pueblo water rights and protection for aquifer facilities. (Section 6 and 7)
- Provides broad indemnities in favor of the City arising out of CSU/SDSU's construction of the River Park. (Section 10.1)