

GILLESPIE FIELD DEVELOPMENT COUNCIL
September 17, 2014

AGENDA ITEM #6

Extension of Preliminary Agreement Concerning Development and Disposition of Land
with Dentt Development, LLC

Gillespie Field includes an approximately nine-acre vacant property adjacent to Marshall Avenue. This area has been designated by County and released by the Federal Aviation Administration (“FAA”) for industrial development compatible with the Airport. The FAA approval for non-aeronautical use is only possible for land that is not suitable for aeronautical use and when the land is not needed to meet aviation forecasts.

In 2012, upon the results of the County’s Request for Proposals to develop this vacant property for industrial use under a ground lease, Dentt Development, LLC (“Dentt”) was selected as the successful proposer. Dentt’s proposed development, which was presented to GFDC in September 2012, includes the construction of multi-tenant concrete tilt-up buildings, which would accommodate small and start-up businesses.

Before the County and Dentt can enter into a ground lease, Dentt must satisfy the requirements of the California Environmental Quality Act (“CEQA”). On December 5, 2012, the Board of Supervisors approved the Preliminary Agreement Concerning Development and Disposition of Land between the County and Dentt (“Preliminary Agreement”), intended to provide sufficient assurances to the developer and assist in securing financing commitments, obtaining entitlements and conducting environmental reviews needed to comply with CEQA. This Preliminary Agreement is scheduled to terminate on December 4, 2014, unless both parties agree to extend it.

Dentt is currently working with its environmental consultants and the City of El Cajon, which acts as the lead agency within the purposes of CEQA, conducting necessary studies and preparing reports for CEQA review. The recent and anticipated updates to the stormwater mitigation requirements have impacted the size and scope of the development initially proposed by Dentt and prompted the developer to revise its plans. Dentt has requested an extension to the Preliminary Agreement for an additional 12-month period, with two mutual options to extend it further for up to three years beyond the original termination date, if necessary to complete CEQA requirements. A mutual option means that both the County and Dentt need to agree in order for the agreement to be extended.

The proposed First Amendment to Preliminary Agreement Concerning Development and Disposition of Land between the County and Dentt would grant the 12-month extension of the term requested by the developer and would provide the Director of Airports with the authority to exercise the two mutual extension options. If County agrees to grant such term extensions, Dentt would pay to the County \$5,000 for each 12-month extension.

RECOMMENDED MOTION

“Gillespie Field Development Council recommends the Board of Supervisors approve the First Amendment to Preliminary Agreement Concerning Development and Disposition of Land, County Contract Number 506372, with Dentt Development, LLC, as recommended by staff.”