



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

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**File #:** 25-749

**Agenda Date:** 5/21/2025

**Agenda #:** 16.

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**DATE:** May 21, 2025

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Public Works Department

**TITLE: PROPERTY USE AGREEMENT WITH OTOMI & STONE LLC, FOR USE OF FRENCH FIELD PROPERTY LOCATED AT 1300 LEE DRIVE**

### **RECOMMENDATION**

Staff recommends that the City Council approve a ten-year Property Use Agreement with Otomi & Stone LLC for use of property located at 1300 Lee Drive, for a minimum total revenue to the City of \$497,688 plus a percentage of tournament gross sales; and authorize the City Manager to execute the agreement upon receipt of all supporting documents.

### **BACKGROUND AND ANALYSIS**

The City of Oceanside ("City") is the legal and equitable owner of the property located at the 1300 Block of Lee Drive, commonly referred to as French Field ("Property"). The Property is subject to a reversionary interest of an undivided one-half interest in favor of the City of Vista, successor in interest to the Vista Sanitation District.

The Property was formerly used as a landfill and burn dump operated by the County of San Diego from 1944 to 1967. Over the years various efforts have been taken to remediate the site, allowing for its re-use. The property has been used as a baseball/softball facility since the 1970's and, most recently, was the home field for Vista American Little League ("VALL"), which ended its use in September 2023.

In January 2005, use of the Property by VALL was suspended due to the identification of contaminants present on the site. Subsequently, through the collective efforts of the City of Oceanside, the City of Vista, and County of San Diego the site was properly "capped" and remediated to a level that allows public recreational use per the terms set forth in an Operational and Maintenance Agreement with the State Department of Toxic Substances Control. The property use agreement between the City and VALL was terminated in September 2023, primarily due to the league's inability to maintain the Property to the standards required under the approved remediation plan. The City had also entered into a Joint Use Agreement with the City of Vista on March 3, 1993, which also governed the use of the Property; however, on October 3, 2024, the City issued a ninety (90) day advance notification of termination to the City of Vista related to the Joint Use Agreement and said agreement officially terminated as of December 31, 2024.

In January 2025, the City issued a request for proposals ("RFP"), seeking responses from qualified

organizations capable of using the Property as baseball/softball fields that could facilitate practices, games, and tournaments, while serving a broad base of youth from Oceanside and the surrounding area. As outlined in the RFP, the ideal candidate should have the experience and financial capability to provide new capital improvements and maintain the Property, while ensuring compliance with environmental regulations. The City specifically desires improvements such as renovations of the fields, parking lot, pathways, dugouts, and fencing, as well as installation of backstops, modular concessions stand, restrooms, lighting, scoreboards, bleachers, electrical components, and landscaping. In addition to these improvements, the selected organization would also be responsible for monthly maintenance of the Property including maintenance of the fields, irrigation, erosion control, utilities, maintenance of structures, and pest control/rodent mitigation, which restricts the exposure of ash from the former burn site.

Three proposals were submitted in response to the RFP, which were reviewed and rated by a panel comprised of four City staff members. The organizations that submitted proposals included Fellowship of Christian Athletes, Otomi & Stone LLC, and SoCal Scout Team. The criteria used in the rating of these proposals were relevant experience, development plan, financials, and potential benefits to the City. Staff unanimously selected Otomi & Stone LLC, whose proposal received the highest total rating score. A copy of the proposal is attached.

Otomi & Stone LLC ("Permittee") is led by Jerry Perrault and Kory Smith, area residents who have twenty years of experience in operating and maintaining baseball/softball fields and training facilities, as well as organizing tournaments and providing coaching for youth. Permittee has a proven track record of providing baseball related services to communities, which was confirmed through staff's verification of references. Additionally, Permittee has prior experience in the construction, maintenance, and development of other City-owned land and is familiar with the Property and its regulatory requirements.

The proposed agreement ("Agreement") is for a term of ten years and includes one five-year extension option. In addition to monthly rent of \$4,000, Permittee will pay 12% of gross income received from tournament sales, excluding donations, grants, membership fees, and food concessions. All rents will be abated for the first year of the Agreement due to the significant capital improvement requirements; however, Permittee will be responsible for maintenance of the Property upon commencement of the Agreement. Capital improvements to be made by Permittee will also begin upon commencement of the lease term and are to be completed during the rent abatement period as further identified in the Agreement. These improvements include, but are not limited to, renovation of the existing fields, completion of dugouts and fencing, installation of backstops, field lighting, and modular concession and restroom buildings.

### **FISCAL IMPACT**

There will be no monthly rent or tournament percentage rent collected during the first year of the Agreement. Monthly rent will begin in year two and will increase by 3.5% annually thereafter. The Agreement will result in total monthly rental revenue of \$497,688 over the ten-year term and Permittee will also pay 12% of gross income received from tournament sales, excluding donations, grants, membership fees, and food concessions. There is no historical information to estimate the revenue to be received from Permittee related to tournament percentage rent.

Description	1 <sup>st</sup> Year Annual Revenue Amount	2 <sup>nd</sup> Year Annual Revenue Amount	10-Year Term Revenue Amount	Revenue Account
Otomi & Stone LLC	Rent Abatement	\$48,000	\$497,688	PM R&L - City 1101.4351

**COMMISSION OR COMMITTEE REPORT**

Does not apply.

**CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Bryan Smithwick, Property Agent I  
Reviewed by: Hamid Bahadori, Public Works Director  
Submitted by: Jonathan Borrego, City Manager

**ATTACHMENTS:**

1. Staff Report
2. Property Use Agreement
3. Lease Calculation
4. Proposal from Otomi & Stone LLC