

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. R-03312

ADOPTED ON MARCH 27, 2001

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE AGENCY AND BALBOA THEATRE, LLC; APPROVING THE SALE OF PROPERTY IN THE HORTON PLAZA REDEVELOPMENT PROJECT AREA PERTAINING THERETO; AND MAKING CERTAIN FINDINGS WITH RESPECT TO SUCH DISPOSITION AND DEVELOPMENT AGREEMENT AND SALE.

WHEREAS, the Redevelopment Agency of the City of San Diego [Agency] is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Horton Plaza Redevelopment Project [the Project], and the Agency adopted the Implementation Plans for the Centre City Redevelopment Project and the Horton Plaza Redevelopment Project for the period July 1, 1999 through June 30, 2004 [the Implementation Plan] on July 20, 1999 by Resolution No. R-03018 in accordance with California Health and Safety Code Section 33490; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, Agency has negotiated and proposes to enter into a Disposition and Development Agreement [the Agreement], pursuant to which Agency will sell certain property in the Horton Plaza Redevelopment Project [the Site] to Balboa Theatre, LLC [Developer] for rehabilitation of the existing Balboa Theatre on the Site in conformance with the Secretary of the Interior's Standards and Guidelines for Rehabilitation for adaptive reuse as a state of the art, approximately 1400 seat, multi-purpose performing arts center for live theatre, music, and dance, as well as movies

and conference venues on the Site [the Rehabilitation] all pursuant to the terms and provisions of the Agreement; and

WHEREAS, Developer has submitted to Agency and the City Council of the City of San Diego copies of the proposed Agreement in a form desired by Developer; and

WHEREAS, the Board of Directors for the Centre City Development Corporation, Inc., has reviewed and discussed the proposed Agreement, and has recommended that City Council approve and Agency enter into the Agreement; and

WHEREAS, pursuant to the California Community Redevelopment Law [California Health and Safety Code, Sections 33000-34009] Agency and City Council held a joint public hearing on the proposed sale of such real property pursuant to the Agreement, having duly published notice of the joint public hearing and having made copies of the proposed Agreement and other reports and documents available for public inspection and comment; and

WHEREAS, Agency has duly considered all terms and conditions of the proposed sale of real property and believes that the development of the real property pursuant to the proposed Agreement is in the best interests of the City and the health, safety, morals, and welfare of its residents and in accord with the public purposes and provisions of applicable state and local laws and requirements, NOW, THEREFORE,

BE IT RESOLVED, by the Redevelopment Agency of the City of San Diego as follows:

1. That Agency acknowledges that it has received and heard all oral and written objections to the proposed Disposition and Development Agreement, to the proposed sale of the real property pursuant to the proposed Agreement, and to other matters pertaining to this transaction, and that all such oral and written objections are hereby overruled.

2. That Agency finds and determines that the consideration to be paid by Developer for the sale of the Site as described in the Agreement is not less than the fair reuse value at the

use and with the covenants and conditions and development costs authorized by the Agreement. Agency further finds and determines that all consideration to be paid under the Agreement is in amounts necessary to effectuate the purposes of the Redevelopment Plan for the Horton Plaza Redevelopment Project.

3. That Agency finds and determines that the sale of the Site will assist in the elimination of blight in the Horton Plaza Redevelopment Project Area as described in the Summary Pertaining to the Proposed Sale of Certain Property and is consistent with the Implementation Plan.

4. That Agency approves the sale of the real property and the Disposition and Development Agreement which establishes the terms and conditions for the sale and rehabilitation of the real property.

5. That Agency authorizes its Executive Director, or designee, to execute the Disposition and Development Agreement on behalf of Agency, provided that City Council has first approved the Agreement and the sale of the real property pursuant thereto. A copy of the Agreement, when executed by Agency, shall be placed on file in the office of the Secretary of the Agency as Document No. D-03312.

6. That Agency authorizes its Executive Director, or designee, on behalf of Agency, to sign all documents necessary and appropriate to carry out and implement the Agreement and to administer Agency's obligations, responsibilities, and duties to be performed under the Agreement.

7. That Agency finds and determines that an economically feasible alternative method of financing the development on substantially comparable terms and conditions, but without subordinating the Agency's covenants and restrictions, is not reasonably available.

8. That Agency authorizes the expenditure of \$1,600,000 from Fund No. 98445 solely and exclusively for the purpose of providing funds for the rehabilitation and adaptive reuse of the Balboa Theatre pursuant to the Agreement.

9. That Agency authorizes its Executive Director, or designee, on behalf of the Agency, to sign such subordination agreements as may be required by any Primary Lender in order to subordinate the covenants and restrictions of the Agreement, including those set forth in the Agreement Affecting Real Property (attached to the Agreement), to the respective security interests and liens of any Primary Lender.

APPROVED: CASEY GWINN, General Counsel

By

Carrie L. Gleeson
Deputy General Counsel

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