

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. R-03626

ADOPTED ON MAY 6, 2003

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE
CITY OF SAN DIEGO APPROVING THE REHABILITATION
GRANT AGREEMENT BETWEEN THE REDEVELOPMENT
AGENCY OF THE CITY OF SAN DIEGO AND THE NTC
FOUNDATION.

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 Naval Training Center [NTC] Redevelopment Project Area [the Project Area]; and

WHEREAS, the Agency and McMillin-NTC, LLC [Master Developer], entered into a Disposition and Development Agreement [DDA] in June 2000 for the purposes of effectuating the Redevelopment Plan for the Naval Training Center Redevelopment Project, adopted by the City Council in May 1997, and the Naval Training Center Reuse Plan, adopted by the City Council in October 1998; and

WHEREAS, the NTC Foundation, an independent 501(c)(3) nonprofit corporation established pursuant to the DDA, is responsible for the rehabilitation and management of the buildings in the area of the Historic Core designated for the Civic, Arts and Cultural Center; and

WHEREAS, the Council of the City of San Diego has directed both City and Agency staff to assist the NTC Foundation in the rehabilitation of the buildings in the area of the Historic Core designated for the Civic, Arts and Cultural Center; and

WHEREAS, the Agency proposes to grant \$5.85 million in loan proceeds from the United States Department of Housing and Urban Development [HUD] Section 108 Loan Guarantee Program; and

WHEREAS, the NTC Foundation will use the money to fund the rehabilitation of a portion of the Foundation's First Segment development costs; and

WHEREAS, the Agency proposes to submit an application to HUD for a Brownfields Economic Development Initiative [BEDI] grant of \$1.065 million for interest only payments on the HUD Section 108 Loan; and

WHEREAS, the NTC Foundation has submitted to the Agency copies of the proposed Rehabilitation Grant Agreement in a form desired by the NTC Foundation; and

WHEREAS, the Agency has duly considered all of the terms and conditions of the proposed Rehabilitation Grant Agreement and believes that the conditions contained in the proposed Rehabilitation Grant Agreement are in the best interest 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 law and requirements; NOW, THEREFORE,

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

1. That all the terms and conditions in the proposed Rehabilitation Grant Agreement are approved.
2. That the Executive Director of the Agency, or designee, is authorized to execute the Rehabilitation Grant Agreement with the NTC Foundation for and on behalf of the Agency. A copy of the Rehabilitation Grant Agreement is on file in the office of the secretary to the Agency as Document No. D-03626.
3. That the Executive Director of the Agency, or designee, is authorized to expend an amount not to exceed \$5.85 million, contingent on an Auditor's Certificate to do so, to grant to the NTC Foundation for the rehabilitation of a portion of the Foundation's First Segment development costs.
4. That the Executive Director, or designee, is authorized to expend approximately \$564,000 annually in tax increment from the Project Area to repay the HUD Section 108 Loan over twenty years.
5. That the Executive Director of the Agency, or designee, is authorized to expend an amount not to exceed \$1.065 million, contingent on an Auditor's Certificate to do so, to pay the interest only on the HUD Section 108 Loan for up to three years.

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

APPROVED: CASEY GWINN, General Counsel

By _____
Elisa A. Cusato
Deputy General Counsel

EAC:smf

04/23/03

Or.Dept:Redev.

RA-2003-148

Redev: RA-2003-147, RA-2003-149, RA-2003-150

Council:R-2003-1264, R-2003-1265, R-2003-1266, R-2003-1267