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3/20/07 RA MTg

(RA-2007-77)

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04121

DATE OF FINAL PASSAGE MAR 27 2007

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO MAKING CERTAIN FINDINGS AND DETERMINATIONS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33445 WITH RESPECT TO THE REHABILITATION OF THE CITY OF SAN DIEGO FIRE STATION 1 IN THE CENTRE CITY REDEVELOPMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of the City of San Diego [Agency] is engaged in activities necessary to execute and implement the Redevelopment Plan, as amended and supplemented from time to time, for the Centre City Redevelopment Project Area [Project Area]; and

WHEREAS, the Centre City Development Corporation [CCDC] is responsible for implementing redevelopment projects in the Project Area on behalf of the Agency; and

WHEREAS, pursuant to Section 33445(a) of the California Community Redevelopment Law (Cal. Health & Safety Code §33000, *et seq.*) [Redevelopment Law], the Agency may, with the consent of the City Council of the City of San Diego, pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement which is publicly owned either within or outside a project area, if the City Council makes certain determinations; and

WHEREAS, the Agency is considering the use of tax increment from the Project Area to fund the rehabilitation of the City of San Diego Fire Station 1 [Station 1], which is located north of B Street between Front Street and First Avenue; and

WHEREAS, Station 1 is located within the Project Area and is publicly-owned; and

WHEREAS, CCDC has prepared a report entitled, "Summary Pertaining to the Use of Tax Increment for the Fire Station 1 Rehabilitation" [Report] (Attachment A), pursuant to Redevelopment Law Sections 33445 and 33679; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred;
NOW, THEREFORE,

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

1. The Agency hereby finds and determines that the foregoing recitals are true and correct.
2. Based on substantial evidence in the record, including without limitation, the information contained in the Report, the Agency hereby finds and determines that:
 - a. The rehabilitation of Station 1 is of benefit to the Project Area or the immediate neighborhood in which it is located;
 - b. No other reasonable means of financing the rehabilitation of Station 1 are available to the community; and
 - c. The payment of funds by the Agency for the costs related to the rehabilitation of Station 1 will assist in the elimination of one or more blighting conditions within the Project Area and the rehabilitation is consistent with the Project Area's

Implementation Plan adopted June 15, 2004, pursuant to Health and Safety Code
33490.

APPROVED: MICHAEL J. AGUIRRE, General Counsel

By Carol A. Leone
Carol A. Leone
Deputy Counsel

CAL:cfq
02/22/07
Or.Dept:CCDC
RA-2007-77
MMS#4377
Council:Companion R-2007-830, R-2007-831

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the
City of San Diego, at its meeting of MAR 20 2007.

REDEVELOPMENT AGENCY

By Jeannette Santos
Jeannette Santos, Deputy Secretary

Approved: 3.27.07
(date)

JSL
JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

**CENTRE CITY REDEVELOPMENT PROJECT AREA
SAN DIEGO, CALIFORNIA**

**SUMMARY PERTAINING TO THE USE OF TAX INCREMENT
FOR THE FIRE STATION 1 REHABILITATION**

**Pursuant to California Community Redevelopment Law
Sections 33445 and 33679**

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

March 2007

Attachment A

Summary Pertaining to the Use of Tax Increment

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I. INTRODUCTION

The Redevelopment Agency of the City of San Diego, California ("Agency") is considering the use of tax increment as described herein in the Centre City Redevelopment Project Area ("project area").

The Agency would fund the rehabilitation of the City of San Diego's Fire Station 1 ("Station 1") located north of B Street, between Front Street and First Avenue, in the Civic/Core neighborhood and within the project area. Station 1 is located on the first floor of what is known as the City's Development Services Building. It was constructed in 1971, and currently houses a total of 17 personnel, eight vehicles, and one mobile canteen. Station 1's location within the center of downtown provides the City's Fire-Rescue Department ("Fire-Rescue") with an excellent base for responding to calls for assistance. Station 1 is among the top five busiest stations in the City, and is the largest downtown station. In 2006, personnel from the station responded to over 12,000 fire and medical calls.

As part of its on-going evaluation of its facilities, Fire-Rescue determined several years ago that the interior portions of the building are insufficient to provide a suitable living and working environment for the personnel that operate out of the station. Station 1 lacks adequate ventilation of truck fumes through its existing exhaust extraction system, dependable roll-up doors for fire vehicles to enter and exit the station, a dependable power generator, an ADA-accessible restroom, and suitable meeting, operations, kitchen and dormitory spaces for fire personnel to work and live during round-the-clock shifts. Fire-Rescue has developed a plan for rehabilitating Station 1 to make it more habitable and meet their operational needs for the immediate future.

Unfortunately, due to the City's inability to issue bonds over the past two years and provide funding for the rehabilitation, the project has been placed on hold. Fire-Rescue has determined that its ability to provide adequate service to the downtown area would be hampered if the rehabilitation project does not proceed, and has asked that the Agency fund the rehabilitation as a capital project.

This Summary was prepared in accordance with Sections 33445 and 33679 of the California Community Redevelopment Law in order to inform the Agency and the public about the use of Agency funds. This Summary describes and specifies:

- a. The costs to be incurred by the Agency;
- b. That the Station 1 rehabilitation is of benefit to the project area or the immediate neighborhood;
- c. That there are no other reasonable means of financing the project that are available to the community;
- d. That the payment to be provided by the Agency will assist in the elimination of one or more blighting conditions within the project area and is consistent with the project area's Implementation Plan; and
- e. The redevelopment purposes for which Agency funds are being used.

II. COSTS TO THE AGENCY

The estimated costs to the Agency totals \$1.5 million, which includes items such as an upgraded exhaust extraction system, new roll-up doors for fire vehicles, generator improvements, localized asbestos abatement, and updated meeting/operations spaces, kitchen and dormitory improvements. Funds of the Agency will be derived from the FY 2007 Centre City Redevelopment Project Budget.

III. FACTS SUPPORTING THAT THE STATION 1 REHABILITATION IS OF BENEFIT TO THE PROJECT AREA OR THE IMMEDIATE NEIGHBORHOOD

The subject improvements for which the Agency proposes to pay will benefit the project area or the immediate neighborhood in which the project is located in that:

- a. Station 1 is located within the project area, and specifically within the Civic/Core neighborhood;
- b. Station 1 is the largest downtown fire station providing service to the entire community and handling over 12,000 calls for fire and medical assistance during the past year;
- c. Fire-Rescue determined several years ago that the interior portions of the Station 1 building are insufficient to provide a suitable living and working environment for the personnel that operate out of the station. This environment could hamper the station's ability to serve downtown's fire and life safety needs through reduced response times and inappropriate working conditions for personnel serving the general public;
- d. Currently, downtown contains only one other fire station within its boundaries (Station 4 at Eighth Avenue and J Street). Two new fire stations are planned, but will not be constructed and become operational for several years;
- e. A substantial amount of development and redevelopment increasing residential and commercial density in the Civic/Core neighborhood and the remainder of the project area has increased the need for reliable fire prevention and response;
- f. The Station 1 rehabilitation will help maintain a safe and livable downtown environment, by allowing the City to ensure appropriate levels of fire services proportionate to population and activity level within the coming years; and
- g. The Station 1 rehabilitation will fulfill the requirements of the 2004-2009 Implementation Plan for Centre City.

IV. FACTS SUPPORTING THAT NO OTHER REASONABLE MEANS OF FINANCING ARE AVAILABLE TO THE COMMUNITY

There are no other reasonable means available to the community for financing the Station 1 rehabilitation in that the:

City of San Diego

- a. The Fiscal Year 2007 Budget for the City of San Diego ("City") increased approximately 0.14% from \$2.552 billion to \$2.556 billion. Over the last several years, as the City's Capital Improvement Program has grown and revenues have leveled off, the City has developed phase funding to use available cash and minimize the issuance of bond proceeds. This is a means whereby large projects may be budgeted and contracted for in an efficient manner that maximizes the City's use of available funds.
- b. The City's capital improvement budget is funded primarily with water and sewer fees, developer impact fees, grant funds, enterprise fund revenues, Facility Benefit Assessment funds, Gas Tax and Transnet funds. The City is temporarily unable to access the bond market. The Fiscal Year 2007 Capital Improvement Program Budget decreased 25% from the Fiscal Year 2006 Budget. The Fiscal Year 2007 CIP Budget provides for the sewer upgrade of the City's Metropolitan and Municipal Wastewater System, water projects, Parks and Recreation projects, library projects, transportation projects and special projects.
- c. The Agency's Fiscal Year 2007 Program Budget was adopted on May 31, 2006. The CIP and the Agency's Budget were developed in accordance with City and Council Policy, and each project activity was evaluated and incorporated in the respective budgets. Projects are funded based on need and the availability of appropriate funding sources. The City's CIP Budget totals \$293.7 million, a decrease of \$95.9 million from Fiscal Year 2006. The Station 1 rehabilitation is included in the City's FY 2007 CIP, but is not currently funded.

V. FACTS SUPPORTING THAT THE PAYMENT PROVIDED BY THE AGENCY WILL ASSIST IN THE ELIMINATION OF BLIGHTING CONDITIONS AND IS CONSISTENT WITH THE IMPLEMENTATION PLAN

The Station 1 rehabilitation will assist in the elimination of one or more blighting conditions inside the project area, and the proposed project is consistent with the Implementation Plan adopted for the project area pursuant to Health and Safety Code 33490, in that:

- a. Emergency response services are integral to the City of San Diego, supporting the health, safety and welfare of the general public. Providing these services at adequate levels is critical to maintaining the health, safety and welfare of the downtown neighborhoods, as well as protecting sound maintenance of downtown properties;
- b. The deferred rehabilitation of Station 1 could have a negative impact on the operational performance of the facility, as well as emergency response times for calls requiring assistance from the station, thereby leading to future blighting conditions caused by fires and other emergencies. The rehabilitation project would therefore assist in the elimination of blighting conditions caused by fires and other emergencies since the City would have a facility with adequate operational capacity to serve the neighborhoods immediately surrounding Station 1 and all of downtown;
- c. The Station 1 rehabilitation will improve and update the physical condition of an outdated facility;
- d. An updated fire station assists in attracting private investment needed to eliminate blight existing in the rest of the project area; and
- e. The rehabilitation project is included in the work program of the Implementation Plan adopted June 15, 2004, pursuant to Health and Safety Code 33490 in that miscellaneous public improvements and facilities needed within, or to serve, the various areas of the project area are proposed. These improvements and facilities will ensure adequate fire and life safety facilities, such as Station 1, for existing and future development.

VI. THE REDEVELOPMENT PURPOSE FOR WHICH AGENCY FUNDS ARE BEING USED

The redevelopment purpose for which Agency funds are being used to pay for the Station 1 rehabilitation is to assure that downtown residents, employees and visitors have access to quality fire and life safety services in the context of a safe and secure environment. As the redevelopment of downtown continues and the number of residents, employees and visitors grows, it is also important to assure that adequate facilities are available for fire and rescue officers to efficiently and effectively perform their fire and life safety functions. Furthermore, the rehabilitation of an important City facility such as Station 1 is an important redevelopment purpose.

MAR 20 2007

Passed by the Redevelopment Agency of The City of San Diego on _____, by the following vote:

Agency Members	Yeas	Nays	Not Present	Ineligible
Scott Peters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toni Atkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Maienschein	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Madaffer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAR 27 2007

AUTHENTICATED BY:

JERRY SANDERS

Executive Director of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND

Secretary of The City of San Diego, California.

By *Janette J. Porter*, Deputy

Office of the Redevelopment Agency, San Diego, California

Resolution Number

R 04121