

CA Item #1  
3/25/08 RA mtg  
(RA-2008-86)  
Corrected Copy

REDEVELOPMENT AGENCY OF  
THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04246

DATE OF FINAL PASSAGE APR 08 2008

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO CONSENTING TO THE GROUND LEASE ASSIGNMENT RELATING TO THE SALE OF LEASEHOLD INTEREST IN THE "ON BROADWAY" PROJECT FROM CIM BROADWAY, L.P. TO INTERWEST CAPITAL CORPORATION.

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 Centre City Redevelopment Project Area [Project Area]; and

WHEREAS, in order to carry out and implement the Redevelopment Plan and advance the visions and goals of the Centre City Community Plan and the objectives of the Centre City Redevelopment Project, the Agency in 2001 provided a loan of \$6,600,000 toward the On Broadway Project [Project], providing for the creation of 270 public parking spaces and rehabilitation of two historic structures into 33 residential units plus retail space; and

WHEREAS, as part of the Project, Agency acquired the parcel located at 1014 Fifth Avenue and entered into a fifty-five (55) year Ground Lease with CIM Broadway, L.P., a Delaware limited partnership; and

WHEREAS, CIM Broadway, L.P. [Developer], sent a request to the Agency on December 20, 2007 requesting Agency consent to an Assignment of its leasehold interest in the Project to Interwest Capital Corporation, a California corporation; and

WHEREAS, Section 2.14a. of the Ground Lease entered into between Agency and Developer on June 15, 2001 requires Agency consent for any proposed transfer of Developer's interest in the lease; and

WHEREAS, Interwest Capital Corporation has entered into a Purchase and Sale Agreement with Developer for purchase of both the Ground Lease between Agency and Developer as well as another agreement between Developer and the Wells Fargo Bank, as Successor Trustee of the U.S. Grant, Jr. Trust [Trust], for the Ground Lease of parcels owned by the Trust; and

WHEREAS, under the terms of the Ground Lease, Developer must assure that acquisition of the Ground Lease with Agency is done concurrently with, and by the same entity as acquires the Ground Lease with the Trust; and

WHEREAS, the terms of the Purchase and Sale Agreement and Joint Escrow Instructions indicate that the aforementioned concurrent transfer shall occur, pursuant to the terms of the Ground Lease; and

WHEREAS, the Centre City Development Corporation [CCDC], serving on behalf of Agency, as well as CCDC's financial consultants, have determined that Developer has not achieved an internal rate of return on investment such that Agency is due an Agency Participation Payment upon transfer, as defined in Section 2.14.1 and Exhibit "I" of the Ground Lease; and


WHEREAS, on February 27, 2008, the Board of Directors of CCDC recommended the Agency approve the Consent to Ground Lease Assignment, as recommended by staff; NOW THEREFORE,

BE IT RESOLVED, by the Redevelopment Agency of the City of San Diego, that the Agency does hereby provide its consent to the assignment of the leasehold interest in the Project, from CIM Broadway, L.P. to Interwest Capital Corporation, provided that CIM Broadway, L.P. concurrently assign its leasehold interest in the parcels owned by the Wells Fargo Bank, as Successor Trustee to the U.S. Grant, Jr. Trust, as required under the Ground Lease.

BE IT FURTHER RESOLVED, that the Redevelopment Agency does hereby find that the provision of this consent is not inconsistent with the public purposes of the Ground Lease between Agency and CIM Broadway, L.P., and, furthermore, that its consent is not detrimental to Agency investments in the surrounding area nor to the requirements of the Redevelopment Plan for the Centre City Redevelopment Project Area.

BE IT FURTHER RESOLVED, that this action does not constitute a project under the California Environmental Quality Act [CEQA] pursuant to CEQA Guidelines Section 15060(c)(3).

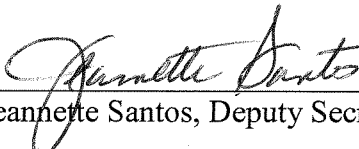
APPROVED AS TO FORM AND LEGALITY:  
MICHAEL J. AGUIRRE, General Counsel

By:   
Alex W. Sachs  
Deputy General Counsel

AWS:mm  
03/06/08  
03/24/08 Corr. Copy  
Or.Dept:CCDC  
RA-2008-86  
MMS#5989

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of MAR 25 2008.

REDEVELOPMENT AGENCY

By   
Jeannette Santos, Deputy Secretary

Approved: 4.8.08  
(date)

  
JERRY SANDERS, Executive Director

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Executive Director

Passed by the Redevelopment Agency of The City of San Diego on   MAY 23 2008  , 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   APR 08 2008  

AUTHENTICATED BY:

  JERRY SANDERS  

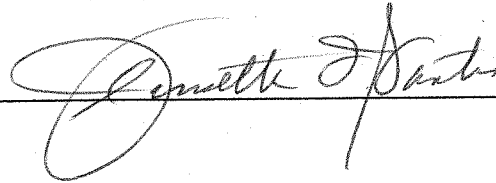
Executive Director of The City of San Diego, California.

  ELIZABETH S. MALAND  

Secretary of The City of San Diego, California.

(Seal)

By



, Deputy

Office of the Redevelopment Agency, San Diego, California.

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