

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04270

DATE OF FINAL PASSAGE MAY 19 2008

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE TERMS AND PROVISIONS IN THE SECOND AMENDMENT TO THE NTC PARK IMPROVEMENT AGREEMENT AND AUTHORIZING EXECUTION THEREOF.

WHEREAS, the Redevelopment Agency of the City of San Diego [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 Agency, Master Developer and the City of San Diego [City] have entered into that certain NTC Park Improvement Agreement and the First Amendment to the NTC Park Improvement Agreement on file in the office of the Secretary to the Agency as Documents No. O-03175C dated June 26, 2000, No. R03917 dated June 16, 2005, whereby Master Developer agreed to complete certain Park Improvements as set forth in section 8.2 of the DDA; and

WHEREAS, additional funding is necessary, up to \$2,200,000, to complete the aforementioned Park Improvements; and

WHEREAS, the NTC Park General Development Plan allows for a future aquatic center to be built by the City of San Diego, and an amount of \$466,726 has been allocated by Community Facilities District #3 for the design phase. The NTC Redevelopment Project Area

will provide for this future funding responsibility, thus releasing this amount of the CFD #3 funds to be used for the construction of the NTC Park Improvements; NOW, THEREFORE,

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

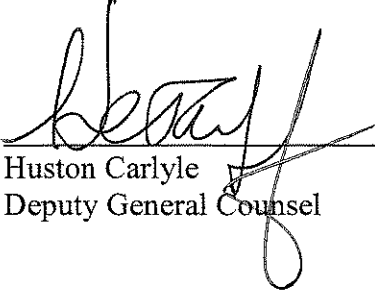
1. That the Agency hereby approves the terms and provisions of the Second Amendment to NTC Park Improvement Agreement which is attached to this resolution as Attachment No. 1.
2. That the expenditure of an amount not to exceed \$2,200,000 from the Agency's NTC Non-Housing Line of Credit for the completion of the NTC Park Improvements is hereby authorized and approved.
3. That the Special Findings for this transaction attached to this resolution as Attachment No. 2 are hereby approved and incorporated herein by reference as if set forth in their entirety.
4. That the Executive Director, or his designee, is hereby authorized to execute on behalf of the Agency the Second Amendment to NTC Park Improvement Agreement.

BE IT FURTHER RESOLVED, that the funding obligation of \$466,726 toward a future NTC Park Aquatic Center be included for funding as part of the next financing option with NTC Project area funds.

BE IT FURTHER RESOLVED, that this activity is covered under LDR No. 42.0574 NTC Park General Development Plan Mitigated Negative Declaration. The activity is adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Because the prior environmental adequately covered this activity as part of the previously approved project, the

activity is not a separate project for purposes of CEQA review per CEQA Guidelines Sections 15060(c)(3) and 15378(c).

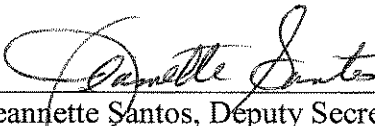
APPROVED: MICHAEL J. AGUIRRE, General Counsel

By   
Huston Carlyle  
Deputy General Counsel

HC:cfq  
04/14/08  
Or.Dept:R.A.  
Aud.Cert:2800715  
**REV.COPY 05/15/08**  
RA-2008-108  
Council:Companion R-2008-900  
MMS#6130

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of MAY 13 2008.

REDEVELOPMENT AGENCY

By   
Jeannette Santos, Deputy Secretary

Approved: 5.19.08  
(date)

  
JERRY SANDERS, Executive Director

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

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

**SECOND AMENDMENT TO NTC PARK IMPROVEMENT AGREEMENT**

The NTC Park Improvement Agreement (“Agreement”) dated July 10, 2000 between the Redevelopment Agency of the City of San Diego (the “Agency”), the City of San Diego (the “City”) and McMillin-NTC, LLC (the “Master Developer”), which was previously amended by Agency Resolution 03917/City Council Resolution No. R-300481 on May 24, 2005, is hereby amended as follows.

Article II – Project Cost, Paragraph 2.1, Estimated Design and Construction Cost, is amended by replacing the amount of \$14,779,800 with \$16,979,800.

Article II, is amended by adding the following:

2.2.2.1 Agency’s Financial Commitment.

The balance of the funding necessary to complete the park, up to \$2,200,000, shall be obtained from the Redevelopment Agency, which includes the Agency’s 10% (\$1,479,980) obligation.

Payment of the additional funding, up to \$2,200,000, to the Master Developer for work completed and/or materials furnished during the construction of Phase II of NTC Park shall be made in accordance with Section 9 of the Standard Specifications for Public Works Construction, current edition when a construction contract is awarded. Monthly progress payment requests shall be submitted to the Agency, or its designee, by the Master Developer for work performed and/or materials furnished with sufficient information to satisfy the Agency that it correctly represents a reasonable apportionment of the completed work. The Agency shall verify that the work and/or materials furnished for which a progress payment has been submitted is in compliance with the approved plans and specifications for Phase II of NTC Park and shall have sole discretion to adjust the payment made based on field verification of the completed work and/or materials furnished. The Agency shall not unreasonably withhold payment for work completed and/or materials furnished that is in conformance with the approved plans and specifications.

Article III – Project Design and Budget, is amended by adding the following:

3.4.4 Aquatic Center Funding and Construction.

The water features included in the proposed General Development Plan for NTC Park were eliminated by the City Council on May 6, 2003 (Resolution No. R-297943). The City Council directed City staff to use the cost savings from the elimination of the water features for an Aquatic Center to be located within the park. The Master Developer estimated the cost of the eliminated water features to be \$466,726.

Design and construction of the Aquatic Center is not a responsibility of the Master Developer. The City is responsible for design and construction of the Aquatic Center. The City has proposed to finance the \$466,726 for the Aquatic Center with Community Facilities District No. 3 (“CFD”) special tax proceeds remaining each year after the payment of debt service on the

2006 CFD Bonds and the 2008 CFD Bonds. The Agency hereby assumes responsibility for funding the \$466,726 for the Aquatic Center, and the City agrees to remove this item from the CFD. At the time of approval of this Second Amendment, funds for construction of the Aquatic Center have not been identified. Upon the City identifying and allocating sufficient funding for construction of the Aquatic Center, the City will request from the Agency, and the Agency shall provide to the City, \$466,726 to be used by the City for the Aquatic Center.

All other provisions of the original Agreement and First Amendment to NTC Park Improvement Agreement shall remain unchanged.

IN WITNESS WHEREOF, this Agreement is executed by the Agency, the City, and the Master Developer on this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

**Redevelopment Agency of  
The City of San Diego**

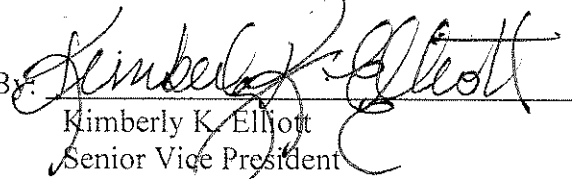
DATED: \_\_\_\_\_

By: \_\_\_\_\_

William Anderson  
Assistant Executive Director

**McMillin-NTC, LLC  
a Delaware limited liability company**

DATED: 3/21/08 \_\_\_\_\_

By:  \_\_\_\_\_  
Kimberly K. Elliott  
Senior Vice President

**The City of San Diego**  
**a municipal corporation**

DATED: \_\_\_\_\_

By: \_\_\_\_\_

Stacey LoMedico  
Director, Park and Recreation Department

Approved as to form and legality  
this \_\_\_\_\_ day of \_\_\_\_\_, 2008

MICHAEL J. AGUIRRE  
City Attorney

By: \_\_\_\_\_

Shannon Thomas  
Deputy City Attorney

MICHAEL J. AGUIRRE  
Agency General Counsel

By: \_\_\_\_\_

Huston Carlyle  
Deputy General Counsel

**Special Findings  
(Health & Safety Code § 33445)  
Naval Training Center Redevelopment Project Area**

SUBJECT IMPROVEMENTS:  
NTC Park Phase 2 Construction

The following findings are for the NTC Park Phase 2 Construction project – within the Naval Training Center (NTC) Redevelopment Project Area.

I. FINDINGS OF BENEFIT

The subject Project for which the Redevelopment Agency of the City of San Diego (“Agency”) proposes to pay will benefit the NTC Redevelopment Project Area in that:

- A. The Project is within the NTC Redevelopment Project.
- B. The Project will complete the NTC Park construction for the benefit of residents, visitors, and businesses within the Project Area.

II. NO OTHER REASONABLE MEANS OF FINANCING

There are no other reasonable means available to the community for financing the subject Project for which the Agency proposes to pay in that:

- A. The City’s Capital Improvement Budget is funded with water and sewer fees, a half-cent local sales tax for transportation improvements, development impact fees, State and Federal grants and/or the issuance of bonds. The Fiscal Year 2008 Adopted Capital Improvements Program (CIP) Budget totals \$491.6 million, which is an increase of \$197.9 million from the Fiscal Year 2007 Annual Budget. Excluding water and sewer projects, the Fiscal Year 2008 Adopted CIP Budget was increased \$22.3 million from the Fiscal Year 2007 Annual Budget. The NTC Park was not included in the CIP Budget.
- B. Priorities of the City’s CIP budget are to address deferred maintenance projects, which according to the City’s 2009-2013 Five-Year Financial Outlook (January 2008) is estimated to be at least \$800 to \$900 million, excluding Water and Wastewater.
- C. The cost of this Project for the NTC Park Phase 2 is \$16,979,800, which is an increase of \$2,200,000 over the original estimate. There are currently no funds allocated in the City’s 2008 CIP Annual Budget to fund this Project. The Redevelopment Agency shall contribute up to \$2,200,000 of NTC Redevelopment Project Area funds to finance this Project.

- D. The Agency's Budget was developed in accordance with City and Council Policy, and each project activity was evaluated and incorporated in the respective budgets. The Fiscal Year 2008 Annual Budget for the NTC Project Area totals \$22.0 million. Of this amount, \$17.7 million is comprised of new funds with \$4.6 million carrying over from the previous year. The Agency also secured a \$16.0 million three-year line of credit through San Diego National Bank for NTC non-housing projects. Tax increment to be generated in Fiscal Year 2008 in the NTC Project Area is estimated to exceed \$4.2 million.

## II. ELIMINATION OF BLIGHTING CONDITIONS

The payment of Agency funds toward the cost of the Project will assist in the elimination of one or more blighting conditions in the NTC Redevelopment Project Area in that:

- A. The Project will create public facilities that meet the City's park construction standards.
- B. The Project will help eliminate blighting conditions in that the neighborhood will be provided with the Park facilities according to the approved General Development Plan and provide incentive for public use of the facilities and private investment in the surrounding area.

## III. FINDINGS OF CONSISTENCY WITH IMPLEMENTATION PLAN

The payment of Agency funds toward the cost of the Project is consistent with the Third Five-Year Implementation Plan for the Project Area, adopted pursuant to Health and Safety Code Section 33490, in that:

The Project is consistent with the Third Five-Year Implementation Plan for the NTC Redevelopment Project, which is recorded with the Agency as Document No. R-04181 filed August 7, 2007, in that the Project addresses the Implementation Plan's specific goals and objectives including:

- A. Eliminate and prevent the spread of blight and deterioration, and redevelop the proposed Redevelopment Project Area in accordance with the Reuse Plan, Precise Plan, Redevelopment Plan, and local codes and ordinances;
- B. Expand and improve park and recreation facility options, green belts and open space opportunities as well as enhance the environmental habitat at the base;
- C. Preserve and rehabilitate cultural resources and promote the Naval Training Center's historic district; and
- D. Plan and complete construction of NTC Park enhancements.



The City of San Diego  
CERTIFICATE OF CITY AUDITOR AND COMPTROLLER

CERTIFICATE OF UNALLOTTED BALANCE  
ORIGINATING

AC 2800715  
DEPT. NO.: 10275

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: \$2,200,000.00 Fund: 98057 - NTC Non-Housing Line of Credit

Purpose: NTC Park Phase II (Fund 980501) is authorized (second amendment) to withdrawal funds for park improvements from the NTC line of Credit (Fund 98057).

Date: April 10, 2008 By: Francisco J Lopez  
AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA											
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/	EQUIP	FACILITY	AMOUNT
01	0	98057	98057	4001	4881	980501					\$2,200,000.00
TOTAL AMOUNT											\$2,200,000.00
FUND OVERRIDE											<input type="checkbox"/>

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: \_\_\_\_\_

Vendor: \_\_\_\_\_

Purpose: \_\_\_\_\_

Date: \_\_\_\_\_ By: \_\_\_\_\_  
AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA											
ACCTG. LINE	CY PY	FUND	DEPT	4614	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/	EQUIP	FACILITY	AMOUNT
TOTAL AMOUNT											
FUND OVERRIDE											<input type="checkbox"/>

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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 MAY 19 2008

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. Santo*, Deputy

Office of the Redevelopment Agency, San Diego, California.

Resolution Number R-04270