

REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04355

DATE OF FINAL PASSAGE DEC 15 2008

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO (i) APPROVING A THIRD IMPLEMENTATION AGREEMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT [DDA] WITH CENTREPOINT, LLC FOR THE PROPOSED CENTREPOINT PROJECT LOCATED WITHIN THE CROSSROADS REDEVELOPMENT PROJECT AREA; (ii) AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO EXECUTE ON BEHALF OF THE AGENCY THE THIRD IMPLEMENTATION AGREEMENT AND ASSOCIATED DOCUMENTS; (iii) CONSENTING TO THE ASSIGNMENT OF THE DDA, AS AMENDED, AND TO THE SALE OF THE SITE, TO TRAMMELL CROW SO. CAL. DEVELOPMENT, INC. SUBJECT TO AND ONLY UPON THE SATISFACTION OF ALL CONDITIONS PRECEDENT SET FORTH IN THE THIRD IMPLEMENTATION AGREEMENT; AND (iv) AMENDING THE FISCAL YEAR 2009 AGENCY BUDGET FOR THE CROSSROADS REDEVELOPMENT PROJECT AREA TO ACCEPT A DEVELOPER DEPOSIT OF \$50,000 FOR COSTS RELATED TO THE THIRD IMPLEMENTATION AGREEMENT.

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 Crossroads Redevelopment Project Area [Project Area]; and

WHEREAS, in order to carry out and implement the objectives of the Redevelopment Plan for the Project Area, the Agency entered into, and the City Council approved, a Disposition and Development Agreement [DDA] with CentrePoint, LLC, a Delaware limited liability company [Developer], on or about April 11, 2006, for a pedestrian-oriented mixed-use project that incorporates 312 for-sale residential dwelling units consisting of 97 townhouses, 204

residential wrap units (47 affordable) and 11 live/work units, and approximately 4,000 square feet of retail space; a copy of the DDA is on file in the office of the secretary to the Agency as Document No. D-04014 / R-04014; and

WHEREAS, the Agency thereafter entered into a First Implementation Agreement to the DDA with the Developer, on or about July 11, 2007, to primarily extend certain performance deadlines; a copy of the First Implementation Agreement to the DDA is on file in the office of the secretary to the Agency as Document No. D-04154 / R-04154; and

WHEREAS, the Agency thereafter entered into a Second Implementation Agreement to the DDA with the Developer, on or about April 23, 2008, to primarily extend certain performance deadlines; a copy of the Second Implementation Agreement to the DDA is on file in the office of the secretary to the Agency as Document No. D-04253 / R-04253; and

WHEREAS, under the original DDA, the Developer would finance the project using a combination of conventional financing and developer equity and the Agency's financial contribution to the project would not exceed \$5,245,000 (plus interest if loaned as an advance by the Developer) for the 47 affordable for-sale residential units; and

WHEREAS, the Developer requested that the Agency further amend the DDA, by and through the Third Implementation Agreement, to change the project from a for-sale residential project to a for-rent residential project and to assign the DDA and approve the sale of the entire site to Trammell Crow So. Cal. Development, Inc., a Delaware corporation; and

WHEREAS, the Developer proposes a pedestrian-oriented mixed-use project that would incorporate 312 rental units consisting of 68 townhouses, 244 residential wrap units (47 affordable) and 7,468 square feet of live/work flex space (*i.e.*, 10 bays), and approximately 3,861

square feet of retail/commercial space (610 off-street parking spaces would be contained in surface lots and in an above-grade parking structure); and

WHEREAS, Agency staff proposes (i) to extend the deadlines within the Schedule of Performance by 6 months (other than the completion of demolition for the remaining building, which would be extended by only 3 months); (ii) to reduce the Agency's financial contribution to the project from \$5,245,000 to \$4,969,000, based on a revised proforma reviewed by the Agency's economist, Keyser Marston Associates (reducing the Agency's per-unit subsidy from approximately \$111,600 to \$105,700); (iii) to reduce the interest rate payable by the Agency for the Developer's loan to the Agency from 7 percent to 5½ percent; (iv) to reduce the income restriction level for the 47 affordable rental units from 100 percent of Area Median Income [AMI] to 65 percent of AMI; (v) to record a 55-year income restriction against the affordable for-rent units; (vi) to require a payment in lieu of property taxes provision; (vii) to define the purpose of the irrevocable letter of credit; (viii) to incorporate the revised basic concept and schematic drawings; and (ix) to incorporate the relocation of a cell tower; and

WHEREAS, in order to implement the above-described desired changes, Agency staff has negotiated and proposes to enter into a Third Implementation Agreement to the DDA with the Developer, which among other items, revises the DDA, as amended, and several of its Attachments; and

WHEREAS, in connection with the proposed Third Implementation Agreement to the DDA, the Developer would be required to make a \$50,000 deposit for costs related to the Third Implementation Agreement to the DDA; and

WHEREAS, the Crossroads Project Area Committee [Crossroads PAC] considered the proposed Third Implementation Agreement to the DDA at its meeting on October 23, 2008, and

recommends to the Agency the approval of the Third Implementation Agreement to the DDA;
and

WHEREAS, the Agency has duly considered the recommendations of the Crossroads PAC and all terms and conditions of the proposed Third Implementation Agreement to the DDA and finds that the provisions contained therein are in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purpose 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 the Agency approves the Third Implementation Agreement to the DDA with the Developer for the proposed CentrePoint Project, and a copy of the Third Implementation Agreement to the DDA shall be placed on file in the office of the Secretary of the Agency as Document No. D- 04355.

2. That the Agency consents to the assignment of the DDA, as amended, and to the sale of the site, to Trammell Crow So. Cal. Development, Inc. subject to and only upon the satisfaction of all conditions precedent set forth in the Third Implementation Agreement to the DDA.

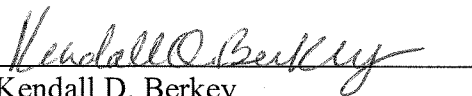
3. That the Agency amends the Fiscal Year 2009 Agency Budget for the Crossroads Redevelopment Project Area to accept a Developer Deposit of \$50,000 for costs related to the Third Implementation Agreement to the DDA.

4. That the Executive Director of the Agency, or designee, is hereby authorized for and on behalf of the Agency, to execute the Third Implementation Agreement to the DDA and all other associated documents necessary and appropriate to carry out and implement the DDA,

as amended by the Third Implementation Agreement, and to administer the Agency's obligations, responsibilities, and duties to be performed thereunder.

5. That the Agency Board finds and determines that the City of San Diego has previously certified the information contained in the Mitigated Negative Declaration [MND] for this project, referenced by MND No. 74816 CentrePoint and the Crossroads Program Environmental Impact Report SCH No.200207/002106926, that this project is adequately addressed in said MND, and that there is no substantial change in circumstance, additional information or project changes to warrant additional environmental review.

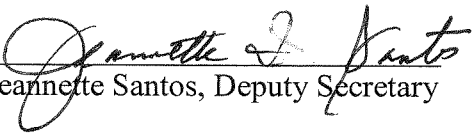
APPROVED: MICHAEL J. AGUIRRE, General Counsel

By 
Kendall D. Berkey
Deputy General Counsel

KDB:nda
11/18/08
Or.Dept:Redev.Agency
RA-2009-47
MMS#4747
Comp. R-2009-672
RA-2009-46

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego at its meeting of DEC 02 2008.

REDEVELOPMENT AGENCY

By 
Jeannette Santos, Deputy Secretary

Approved: 12.15.08
(date)


JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

Passed by the Redevelopment Agency of The City of San Diego on DEC 02 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"/>

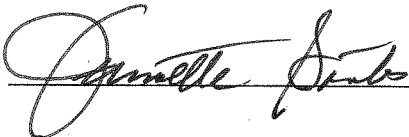
Date of final passage DEC 15 2008

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 , Deputy

Office of the Redevelopment Agency, San Diego, California

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