

REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04370

DATE OF FINAL PASSAGE MAR 20 2009

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO (i) AUTHORIZING THE CENTRE CITY DEVELOPMENT CORPORATION, ON BEHALF OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, TO ADVERTISE AND RECEIVE BIDS AND TO AWARD AND ADMINISTER A CONTRACT FOR CONSTRUCTION OF THE FOURTH-FLOOR BUILD OUT OF THE HISTORIC BALBOA THEATRE LOCATED IN THE HORTON PLAZA REDEVELOPMENT PROJECT; AND (ii) MAKING CERTAIN FINDINGS FOR THE EXPENDITURE OF REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO FUNDS FOR THE CONSTRUCTION OF THE IMPROVEMENTS IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445.

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 [Project Area]; and

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

WHEREAS, in order to implement the Redevelopment Plan, the Agency previously approved the Implementation Plan for the period of July 2004 – June 2009 for the Centre City and Horton Plaza Redevelopment Projects [Implementation Plan]; and

WHEREAS, the Historic Preservation Focus Plan and the Implementation Plan specifically list the rehabilitation of the Balboa Theatre as a focus project; and

WHEREAS, the proposed improvements to the Theatre will consist of completion of approximately 2,000 square feet of tenant improvements on the fourth floor of the Theatre to

include a small pantry to support food and beverage operations, a men's and women's restroom, and a special event space to accommodate up to 115 patrons for either pre or post show activities [Improvements]; and

WHEREAS, funds in the amount of \$399,300 are available in the Agency's Fiscal Year 2009 Horton Plaza Redevelopment Project Balboa Theatre Budget to pay for the cost of construction of the Improvements to be constructed in the Project Area; and

WHEREAS, the Agency desires to pay for the cost of the design and construction of the Improvements because the City has insufficient funding for said Improvements; and

WHEREAS, the Agency has duly considered the actions described above and the proposed Agency financial contribution for the construction of the Improvements and finds that the actions and the payment by the Agency of all or part of the costs of the Improvements are in the best interests of the Project Area, the City and the safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law requirements; NOW, THEREFORE,

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

1. That the Agency authorizes the Centre City Development Corporation, on behalf of the Agency, to advertise and receive bids for the proposed construction of the proposed fourth-floor build out of the Historic Balboa Theatre in the Horton Plaza Redevelopment Project [Project Area].
2. That the Agency authorizes the Agency's Executive Director or designee to award the construction contract to the lowest responsible bidder for the construction of the

Improvements, provided that the bids are within the established budget of \$399,300, that the construction contract shall not exceed \$399,300, and all other requirements are met.

3. That the Agency authorizes the Agency's Executive Director or designee to execute the construction contract with the lowest responsible bidder for the construction of the Improvements.

4. That the Agency authorizes the Corporation, on behalf of the Agency, to administer the construction contract for the construction of the Improvements.

5. That the Agency finds and determines:

(a) That the construction of the proposed Improvements in the Horton Plaza Redevelopment Project Area for which the Agency proposes to pay the cost of using Agency funds from the Project Area are of benefit to the Project Area and the immediate neighborhood in which the Project Area is located;

(b) That no other reasonable means of financing the Improvements is available to the community;

(c) That the payment of Agency funds for the construction of the Improvements will assist in the elimination of blighting conditions within the Project Area;

(d) That the proposed Improvements are consistent with the Implementation Plan adopted for the Project Area pursuant to California Health and Safety Code Section 33490; and

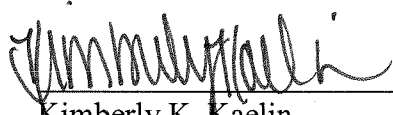
(e) All of the findings set forth herein above are more fully described in the Findings of Benefit attached hereto as Attachment "A" and incorporated herein by this reference.

6. That the Agency finds and determines that this activity is covered under the Final Master Environmental Impact Report for the Centre City Redevelopment Project and Addressing

the Centre City Community Plan and Related Documents, certified by the Redevelopment Agency by Resolution No. R-2081 adopted April 28, 1992, and certified by the City Council by Resolution No. R-279875 on April 28, 1992, and the Environmental Secondary Study for the Proposed Balboa Theatre Rehabilitation dated January 31, 2001 [Secondary Study], in accordance with and pursuant to the California Environmental Quality Act of 1970 [CEQA] and State and local regulations and guidelines adopted pursuant thereto, that assesses the environmental impacts of the rehabilitation of Balboa Theatre, certified by the Agency on March 27, 2001 by Resolution No. R-03314. The effects of the proposed activity were adequately addressed in the previous environmental document and secondary study, and the proposed activity is within the scope of the project described therein. Therefore, pursuant to CEQA Guidelines Section 15168, no further environmental documentation is required.

APPROVED: JAN I. GOLDSMITH, General Counsel

By

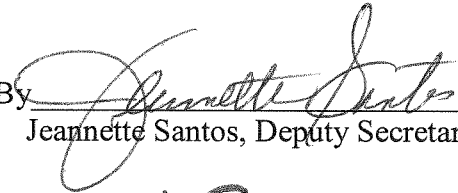


Kimberly K. Kaelin
Deputy General Counsel

KKK:nda
02/24/09
Or.Dept:CCDC
RA-2009-80
MMS#7825
Comp.:R-2009-909

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of MAR 10 2009

REDEVELOPMENT AGENCY

By 
Jeannette Santos, Deputy Secretary

Approved: 3.20.09
(date)


JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

ATTACHMENT “A”

**Findings of Benefit
(Health & Safety Code § 33445)
Centre City Redevelopment Project Area**

FINDINGS

(California Health & Safety Code Section 33445)

SUBJECT IMPROVEMENTS: BALBOA THEATRE FOURTH FLOOR BUILD OUT
(868 FOURTH AVENUE) – HORTON PLAZA
REDEVELOPMENT PROJECT

The following findings are for the construction of the proposed fourth floor build out of the historic Balboa Theatre located at 868 Fourth Avenue in the Horton Plaza Redevelopment Project Area. The project is referred to herein as the “Balboa Theatre Fourth Floor Build Out.” The proposed improvements shall consist of completion of approximately 2,000 square feet of tenant improvements on the fourth floor of the Balboa Theatre. This space will contain a small pantry to support food and beverage operations, a men’s and women’s restroom and a special event space to accommodate up to 115 patrons for either pre or post show activities (“Improvements”).

I. FINDINGS OF BENEFIT

The Improvements for which the Redevelopment Agency of the City of San Diego (“Agency”) proposes to pay will benefit the Horton Plaza Project (“Project Area”) or the immediate neighborhood in which the Project Area is located in that:

- A. The Improvements are within the Horton Plaza Redevelopment Project, and adjacent to the Gaslamp Quarter Historic District.
- B. The Balboa Theatre is located adjacent to properties that have been redeveloped and will not likely be redeveloped in the near future.
- C. The Balboa Theatre has suffered several failed attempts of rehabilitation and reuse by the private sector due to a failure to deliver the building program, operation scenario, and financial resources necessary.
- D. The Improvements will enhance the Horton Plaza Redevelopment Project, and adjacent Gaslamp Quarter Historic District by eliminating blight and advancing the development of an historic asset.
- E. Improvements to the Balboa Theatre will advance the Visions and Goals of the Horton Plaza Redevelopment Project by strengthening the Arts District, thereby contributing to the growth of making downtown the dominant regional center for the arts, entertainment, dining, and public festivals.
- F. The Balboa Theatre will provide a community facility to cater toward both downtown residents and visitors.

- G. The rehabilitation of the Balboa Theatre will fulfill the requirements of the Historic Preservation Focus Plan and the 2004-2009 Implementation Plans for Centre City and Horton Plaza.
- H. The Improvements are the final phase of construction required to the rehabilitation and will satisfy the Agency's obligation under the Cooperation Agreement executed between the Agency and San Diego Theatres, Inc. (SDT), which requires the fourth floor construction to be complete by January 31, 2010.

II. NO OTHER REASONABLE MEANS OF FINANCING

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

City of San Diego

- A. The Fiscal Year 2009 Budget for the City of San Diego ("City") increased approximately 6.8% from \$2.916 billion to \$3.127 billion. Over the last several years, as the City's Capital Improvement Program (CIP) 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. The Fiscal Year 2009 Budget reflects General Fund Revenues and expenditures of \$1.19 billion, representing an increase of \$86.3 million or a 7.8% increase over the Fiscal Year 2008 Budget. The General Fund Budget also includes 7,545 positions, an increase of 287 positions over the Fiscal Year 2008 Budget. The net increase is due to the restructuring of the Engineering and Capital Projects Department from the Enterprise and Internal Service Funds to the General Fund.
- B. The City's CIP 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 Fiscal Year 2009 CIP Budget totals \$587 million, an increase of \$95.3 million from Fiscal Year 2008. The increase is primarily due to an increase in funding for capital projects addressing deferred maintenance needs. Despite the increase in the City's CIP Budget, it is estimated that the City's deferred maintenance and capital needs from Fiscal Year 2008, is \$800 million to \$900 million. The Fiscal Year 2009 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.

The Agency's Fiscal Year 2009 Program Budget was adopted on May 20, 2008. 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.

On June 9, 2008, during the Fiscal Year 2009 City Budget deliberations, the City Council voted to increase the receipt of Agency repayments to the City to facilitate funding certain City budget recommendations made by the Independent Budget Analyst (Report #08-57, May 30, 2008).

III. ELIMINATION OF BLIGHTING CONDITIONS

The payment of Agency funds toward the cost of the of the Improvements will assist in the elimination of one or more blighting conditions within the Horton Plaza Redevelopment Project Area and adjoining Gaslamp Quarter Historic District in that:

- A. The blighted historic structure will become a cultural amenity in the Project Areas, thereby attracting additional investment to the area and improving a previously-blighted property.
- B. The Improvements will enrich the downtown neighborhoods through preservation of a historically-significant structure.

IV. CONSISTENCY WITH THE IMPLEMENTATION PLAN

The payment of Agency funds toward the cost of the Improvements are consistent with the Third Five-Year Implementation Plan adopted on June 15, 2004 for the Project Area pursuant to Health and Safety Code 33490, in that:

- A. The Improvements are included in the work program of the Implementation Plan, adopted June 15, 2004, pursuant to Health and Safety Code 33490.
- B. By furthering the specific goals and objectives of the Third 5-Year Implementation Plan, the Improvements and the Agency's payment thereof are a means to eliminate blight within the Project Area and to facilitate the objectives of the Third 5-Year Implementation Plan.

Passed by the Redevelopment Agency of The City of San Diego on MAR 1 0 2009, by the following vote:

Agency Members	Yeas	Nays	Not Present	Recused
Sherri Lightner	<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"/>
Todd Gloria	<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"/>
Carl DeMaio	<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"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

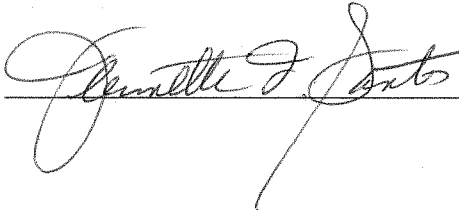
Date of final passage MAR 2 0 2009.

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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