

RA Item
2
sp RA notes
11/23/09

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04465

DATE OF FINAL PASSAGE DEC 04 2009

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO (i) APPROVING THE MEMORANDUM OF UNDERSTANDING REGARDING VILLA MONTEZUMA, A CITY OWNED FACILITY, (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 AND (iii) AUTHORIZING THE APPROPRIATION AND TRANSFER OF FUNDS TO THE CITY OF SAN DIEGO UPON CERTAIN CONDITIONS PRECEDENT BEING FULFILLED.

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, among the redevelopment activities provided for in the Redevelopment Plan is the rehabilitation of publicly owned buildings and the restoration of historic structures; and

WHEREAS, in order to implement the Redevelopment Plan, the Agency previously approved the Fourth Five-Year Implementation Plan for the period of July 2009 – June 2014 for the Centre City and Horton Plaza Redevelopment Projects [Implementation Plan]; and

WHEREAS, the Implementation Plan identifies the need to continue preservation of historically significant structures and the need to provide adequate public facilities; and

WHEREAS, the Villa Montezuma, which is owned by the City of San Diego, is an historical site which had been operated as a museum and cultural center from 1972 to 2006, and

has physically deteriorated such that it requires rehabilitation to adequately preserve the facility for current use by the public and further future historic rehabilitation; and

WHEREAS, the proposed rehabilitation to the Villa Montezuma includes, but is not limited to, design and construction of improvements to prevent further deterioration, rain infiltration, and further damage due to potential seismic events and, more importantly, design and construction to make the building safe to open to the public [Improvements]; and

WHEREAS, funds in the amount of \$550,000 are available in the Agency's Fiscal Year 2009 Budget, in the Historic Mitigation line item to pay for the cost of construction of the Improvements; and

WHEREAS, the Agency desires to pay for a \$550,000 portion of the cost of the construction of the Improvements because the City has insufficient funding for said Improvements; and

WHEREAS, in light of the above, a proposed Memorandum of Understanding [MOU], which would govern the Agency payment of \$550,000 and the construction of the Improvements has been drafted; and

WHEREAS, additionally, the Agency desires that \$550,000 be appropriated and transferred to the City upon certain conditions precedent in the MOU being fulfilled; and

WHEREAS, the Agency has duly considered all the terms and conditions of the proposed MOU and the proposed Agency financial contribution for the construction of the Improvements and finds that the proposed MOU and the payment by the Agency of all or part of the costs of the Improvements are of primary benefit to the Project Area and 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 Agency, as follows:

1. That the MOU is necessary to effectuate the purposes of the Redevelopment Plan for the Project Area and the Implementation Plan.
2. That the Agency approves the Memorandum of Understanding, and all exhibits attached thereto, for the design and construction of the Improvements for the Villa Montezuma, a City owned facility located outside of the Centre City Redevelopment Project Area.
3. That the Executive Director of the Agency, or designee, is authorized, on behalf of the Agency, to execute the MOU and all exhibits thereto which require the Agency's signature. A copy of the MOU, when executed by the Agency, shall be placed on file in the Office of the Agency Secretary as Document No. D- 04465.
4. That the Executive Director of the Agency, or designee, is authorized, on behalf of the Agency, to sign all documents necessary and appropriate to carry out and implement the MOU and to administer the Agency's obligations, responsibilities and duties to be performed under the MOU.
5. That the Agency finds and determines, in accordance with California Health and Safety Code 33445, that the Improvements for which the Agency proposes to pay will benefit the Centre City Project [Project Area] or the immediate neighborhood in which the Project Area is located in that:
 - A. Rehabilitation of the Villa Montezuma, which is located outside of the Project Area but in the immediately adjacent Sherman Heights Neighborhood within the Sherman Heights Historic District, will enhance the Project Area in eliminating blight and advancing the development of an historic asset in such close proximity to the Project Area.

B. Rehabilitation of the Villa Montezuma is consistent with the redevelopment activities provided for in the Redevelopment Plan and the Implementation Plan.

C. Improvements to the Villa Montezuma will advance the Visions and Goals of the Centre City Redevelopment Project by contributing to the making of downtown into the dominant regional center for the arts, entertainment, dining, and public festivals.

D. The Villa Montezuma will provide a community facility which will cater to both downtown residents and visitors and will improve the quality of life for downtown residents, visitors, and businesses.

E. The rehabilitation of the Villa Montezuma will contribute to the fulfillment of the Historic Preservation Focus Plan and the Implementation Plan for Centre City and Horton Plaza.

6. That the Agency finds and determines, in accordance with California Health and Safety Code 33445, that there are no other reasonable means available to the community (i.e., City of San Diego) for financing the subject Improvements for which the Agency proposes to pay in that:

A. In Fiscal Year 2009, the City of San Diego [City] experienced declining revenues in the City's four major revenue sources (property tax, sales tax, Transient Occupancy Tax (TOT), and franchise fees), resulting in a \$39.0 million reduction from the Fiscal Year 2009 Adopted Budget.

B. In response to the economic downturn, the City reduced its General Fund revenue projections for Fiscal Year 2009 and restricted departmental spending. To balance the General Fund budget, City Council adopted the Fiscal Year 2009 Revised Budget on December

9, 2008 and February 3, 2009 by reducing \$36.6 million in expenditures. These Fiscal Year 2009 budget adjustments were carried forward into the Fiscal Year 2010 Adopted Budget.

C. The Fiscal Year 2010 Adopted Budget for the City decreased by approximately 5.8% from \$3.13 billion to \$2.95 billion. The Fiscal Year 2010 Budget reflects General Fund revenues and expenditures of \$1.13 billion, representing a decline of \$62.9 million or 5.3% over the Fiscal Year 2009 Adopted Budget. The General Fund Budget includes 7,396.92 FTE positions, a decrease of 148.30 FTE positions over the Fiscal Year 2009 Adopted Budget. The net decrease in General Fund positions is primarily due to the elimination of 146.95 FTE positions carried forward from the Fiscal Year 2009 Revised Budget.

D. The City's Fiscal Year 2010 General Fund balanced budget, approved by City Council in June 2009, includes reduced revenue projections adjusted for a continuation of slow economic growth and a continued constriction of economic activity. Growth in revenues is anticipated to be negative in most major revenue categories such as sales tax, TOT, and property tax. The City Charter requires the City to maintain a balanced budget. The economic downturn and the negative effect of the Fiscal Year 2010 reduced revenues of approximately \$62.9 million (over the Fiscal Year 2009 Adopted General Fund Budget) confirms the need for the Agency to fund these improvements.

E. The City's capital improvement budget is funded from various sources, including water and sewer fees, Development Impact Fees, grant funds, Facilities Benefit Assessment funds, and sale of City-owned property and TransNet funds. The Fiscal Year 2010 Capital Improvement Program [CIP] Budget totals \$478.4 million, a decrease of \$108.5 million from Fiscal Year 2009. The Fiscal Year 2010 CIP Budget provides for improvements to the City's water and sewer systems and projects for park and recreation, library, and transportation.

Despite the decrease in the City's CIP Budget, it is estimated that the City's deferred maintenance capital needs, excluding water and sewer projects, may be at least \$800 to \$900 million. The City financed \$103 million of this backlog in fiscal year 2009, but given the current economic recession and the decline in General Fund revenues, the City is unable to expend General Fund revenues on additional capital projects this fiscal year.

F. On March 4, 2009, the Agency entered into a co-operation agreement with the City to fund the debt service on the PETCO Park bonds for the next five years due to the economic downturn and negative growth rates for some major revenues. (Resolution No. R304728/Agency Report CCDC-09-07).

7. The Agency finds and determines, in accordance with California Health and Safety Code 33445, that 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 Centre City Redevelopment Project Area in that:

A. The blighted historic structure will become a cultural amenity in the neighborhood immediately adjacent to the Project Area, 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.

C. The Improvements will act as a catalyst providing an incentive for private investment, thereby contributing to the removal of economic blight.

8. The Agency finds and determines, in accordance with California Health and Safety Code 33445, that the payment of Agency funds toward the cost of the Improvements is

consistent with the Fourth Five-Year Implementation Plan adopted on June 19, 2009 for the Project Area pursuant to California Health and Safety Code 33490, in that:

A. Improvements address the specific goals and objectives of the Implementation Plan, as identified on Page 4 which states in pertinent part as follows: “Specific goals of the Agency to address the blighting conditions in the Project Area include continued preservation of historically significant structures.”


B. The Implementation Plan describes proposed public infrastructure and facilities and their contribution to blight removal and includes on page 7 of the work program in pertinent part as follows: “Enhanced Community Facilities: Proposed parks and recreational facilities would create residential amenities, provide adequate public facilities for the area; will increase the desire for residents to live in the East Village neighborhood”.

C. By furthering the specific goals and objectives of the Fourth Five-Year Implementation Plan, the Improvements and the Agency’s payment for such Improvements are a means to eliminate blight within the Project Area and to facilitate the objectives of the Fourth Five-Year Implementation Plan.

9. The Agency authorizes the Chief Financial Officer, as delegated, to appropriate and transfer \$550,000 from the Agency to the City (into CIP#: A-BT.00001, CIP Title: City Facility Improvements and Fund #200355, Fund Title: CCDC Contribution to the City for the purpose of rehabilitation of the Villa Montezuma) upon certain conditions precedent in the MOU being fulfilled.

APPROVED: JAN I. GOLDSMITH, General Counsel

By

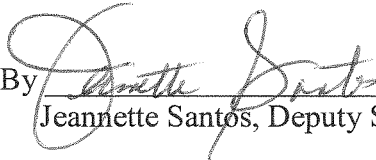


Krishna F. Jayaram
Deputy General Counsel

KFJ:nda
10/27/09
11/23/09 COR. COPY
Or.Dept:CCDC
RA-2010-29
MMS#8899
Comp. R-2010-372
R-2010-343

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of NOV 23 2009.

REDEVELOPMENT AGENCY

By 
Jeannette Santos, Deputy Secretary

Approved: 12-4-09
(date)


JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

The City of San Diego
COMPTROLLER'S CERTIFICATE

CERTIFICATE OF UNALLOTTED BALANCE

CC CC3000002812

ORIGINATING

DEPT. NO.: 9660

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: _____ Fund: _____

Purpose: _____

Date: _____ By: Francisco Lopez

COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
TOTAL AMOUNT									

FUND OVERRIDE

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: _____ \$550,000.00

Vendor: City of San Diego

Purpose: MOU between the Redevelopment Agency and the City of San Diego to authorize Centre City Redevelopment Project Area to contribute funds to the City for the Villa Montezuma Rehabilitation project.

Date: November 9, 2009 By: Francisco J. Lopez

COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
1	400369	920526111000	920526111102	OTHR-00000025-NS	516014	2220	2220500011		\$550,000.00
TOTAL AMOUNT									\$550,000.00

FUND OVERRIDE

CC CC3000002812

Passed by the Redevelopment Agency of The City of San Diego on NOV 23 2009, by the following vote:

Agency Members	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage DEC 04 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 *Jeanette Berts*, Deputy

Office of the Redevelopment Agency, San Diego, California
Resolution Number R- 04465