



REDEVELOPMENT AGENCY OF  
THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04512

DATE OF FINAL PASSAGE MAY 11 2010

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO (i) MAKING CERTAIN FINDINGS FOR THE EXPENDITURE OF AGENCY FUNDS FOR THE INSTALLATION OF TWO TRAFFIC SIGNALS ON COLLEGE AVENUE AT AROSA STREET AND ADAMS AVENUE LOCATED IN THE CROSSROADS REDEVELOPMENT PROJECT AREA IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445; (ii) AUTHORIZING THE TRANSFER OF AN AMOUNT NOT TO EXCEED \$450,000 OF TAX INCREMENT FUNDS FROM THE PROJECT AREA, AS ALLOCATED IN THE FISCAL YEAR 2009-2010 BUDGET, TO THE CITY OF SAN DIEGO FROM CITY FUND 200357, TO CITY CIP A-IL.00004 AS AN INCREASE IN THE FISCAL YEAR 2010 CAPITAL IMPROVEMENT PROGRAM BUDGET TO BE USED TOWARD THE COST OF THE IMPROVEMENTS; AND (iii) AUTHORIZING THE AGENCY TO ACCEPT THE RETURN OF ALL FUNDS FROM THIS ALLOCATION REMAINING IN CITY CIP A-IL.00004, CITY FUND 200357 UPON ANY COST SAVINGS.

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 implement the Redevelopment Plan for the Project Area, the Agency approved the Second Five Year Implementation Plan for the period of July 2008 – June 2013; and

WHEREAS, the Second Five Year Implementation Plan identifies the need for the improvement of the flow of traffic and relief of congestion on commercial and residential streets to eliminate blighting conditions; and

WHEREAS, the City of San Diego [City] originally added City CIP A-IL.00004 to the City's Capital Improvement Program for the purpose of signalization of intersections along College Avenue; and

WHEREAS, in 2007, the City authorized an initial budget of \$25,000 for City CIP A-IL.00004, Traffic Signals - Citywide; and

WHEREAS, the Agency now proposes to authorize the transfer of up to \$450,000 from the Project Area's tax increment funds, as allocated in its Fiscal Year 2009-2010 Budget, to the City as an increase in the Fiscal Year 2010 Capital Improvement Program Budget, City CIP A-IL.00004, Traffic Signals - Citywide, to pay for the cost of installation of two traffic signals [Improvements], to be constructed on College Avenue at Arosa Street and Adams Avenue within the Project Area, as identified in the document titled "Project Location" attached to the Agenda Report No. RA-10-16 as Attachment "1" and incorporated herein by this reference; and

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

WHEREAS, the City will manage the installation of the Improvements; and

WHEREAS, the Agency has duly considered the proposed transaction described above and the proposed Agency financial contribution for the installation of the Improvements and finds that the transaction and the payment by the Agency 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 Agency as follows:

1. That the Agency finds and determines:

(a) That the installation of the Improvements to be constructed on College Avenue at Arosa Street and Adams Avenue within the Project Area, for which the Agency proposes to pay using Agency tax increment funds from the Project Area, will benefit the Project Area by helping in the elimination of one or more blighting conditions inside the Project Area, in that:

(1) The Improvements are within the Project Area.

(2) The Improvements will help to eliminate physical blight conditions in that the Improvements will upgrade substandard infrastructure and will improve pedestrian safety for property owners, residents, merchants, customers and visitors, by meeting current City standards for Street Design and California Department of Transportation criteria for the installation of traffic signals.

(3) The Improvements will upgrade and enhance pedestrian and vehicular mobility and improve transportation facilities, which will improve ingress and egress for El Cerrito neighborhood residents and retail customers along College Avenue and El Cajon Boulevard which are within the Project Area.

(4) The Improvements will upgrade public infrastructure that does not meet City street standards for a major street.

(5) The Improvements will help eliminate economic blight conditions in that the commercial area and the immediate neighborhood will be enhanced with new pedestrian and vehicle improvements.

(b) That there are no other reasonable means available to the City to finance the Improvements for which the Agency proposes to pay, in that:

(1) In Fiscal Year 2009, the 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 Budget.

(2) 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, the San Diego City Council [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 Budget.

(3) The Fiscal Year 2010 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 Budget. The General Fund Budget includes 7,396.92 Full Time Equivalent [FTE] positions, a decrease of 148.30 FTE positions over the Fiscal Year 2009 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.

(4) The City's Fiscal Year 2010 General Fund 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.

(5) The City's Charter requires the City to maintain a balanced budget. On October 1, 2009, the City released its Five-Year Financial Outlook for Fiscal Year 2011 to Fiscal Year 2015. The Financial Outlook serves as a guide for long range fiscal planning and provides the framework for the development of the annual budget. The Financial Outlook projected a Fiscal Year 2011 deficit of \$179.1 million. Rather than wait until Fiscal Year 2011 to address the upcoming budget deficit, the Fiscal Year 2010 Budget was amended and reduced by \$26.2 million of which \$24.5 million was reduced from the General Fund, and the net elimination of 464.92 FTE positions. These and additional reductions which will occur in Fiscal Year 2011, will be carried forward into the Fiscal Year 2011 Budget. The economic downturn continues to have an impact on the revenues received by the City and hinders the City's ability to fund public improvements. In Fiscal Year 2010 reduced revenues of approximately \$62.9 million (over the Fiscal Year 2009 Budget) confirms the need for the Agency to fund the Improvements.

(6) The City's Capital Improvement Program [CIP] 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 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.

(7) The Agency's Budget was developed in accordance with City Council Policy, and each project activity was evaluated and incorporated in the respective budgets. The Fiscal Year 2010 Budget for the Redevelopment Project Areas managed by the City Redevelopment Division [City Redevelopment] is \$54.7 million. The tax increment to be generated in Fiscal Year 2010 by City Redevelopment is estimated at \$36.97 million with an additional \$86.6 million of prior year tax increment. The balance of Fiscal Year 2010 revenues is generated through developer fees and through lease and property revenue.

(8) The cost of the Improvements is approximately \$475,000. There are currently no funds allocated in the Fiscal Year 2010 CIP Budget to fund the Improvements. The Agency's expenditure shall not exceed \$450,000 of Crossroads Redevelopment Project Area tax increment funds to pay for the Improvements.

(9) Revenue forecasts for Fiscal Year 2010 suggest a slowdown in the rate of growth of the City's primary sources of revenue. The primary factors influencing the economic slowdown include a market correction in home prices, real estate defaults and foreclosures driven by the collapse of the sub-prime loan industry, the negative impact on consumer spending due to rising oil and gas prices, reduced consumer confidence, and a slowdown in job growth. Despite the economic slowdown affecting the region since 2005, San Diego's diversified economy is expected to continue to grow, albeit at a much slower pace than in past years.

(c) That the payment of Agency funds toward the cost of installation of the Improvements is consistent with the Second Five Year Implementation Plan for the Project Area adopted pursuant to Health and Safety Code Section 33490, in that:

(1) The Improvements are consistent with the Second Five Year Implementation Plan for the Project Area, which is recorded with the Agency as Document No. D-04266 and dated May 13, 2008, as follows:

(i) The Improvements address the specific goals and objectives of the Second Five Year Implementation Plan for the Project Area, as identified on page three thereof, which states “Improve the flow of traffic, relieve congestion on commercial and residential streets located within the Project Area and otherwise enhance the quality of pedestrian and vehicular mobility, and improve transportation facilities, which support the vitality, safety and viability of the Project Area”.

(2) By furthering the specific goals and objectives of the Second Five Year Implementation Plan for the Project Area, the Improvements and the Agency’s payment therefore are a means to eliminate blight within the Project Area and will facilitate the project objectives of the Redevelopment Plan for the Project Area including:

(i) Eliminate and prevent the spread of blight and deterioration, and redevelop the Project Area in accordance with the City General Plan, the College Area Community Plan, the Redevelopment Plan and the Second Five Year Implementation Plan for the Project Area, and local codes and ordinances.

(ii) Enhance the quality of pedestrian and vehicular mobility, and improve transportation facilities, which support the vitality, safety, and viability of the College Area.

(iii) Improve the quality of non-vehicular transportation alternatives through the creation and expansion of non-vehicular routes throughout the Project Area.

(iv) Enhance infrastructure facilities, which improve the community and support public safety, health, and local vitality.

(v) Construct public improvements as needed to eliminate both physical and economic conditions of blight.

(d) All of the findings set forth herein above are more fully described in the document titled "Findings" attached to the Agenda Report No. RA-10-16 as Attachment No. "2" and incorporated herein by this reference.

2. That the Agency authorizes the transfer by the City's Chief Financial Officer of an amount not to exceed \$450,000 of tax increment funds from the Project Area, as allocated in its Fiscal Year 2009-2010 Budget, to the City from City Fund 200357, Crossroads Redevelopment CIP Contributions to City CIP A-IL.00004, Traffic Signals – Citywide, as an increase in the Fiscal Year 2010 CIP Budget, to be used toward the cost of installation of the Improvements, contingent upon the City Comptroller certifying the availability of funds.

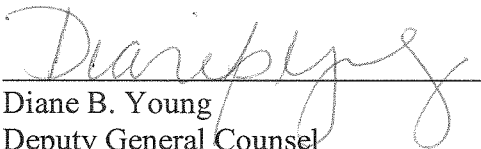
3. That the Agency authorizes the Agency to accept the return of all funds from this allocation remaining in the City CIP A-IL.00004, Traffic Signals - Citywide, City Fund 200357, Crossroads Redevelopment CIP Contribution, upon any cost savings should actual costs of the Improvements be less than \$450,000.

4. That the Agency Executive Director or designee is hereby authorized to execute all documents on behalf of the Agency that are necessary and appropriate to carry out and



implement the purposes set forth in this Resolution according to its terms, and to administer the Agency's obligations, responsibilities and duties to be performed hereunder.

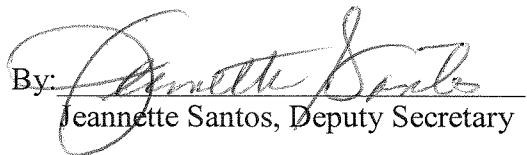
APPROVED: JAN I. GOLDSMITH, General Counsel

By   
Diane B. Young  
Deputy General Counsel

DBY:hm  
04/19/10  
Or.Dept:Redev.Agency  
RA-2010-82  
MMS#11541  
Cert. No. 3000003190

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of MAY 04 2010

REDEVELOPMENT AGENCY

By:   
Jeannette Santos, Deputy Secretary

Approved: 5-11-10  
(date)

  
JERRY SANDERS, Executive Director

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

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

Passed by the Redevelopment Agency of The City of San Diego on MAY 04 2010, 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

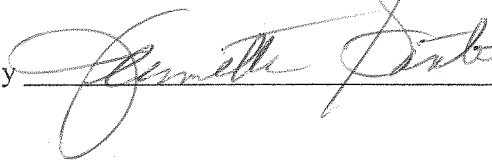
Date of final passage MAY 11 2010

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

Resolution Number R- 04512