



REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04537

DATE OF FINAL PASSAGE JUL 02 2010

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO (i) APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE RETAIL COMPONENT OF THE MERCADO PROJECT [RETAIL PROJECT] WITHIN THE BARRIO LOGAN REDEVELOPMENT PROJECT AREA, (ii) APPROVING THE DISPOSITION OF CERTAIN AGENCY-OWNED PROPERTY AT NOT LESS THAN ITS FAIR REUSE VALUE IN CONNECTION WITH THE MERCADO PROJECT, (iii) MAKING CERTAIN FINDINGS WITH RESPECT TO THE DISPOSITION OF SUCH PROPERTY; AND (iv) APPROVING THE BASIC CONCEPT DRAWINGS FOR THE RETAIL PROJECT.

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 Barrio Logan Redevelopment Project [Redevelopment Plan]; and

WHEREAS, the Agency has adopted the five-year Implementation Plan covering the period of July 2009 through June 2014 for the Barrio Logan Redevelopment Project [Implementation Plan]; and

WHEREAS, among other things, the Implementation Plan provides for the implementation of certain activities necessary or appropriate to carry out the objectives of the Redevelopment Plan in accordance with California Health and Safety Code section 33490, which is part of the California Community Redevelopment Law [CRL], California Health and Safety Code sections 33000-34160; and

WHEREAS, the Agency owns an approximately 6.55-acre site [Site] consisting of two vacant City blocks bounded by Cesar E. Chavez Parkway to the north, the Coronado Bridge

overpass and Chicano Park to the south, National Avenue to the east, and Main Street to the west, within the Barrio Logan Redevelopment Project Area [Project Area]; and

WHEREAS, Agency staff has negotiated a Disposition and Development Agreement [Retail DDA] with Shea Mercado, LLC, a California limited liability company [Retail Developer], wherein the Retail Developer has agreed to develop, construct and operate the retail component of a mixed-use project [Retail Project] on a portion of the Site [Retail Property], comprised of a retail center of approximately 90,000 square feet anchored by a Latino-themed grocery store; and

WHEREAS, Agency staff also has negotiated an Affordable Housing Agreement [Housing Agreement] with Mercado CIC, L.P., a California limited partnership [Housing Developer], wherein the Housing Developer has agreed to construct and operate the residential component of the mixed-use project [Residential Project] on another portion of the Site, comprised of 91 apartment units affordable to extremely low-income, very low-income and low-income households and one unrestricted manager's unit, as more specifically defined and provided for in the Housing Agreement; and

WHEREAS, the Retail DDA contemplates the Agency's disposition of the Site to the Retail Developer subject to certain long-term use restrictions set forth in the Grant Deed, which is included as Attachment No. 7 to the Retail DDA [Grant Deed]; and

WHEREAS, in accordance with CRL section 33433, the Agency and the City Council of the City of San Diego [Council] held a joint public hearing to consider the approval of the Retail DDA and the Grant Deed, as well as the Housing Agreement, on June 29, 2010, after publishing notice of the public hearing in accordance with CRL section 33433; and

WHEREAS, pursuant to CRL section 33433, Agency staff administered the preparation of a summary report pertaining to the sale of the Site dated May 2010 [Summary Report], which is attached to the Agency staff report for this action [Staff Report], and is incorporated fully into this Resolution by this reference; and

WHEREAS, the Agency has made copies of the Retail DDA, the Grant Deed, the Housing Agreement, and the Summary Report available for public inspection and copying no later than the time of the first publication of the notice of the public hearing; and

WHEREAS, the Summary Report contains a summary which describes and specifies all of the following:

- (i) The costs to be incurred by the Agency under the Retail DDA and the Housing Agreement;
- (ii) The estimated value of the interest to be conveyed, determined at the highest and best use permitted under the Redevelopment Plan;
- (iii) The estimated value of the interest to be conveyed, determined at the use and with the conditions, covenants, and development costs required by the Retail DDA and the Grant Deed;
- (iv) The compensation to be paid to the Agency under the Retail DDA and the Housing Agreement;
- (v) An explanation of the difference between the compensation to be paid to the Agency under the Retail DDA and the Housing Agreement and the fair market value of the Site at the highest and best use consistent with the Redevelopment Plan; and
- (vi) An explanation of why the sale of the Site will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation; and

WHEREAS, pursuant to CRL section 33433, the Council considered the information in the Summary Report and has made the findings required by CRL section 33433 with respect to the Retail DDA and the Grant Deed; and

WHEREAS, the Agency believes that the Retail DDA and the Grant Deed are in the best interests of the Project Area, the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law and requirements; and

WHEREAS, the Site is presently vacant and the Retail Project will not result in the displacement of any residents or businesses, such that neither a relocation plan nor a replacement housing plan will be required in connection with the Retail Project; and

WHEREAS, in accordance with the Retail DDA, the Retail Developer has submitted to the Agency, and the Agency has reviewed, the Basic Concept Drawings pertaining to the Retail Project, which plans are attached to the Staff Report; and

WHEREAS, the Agency has considered any written evidence and/or testimony received in support of or in opposition to the Retail DDA, the Grant Deed, the Housing Agreement, the Summary Report, and the Basic Concept Drawings, as well as the entire record prepared by Agency and City staff; NOW, THEREFORE,

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

1. That the Agency hereby finds and determines that all recitals set forth in this Resolution are true and correct and fully incorporated herein by this reference.
2. That the Agency has reviewed and approves the Summary Report.

3. That the Agency finds and determines that the consideration to be received by the Agency for the sale of the Site is not less than fair reuse value at the use and with covenants and conditions and development costs authorized by the Retail DDA and the Grant Deed for, among other reasons, the reasons set forth in Sections III through VI of the Summary Report.

4. That the Agency finds and determines that the sale of the Site will assist in the elimination of blight or provide housing for low-income or moderate-income persons, for, among other reasons, the reasons set forth in Section VII of the Summary Report.

5. That the Agency finds and determines that the sale of the Site and the development of the Site (including both the Retail Project and the Residential Project) in accordance with the Retail DDA, the Grant Deed and the Housing Agreement are consistent with the Section III of the Implementation Plan adopted pursuant to CRL section 33490, which states that the production of affordable housing in the Project Area is a specific goal of the Redevelopment Plan and the Implementation Plan.

6. That the Agency hereby approves the sale of the Site to the Retail Developer in accordance with the Retail DDA and the Grant Deed.

7. That the Retail DDA, and all exhibits attached thereto (including, without limitation, the Grant Deed), are hereby approved.

8. That the Agency's Executive Director, or designee, is authorized, on behalf of the Agency, to execute the Retail DDA and all exhibits thereto requiring the Agency's signature; a copy of the Retail DDA, when executed by the Agency, shall be placed on file with the secretary of the Agency as Document No. D- 04537.

9. That the Agency's Executive Director, or designee, is authorized, on behalf of the Agency, to sign all documents necessary and appropriate to carry out and implement the Retail

DDA and this Resolution and to administer the Agency's obligations, responsibilities and duties to be performed under the Retail DDA and this Resolution.

10. That the Agency hereby grants design review approval of the Retail Project and specifically approves the Basic Concept Drawings for the Retail Project.

APPROVED: JAN I. GOLDSMITH, General Counsel

By Kendall D. Berkey
Kendall D. Berkey
Deputy General Counsel

KDB:nda
06/07/10
Or.Dept:Redev.Agency
RA-2010-107
MMS #8908
Comp.: RA-2010-104
RA-2010-105
RA-2010-106
RA-2010-108
R-2010-887
R-2010-888

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of JUN 29 2010.

REDEVELOPMENT AGENCY

By Jeannette Santos
Jeannette Santos, Deputy Secretary

Jerry Sanders
JERRY SANDERS, Executive Director

Approved: 7-2-10
(date)

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

Passed by the Redevelopment Agency of The City of San Diego on JUN 29 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 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 JUL 02 2010

AUTHENTICATED BY:

JERRY SANDERS
Executive Director of The City of San Diego, California.

ELIZABETH S. MALAND
Secretary of The City of San Diego, California.

(Seal)

By , Deputy

Office of the Redevelopment Agency, San Diego, California
Resolution Number R- 04537