



REDEVELOPMENT AGENCY OF THE

CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04612

DATE OF FINAL PASSAGE FEB 18 2011

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE PAYMENT OF PROPERTY TAXES FOR PROPERTY LEASED TO THE NTC FOUNDATION OR AN NTC FOUNDATION SUBSIDIARY AND AUTHORIZING THE CHIEF FINANCIAL OFFICER OR DESIGNEE TO APPROPRIATE AND EXPEND AN AMOUNT NOT TO EXCEED \$1,250,000 FOR PAYMENT OF THE TAXES.

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 Naval Training Center (NTC) Redevelopment Project Area; and

WHEREAS, the NTC Foundation (Foundation), an independent 501(c)(3) nonprofit corporation, was established pursuant to the Naval Training Center Disposition and Development Agreement approved in June 2000 between the Agency and McMillin-NTC, LLC (Master Developer), as amended (DDA), and is responsible for the rehabilitation and management of the historic buildings on 26 parcels in the area of the Historic Core designated for the Civic, Arts and Cultural Center (CACC) of the NTC project; and

WHEREAS, the Foundation has caused the formation of for-profit wholly-owned subsidiaries of Foundation (Foundation Subsidiaries), for the purpose of seeking New Market Tax Credits and Historic Tax Credits made available by federal law (Federal Tax Credits), for the rehabilitation of historic buildings in the CACC; and

WHEREAS, pursuant to separate Assignment and Assumption Agreements, Master Developer has assigned its rights and obligations under the DDA to Foundation, which has

further assigned its rights and obligations to the Foundation Subsidiaries, to rehabilitate Buildings 175, 176, 177, 200, 201, 202 and Barracks 19 (collectively, Foundation Parcels) located on 7 of the 26 parcels in the CACC and to thereafter manage those parcels as a part of the CACC; and

WHEREAS, Agency owns the underlying fee title to the Foundation Parcels and has previously leased the Foundation Parcels to the Foundation Subsidiaries, each pursuant to a Ground Lease (and in the case of Barracks 19, the Agency has leased the premises to the Foundation, which has subleased the premises to a Foundation Subsidiary which as sub-leased the premises to another Foundation Subsidiary), (collectively, the Leases); and

WHEREAS, Agency and Foundation have previously entered into that certain Rehabilitation Grant Agreement, Second Rehabilitation Grant Agreement and Third Rehabilitation Grant Agreement to provide some of the financing needed for the Foundation Parcels and other buildings in the CACC (collectively, the Grant Agreements); and

WHEREAS, the Foundation Subsidiaries have obtained Federal Tax Credits and other financing for the rehabilitation of the Foundation Parcels, has completed the rehabilitation of the Foundation Parcels and now operate and manage the Foundation Parcels in accordance with the DDA; and

WHEREAS, the San Diego County Tax Assessor has determined that property taxes are due and payable with respect to the Foundation Parcels; and

WHEREAS, Section 2.13 of each Lease provides for the payment of property taxes, if any, by Tenant (as defined therein), and that if Tenant does not pay property taxes, if any, when due, Agency (as Landlord) may, at its option, pay the tax for Tenant; and

WHEREAS, Section 2.13 of each Lease further provides that in such case, Tenant (as defined therein) shall reimburse Landlord immediately upon demand, plus interest at the rate of 10% per annum; and

WHEREAS, Foundation has requested Agency assistance in paying past due property taxes, including penalties and interest, and current year property taxes with respect to the Foundation Parcels, and Agency wishes to provide such assistance to Foundation; NOW, THEREFORE,

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

1. That it approves the payment of any and all property taxes, including penalties and interest thereon, that are due and payable in arrears for the Foundation Parcels and the payment of the property taxes and assessments due on the Foundation Parcels through the balance of 2011, in an amount not to exceed \$1,250,000 (Tax Payments).

2. That it waives any obligation of Foundation or the Foundation Subsidiaries to reimburse Agency for the Tax Payments through 2011, pursuant to Section 2.13 or any other provision of each Lease, including waiver of any interest required by Section 2.13 or any other provision of each Lease.


3. That it waives any default under each Lease resulting from failure by Foundation or the Foundation Subsidiaries to make the Tax Payments through 2011 as required by Section 2.13 of each Lease.

4. That it waives any default under the Grant Agreements resulting from failure by Foundation or the Foundation Subsidiaries to make the Tax Payments through 2011 as required by Section 2.13 of each Lease.

5. That it authorizes the City Chief Financial Officer, or designee, to appropriate and expend an amount not to exceed \$1,250,000 from NTC Project Area funds to pay the Tax Payments.

6. That it authorizes the Executive Director of the Agency, or designee, on behalf of the Agency, to sign all documents necessary and appropriate to carry out and implement this Resolution and to administer the Agency's obligations, responsibilities and duties to be performed under this Resolution.

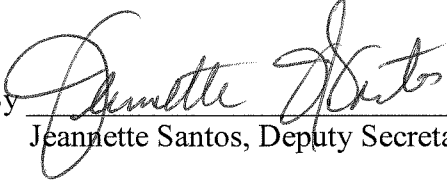
APPROVED: JAN I. GOLDSMITH, General Counsel

By   
Elisa A. Cusato  
Deputy General Counsel

EAC:nja  
02/02/2011  
Or.Dept:Redev.Agency  
RA-2011-72  
PL#2011-05600

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of FEB 15 2011.

REDEVELOPMENT AGENCY

By   
Jeannette Santos, Deputy Secretary

Approved: 2-18-11  
(date)

  
JERRY SANDERS, Executive Director

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

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

**The City of San Diego  
COMPTROLLER'S CERTIFICATE**

**CERTIFICATE OF UNALLOTTED BALANCE**

ORIGINATING

CC 3000003977

DEPT.  
NO.:

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: \_\_\_\_\_

Purpose: \_\_\_\_\_

Date: \_\_\_\_\_ 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
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: \$1,250,000.00

Vendor: San Diego County

Purpose: Authorize NTC Redevelopment Project Area to make the payment of property taxes for NTC's properties leased to the NTC Foundation within this project area. The purpose of these properties are for the Civic Arts and Culture Center (CACC) of the NTC Historic Core.

Date: February 7, 2011 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
001	400651	970500109101	970500109000	OTHR-20-NS	516011	2270	2270500011		\$1,250,000.00
TOTAL AMOUNT									\$1,250,000.00

FUND OVERRIDE ☐

CC 3000003977

Passed by the Redevelopment Agency of The City of San Diego on FEB 15 2011, 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"/>
Lorie Zapf	<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"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

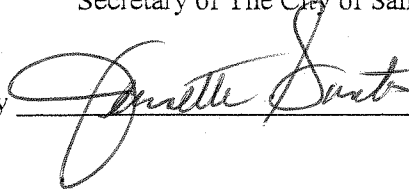
Date of final passage FEB 18 2011

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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