



REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04647

DATE OF FINAL PASSAGE MAR 16 2011

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE ISSUANCE OF A LOAN TO THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. IN THE AMOUNT OF \$3,000,000 FOR THE PURPOSE OF FUNDING CERTAIN DESIGN AND PLANNING COSTS ASSOCIATED WITH THE PROPOSED PHASE III EXPANSION OF THE SAN DIEGO CONVENTION CENTER, AND APPROVING CERTAIN RELATED ACTIONS.

WHEREAS, the Centre City Development Corporation, Inc. (CCDC) is responsible for administering redevelopment activities, on behalf of the Redevelopment Agency of the City of San Diego (Agency), within the Centre City Redevelopment Project Area (Project Area), as well as the Horton Plaza Redevelopment Project Area; and

WHEREAS, the San Diego Convention Center Corporation, Inc., a California nonprofit public benefit corporation (SDCCC), is presently exploring the feasibility of future construction of the proposed Phase III expansion of the San Diego Convention Center (Phase III Expansion), which is within the Project Area; and

WHEREAS, SDCCC has undertaken, and will continue to undertake, certain design and planning work related to the Phase III Expansion; and

WHEREAS, SDCCC has requested an unsecured loan (Loan) in the amount of Three Million Dollars (\$3,000,000) from the Agency to finance a portion of the costs of such design and planning work; and

WHEREAS, CCDC staff and SDCCC have negotiated the proposed terms and conditions of that certain Loan Agreement Related to Certain Design and Planning Costs for San Diego

Convention Center Phase III (Loan Agreement) and that certain related Promissory Note (Note), which documents will memorialize the Agency's agreement to issue the Loan to SDCCC; and

WHEREAS, the Loan Agreement requires the Agency to disburse to SDCCC a first installment of the Loan proceeds in the amount of \$750,000 by April 1, 2011, and a second installment of the Loan proceeds in the amount of \$2,250,000 by July 1, 2011; and

WHEREAS, the Loan Agreement requires SDCCC to use the Loan proceeds exclusively for the payment of, and reimbursement for, third party costs incurred or to be incurred by SDCCC in connection with design and planning work on the Phase III Expansion; and

WHEREAS, under the Loan Agreement, SDCCC is obligated to repay the Loan, plus accrued simple interest of three percent, to the Agency, and there are alternative schedules of repayment depending on whether SDCCC is able to secure third party financing through its good faith efforts, as further described in the Loan Agreement; and

WHEREAS, the Agency acknowledges that the long-term financial stability and solvency of the San Diego Convention Center, including any future expansion thereof, will benefit the Project Area; and

WHEREAS, the Agency has reviewed and duly considered the proposed Loan and believes that the issuance of the Loan is 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; NOW, THEREFORE,

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

1. The Agency finds and determines that the foregoing recitals are true and correct.
2. The Agency has received and heard all oral and written objections to the Agency's issuance of the Loan, and all such oral and written objections are hereby overruled.

3. The Agency approves the Loan Agreement and the Note, in the form attached to the Agency staff report accompanying this matter, subject to inclusion of the following modifications in the Loan Agreement: (a) SDCCC shall be required to deliver to the Agency a signed letter, on or before April 11, 2011, explaining the efforts to be made by Borrower to obtain an alternative source of funding for the repayment of the Loan Amount in the event that Borrower is unable to secure the third party financing as presently contemplated; (b) as a condition to the Agency's disbursement of the second installment of the Loan, SDCCC or its authorized representative shall participate and assist in making an informational report to the Agency's Board of Directors or to the City Council of the City of San Diego, on or before April 11, 2011 (or as soon as practicable thereafter), concerning SDCCC's financing plan for the Phase III Expansion; and (c) the Agency agrees to forgive the entire outstanding balance of the Loan, including accrued interest thereon, if the City Council of the City of San Diego adopts a resolution in the future making a finding that no viable method of repayment of the Loan can be made by SDCCC without impairing the financial stability or solvency of the San Diego Convention Center, including any future expansion thereof. A copy of Loan Agreement and the Note, when fully executed, shall be placed on file in the office of the Agency Secretary as Document Nos. D-04647a and D-04647b, respectively.

4. The Agency authorizes the issuance of the Loan in the amount of \$3,000,000 to SDCCC in accordance with the provisions of the Loan Agreement and the Note.

5. The Agency approves and authorizes the Agency Executive Director, or designee, to take all reasonable and necessary actions and to execute, on behalf of the Agency, all reasonable and necessary documents, including the Loan Agreement, to implement and carry out the purposes of this Resolution.

6. The Agency approves and authorizes the Agency Executive Director, or designee, to administer the Agency's obligations, responsibilities and duties to be performed under the terms of this Resolution.

7. The Agency approves a budget amendment to the Fiscal Year 2011 budget for the Project Area, increasing the East Village line item by \$3,000,000 and decreasing the Future Year Carry Forward line item by \$3,000,000.

8. The Agency authorizes the City's Chief Financial Officer, as delegated, to appropriate, encumber and expend tax increment funds derived from the Project Area in the amount of \$3,000,000 in accordance with the Loan Agreement.

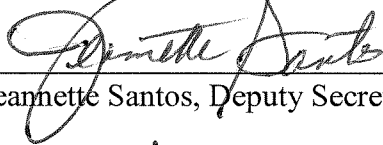
APPROVED: JAN I. GOLDSMITH, General Counsel

By Kevin Reisch  
Kevin Reisch  
Deputy General Counsel

KR:nja  
3/15/2011  
Cert. No. 3000004057  
Or.Dept:CCDC  
REV. COPY - RA-2011-117  
PL#2011-05652

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of MAR 14 2011.

REDEVELOPMENT AGENCY

By   
Jeannette Santos, Deputy Secretary

Approved: 3-16-11  
(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 3000004057  
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: \$3,000,000.00

Vendor: San Diego Convention Center Corporation, Inc.

Purpose: e1472 - Authorize a 3% simple interest loan to the vendor for design and planning costs associated with the Phase III expansion of the Convention Center. This is a Centre City Redevelopment Project Area project and the loan is repayable when either the Phase III project is financed or per a payment plan starting July 1, 2018, over a 10 year period.

Date: March 8, 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	400638	920521324000	920521324101	OTHR-03-NS	512059	2220	2220500011		\$3,000,000.00
TOTAL AMOUNT									\$3,000,000.00

FUND OVERRIDE ☐

CC 3000004057

Passed by the Redevelopment Agency of The City of San Diego on MAR 14 2011, 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAR 16 2011

AUTHENTICATED BY:

JERRY SANDERS

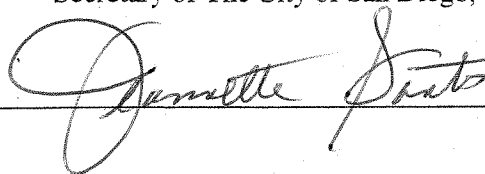
Executive Director of The City of San Diego, California.

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-

**04647**