

RA 2012  
8/18/11  
RA 2012-4  
4

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04685

DATE OF FINAL PASSAGE AUG 18 2011

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO (i) APPROVING AND AUTHORIZING THE EXECUTION OF THE REHABILITATION LOAN AGREEMENT RELATED TO THE SILVERADO BALLROOM BUILDING LOCATED WITHIN THE CITY HEIGHTS REDEVELOPMENT PROJECT AREA, (ii) APPROVING THE BASIC CONCEPT DRAWINGS FOR THE REHABILITATION OF THE SILVERADO BALLROOM BUILDING, AND (iii) AUTHORIZING THE EXPENDITURE OF UP TO \$1,394,000 IN CITY HEIGHTS TAX ALLOCATION BOND PROCEEDS TOWARD THE REHABILITATION OF THE SILVERADO BALLROOM BUILDING.

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 City Heights Redevelopment Project (Redevelopment Plan) in accordance with the California Community Redevelopment Law, set forth at California Health and Safety Code sections 33000-33855; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Agency has negotiated the proposed Rehabilitation Loan Agreement (Agreement) among the Agency, the City of San Diego (City), and David Chinh Chau and Ngo M. Chau (collectively, Owner), wherein Owner will rehabilitate the existing historic Silverado Ballroom Building (Rehabilitation Project) located at the intersection of Euclid and University Avenues within the City Heights Redevelopment Project Area (Project Area) and the Agency will issue a loan to Owner in the amount of \$1,394,000 (Agency Loan); and

WHEREAS, the source of the Agency Loan will be taxable proceeds of the City Heights Tax Allocation Bond Series 2010 B; and

WHEREAS, the Agency Loan will not accrue interest and will be deemed forgiven in equal annual installments over a ten-year period after completion of the rehabilitation work, so long as there is no default under the Agreement or the related transaction documents; and

WHEREAS, pursuant to resolutions adopted effective February 28, 2011, the City Council of the City of San Diego (Council) and the Agency approved that certain Cooperation Agreement for Payment of Costs Associated with Certain Redevelopment Agency Funded Projects (Cooperation Agreement), a copy of which is on file with the Agency Secretary as Document No. D-04618; and

WHEREAS, pursuant to the Cooperation Agreement, the Agency already has transferred to the City all funds necessary for the Agency's financial assistance toward the Rehabilitation Project, which is identified on page 4, Row #21 of Exhibit 1 to the Cooperation Agreement, entitled Schedule of Projects; and

WHEREAS, it is the intent of Owner, the Agency, and the City (collectively, Parties) that by executing the Agreement, the Parties confirm that they are all parties to the Agreement; and

WHEREAS, it is the intent of the Parties that, except as otherwise specified in the Agreement, all references to "Agency" in the Agreement shall mean either the Agency or the City, whichever of those two Parties is the holder of funds comprising the Agency Loan at the relevant time (or, as the case may be, whichever of those two Parties has disbursed to Owner the proceeds of the Agency Loan); and

WHEREAS, it is the intent of the Parties that, as between the Agency or the City, the Party that possesses the funds comprising the Agency Loan at the relevant time (or, as the case

may be, whichever of those two Parties has disbursed to Owner the proceeds of the Agency Loan) shall be entitled to exercise all rights, and shall be required to fulfill all outstanding obligations, attributable to "Agency" under the Agreement; and

WHEREAS, it is the intent of the Parties that, if the Agency's prior transfer to the City of funds comprising the Agency Loan is nullified, rescinded or invalidated for any reason whatsoever, then it is expressly agreed that the obligation to disburse the Agency Loan shall be carried out by the Agency (or its applicable successor, which may include the City); and

WHEREAS, Owner has acknowledged and agreed that the City's intent is to fulfill its financial obligations under the Agreement through tax increment funds and/or associated bond proceeds made available by the Agency, and thus nothing in the Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in the Agreement; and

WHEREAS, Owner has submitted to the Council and the Agency copies of the proposed Agreement in a form acceptable to Owner; and

WHEREAS, Owner plans to design and complete the Rehabilitation Project as more specifically provided for in the Agreement (including the Scope of Rehabilitation in Attachment No. 4 thereto) and in the Basic Concept Drawings, which are included within Attachment B to the Staff Report accompanying this matter; and

WHEREAS, the Basic Concept Drawings generally envision:

- (i) rehabilitation of the exterior of the Silverado Ballroom Building and the second floor of Silverado Ballroom Building where the ballroom is located; and
- (ii) construction of "vanilla shell" tenant improvements on the first floor of the Silverado Ballroom Building; and

(iii) installation of an elevator to enable accessibility between the two floors in compliance with the Americans with Disabilities Act; and

(iv) addition of new paving and hardscape, and completion of structural, mechanical and electrical upgrades; and

WHEREAS, the Agency believes that the Rehabilitation Project, the Agreement, and the Agency Loan are in the best interests of the City and benefit the public health, safety, or general welfare of its residents, and are in accord with the public purpose 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. That the Agency 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 received and heard all oral and written objections to the proposed Agreement, and that all such oral and written objections are overruled.
3. That the Agency approves the Agreement and all exhibits attached thereto.
4. That the Agency's Executive Director, or designee, is authorized, on behalf of the Agency, to execute the Agreement, including all attachments and exhibits thereto requiring the Agency's signature. A copy of the Agreement, when fully executed, shall be placed on file with the Agency Secretary as Document No. D- 04685.
5. 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 Agreement, and to take any actions necessary and appropriate to administer the Agency's obligations, responsibilities and duties to be performed under the Agreement, including all attachments and exhibits thereto.

6. That the Agency hereby approves the Basic Concept Drawings for the Rehabilitation Project.

7. That the Agency Loan in an amount not to exceed \$1,394,000, and the provisions of the Agreement establishing the terms and conditions for the disbursement and forgiveness of the Agency Loan, are approved.

8. That the Agency hereby authorizes the City's Chief Financial Officer, as delegated, to appropriate, encumber and expend funds, in the form of the Agency Loan to be issued to Owner for the Rehabilitation Project, utilizing the taxable proceeds of the City Heights Tax Allocation Bond Series 2010 B in an amount not to exceed \$1,394,000, contingent on certification by the City Comptroller that funds are available.

APPROVED: JAN I. GOLDSMITH, General Counsel

By Kevin Reisch  
Kevin Reisch  
Deputy General Counsel

KR:nja  
7/19/2011  
Cert. No. 3000004278  
Or.Dept:Redev.Agency  
RA-2012-4  
PL#2010-03944  
Comp. R-2012-65

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of AUG 02 2011

REDEVELOPMENT AGENCY

By   
Jeannette Santos, Deputy Secretary

Approved: \_\_\_\_\_  
(date)

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

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

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

This Resolution was returned unsigned by the Executive Director Office to the Office of the Redevelopment Agency on August 18, 2011 at 4:07 p.m. See San Diego City Charter Section 295 (a)(2).

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

**CERTIFICATE OF UNALLOTTED BALANCE**

ORIGINATING DEPT. NO. CC 3000004278

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: \$1,394,000.00

Vendor: Chinh Chau and Ngo M Chau

Purpose: 1472 - Rehabilitation Loan Agreement with the owners of of Silverado Ballroom Building in the City Heights Redevelopment Project area Cooperaton Agreement funds. This is a 10 year forgivable loan.

Date: June 24, 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	400814	925500110000	925500110101	OTHR-13-NS	512225	2225	2225500011		\$1,394,000.00
TOTAL AMOUNT									\$1,394,000.00

Passed by the Redevelopment Agency of The City of San Diego on AUG 02 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

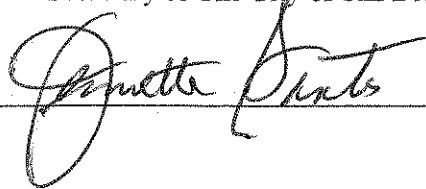
Date of final passage AUG 18 2011

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

Resolution Number R- 04685