

OVERSIGHT BOARD RESOLUTION NUMBER OB-2012-10

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE
CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR
AGENCY APPROVING THE SETTLEMENT AGREEMENT
AND RELEASE FOR ACQUISITION OF THE PROPERTY
LOCATED AT 528-542 14TH STREET

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego; and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26), the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; and

WHEREAS, the Former RDA began the process of assembling a redevelopment site (Site) of up to approximately 40,000 square feet on the south side of Market Street between 13th and 14th Streets in the East Village district for the purpose of constructing affordable housing units and possible mixed-use development; and

WHEREAS, certain litigation arose regarding the real property located at 528-542 14th Street in San Diego, California 92101 (Parcel), comprised of approximately 10,000 square feet of land associated with the assemblage of the Site; and

WHEREAS, a Settlement Agreement and Release (Settlement Agreement) has been negotiated to settle certain litigation related to the Parcel and allow the acquisition of the Parcel by the Successor Agency; and

WHEREAS, the Parcel will be added to adjacent properties previously acquired by the Former RDA to bring the Site assembled to date to approximately 37,000 square feet; and

WHEREAS, the Settlement Agreement was authorized by the City Council and the Board of the Former RDA in a joint Closed Session on January 31, 2012, by unanimous vote, with Councilmember DeMaio absent; and

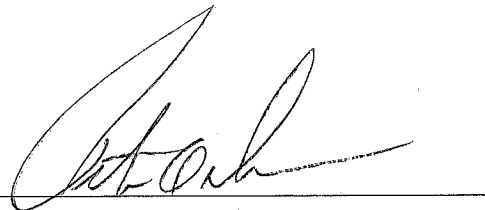
WHEREAS, the Settlement Agreement will require the expenditure of \$3.7 million, and the costs to close the settlement and acquisition transaction and to perform demolition needed to remove substandard, dilapidated and unsafe conditions from the Parcel are \$150,000, for a total expenditure of \$3.85 million; and

WHEREAS, the Settlement Agreement was amended by the First Amendment to Settlement Agreement and Release (First Amendment) solely to extend the deadline for the close of escrow for the settlement and acquisition transaction.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. The Settlement Agreement, as amended by the First Amendment, is hereby approved.
2. The expenditure of an amount not to exceed Three Million Eight Hundred Fifty Thousand Dollars (\$3,850,000) for payments required by the Settlement Agreement, closing costs, and demolition is hereby authorized.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on May 31, 2012, by a unanimous vote of 5 to 0, with Chair Mark Nelson absent and one board position vacant.



Vice-Chair, Oversight Board