

OVERSIGHT BOARD RESOLUTION NUMBER OB-2012-35

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY AUTHORIZING CERTAIN CONTRACTS AND EXPENDITURES RELATED TO THE HORTON PLAZA PARK IMPROVEMENTS IN ACCORDANCE WITH THE EXISTING OWNER PARTICIPATION AGREEMENT FOR THE HORTON PLAZA RETAIL CENTER

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 (City); 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 Successor Agency is required to administer the winding down of the Former RDA's operations and to ensure compliance with the Former RDA's obligations in accordance with AB 26, as amended by Assembly Bill 1484 (AB 1484); and

WHEREAS, in January 2011, the Former RDA and Horton Land, LLC, Horton Plaza Venture, LLC and Horton Plaza LP (collectively, Developer) executed an Owner Participation Agreement (OPA) with respect to the Horton Plaza Retail Center (Retail Center) in downtown San Diego; and

WHEREAS, as of February 1, 2012, the Successor Agency has assumed the Former RDA's rights and obligations under the OPA by operation of AB 26; and

WHEREAS, among other things, the OPA requires the Developer to transfer the Horton Park Plaza site (Site) to the Successor Agency for the construction of a new world-class urban plaza and related improvements on the Site (Project) and obligates the Successor Agency to pay

a minimum of \$8 million toward the hard construction costs of the Project and to cause the development of the Project in accordance with final construction plans created with the input of interested stakeholders; and

WHEREAS, the OPA also obligates the Successor Agency to make five annual deposits of \$150,000 each into the Plaza Capital Reserve Account, beginning in Fiscal Year 2015 and continuing in the next four fiscal years, for a total contribution of \$750,000 toward the Project's future capital repairs and replacements; and

WHEREAS, in compliance with the OPA, Civic San Diego (CivicSD), formerly known as Centre City Development Corporation, engaged the urban design and landscape architecture firm of Walker Macy and sub-consultants to gather public and stakeholder input and develop more specific designs for the Project; and

WHEREAS, based on the current design of the Project, the total hard and soft costs for design and construction of the Project are estimated to be \$14,286,905, including \$11,908,912 in total hard construction costs; and

WHEREAS, after deducting costs already incurred for the Project in the amount of \$1,552,822, the remaining costs of the Project are estimated to be \$12,734,083; and

WHEREAS, the Successor Agency, the Oversight Board, and the California Department of Finance have approved line items in certain Recognized Obligation Payment Schedules (collectively, ROPS) that cumulatively provide funding of \$12,757,312 for the Project, which includes (i) \$12,007,312 for design and construction costs of the Project (ROPS Project Funds) and (ii) \$750,000 for the five annual deposits into the Plaza Capital Reserve Account beginning in Fiscal Year 2015; and

WHEREAS, the remaining design and construction costs of the Project exceed the amount of funding shown in the ROPS by approximately \$726,771, and CivicSD will explore the availability of additional, non-redevelopment funding sources to offset this budget shortfall; and

WHEREAS, California Health and Safety Code section 34177(a) requires the Successor Agency to continue to make payments due for enforceable obligations, and California Health and Safety Code section 34177(c) requires the Successor Agency to perform obligations required pursuant to any enforceable obligation.

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

1. The Successor Agency or its agent, CivicSD, is authorized to solicit bids and award a contract to the lowest responsible bidder for construction of the Project in order to fulfill the obligations under the OPA, using up to \$10,982,141 of the ROPS Project Funds.

2. The Successor Agency or its agent, CivicSD, is authorized to enter into contracts and make expenditures up to \$1,025,171, using the ROPS Project Funds, for additional work related to the Project, including: (i) the acquisition of furniture, fixture, and equipment for the Project in an amount not to exceed \$200,000; (ii) the payment of certain indirect costs of the Project, including additional design services, construction phase consultants, permits and plan check fees and other miscellaneous costs, in an amount not to exceed \$280,589; (iii) an agreement with Walker Macy for construction administration support services for the Project in an amount not to exceed \$294,582; and (iv) an agreement with a consultant for construction management and inspection services for the Project in an amount not to exceed \$250,000.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on November 20, 2012.



Chair, Oversight Board