

(RA-99-101)

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 2962

ADOPTED ON MARCH 30, 1999

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING A \$2.7 MILLION BRIDGE LOAN TO THE REDEVELOPMENT AGENCY FROM SAN DIEGO NATIONAL BANK FOR THE URBAN VILLAGE COMMERCIAL PROJECT AS CONTEMPLATED IN THE DISPOSITION AND DEVELOPMENT AGREEMENT.

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 [Project]; and

WHEREAS, on December 8, 1998, the Agency approved a financing plan and a Disposition and Development Agreement [Agreement] with CityLink Investment Corporation, Inc., a California corporation [Developer], for the completion of the Urban Village Project; a copy of the Agreement is on file in the office of the Secretary to the Agency as Document No. D-02927; and

WHEREAS, as part of that financing plan and Agreement, the Agency and Developer were obligated to work together to secure a bridge loan for the amount of the Developer purchase price (\$2.7 million); and

WHEREAS, San Diego National Bank [Bank] has committed to a no-cost, no-interest loan of \$2.7 million to the Agency for a term of 8 months, with a right to extend the obligation for repayment for up to three consecutive 30-day periods, after which any outstanding balance on

the loan will be at 5% interest; and

WHEREAS, as collateral for the loan, the Agency, upon receiving insurable title to the property, will record, in favor of Bank, a First Trust Deed against the land acquired by the Agency pursuant to the Agreement; and

WHEREAS, as additional collateral for the loan, if, for any reason, the Agency is unable to acquire the land, the Agency pledges all available tax increment from the City Heights Redevelopment Project, subordinate to debt service on the City Heights Redevelopment Project Tax Allocation Bond Series 1999 A and B, and subordinate to, housing set-aside and payments to various taxing entities; and

WHEREAS, there is no fixed payment schedule for the loan; NOW, THEREFORE,

BE IT RESOLVED, by the Redevelopment Agency of The City of San Diego, that based on the foregoing, the Agency hereby approves and accepts a \$2.7 million bridge loan from San Diego National Bank pursuant to the terms and conditions set forth on the attached Exhibit A.

APPROVED: CASEY GWINN, General Counsel

By

Douglas K. Humphreys
Deputy Counsel

DKH:lc
03/22/99
Or.Dept:CCDC
Aud.Cert:None
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