

(RA-90-38)
REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. 1792
ADOPTED ON OCTOBER 30, 1989

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE RECORDATION OF CERTAIN DEEDS OF TRUST AGAINST THE HORTON GRAND SADDLERY HOTEL PROPERTY AND THE RESTRUCTURING OF THE PRIMARY LOAN FOR SAID PROPERTY; RECOMMENDING THE CITY COUNCIL OF THE CITY OF SAN DIEGO APPROVE CERTAIN RELATED ACTIONS.

WHEREAS, the Redevelopment Agency of The City of San Diego (the "Agency") is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Marina Redevelopment Project (the "Project"); and

WHEREAS, in order to carry out and implement such Redevelopment Plan, the Agency approved and entered into a Disposition and Development Agreement, dated November 16, 1988, which is Document No. 1592 in the files of the Agency and a First Implementation Agreement to Disposition and Development Agreement dated May 25, 1989, which is Document No. 1635 in the files of the Agency (collectively, "the DDA"), for the development of certain property in the Project area by Chinese Regal Condominiums, Ltd., a California limited partnership (the "Developer") pursuant to the terms and provisions of the DDA; and

WHEREAS, the Agency approved and entered into a Disposition and Development Agreement, dated August 25, 1981, with the Horton Grand Saddlery Hotel, a general partnership (the "Hotel Developer"), as amended on October 26, 1983, for the development of the Horton Grand Saddlery Hotel (the "Hotel DDA"); and

WHEREAS, the Agency and/or the Hotel Developer have executed several documents implementing the Hotel DDA, including a Promissory Note (the "Promissory Note") secured by a Second Deed of Trust on the Hotel property and an Agreement to be Recorded Affecting Real Property, recorded on the Hotel property (and a

First Amendment thereto) (the "Agreement to be Recorded Affecting Real Property"); and

WHEREAS, the DDA presently provides for amendment of both the Promissory Note (Attachment No. 9 thereto) and the Agreement to be Recorded Affecting Real Property (Attachment No. 10 thereto); and

WHEREAS, the Hotel Developer has negotiated a restructuring of its \$8.1 Million loan with Bank of America, secured by a first deed of trust on the Hotel property; and

WHEREAS, the Hotel Developer is receiving a loan of \$2.0 Million from a private individual, secured by a third deed of trust on the Hotel property, which loan and deed of trust the Agency has approved concurrently herewith; and

WHEREAS, the Hotel Developer and Home Federal Savings (the Developer's construction lender) are causing the recordation of a fourth deed of trust on the Hotel property for cross-collateralization with respect to the development of condominiums pursuant to the DDA, which cross-collateralization deed of trust the Agency has approved concurrently herewith; and

WHEREAS, the Agency has approved concurrently herewith a Second Implementation Agreement to Disposition and Development Agreement, the purpose of which is to provide for certain changes and clarifications in the financing of the development pursuant to the DDA and the adjacent Horton Grand Saddlery Hotel development by amendment and clarification of the Promissory Note and the Agreement to be Recorded Affecting Real Property; and

WHEREAS, the Centre City Development Corporation, Inc., has reviewed and discussed the Second Implementation Agreement, the restructuring of the Bank of America loan and the recordation of the third and fourth deeds of trust, and has recommended that the Agency approve the recordation of the third and fourth deeds of trust and that the Agency recommend that the City Council of The City of San Diego approve the restructuring of the Bank of America loan, provided that the documents restructuring said loan provide for notification to the Agency in the event the Hotel Developer becomes delinquent in payments required under the restructured loan; and

WHEREAS, the Agency believes that the financing mechanisms approved by this resolution are in the best interests of 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 hereby approves the recordation of the third and fourth deeds of trust on the Hotel property, as described in

the staff report accompanying this Resolution.

2. The Agency hereby recommends that the City Council of The City of San Diego approve the restructuring of the Bank of America loan to the Hotel Developer, as described in the staff report accompanying this resolution, provided that the documents restructuring said loan provide for notification to the Agency in the event the Hotel Developer becomes delinquent in payments required under the restructured loan.

3. The Executive Director of the Agency (or his designee) is hereby authorized, on behalf of the Agency, to carry out and implement this resolution.

APPROVED: JOHN W. WITT, General Counsel

By

Allisyn L. Thomas

Deputy Counsel

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Or.Dept:CCDC

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