

RESOLUTION NO. 222574

(R.79-1192)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE SALE OF CERTAIN PROPERTY IN THE MARINA AND COLUMBIA REDEVELOPMENT PROJECT AREAS TO SHAPELL GOVERNMENT HOUSING, INC. AND GOLDRICH KEST AND ASSOCIATES; APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT PERTAINING THERETO; AND MAKING CERTAIN FINDINGS WITH RESPECT TO SUCH SALE

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WHEREAS, the Redevelopment Agency of the City of San Diego, California (the "Agency") is engaged in activities necessary to carry out and implement the Redevelopment Plans for the Marina and the Columbia Redevelopment Projects; and

WHEREAS, in order to carry out and implement such Redevelopment Plans, the Agency proposes to sell certain real property (the "Property") in such Project areas to Shapell Government Housing, Inc. and Goldrich Kest and Associates, a joint venture (the "Developer"), pursuant to the terms and provisions of a Disposition and Development Agreement (the "Agreement"), which Agreement contains a description of said Property; and

WHEREAS, the Developer has executed and submitted to the Agency and this City Council copies of said proposed Agreement in a form desired by the Developer, a copy of which Agreement is on file in the office of the City Clerk as Document No. 766951; and

WHEREAS, the Centre City Development Corporation (the "CCDC") has reviewed and discussed said proposed Agreement and has recommended that the City Council approve and the Agency enter into the Agreement, provided that certain changes are made therein as set forth in the document attached hereto and incorporated herein as Exhibit "A"; and

WHEREAS, pursuant to the California Community Redevelopment Law (California Health and Safety Code, Section 33000 et seq.), the Agency and this City Council held a joint public hearing on the proposed Agreement and the proposed sale of Property pursuant to such Agreement; having duly published notice of such public hearing and made copies of the proposed Agreement, and other reports and documents (including the Summary Report required pursuant to Section 33433) available for public inspection and comment; and

WHEREAS, the Agency, after such public hearing, and subject to City Council approval, approved such proposed Agreement as so changed in accordance with Exhibit "A" and the proposed sale of the Property pursuant to such Agreement; and

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WHEREAS, the Agency has approved and adopted a Replacement Housing Plan (a copy of which Plan is on file in the office of the Secretary of the Agency as Document No. 483) pertaining to the rehabilitation, development, or construction of dwelling units to replace those dwelling units housing low and moderate income persons and families removed or destroyed as a result of the implementation of the development activities proposed in the Agreement; and

WHEREAS, the Agency has approved and adopted a Relocation Plan (a copy of which Plan is on file in the office of the Secretary of the Agency as Document No. 481) pertaining to the relocation of persons, families, and businesses to be displaced as a result of the implementation of development activities proposed in the Agreement; and

WHEREAS, the City Council has duly considered all terms and conditions of the proposed sale and believes that the redevelopment of the Property pursuant to the proposed Agreement is 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 City Council of the City of San Diego as follows:

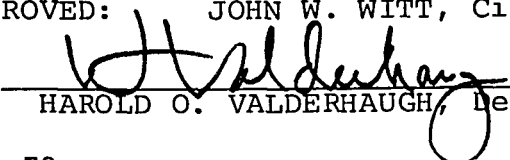
1. The City Council recognizes that it has received and heard all oral and written objections to the proposed Agreement (including the recommended changes therein), to the proposed sale of the Property pursuant to the proposed Agreement, and to other matters pertaining to this transaction, and that all such oral and written objections are hereby overruled.

2. The City Council hereby finds and determines that the consideration to be paid by the Developer for the purchase of the Property is not less than fair market value in accordance with the covenants and conditions governing such purchase as set forth in the proposed Agreement as changed in accordance with Exhibit "A". The City Council hereby further finds and determines that all consideration to be paid under the proposed Agreement as changed in accordance with Exhibit "A" is in amounts necessary to effectuate the purposes of the Redevelopment Plans for the Marina and the Columbia Redevelopment Projects.

3. The Sale of the Property by the Agency to the Developer, and the proposed Agreement as so changed in accordance with Exhibit "A" which establishes the terms and conditions for the sale and development of the Property, are hereby approved.

4. The City Council hereby authorizes the City Clerk to deliver a copy of this Resolution to the Executive Director and Members of the Agency.

APPROVED: JOHN W. WITT, City Attorney

BY 
HAROLD O. VALDERHAUGH, Deputy

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Recommended Revisions of Disposition and Development
Agreement between the Agency and Shapell Government
Housing, Inc. and Goldrich Kest and Associates

Attachment No. 4, Page 2
Section II.A.3, Parcel E

Section II.A.3 shall be changed to provide in its entirety as follows:

3. Parcel E

Parcel E consists of three non-contiguous subparcels, of which the westerly subparcel contains approximately 1.4 acres, the central subparcel contains approximately 1.4 acres, and the easterly subparcel contains approximately 1.4 acres. There shall be constructed on each such subparcel at least thirty-five (35) dwelling units per gross developable acre of land conveyed.

Agency reserves the right, at its sole option, to adjust the boundaries of Parcel E, as shown on the Site Map (Attachment No. 1B), in any or all of the following respects:

- a. In the event Agency, in its sole discretion, determines that the Second Avenue and/or the Third Avenue rights of way between "G" Street and Market Street can be vacated, or the air rights over either or both of said rights of way can be made available for development, then Agency shall add as part of Parcel E, either or both of said rights of way or said air rights, as the case may be; provided however, that Developer shall have the right to approve the addition of any such air rights to Parcel E, based upon the economic and physical feasibility of residential development thereon.
- b. Developer acknowledges that all or part of Parcel E may be developed by the Agency for public parking facilities in connection with the Horton Plaza Retail Center pursuant to agreement with the developer thereof, and that all or part of said Parcel may not be available for residential development. In the event Agency, in its sole discretion, determines that all or any part of said Parcel E is not available for residential development, then the Agency may exclude from Parcel E the central and/or the easterly subparcels of Parcel E as described in the Description of

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the Site (Attachment No. 1-C) or such portions of said central and/or easterly subparcels as the Agency determines are necessary for public parking facilities in connection with the Horton Plaza Retail Center. If the Agency does exclude all or any portion of said central and/or easterly subparcels from Parcel E, the Agency shall concurrently therewith redesignate and add as part of Parcel E that certain easterly subparcel of Parcel D-1 described as "Parcel E Alternate" in the Description of the Site (Attachment No. 1-C). The Agency may exclude only a portion of said central and/or easterly subparcels from Parcel E provided that there remains a contiguous area therein for residential development of at least one (1) acre.

- c. Developer acknowledges that the central subparcel of Parcel E may be rehabilitated and developed in accordance with the Marina Redevelopment Plan by one or more owner participants. Agency shall have the right to negotiate with such owner participants to enter into an owner participation agreement to accomplish such rehabilitation and development. In the event that Agency enters into a participation agreement with such owner or owners at least 90 days prior to the date established in the Schedule of Performance (Attachment No. 3), for Developer to submit to the Agency the Basic Concept Drawings for Parcel E, then the Agency shall have the right, at its sole option, to exclude from Parcel E said central subparcel of Parcel E as described in the Description of the Site (Attachment No. 1-C). In order to assure compatibility of said central subparcel of Parcel E with the development of the Site, Agency shall submit to Developer the plans and specifications for the rehabilitation and development of said central subparcel of Parcel E for review and consultation with Developer, at times which will coordinate with the submission and approval of Developer's plans for Parcel E as provided in the Schedule of Performance (Attachment No. 3).

The Agency and the Developer agree, for a 360-day period from and after execution of this Agreement by the Agency, to negotiate diligently and in good faith to prepare an amendment to this Agreement to be entered into between the parties for the disposition and development of a portion of that certain block within the Marina Redevelopment Project area bounded by "G" Street on the north, Fourth Avenue on the east, Market Street on the south and Third Avenue on the west. Developer acknowledges and agrees that the Agency may, to the extent it determines to be

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necessary or desirable, negotiate with property owners and/or occupants in any portion of said block and with the developers of the proposed Horton House housing project, to construct, rehabilitate or otherwise improve specific properties within said block, in coordination with the development to be undertaken by Developer. Any owner participants shall be identified during the negotiation period. In the event Agency and Developer enter into an amendment to this Agreement with respect to all or any portion of said block, then said block or such portion thereof shall in accordance with such amendment be added as part of Parcel E hereunder.

Attachment No. 4, Page 6
Section II.H., Building Height

The second full paragraph of said Section shall be changed to provide in its entirety as follows:

At least [^]110 dwelling units developed on Parcel E shall be located in a building or buildings at least 110 feet in height above grade. The Agency shall permit Developer to develop said 110 or more dwelling units within buildings at least 5 stories in height above grade as an alternative to the high rise requirement of the previous sentence. Agency shall use its best efforts to obtain permission for any such 5 story buildings to be constructed with Type III Construction. Developer shall submit appropriate site designs and architectural concept drawings to the Agency as necessary to enable the Agency to evaluate the impacts of the respective high rise alternatives.

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Section 205, Condition of Title,
Page 9 of the Agreement shall be changed by adding as the last
paragraph thereof the following:

Notwithstanding any other provision of this Section 205 or this Agreement to the contrary, Developer hereby agrees that the Agency may, with the approval of Developer (which approval shall not be unreasonably withheld), with respect to Parcel C, convey or cause to be conveyed a lease-hold interest in all or a portion of said Parcel to Developer, in lieu of fee simple merchantable title. In the event Agency elects to convey such lease-hold interest, the rental amount and other terms for such Parcel shall be determined, by reuse appraisal at such time as the use is determined, to be not less than fair value for the uses thereon in accordance with the Columbia Redevelopment Plan and the covenants, conditions and restrictions governing the lease of such Parcel for the specified use. Any such determination of lease amount and terms may, as appropriate, include a formula to adjust the rental amount and terms to reflect experience in constructing, selling and/or operating the development. Any lease entered into in accordance with this provision shall meet the following conditions:

1. The lease shall provide for the development and use of Parcel C or such portion thereof consistent with the terms and conditions of this Agreement.
2. Any lease for a portion of Parcel C shall include an area which is economically and physically feasible of separate development.
3. The lease shall enable Developer to secure necessary construction and permanent financing for the development of Parcel C or such portion thereof.

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Passed and adopted by the Council of The City of San Diego on JAN 9 1979,
 by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maureen F. O'Connor	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bill Lowery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fred Schnaubelt	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Gade	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Larry Stirling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lucy Killea	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON
 Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
 City Clerk of The City of San Diego, California.

(Seal)

By Ellen Bovard, Deputy.

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Office of the City Clerk, San Diego, California	
Resolution Number	<u>222574</u>
Adopted	<u>JAN 9 1979</u>