

RESOLUTION NUMBER R-291450

ADOPTED ON MARCH 31, 1999

WHEREAS, on November 3, 1998, the electorate of the City of San Diego [City] approved Proposition C, which adopted Ordinance No. O-18613 authorizing the City to enter into the Memorandum of Understanding [MOU] between the City, Redevelopment Agency of the City [Agency], Centre City Development Corporation [CCDC], and the San Diego Padres [Padres] Concerning a Ballpark District, Construction of a Baseball Park, and a Redevelopment Project [Project]; and

WHEREAS, the MOU provided for certain matters to be accomplished by April 1, 1999; and

WHEREAS, based upon information available as of March 30, 1999, and upon the testimony and documentary evidence presented to the City Council, the Rules Committee of the City Council, and the Board of Directors of CCDC; the recommendation of the Board of CCDC; the communications received from the Padres and the San Diego Unified Port District [Port District]; and all facts and circumstances made known to the City Council by March 31, 1999, it is now appropriate and necessary for the City Council to take action regarding the matters called for in the MOU to be accomplished by April 1, 1999; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that the City Council confirms the feasibility, as of March 31, 1999, of completing land acquisition, environmental approvals, parking facilities and infrastructure within the cap set forth in the MOU, and finds that the Padres have provided similar written confirmation.

BE IT FURTHER RESOLVED, that the City Council finds that the Port District has committed to invest \$21 million for land acquisition, parking facilities, and infrastructure within the ballpark and redevelopment project but which will benefit Port District property and facilities; acknowledges that the Port District's investment satisfies the MOU condition for additional funding commitments; and authorizes the City Manager to enter into an appropriate agreement with the Port District based upon the terms of the resolution adopted by the Port District.

BE IT FURTHER RESOLVED, that the City Council accepts the first priority lien on the Padres' franchise as set forth in the MOU, on the terms and conditions contained in the Security Agreement presented today, on the condition that all approvals required by Major League Baseball or the National League of Baseball Clubs are secured no later than April 5, 1999.

BE IT FURTHER RESOLVED, that the City Council finds that, as of March 31, 1999, sufficient assurances have been received from the Padres and its development team regarding the private development associated with the ballpark and redevelopment project but not including the Convention Center Expansion Hotel [Expansion Hotel].

BE IT FURTHER RESOLVED, that the City Council finds that the Padres have made a written commitment to construct private development that is designed to produce an assessed value of at least \$289 million, which amount has been confirmed by CCDC as sufficient to finance the Agency investment in the Project.

BE IT FURTHER RESOLVED, that the City Council finds that the Padres have made a written commitment to construct private hotel development, consisting of a 500 room ballpark hotel, 200 room suite type hotel and a 150 room boutique hotel, all within the Ballpark District

and consistent with the program set forth in the MOU, and finds that this program is designed to have the ability to generate annualized Transient Occupancy Tax revenue sufficient to help support the City investment in the project, provided, however, that the agreed upon program for hotel development may be fine-tuned if a different program is preferable, as market conditions dictate, and any change in the program is mutually acceptable to the Padres and City.

BE IT FURTHER RESOLVED, that the City Council acknowledges that the City and Padres have reached written agreement on the current interim funding need through the time that the City expects to obtain its permanent financing, currently anticipated (based upon the current schedule for consideration of the Environmental Impact Report) in January of 2000, and reached written agreement on the plan to pay for those interim needs, and on the estimated schedule of cash disbursements.

BE IT FURTHER RESOLVED, that the City Council finds that the Padres have provided a written commitment to fund or obtain financing for all or part of the Padres/Private investment as called for in the MOU.

BE IT FURTHER RESOLVED, that the City Council finds that sufficient assurances exist as of March 31, 1999, that a 1,000 room Expansion Hotel will proceed and have the potential to generate the required new public revenue to help finance the City and Agency investments in the Project, based on all circumstances known as of March 31, 1999, about the need for an Expansion Hotel; upon the commitment of John Moores, expressed in his letters to the Port District and City, to have JMI Realty cause the development of an Expansion Hotel; and upon the term sheet regarding an Expansion Hotel agreed upon by the Port District, City and JIM Realty.

BE IT FURTHER RESOLVED, that the City Council hereby directs the City Manager to acknowledge in writing on behalf of the City of San Diego that no party to the MOU is in default of any provision of the MOU as of April 1, 1999, or waives any default that may exist as of that time, and finds that the Padres have provided similar written acknowledgment.

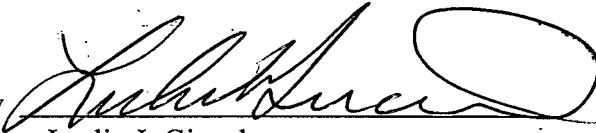
BE IT FURTHER RESOLVED, that the City Council authorizes the expenditure of an amount not to exceed \$11.5 million in additional interim funding for eligible project related expenses, provided that the City Auditor and Comptroller reserve sufficient funds from this amount to pay for City expenses set forth in the agreed upon interim funding plan or estimated schedule of cash disbursements; and authorizes the City Auditor to transfer monies in the amount of \$11.5 million from available funds as determined by the City Auditor to Fund 10290, Ballpark Construction Fund, for that purpose.

BE IT FURTHER RESOLVED, that the City Council authorizes the City Manager to enter into other necessary agreements to implement the actions of the Council today provided that such agreements are otherwise consistent with the MOU and do not commit the City to any expenditure of funds in excess of that authorized today.

BE IT FURTHER RESOLVED, that the City Council acknowledges that the actions or agreements of the parties to the MOU on or before April 1, 1999, do not in any way alter, amend, waive or otherwise affect the conditions subsequent set forth in Section XXXIII of the MOU. In particular, the City Council reaffirms and reserves to the City the right to determine that the terms of any City or Agency financing, whether interim or permanent, must be reasonably acceptable to the City, which terms include, but are not limited to, the sources of revenue to pay for the financing; the status of Phase I, any Substitute Ancillary Development (as defined in the

MOU) and the Expansion Hotel; and any other matter which may affect the City's financing not only of the ballpark and redevelopment project but of any other current or future City project.

APPROVED: CASEY GWINN, City Attorney

By 
Leslie L. Girard
Assistant City Attorney

LJG:js
04/01/99
Or.Dept:Mgr.
R-99-1049
Form=r-t.frm

**The City of San Diego
CERTIFICATE OF CITY AUDITOR AND COMPTROLLER**

CERTIFICATE OF UNALLOTTED BALANCE

ORIGINATING AC 9901025
DEPT. NO.: 040

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount 11,500,000.00 Fund 102212/102244

Purpose To authorize the expenditure of funds for the Downtown Ballpark and Redevelopment Project.

Date March 29, 1999 By: *Kathy McClaner*

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
1	0	102244			9544					\$3,165,805.00
2	0	102212			9544					8,334,195.00
TOTAL AMOUNT										\$11,500,000.00

FUND OVERRIDE

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed \$ _____

Vendor _____

Purpose _____

Date _____ By: _____

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
TOTAL AMOUNT										

FUND OVERRIDE

R 291450

MAR 31 1999

AC 9901025