

RESOLUTION NUMBER R- 297945

ADOPTED ON MAY 06 2003

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO  
AUTHORIZING SUBMISSION OF AN APPLICATION FOR A SECTION 108  
LOAN GUARANTEE TO THE UNITED STATES DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT FOR THE NAVAL TRAINING  
CENTER REDEVELOPMENT PROJECT AREA.

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 Naval Training Center [NTC] Redevelopment Project Area [the Project Area]; and

WHEREAS, the Agency and McMillin-NTC, LLC [Master Developer], entered into a Disposition and Development Agreement [DDA] in June 2000 for the purposes of effectuating the Redevelopment Plan for the Naval Training Center Redevelopment Project, adopted by the City Council in May 1997, and the Naval Training Center Reuse Plan, adopted by the City Council in October 1998; and

WHEREAS, the NTC Foundation, an independent 501(c)(3) nonprofit corporation established pursuant to the DDA, is responsible for the rehabilitation and management of the buildings in the area of the Historic Core designated for the Civic, Arts and Cultural Center; and

WHEREAS, the Council of the City of San Diego has directed both City and Agency staff to assist the NTC Foundation in the rehabilitation of the buildings in the area of the Historic Core designated for the Civic, Arts and Cultural Center; and

WHEREAS, in order to assist the NTC Foundation, the City now wishes to submit an application to the United States Department of Housing and Urban Development [HUD] Section 108 Loan Guarantee Program; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the City Manager, or his designee, is authorized to apply to HUD for a Section 108 Loan of \$5.91 million to assist the NTC Foundation and to set forth the legal authority and certifications necessary for such an application.

2. That the City Manager, or his designee, is authorized to accept the funds; to conduct all negotiations related to the loan; and to execute and submit all documents related to the processing of such a loan.

3. That the City Auditor and Comptroller is authorized to transfer an amount up to \$5.85 million in proceeds to the Agency, which shall expend the funds, contingent on receipt of an Auditor's Certificate to do so, for the rehabilitation of certain buildings in the area of the Historic Core designated for the Civic, Arts and Cultural Center.

4. That the City Council authorizes the Agency to expend approximately \$564,000 annually in tax increment from the Project Area to repay the 108 loan over 20 years, and authorizes the use of proceeds of the Brownfields Economic Development Initiative [BEDI] grant for interest only payments for up to three years.

5. That the City Manager is authorized to pledge Community Development Block Grant [CDBG] annual allocations as additional security should there be insufficient tax increment revenue for the Agency to make the annual payments.

6. That the City Manager is authorized to amend the CDBG 2003 Action Plan to reflect the use of HUD Section 108 loan funds for the rehabilitation of certain buildings in the NTC Civic, Arts and Cultural Center.

APPROVED: CASEY GWINN, City Attorney

By Elisa A. Cusato  
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Deputy City Attorney

EAC:smf  
04/22/03  
Or.Dept:Redev.  
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Redev: RA-2003-147, RA-2003-148, RA-2003-149, RA-2003-150  
Council:R-2003-1264, R-2003-1266, R-2003-1267