

RESOLUTION NUMBER R- 298037

ADOPTED ON JUN 03 2003

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO MAKING CERTAIN FINDINGS WITH RESPECT TO THE PAYMENTS FOR THE DEMOLITION OF ON-SITE IMPROVEMENTS AND CONSTRUCTION OF A TEMPORARY PARKING LOT ON THE SMART CORNER SITE IN THE CENTRE CITY 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 Core Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project Area [Project Area]; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Agency proposes to pay for all or part of the demolition of existing on-site structures and construction of a temporary parking lot on the block bounded by 11<sup>th</sup> and 12<sup>th</sup> Avenues, C Street and Broadway, also known as the "Smart Corner" Block [Demolition and Development]; and

WHEREAS, the Council has duly considered all conditions of the proposed payment for the Demolition and Development and believes that the payment by the Agency of all or part of the cost of the project by the Agency are in the best interest 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 requirements; NOW, THEREFORE,

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

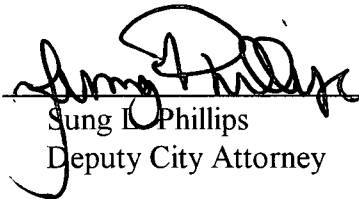
1. That it finds and determines that the Demolition and Development of existing on-site structures on the block bounded by 11<sup>th</sup> and 12<sup>th</sup> Avenues, C Street and Broadway, also known as the "Smart Corner" Block for which the Agency proposes to pay for, are of benefit to the Centre City Redevelopment Project Area, as described in Attachment No. 1.

2. That it finds and determines that the proposed Demolition and Development will assist in eliminating one or more blighting conditions inside the Project Area and that no other reasonable means of financing the Demolition and Development is available to the community, as described in Attachment No. 1.

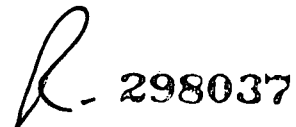
3. That it finds and determines that the Agency's funding of the Demolition and Development in the Project Area is consistent with the Implementation Plan for the Project Area, as adopted and thereafter amended by the Agency pursuant to California Health and Safety Code section 33490, as described in Attachment No. 1.

4. That it authorizes the City Clerk to deliver a copy of this resolution to the Executive Director and members of the Agency.

APPROVED: CASEY GWINN, City Attorney

By  \_\_\_\_\_  
Sung I. Phillips  
Deputy City Attorney

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Or.Dept:CCDC  
Aud.Cert:n/a  
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ATTACHMENT NO. 1  
FINDINGS OF BENEFITS

SUBJECT IMPROVEMENTS: REQUEST TO BID THE DEMOLITION OF THE SMART CORNER BLOCK - CORE REDEVELOPMENT DISTRICT OF THE EXPANSION SUB AREA OF THE CENTRE CITY REDEVELOPMENT PROJECT

I. FINDINGS OF BENEFIT

The subject improvements for which the Redevelopment Agency of the City of San Diego (Agency) proposes to pay will benefit the Core Redevelopment District of the Centre City Redevelopment Project Area or the immediate neighborhood in which the Project Area is located in that:

- A. These improvements are within the Core Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project, adjacent to underdeveloped properties.
- B. Demolition is planned for the block bounded by 11th & 12th avenues, "C" Street and Broadway. The elimination of blighting conditions will enhance the area for the benefit of nearby users as well as residents.
- C. The demolition and subsequent construction of the Park to Bay Link and the Smart Corner projects will act as a catalyst providing an incentive for private investment in the rehabilitation of the area.

II. NO OTHER REASONABLE MEANS OF FINANCING

There are no other reasonable means available to the community for financing the subject improvements for which the Agency proposes to pay in that:

- A. The Fiscal Year 2003 Budget for the City of San Diego (City) decreased 12.2%. The overall decrease resulted from the Ballpark Project Financing budgeted in the Capital Improvement Program (CIP) for Fiscal Year 2002. The other decreases included the Special Revenue, Debt Service and Tax Funds while the General and Enterprise Funds increased. Over the last several years, as the City's CIP has grown and revenues have leveled off, the City has developed phase funding to use available cash and minimize the issuance of bond proceeds. This is a means whereby large projects may be budgeted and contracted for in an efficient manner that maximizes the City's use of available funds.
- B. The City's capital improvement budget is funded primarily with water and sewer fees, developer impact fees, grant funds, enterprise fund revenues, Facility Benefit Assessment funds, Gas Tax and Transnet funds. The Fiscal Year 2003 Capital Improvement Program Budget decreased 45.3% from the Fiscal Year 2002 Budget. The Fiscal Year 2003 CIP Budget provides for the sewer upgrade of the City's Metropolitan and Municipal Wastewater System, water projects, Parks and Recreation projects, library projects, transportation projects and special projects.

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- C. Most major tax revenue categories continue to show signs of growth. Moderate growth is anticipated for most Fiscal Year 2003 major revenues. The economic growth rates for major revenue categories are property tax (9.0%), sales tax (4%), Transient Occupancy Tax (6%) and Motor Vehicle License fees (4%).
- D. The City's Fiscal Year 2003 Capital Improvements Budget (CIP) is embodied in Volumes IV and V of the City's Budget. The Agency's Fiscal Year 2003 Program Budget was adopted on July 30, 2002. The CIP and the Agency's Budget were developed in accordance with City and Council Policy, and each project activity was evaluated and incorporated in the respective budgets. Projects are funded based on need and the availability of appropriate funding sources. The City's CIP Budget totals \$373.4 million, a decrease of \$309.3 million over Fiscal Year 2002.

III. ELIMINATION OF BLIGHTING CONDITIONS AND CONSISTENCY WITH THE IMPLEMENTATION PLAN

The payment of funds toward the cost of the construction and installation of the subject improvements will assist in the elimination of one or more blighting conditions inside the Core Redevelopment District of the Expansion Sub Area and the proposed improvements are consistent with the Implementation Plan adopted for the Project Area pursuant to Health and Safety Code 33490, in that:

- A. The elimination of blighting conditions will enhance the neighborhood and facilitate construction of the Park to Bay Link and Smart Corner projects which will replace inadequate public improvements. The proposed demolition will remove these adverse conditions.
- B. The improvements will act as a catalyst providing an incentive for private investment, thereby contributing to the removal of economic blight.
- C. Completion of the demolition is a means to contribute to blight removal and is included in the work program of the Implementation Plan adopted June 21, 1994 pursuant to Health and Safety Code 33490.
- D. The demolition will facilitate the improvement of mass transit facilities in the area improving transit access to the public.
- E. "acquisition and disposition of property to abate nuisance uses and provide for future development"; as a means to address blighting conditions in the project area is included on page 4 of the work program of the Implementation Plans adopted July 20, 1999 and amended October 26, 1999 pursuant to Health and Safety Code 33490.