

RESOLUTION NUMBER R- 302398

DATE OF FINAL PASSAGE MAR 05 2007

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO MAKING CERTAIN FINDINGS WITH RESPECT TO THE FABRICATION AND INSTALLATION OF THE MARQUEE CANOPY AND VERTICAL BLADE SIGN FOR THE HISTORIC BALBOA THEATRE.

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 Horton Plaza Redevelopment Project Area [Project]; and

WHEREAS, the Centre City Development Corporation [CCDC] is responsible for implementing redevelopment projects in the Project Area; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Implementation Plans for the period of July 2004 – June 2009 for the Centre City and Horton Plaza Redevelopment Projects have previously been approved; and

WHEREAS, the Implementation Plans identify the Historic Balboa Theatre as a focus project and one of two structures that are blighted and require rehabilitation; and

WHEREAS, a study conducted by Harrison Price Company with assistance from Theatre Projects in 1986 concluded that there was a need for a first class, professional, mid-sized lyric theater (1,500 seats±), and over the past seventeen years no new or rehabilitated families have come on line, and therefore, the need has only grown; and

WHEREAS, the Historic Balboa Theatre is an important asset to the City of San Diego; and

WHEREAS, the Balboa Theatre is listed on the National Register of Historic Places and the Agency desires to rehabilitate the Balboa Theatre for adaptive reuse as a publicly maintained and operated state-of-the-art, multi-purpose, performing arts center; and

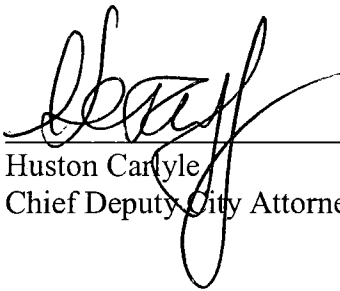
WHEREAS, the renovation phase of construction will prepare the building for occupancy; and

WHEREAS, the City Council has duly considered all conditions of the proposed payment for the Balboa Theatre fabrication and installation of the marquee canopy and vertical blade sign and believes that the payment by the Agency of all of the cost of the Balboa Theatre rehabilitation are in the best interests of the City and 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 City Council of the City of San Diego, as follows:

1. That the City Council finds and determines that the fabrication and installation of the marquee canopy and vertical blade sign for the Historic Balboa Theatre for which the Agency proposes to pay is of benefit to the Horton Plaza Redevelopment Project; and
2. That the City Council finds and determines that no other reasonable means for financing the Project are available to the community and that the Project will assist in eliminating one or more blighting conditions inside the Project Area, and that the Project is consistent with the Centre City and Horton Plaza Implementation Plans for July 2004 - June 2009, on file in the office of the Secretary to the Agency pursuant to California Health and Safety Code Section 33490, all as described in Attachment A; and
3. That the City Council has previously reviewed and considered the information contained in the Master Environmental Impact Report for the Centre City Redevelopment Project, which includes the Horton Plaza Redevelopment Project and the Balboa Theatre, and the Environmental Secondary Study prepared for the rehabilitation of the Balboa Theatre.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Huston Carlyle
Chief Deputy City Attorney

HC:sc
02/14/07
Aud.Cert.:N/A
R-2007-806

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego,
at this meeting of FEB 27 2007.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 3-5-07
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

01

ATTACHMENT A

FINDINGS

SUBJECT IMPROVEMENTS:

Fabrication and installation of the marquee canopy and vertical blade sign for the rehabilitation of the Historic Balboa Theatre (located at Fourth Avenue and E Street) - Horton Plaza Redevelopment Project Area

The subject improvements for which the Redevelopment Agency of the City of San Diego (Agency) proposes to pay will benefit the *Horton Plaza* Redevelopment Project or the immediate neighborhood in which the Project area is located in that:

- A. The *Balboa Theatre* is within the *Horton Plaza* Redevelopment Project, and adjacent to the *Gaslamp Quarter Historic District*;
- B. The *Balboa Theatre* is located adjacent to properties that have been redeveloped and will not likely be redeveloped in the near future;
- C. The *Balboa Theatre* has suffered several failed attempts of rehabilitation and reuse by the private sector due to a failure to deliver the building program, operation scenario, and financial resources necessary;
- D. The improvements will enhance the *Horton Plaza* Redevelopment Project, and adjacent *Gaslamp Quarter Historic District* by eliminating blight and advancing the development of an historic asset;
- E. The *Balboa Theatre rehabilitation* will advance the Visions and Goals of the *Horton Plaza* Redevelopment Project by strengthening the Arts District, thereby contributing to the growth of making downtown the dominant regional center for the arts, entertainment, dining and public festivals;
- F. The *Balboa Theatre* will provide a community facility to cater toward both downtown residents and visitors.
- G. The *rehabilitation of the Balboa Theatre* will fulfill the requirements of the *Historic Preservation Focus Plan and the 2004-2009 Implementation Plans for Centre City and Horton Plaza*; and
- H. The *renovation is the third phase of construction required for the rehabilitation*, and will allow the building to obtain a Certificate of Occupancy and restore it to a fully functioning theatrical assembly use building.

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:

City of San Diego

- A. The Fiscal Year 2007 Budget for the City of San Diego ("City") increased approximately 0.14% from \$2.552 billion to \$2.556 billion. Over the last several years, as the City's Capital Improvement Program 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 2007 Capital Improvement Program Budget decreased 25% from the Fiscal Year 2006 Budget. The Fiscal Year 2007 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. This is mainly attributable to the City temporarily being unable to access the bond market.
- C. The Agency's Fiscal Year 2007 Program Budget was adopted on May 31, 2006. 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 \$293.7 million, a decrease of \$95.9 million over Fiscal Year 2006.

III. ELIMINATION OF BLIGHTING CONDITIONS

The payment of funds toward the cost of the *rehabilitation* of the subject project will assist in the elimination of one or more blighting conditions inside *the Horton Plaza Redevelopment Project* and adjoining *Gaslamp Quarter Historic District*. The proposed improvements are consistent with the Implementation Plan adopted for the Project pursuant to Health and Safety Code 33490, in that:

- A. The blighted historic structure will become a cultural amenity in the Project Areas, thereby attracting additional investment to the area and improving a blighted property.
- B. The *rehabilitation* will enrich the downtown neighborhoods through preservation of a historically significant structure.
- C. The *rehabilitation* will include improvements that provide improved pedestrian access to public and private properties.
- D. The *rehabilitation* of this property is included in the work program of the Implementation Plan adopted July 20, 2004 pursuant to Health and Safety Code 33490.