

RESOLUTION NUMBER R- 303782

DATE OF FINAL PASSAGE JUN 0 2 2008

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ESTABLISHING A SPECIAL INTEREST-BEARING FUND; ACCEPTING A ONE-TIME PAYMENT FOR THE ESTABLISHMENT OF THE SPECIAL INTEREST-BEARING FUND; AND MAKING CERTAIN FINDINGS WITH RESPECT TO THE USE OF TAX INCREMENT TO FUND THE CLARIEMONT DRIVE MEDIAN IMPROVEMENTS.

WHEREAS, the Council of the City of San Diego [City] implements projects to improve economic and physical conditions in the City of San Diego; and

WHEREAS, the Redevelopment Agency of the City of San Diego [Agency] and City desire to cooperate in the construction of public improvements designed to enhance the appearance, functionality, and safety of existing conditions in the North Bay Redevelopment Project Area [Project Area]; and

WHEREAS, City wishes to establish a special interest-bearing fund for the purpose of maintaining the Clairemont Drive median improvements and authorize yearly appropriations to pay for the maintenance of the median improvements; NOW, THEREFORE,

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

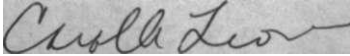
1. That the Council finds and determines: (a) that the Clairemont Drive median improvements are of benefit to the North Bay Redevelopment Project Area; (b) that no other reasonable means for financing is available to the community; (c) that the Project will assist in eliminating one or more blighting conditions in the Project Area; and (d) that the Project is consistent with the Implementation Plan adopted for the Project by the Agency July 29, 2003 on file as Document No. 03664 in the office of the Secretary to the Agency pursuant to California Health and Safety Code Section 33490. These findings are set forth in more detail in Attachment 1 hereto.
2. That the City Auditor and Comptroller are authorized to establish a special interest-bearing fund for the purpose of funding on-going, long-term maintenance of the Clairemont Drive median.

3. That the City Auditor and Comptroller are authorized to accept a one-time payment of \$100,000 from Burgener-Clark, LLC to be deposited in the interest-bearing Fund for the long-term maintenance of the Clairemont Drive median.

4. That the City Auditor and Comptroller are authorized to appropriate and expend up to \$5,000 per fiscal year, adjusted for inflation, from the special interest-bearing fund for maintenance of the Clairemont Drive median, contingent upon the Auditor and Comptroller certifying funds are available.

BE IT FURTHER RESOLVED that this activity is exempt from CEQA pursuant to State CEQA Guidelines Section 15060 (c) (3).

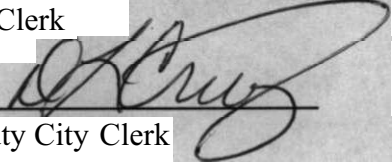
APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Carol A. Leone
Deputy City Attorney

CAL:cfq
05/06/08
Or.Dept:RA
R-2008-1026
Redevelopment: Companion RA-2008-133
MMS#6220

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 7 2008 .

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: (date)

Af>L
JERRYMANDERS, Mayor

Vetoed: (date)

JERRY SANDERS, Mayor

Findings
(Health & Safety Code § 33445)
North Bay Redevelopment Project Area

SUBJECT IMPROVEMENTS:
CLAIREMONT DRIVE MEDIAN IMPROVEMENTS

The following findings are for the construction of the Clairemont Drive median improvements in the Clairemont community within the North Bay Redevelopment Project Area.

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 North Bay Redevelopment Project Area in that:

- A . The improvements are within the North Bay Redevelopment Project Area.
- B . The improvements will enhance portions of the North Bay Redevelopment Project Area for the benefit of residents, visitors, and merchants.
- C . The improvements will provide improved traffic mobility and pedestrian safety along a commercial and transit corridor.

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 City's Capital Improvement Budget is funded with water and sewer fees, a half-cent local sales tax for transportation improvements, development impact fees, State and Federal grants and/or the issuance of bonds. The Fiscal Year 2008 Adopted Capital Improvements Program (CIP) Budget totals \$491.6 million, which is an increase of \$197.9 million from the Fiscal Year 2007 Annual Budget.
- B. Priorities of the City's CIP budget are to address deferred maintenance projects, which according to the City's 2009-2013 Five-Year Financial Outlook (January 2008) is estimated to be at least \$800 to \$900 million, excluding Water and Wastewater.

- A. The Agency's Budget was developed in accordance with City and Council Policy, and each project activity was evaluated and incorporated in the respective budgets. The Fiscal Year 2008 Annual Budget for City Redevelopment totals \$128.2 million. Of this amount, \$91.4 million is comprised of new funds with \$36.8 million carrying over from the previous year. The Agency also secured a \$70.0 million three-year line of credit through San Diego National Bank. This line of credit will be drawn upon to cover an estimated \$47.0 million of redevelopment project expenditures during Fiscal Year 2008. Tax increment to be generated in Fiscal Year 2008 in the City Redevelopment areas is estimated to exceed \$39.2 million.
- B. The cost of the Clairemont Drive median improvements in the Clairemont community is approximately \$215,000 (estimate). There are currently no funds allocated in the 2008 CIP Annual Budget to fund this Project. The Redevelopment Agency shall contribute up to \$215,000 of North Bay Redevelopment Project Area tax increment funds to finance these improvements.
- C. Funding from the CIP Budget for this project is presently unavailable as all available CIP funds for this fiscal year have been allocated to other priority public infrastructure projects.
- D. Revenue forecasts for Fiscal Year 2008 suggest that the rate of growth of the City's primary sources of revenue is expected to continue to show growth, though at a slower pace, and is expected to exceed the State and national economic trends from Fiscal Year 2007.

ELIMINATION OF BLIGHTING CONDITIONS

The payment of Agency funds toward the cost of the improvements will assist in the elimination of one or more blighting conditions inside the North Bay Redevelopment Project Area in that:

- A. The improvements will help to eliminate physical blighted conditions as the improvements will correct and upgrade substandard and deteriorated infrastructure and will improve traffic mobility and pedestrian safety.
- B. The improvements will upgrade deficient public right-of-way space by the construction of the Clairemont Drive median.
- C. The improvements will upgrade public infrastructure that does not meet City's standards for commercial, business and transit corridors.

D . The improvements will help eliminate economic blighted conditions in that the traffic mobility and pedestrian safety will be enhanced, provide incentive for private investment, and improved maintenance in the surrounding area.

FINDINGS OF CONSISTENCY WITH IMPLEMENTATION PLAN

The payment of Agency funds toward the cost of the improvements are consistent with the Second Five-Year Implementation Plan for the Project Area, adopted pursuant to Health and Safety Code Section 33490, in that:

- A . The improvements are consistent with the Second Implementation Plan for the North Bay Redevelopment Project, which is recorded with the Agency as Document No. D-03664 and dated July 29, 2003, in that the improvements address the Implementation Plan's specific goals and objectives including:
- i . Eliminate and prevent the spread of blight and deterioration, and conserve, rehabilitate, and redevelop the Project Area in accordance with the General Plan, specific plans, and local codes and ordinances;
 - i i . Improve, promote, and preserve the positive neighborhood characteristics in North Bay, while correcting physical and economic deficiencies in the community;
 - iii. Enhance pedestrian and vehicular mobility, and improve transportation facilities in compliance with ADA regulations;
 - i v . Enhance infrastructure facilities which improve the community and support public safety, health, and local vitality; and
 - v. Build public improvements to eliminate physical and economic conditions of blight.