

9/08/09

305235

RESOLUTION NUMBER R-

DATE OF FINAL PASSAGE SEP 16 2009

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE PROPOSED CONCEPTUAL CHANGES TO THE ARTICLES OF INCORPORATION, BYLAWS AND OPERATING AGREEMENTS OF THE CENTRE CITY DEVELOPMENT CORPORATION AND SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION.

WHEREAS, the Operating Agreements between the City of San Diego and the Southeastern Economic Development Corporation [SEDC] and Centre City Development Corporation [CCDC]; have not been updated since 1981 and 1986, respectively; and

WHEREAS, following the September 2008 release of the SEDC performance audit by Macias Consulting Group, numerous City officials and stakeholders have participated in a deliberative and public process to develop a set of recommendation to effectuate greater oversight and accountability of both SEDC and CCDC; and

WHEREAS, a performance audit of CCDC by Sjoberg and Evanshenk, released in July 2009, further confirmed the need to strengthen oversight of the Corporations; and

WHEREAS, both performance audits tied a number of their significant findings to deficiencies in the existing Operating Agreements; and

WHEREAS, a number of the above recommendations were determined to be better addressed within the Bylaws of both SEDC and CCDC, particularly those that relate to providing the City, as the sole member of the Corporations', the authority necessary to expand its oversight role, and those that further clarify the Corporations' accountability to the City and the taxpayers; and

WHEREAS, on July 15, 2009, the Rules Committee voted 5-0 to forward the proposals to the City Council without recommendation, with direction to the IBA to compile all

recommendations from the Mayor's Office, the IBA, the Performance Audits, CCDC, SEDC, the Rules Committee and the Audit Committee into one document; and

WHEREAS, the IBA has compiled those recommendations which are presented in Attachment A to IBA Report No. 09-70, "Proposed Revisions to the SEDC and CCDC Operating Agreements and Corporation Bylaws;" NOW THEREFORE,

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

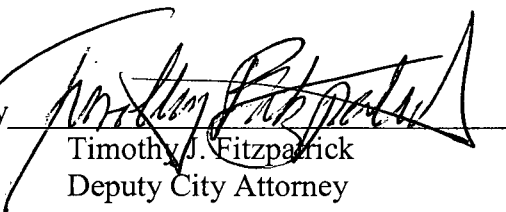
Section 1. That the proposed conceptual changes to the Articles of Incorporation, Bylaws and Operating Agreements of the Centre City Development Corporation and Southeastern Economic Development Corporation as set forth in Attachment A to IBA Report No. 09-70, "Proposed Revisions to the SEDC and CCDC Operating Agreements and Corporation Bylaws" [IBA Report] are approved with the following modifications:(i) Item 1: provide the Council with the authority to terminate the President for cause with a two-thirds vote of the Council in the event the Mayor takes no action; (ii) Item 2: provide that the Mayor and Council shall each be entitled to appoint one additional member to the Board of Directors of both CCDC and SEDC and to no longer require that the Council appointee be a citizen and to further provide that such appointee may not be a Councilmember; (iii) Item 8: provide that: (a) the Mayor has the right to suspend and recommend removal by the Council of any of the members of the Board of Directors of CCDC and SEDC [Board] by a simple majority vote of the Council; and (b) the Council may also remove any of the members of the Board with or without cause with a two-thirds vote; (iv) Item 25: clarify that the lobbying prohibition of this item applies for no less than one year after any prior member of the Board is no longer a director of the Board for whatever reason, and (v) Item 26: request that the City Attorney: (a) review the legal issues in connection with recommendations of Item 26 and provide an analysis to the Council and (b) review the

addition of language to Item 26 that provides if the Mayor does not appoint a member(s) of the Board within 90 days after any vacancy that causes the membership of the Board to fall below a minimum of two-thirds of the full Board, that the Council may appoint a member of the Board to fill such vacancy.

Section 2. That the Independent Budget Analyst is directed to work with Redevelopment Agency staff and the City Attorney's Office to make the proposed changes and to include standard legal provisions/recommended revisions to the Articles of Incorporation, Bylaws and Operating Agreements of the Centre City Development Corporation and Southeastern Economic Development Corporation.

Section 3. That the Independent Budget Analyst is to return to the City Council and Redevelopment Agency for final approval of the amended Articles, Bylaws and Operating Agreements of Southeastern Economic Development Corporation and Centre City Development Corporation.

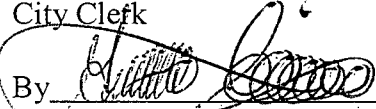
APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Timothy J. Fitzpatrick
Deputy City Attorney

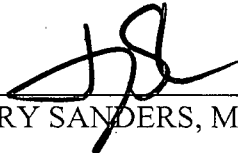
TJF:jdf
08/18/09
09//10/09 REV.
Or.Dept:IBA
R-2010-110

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of SEP 08 2009

ELIZABETH S. MALAND
City Clerk

By  for Mary Zuniga
Deputy City Clerk

Approved: 9-16-09
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor