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(R-2010-97)
MEET 9/08/09

RESOLUTION NUMBER R- 305236

DATE OF FINAL PASSAGE SEP 23 2009

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO (i) AUTHORIZING THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO [AGENCY], BY AND THROUGH THE CENTRE CITY DEVELOPMENT CORPORATION, TO ADMINISTER AND MANAGE THE CONSTRUCTION OF THE EAST VILLAGE PUBLIC IMPROVEMENTS PROJECT LOCATED ADJACENT TO 105 SEPARATE PARCELS THROUGHOUT THE EAST VILLAGE REDEVELOPMENT DISTRICT OF THE EXPANSION SUB AREA OF THE CENTRE CITY REDEVELOPMENT PROJECT AREA (ii) MAKING CERTAIN FINDINGS FOR THE EXPENDITURE OF AGENCY FUNDS FOR THE CONSTRUCTION OF THE EAST VILLAGE PUBLIC IMPROVEMENTS, IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445; AND (iii) AGREEING TO ACCEPT THE EAST VILLAGE PUBLIC IMPROVEMENTS UPON COMPLETION.

WHEREAS, the Redevelopment Agency of the City of San Diego [Agency] is engaged in activities necessary to carry out and implement the Redevelopment Plan [Redevelopment Plan] for the Centre City Redevelopment Project Area [Project Area]; and

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

WHEREAS, in order to implement the Redevelopment Plan, the Agency previously approved the Fourth Five-Year Implementation Plan for the period of July 2009 – June 2014 for the Centre City and Horton Plaza Redevelopment Projects [Implementation Plan]; and

WHEREAS, the Implementation Plan identifies the need to contribute to blight removal by constructing off-site improvements, including sidewalks, lighting, street trees and street furniture within the Project Area; and

WHEREAS, the proposed East Village Public Improvements consist of the removal and replacement of damaged sidewalks, driveways, parkways, curbs, gutters, non-ADA compliant pedestrian ramps, and utility boxes, and installation of missing street trees per the Centre City Streetscape Manual; and

WHEREAS, Agency funds in the amount of \$2,868,600 are available in the Agency's Fiscal Year 2010 Public Infrastructure Budget to pay for the total cost of construction of the East Village Public Improvements; and

WHEREAS, the Agency now proposes to implement, administer and manage the construction of the East Village Public Improvements, by and through the Corporation, and to contribute up to \$2,868,600 from the Project Area's tax increment funds to pay for the cost of construction of the East Village Public Improvements; and

WHEREAS, although the City will own the East Village Public Improvements, the Agency desires to pay for the cost of the construction of the East Village Public Improvements because the City presently has insufficient funding for said East Village Public Improvements; and

WHEREAS, the City Council has duly considered the actions described above and the proposed Agency financial contribution for the construction of the East Village Public Improvements and finds that the actions and the payment by the Agency of all or part of the costs of the East Village Public Improvements are of primary benefit to the Project Area and are in the best interests of the Project Area, the City and the safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law requirements; and

WHEREAS, this activity is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301; Existing Facilities, Class 1 (c). The activity does not fall within any of the classes of projects for which a categorical exemption may not be applied (Pub. Resources Code Section 21084). Moreover, this activity triggers none of the exceptions to the application of a categorical exemption set forth in CEQA Guidelines Section 15300.2. Therefore, the application of the categorical exemption set forth under CEQA Guidelines Section 15301. Existing Facilities, Class 1 (c), is appropriate for this activity; NOW, THEREFORE,

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

1. That the Council authorizes the Redevelopment Agency of the City of San Diego [Agency], on behalf of the Centre City Development Corporation [Corporation], to administer and manage the design and construction of the East Village Public Improvements (described above), for the East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project Area [Project Area].

2. That the Council authorizes the City of San Diego [City] to accept the East Village Public Improvements upon completion.

3. That the Mayor or designee is hereby authorized to execute all documents on behalf of the City that are necessary and appropriate to carry out and implement the purposes set forth in this Resolution according to its terms, and to administer the City's obligations, responsibilities and duties to be performed hereunder.

4. That the Council finds and determines each of the following, in accordance with California Health and Safety Code 33445:

(a) That the East Village Public Improvements for which the Agency proposes to pay will benefit the East Village Redevelopment District of the Project Area or the immediate neighborhood in which the Project Area is located in that:

(1) The East Village Public Improvements will improve public safety and health conditions.

(2) The East Village Public Improvements will increase the quality of life for downtown residents, visitors, and business by improving the surface improvements and enhancing the urban forestry element based on the Centre City Streetscape Manual.

(3) The East Village Public Improvements will replace damaged and non-ADA compliant concrete surfaces; thereby providing a safe pedestrian walkway and a more eco-friendly and livable environment by the installation of missing street trees

(b) That no other reasonable means of financing the East Village Public Improvements is available to the community (i.e. the City), as follows:

(1) In Fiscal Year 2009, the City of San Diego [City] experienced declining revenues in the City's four major revenue sources (property tax, sales tax, Transient Occupancy Tax [TOT], and franchise fees), resulting in a \$39.0 million reduction from the Fiscal Year 2009 Adopted Budget.

(2) In response to the economic downturn, the City of San Diego reduced its General Fund revenue projections for Fiscal Year 2009 and restricted departmental spending. To balance the General Fund budget, City Council adopted the Fiscal Year 2009 Revised Budget on December 9, 2008 and February 3, 2009 by reducing \$36.6 million in expenditures. These Fiscal Year 2009 budget adjustments were carried forward into the Fiscal Year 2010 Adopted Budget.

(3) The Fiscal Year 2010 Adopted Budget for the City of San Diego decreased by approximately 5.8% from \$3.13 billion to \$2.95 billion. The Fiscal Year 2010 Budget reflects General Fund revenues and expenditures of \$1.13 billion, representing a decline of \$62.9 million or 5.3% over the Fiscal Year 2009 Adopted Budget. The General Fund Budget includes 7,396.92 FTE positions, a decrease of 148.30 FTE positions over the Fiscal Year 2009 Adopted Budget. The net decrease in General Fund positions is primarily due to the elimination of 146.95 FTE positions carried forward from the Fiscal Year 2009 Revised Budget.

(4) The City's Fiscal Year 2010 General Fund balanced budget, approved by City Council in June 2009, includes reduced revenue projections adjusted for a continuation of slow economic growth and a continued constriction of economic activity. Growth in revenues is anticipated to be negative in most major revenue categories such as sales tax, TOT, and property tax. The City Charter requires the City to maintain a balanced budget. The economic downturn and the negative effect of the Fiscal Year 2010 reduced revenues of approximately \$62.9 million (over the Fiscal Year 2009 Adopted General Fund Budget) confirms the need for the Agency to fund these improvements.

(5) The City's capital improvement budget is funded from various sources, including water and sewer fees, Development Impact Fees, grant funds, Facilities Benefit Assessment funds, and sale of City-owned property and TransNet funds. The Fiscal Year 2010 Capital Improvement Program [CIP] Budget totals \$478.4 million, a decrease of \$108.5 million from Fiscal Year 2009. The Fiscal Year 2010 CIP Budget provides for improvements to the City's water and sewer systems and projects for park and recreation, library, and transportation. Despite the decrease in the City's CIP Budget, it is estimated that the City's deferred maintenance capital needs, excluding water and sewer projects, may be at least \$800 to

\$900 million. The City financed \$103 million of this backlog in fiscal year 2009, but given the current economic recession and the decline in General Fund revenues, the City is unable to expend General Fund revenues on additional capital projects this fiscal year.

(6) On March 4, 2009 the Agency entered into a co-operation agreement with the City of San Diego to fund the debt service on the PETCO Park bonds for the next five years due to the economic downturn and negative growth rates for some major revenues. (Resolution No. R-304728/Agency Report CCDC-09-07)

(c) That the payment of Agency funds toward the cost of the East Village Public Improvements will assist in the elimination of one or more blighting conditions within the East Village Redevelopment District of the Project Area, in that:

(1) The East Village Public Improvements will enhance the neighborhood and replace inadequate public improvements. The East Village Public Improvements will remove and replace these adverse conditions, upgrading to match the improvements on nearby streets.

(2) The East Village Public Improvements will act as a catalyst providing an incentive for private investment, thereby contributing to the removal of economic blight.

(3) "Improvements to existing water and sewer lines, streets, sidewalks, parkways, and lighting in the public right-of-way; continued participation in the enhancement of the public transit system" are specific means to contribute to blight removal as identified on page 4 of the work program of the Implementation Plan adopted on June 19, 2009, pursuant to California Health and Safety Code 33490.


(d) That the payment of Agency funds toward the cost of the East Village Improvements is consistent with the Fourth Five-Year Implementation Plan adopted on June 19, 2009 for the Project Area pursuant to California Health and Safety Code 33490, in that:

(1) The East Village Public Improvements address the specific goals and objectives of the Fourth Five-Year Implementation Plan, as identified on page seven of the work program, which states in pertinent part as follows: "Replacement of public improvements allows new development to occur." A copy of the Fourth Five-Year Implementation Plan is on file with the Agency as Document No. D-04405e.

(2) By furthering the specific goals and objectives of the Fourth Five-Year Implementation Plan, the East Village Public Improvements and the Agency's payment thereof are a means to eliminate blight within the Project Area and to facilitate the objectives of the Fourth Five-Year Implementation Plan.

APPROVED: JAN I. GOLDSMITH, City Attorney

By



Krishna F. Jayaram
Deputy City Attorney

KFJ:nda
08/10/09
Or.Dept:CCDC
R-2010-97
MMS#10112
Comp. RA-2010-11

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 
Deputy City Clerk

Approved: 9-23-09
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor