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MEET

RESOLUTION NUMBER R- 305367

DATE OF FINAL PASSAGE NOV 12 2009

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO MAKING CERTAIN FINDINGS AND DETERMINATIONS RELATING TO THE USE OF TAX INCREMENT FUNDS FROM THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO TOWARD NEW STREETScape IMPROVEMENTS WITHIN THE NORTH PARK REDEVELOPMENT PROJECT AREA IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445.

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 North Park Redevelopment Project Area [Project Area]; and

WHEREAS, in order to implement the Redevelopment Plan for the Project Area, the Agency, pursuant to Resolution No. R-04182 adopted effective July 26, 2007, approved the Third 5-Year Implementation Plan for the period of Fiscal Years 2008 through 2012 for the North Park Redevelopment Project [Third Implementation Plan], on file with the secretary of the Agency as Document No. D-04182, in accordance with California Health and Safety Code section 33490; and

WHEREAS, the Redevelopment Plan and the Third Implementation Plan identify the need for the construction of streetscape improvements to eliminate blighting conditions; and

WHEREAS, the Agency now proposes to contribute up to \$125,000 from the Project Area's tax increment funds as an increase in the Fiscal Year 2010 Capital Improvement Program [CIP] Budget in WBS No. S-10050, North Park Mini-Park and Streetscape Improvements, Fund No. 200356, RDA Contributions – NP, to pay for the cost of completion of a Streetscape Master

Plan comprising design work that ultimately could result in the future construction of proposed streetscape and traffic calming improvements along portions of Utah Street, 29th Street and North Park Way within the Project Area [Improvements]; and

WHEREAS, the potential future construction of the Improvements will help improve the area located adjacent to a public park consisting of approximately one-half acre to be developed potentially in the future, often referred to as the future North Park Mini-Park; and

WHEREAS, the Agency desires to pay for the cost of the Improvements (including the preliminary design work in the form of the Streetscape Master Plan) to implement the goals and objectives of the Redevelopment Plan and the Third Implementation Plan because the City presently has insufficient funding for the Improvements; and

WHEREAS, the City will manage the design and any future construction of the Improvements in connection with the City's existing CIP project known as the North Park Mini-Park and Streetscape Improvements Project; and

WHEREAS, the Agency's potential additional funding for construction-related items will be considered as part of future City and Agency actions after completion of the preliminary design work for the Improvements; and

WHEREAS, the Council of the City of San Diego has duly considered the Agency's proposed financial contribution toward the cost of the Improvements and finds that such financial contribution is 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, the Agency's proposed funding activity is not subject to the California Environmental Quality Act [CEQA] because it involves preliminary design work and thus is not a "project" for purposes of CEQA pursuant to State CEQA Guidelines section 15060(c)(3), and any future construction of the Improvements arising as a result of this preliminary design work will be subject to environmental review in compliance with CEQA; NOW, THEREFORE,

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

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

(a) That the Improvements (including both the preliminary design work and potential future construction) for which the Agency proposes to pay will benefit the Project Area and the immediate neighborhood in which the Improvements would be located, in that:

(1) The Improvements are within the Project Area.

(2) The Improvements will enhance portions of the Project Area for the benefit of residents, grade school students, visitors, and merchants.

(3) The Improvements will improve pedestrian and vehicular safety and circulation by creating wider sidewalks and implementing traffic calming measures.

(b) That no other reasonable means of financing the Improvements is available to the community (i.e., the City), in that:

(1) In Fiscal Year 2009, the 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 percent 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 percent over the Fiscal Year 2009 Adopted Budget. The General Fund Budget includes 7,396.92 full-time equivalent [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) confirm 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 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 No. CCDC-09-07.)

(c) That the payment of Agency funds for the cost of the Improvements will assist in the elimination of one or more blighting conditions within the Project Area, in that:

(1) The Improvements will correct and upgrade substandard and deteriorated infrastructure, thereby improving pedestrian and vehicular safety and circulation.

(2) The Improvements will upgrade deficient public right-of-way space with new infrastructure that will enhance the image of North Park, particularly at the intersection between residential corridors and busy commercial corridors.

(3) The Improvements will improve mobility with new infrastructure that will enhance area walkability.

(4) The Improvements will provide public infrastructure in an area that currently does not meet the City's street lighting standards for commercial, business and residential corridors.

(d) That the Improvements are consistent with the Third Implementation Plan and are provided for in the Redevelopment Plan for the Project Area, in that:

(1) The Improvements address the specific goals and objectives of the Third Implementation Plan and the Redevelopment Plan, including:

i. To encourage conservation, rehabilitation, and redevelopment in order to eliminate and prevent the spread of deterioration and blight in the Project Area;

ii. To improve, promote, and preserve the positive neighborhood characteristics of the Project Area while correcting its physical and economic deficiencies;

iii. To foster pedestrian and transportation alternatives throughout the Project Area;

iv. To redesign and construct street improvements, public lighting and other public improvements; and

v. To support the expansion of, and improvements to, park and recreational facilities and open spaces.

(2) The Improvements are consistent with the Third Implementation Plan's Fiscal Year 2008 – Fiscal Year 2012 Five Year Projects Schedule, including the Fiscal

Year Work Program, which includes commencing construction of the North Park Mini-Park (to be developed in the future and located adjacent to the Improvements) and monitoring and coordinating public sector activities within the Project Area sponsored by the City and other public entities, including streetscape and lighting and landscaping improvement activities.

(e) All of the findings set forth herein above, as well as the nature and scope of the Improvements, are more fully described in the Special Findings accompanying Report No. RA-09-11 to the Agency for this action and incorporated herein by this reference. To the extent there is any inconsistency between this Resolution and the Special Findings document, this Resolution shall control.

2. That the Council hereby consents to the Agency's payment for the cost of design of the Improvements using tax increment proceeds generated from the Project Area.

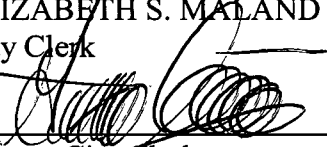
APPROVED: JAN I. GOLDSMITH, City Attorney

By Kevin Reisch
Kevin Reisch
Deputy City Attorney

KR:cw
09/08/09
Or.Dept:CPCI
R-2010-140
MMS #7733
Companion Item to: RA-2010-16
Companion Item to: R-2010-75, MMS# 8193

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of OCT 27 2009.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 11.12.09
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor