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ORDINANCE NUMBER O- 19975 (NEW SERIES)

DATE OF FINAL PASSAGE VETOED BY MAYOR ON 7/29/2010

AN ORDINANCE SUBMITTED TO THE QUALIFIED VOTERS OF THE CITY OF SAN DIEGO AT THE MUNICIPAL SPECIAL ELECTION CONSOLIDATED WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 2, 2010, ONE PROPOSITION FOR THE ADOPTION OF AN ORDINANCE AUTHORIZING THE DESIGN AND CONSTRUCTION OF A CIVIC CENTER.

WHEREAS, during the past twenty years, numerous studies have been commissioned by the City to assess the costs to renovate the existing Civic Center structures to identify possible alternative sites on which to construct a new City Hall, to evaluate the continued economic viability of operating the Concourse as a meeting facility, to forecast continued costs of leasing and to study the feasibility of redeveloping portions of the Civic Center site; and

WHEREAS, in 2007, alternatives were sought to minimize the City's occupancy costs for the more than 3,000 downtown employees, which began with a nationwide Request for Qualifications seeking responses from highly qualified development teams, and through several rounds of selection by a volunteer selection committee composed of members with diverse disciplines resulted in 2008 in the issuance of a Request for Proposals [RFP] to the two finalist teams; Hines and GEDI California, Inc. [GEDI]; and

WHEREAS, on October 12, 2009, the Council of the City of San Diego approved the execution of an Exclusive Negotiation Agreement [ENA] with GEDI California, Inc. for the development of a new City Hall and possible ancillary private uses, provided numerous City goals were addressed as primary considerations during the negotiations; and

WHEREAS, by Ordinance No. O-19965, adopted on June 28, 2010, the City Council of the City of San Diego is calling a Municipal Special Election to be consolidated with the Statewide General Election on November 2, 2010, for the purpose of submitting to the qualified voters of the City one or more ballot propositions; and

WHEREAS, the Council finds that the completion of the Civic Center will allow the City to vacate the current leased office space and avoid rehabilitation to the current City-owned facilities, and directs that if the measure is approved, \$1,000,000 each year for the first 10 years be spent towards road maintenance and repairs, public safety, and community service; and

WHEREAS, the Council finds that the design and construction of the Civic Center will employ over 2000 people; and

WHEREAS, the Council finds that the use of City-owned office space in the proposed Civic Center is anticipated to save the City \$40 million over 20 years compared to the cost of delaying the construction for 10 years, which would require the renewal of leases and the expenditure of approximately \$37 million in necessary repairs and capital improvements to the current City owned buildings; and

WHEREAS, the City Council desires to submit to the voters at the Municipal Special Election one proposition for the adoption of an ordinance authorizing the design and construction of a Civic Center Complex; NOW THEREFORE,

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

Section 1. One proposition for the adoption of an ordinance authorizing the design and construction of a Civic Center is hereby submitted to the qualified voters of the City at the Municipal Election to be held November 2, 2010, the proposition to read as follows:

PROPOSITION

**AN ORDINANCE AUTHORIZING THE DESIGN AND CONSTRUCTION
OF A CIVIC CENTER**

WHEREAS, during the past twenty years, numerous studies have been commissioned by the City to assess the costs to renovate the existing Civic Center structures to identify possible alternative sites on which to construct a new City Hall, to evaluate the continued economic viability of operating the Concourse as a meeting facility, to forecast continued costs of leasing and to study the feasibility of redeveloping portions of the Civic Center site; and

WHEREAS, in 2007, alternatives were sought to minimize the City's occupancy costs for the more than 3,000 downtown employees, which began with a nationwide Request for Qualifications seeking responses from highly qualified development teams, and through several rounds of selection by a volunteer selection committee composed of members with diverse disciplines resulted in 2008 in the issuance of a Request for Proposals [RFP] to the two finalist teams; Hines and GEDI California, Inc. [GEDI], that submitted response proposals to the RFP; and

WHEREAS, on October 12, 2009, the Council of the City of San Diego approved the execution of an Exclusive Negotiation Agreement [ENA] with GEDI for the development of a

new City Hall and possible ancillary private uses, provided numerous City goals were addressed as primary considerations during the negotiations; and

WHEREAS, the City and GEDI have negotiated an agreement for the design and construction of a Civic Center that meets each of the City goals set forth in the ENA for a maximum price of \$293,500,000, excluding interest payments on the financing debt; and

WHEREAS, the Civic Center consists of a City Hall building, Council Chambers, retail space, underground parking, and public plaza improvements; and

WHEREAS, the Council finds that the completion of the Civic Center will allow the City to vacate the current leased office space and avoid rehabilitation to the current City-owned facilities, and directs that \$1,000,000 each year for the first 10 years be spent towards road maintenance and repairs, public safety, and community service; and

WHEREAS, the Council finds that the design and construction of the Civic Center will employ over 2000 people; and

WHEREAS, the Council finds that the use of City-owned office space in the proposed Civic Center is anticipated to save the City \$40 million over 20 years compared to the cost of delaying the construction for 10 years, which would require the renewal of leases and the expenditure of approximately \$37 million in necessary repairs and capital improvements to the current City owned buildings;

NOW THEREFORE,

BE IT ORDAINED BY THE PEOPLE OF THE CITY OF SAN DIEGO as follows:

Section 1. That the City is hereby authorized and directed to enter into the agreements necessary to cause the design and construction of a Civic Center, provided that any such agreements do not exceed the maximum price of \$293,500,000, excluding financing interest payments.

Section 2. This Ordinance shall become effective on the date the final canvass is issued by the County Registrar of Voters in accordance with Charter section 295(d).

--END OF PROPOSITION--

Section 2. The proposition shall be presented and printed on the ballot and submitted to the voters in the manner and form set out in Section 3 of this Ordinance.

Section 3. On the ballot to be used at this Municipal Election, in addition to any other matters required by law, there shall be printed substantially the following:

| | | |
|--|-----|--|
| PROPOSITION ____ . AUTHORIZING AGREEMENTS FOR THE CONSTRUCTION OF A CIVIC CENTER. | YES | |
| Shall the City of San Diego contract for the construction of a Civic Center not to exceed \$293,500,000 excluding financing interest; holding developer responsible for cost and schedule overruns; saving approximately \$40,000,000 over 20 years compared to building 10 years later, renewing leases, and spending \$37,000,000 on building repairs; and upon completion directing \$1,000,000 each year for 10 years to public safety, community services, and road improvements? | NO | |

Section 4. An appropriate mark placed in the voting square after the word "Yes" shall be counted in favor of the adoption of this proposition. An appropriate mark placed in the voting square after the word "No" shall be counted against the adoption of this proposition.

Section 5. Passage of this proposition requires the affirmative vote of a majority of these qualified electors voting on the matter at the Municipal Special Election.

Section 6. The City Clerk shall cause a digest of this ordinance to be published once in the official newspaper on the Friday following adoption by the City Council. No other notice of the election on this proposition need be given.

Section 7. Pursuant to San Diego Municipal Code [SDMC] Section 27.0402, this measure will be available for public examination for no fewer than ten calendar days prior to being submitted for printing in the sample ballot, and the Clerk shall post a public notice of the specific dates that the examination period will run.

Section 8. Pursuant to SDMC Section 27.0403(a), the public examination period will end on the 75th calendar day prior to the date set for the Municipal Special Election.

Section 9. Pursuant to SDMC Section 27.0404, during the public examination period, any voter registered in the City may seek a writ of mandate or an injunction requiring any or all of the measure to be amended or deleted.

Section 10. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public prior to its final passage.

Section 11. That this ordinance shall take effect and be in effect upon its final passage in accordance with Charter section 295(a).

Section 12. Upon adoption of this Measure, the Chief Financial Officer is authorized to establish an account for the purposes of receiving \$1,000,000 in savings each year for 10 years, to be expended towards any of the following: road maintenance and repairs, public safety, and community service; to begin upon completion of the Civic Center.

APPROVED: JAN I. GOLDSMITH, City Attorney

By Shannon M. Thomas
Shannon M. Thomas
Deputy City Attorney

SMT:js
07/14/2010
07/19/2010 Cor. Copy 2
Or.Dept: COO
O-2011-2

RECEIVED
CITY OF
SAN FRANCISCO
JUL 20 2010

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of July 19 2010.

ELIZABETH S. MALAND
City Clerk

By *Mary Zuma*
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: 7-29-10
(date)

JRS
JERRY SANDERS, Mayor

RECEIVED
CITY CLERK
JUL 23 2010