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RESOLUTION NUMBER R- 305820
DATE OF FINAL PASSAGE MAY 11 2010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO (i) MAKING CERTAIN FINDINGS WITH RESPECT TO THE PAYMENT FOR THE INSTALLATION OF TWO TRAFFIC SIGNALS ON COLLEGE AVENUE AT AROSA STREET AND ADAMS AVENUE LOCATED IN THE CROSSROADS REDEVELOPMENT PROJECT AREA IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445; (ii) ACCEPTING FUNDING ASSISTANCE FROM THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO FOR THE INSTALLATION OF THE IMPROVEMENTS; AND (iii) AUTHORIZING THE RETURN TO THE AGENCY OF ALL FUNDS FROM THIS ALLOCATION REMAINING IN CITY CIP A-IL.00004, CITY FUND 200357 IF THERE ARE ANY COST SAVINGS.

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 Crossroads Redevelopment Project Area [Project Area]; and

WHEREAS, in order to implement the Redevelopment Plan for the Project Area, the Agency approved the Second Five Year Implementation Plan for the period of July 2008 – June 2013; and

WHEREAS, the Second Five Year Implementation Plan identifies the need for the improvement of the flow of traffic and relief of congestion on commercial and residential streets to eliminate blighting conditions in the Project Area; and

WHEREAS, the City of San Diego [City] originally added City CIP A-IL.00004 to the City’s Capital Improvement Program for the purpose of signalization of intersections along College Avenue; and

WHEREAS, in 2007, the City authorized an initial budget of \$25,000 for City CIP A-IL.00004, Traffic Signals - Citywide; and

WHEREAS, the Agency now proposes to authorize the transfer of up to \$450,000 from the Project Area's tax increment funds, as allocated in its Fiscal Year 2009-2010 Budget, to the City as an increase in the Fiscal Year 2010 Capital Improvement Program Budget, City CIP A-IL.00004, Traffic Signals - Citywide, to pay for the cost of installation of two traffic signals [Improvements], to be constructed along College Avenue at Arosa Street and Adams Avenue within the Project Area, as identified in the document titled "Project Location" attached to the Agenda Report No. RTC-10-36 as Attachment "1" and incorporated herein by this reference; and

WHEREAS, the Agency desires to pay for the cost of the Improvements because the City presently has insufficient funding for the Improvements; and

WHEREAS, the City desires to accept payment from the Agency for the Improvements; and

WHEREAS, the City will manage the installation of the Improvements; and

WHEREAS, the City Council of the City of San Diego [Council] has duly considered the proposed transaction described above and the proposed Agency financial contribution for the installation of the Improvements and finds that the transaction and the payment by the Agency of the costs of the Improvements 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; NOW, THEREFORE,

BE IT RESOLVED, by the Council as follows:

1. That the Council finds and determines:



(a) That the installation of the Improvements to be constructed on College Avenue at Arosa Street and Adams Avenue within the Project Area, for which the Agency proposes to pay using Agency tax increment funds from the Project Area, will benefit the Project Area by helping in the elimination of one or more blighting conditions inside the Project Area, in that:

(1) The Improvements are within the Project Area.

(2) The Improvements will help to eliminate physical blight conditions in that the Improvements will upgrade substandard infrastructure and will improve pedestrian safety for property owners, residents, merchants, customers and visitors, by meeting current City standards for Street Design and California Department of Transportation criteria for the installation of traffic signals.

(3) The Improvements will upgrade and enhance pedestrian and vehicular mobility and improve transportation facilities, which will improve ingress and egress for El Cerrito neighborhood residents and retail customers along College Avenue and El Cajon Boulevard which are within the Project Area.

(4) The Improvements will upgrade public infrastructure that does not meet City street standards for a major street.

(5) The Improvements will help eliminate economic blight conditions in that the commercial area and the immediate neighborhood will be enhanced with new pedestrian and vehicle improvements.

(b) That there are no other reasonable means available to the City to finance the Improvements for which the Agency proposes to pay, 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 Budget.

(2) In response to the economic downturn, the City reduced its General Fund revenue projections for Fiscal Year 2009 and restricted departmental spending. To balance the General Fund Budget, the 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 Budget.

(3) The Fiscal Year 2010 Budget for the City 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 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 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 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.

(5) The City's Charter requires the City to maintain a balanced budget. On October 1, 2009, the City released its Five-Year Financial Outlook for Fiscal Year 2011 to

Fiscal Year 2015. The Financial Outlook serves as a guide for long range fiscal planning and provides the framework for the development of the annual budget. The Financial Outlook projected a Fiscal Year 2011 deficit of \$179.1 million. Rather than wait until Fiscal Year 2011 to address the upcoming budget deficit, the Fiscal Year 2010 Budget was amended and reduced by \$26.2 million of which \$24.5 million was reduced from the General Fund, and the net elimination of 464.92 FTE positions. These and additional reductions which will occur in Fiscal Year 2011, will be carried forward into the Fiscal Year 2011 Budget. The economic downturn continues to have an impact on the revenues received by the City and hinders the City's ability to fund public improvements. In Fiscal Year 2010 reduced revenues of approximately \$62.9 million (over the Fiscal Year 2009 Budget) confirms the need for the Agency to fund the Improvements.

(6) The City's Capital Improvement Program [CIP] 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.

(7) The Agency's Budget was developed in accordance with City Council Policy, and each project activity was evaluated and incorporated in the respective budgets. The Fiscal Year 2010 Budget for the Redevelopment Project Areas managed by the City Redevelopment Division [City Redevelopment] is \$54.7 million. The tax increment to be generated in Fiscal Year 2010 by City Redevelopment is estimated at \$36.97 million with an additional \$86.6 million of prior year tax increment. The balance of Fiscal Year 2010 revenues is generated through developer fees and through lease and property revenue.

(8) The cost of the Improvements is approximately \$475,000. There are currently no funds allocated in the Fiscal Year 2010 CIP Budget to fund the Improvements. The Agency's expenditure shall not exceed \$450,000 of Crossroads Redevelopment Project Area tax increment funds to pay for the Improvements.

(9) Revenue forecasts for Fiscal Year 2010 suggest a slowdown in the rate of growth of the City's primary sources of revenue. The primary factors influencing the economic slowdown include a market correction in home prices, real estate defaults and foreclosures driven by the collapse of the sub-prime loan industry, the negative impact on consumer spending due to rising oil and gas prices, reduced consumer confidence, and a slowdown in job growth. Despite the economic slowdown affecting the region since 2005, San Diego's diversified economy is expected to continue to grow, albeit at a much slower pace than in past years.

(c) That the payment of Agency funds toward the cost of installation of the Improvements is consistent with the Second Five Year Implementation Plan for the Project Area adopted pursuant to Health and Safety Code Section 33490, in that:

(1) The Improvements are consistent with the Second Five Year Implementation Plan for the Project Area, which is recorded with the Agency as Document No. D-04266 and dated May 13, 2008, as follows:

(i) The Improvements address the specific goals and objectives of the Second Five Year Implementation Plan for the Project Area, as identified on page three thereof, which states “Improve the flow of traffic, relieve congestion on commercial and residential streets located within the Project Area and otherwise enhance the quality of pedestrian and vehicular mobility, and improve transportation facilities, which support the vitality, safety and viability of the Project Area”.

(2) By furthering the specific goals and objectives of the Second Five Year Implementation Plan for the Project Area, the Improvements and the Agency’s payment therefore are a means to eliminate blight within the Project Area and will facilitate the project objectives of the Redevelopment Plan for the Project Area including:

(i) Eliminate and prevent the spread of blight and deterioration, and redevelop the Project Area in accordance with the City General Plan, the College Area Community Plan, the Redevelopment Plan and the Second Five Year Implementation Plan for the Project Area, and local codes and ordinances.

(ii) Enhance the quality of pedestrian and vehicular mobility, and improve transportation facilities, which support the vitality, safety, and viability of the College Area.

(iii) Improve the quality of non-vehicular transportation alternatives through the creation and expansion of non-vehicular routes throughout the Project Area.

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(iv) Enhance infrastructure facilities, which improve the community and support public safety, health, and local vitality.

(v) Construct public improvements as needed to eliminate both physical and economic conditions of blight.

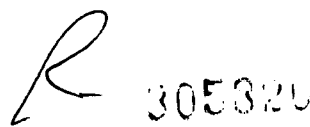
(d) All of the findings set forth herein above are more fully described in the document titled "Findings" attached to the Agenda Report No. RTC 10-36 as Attachment No. "2" and incorporated herein by this reference.

2. That the Mayor, or designee, is authorized to take all necessary actions to secure funding in an amount not to exceed \$450,000 from the Agency to be used toward the cost of installation of the Improvements.

3. That the City's Chief Financial Officer is authorized to accept a transfer of funds in an amount not to exceed \$450,000 of Project Area tax increment for the purpose of implementing the College Avenue Traffic Signal Improvement Project from City Fund 200357, Crossroads Redevelopment CIP Contributions to City CIP A-IL.00004, Traffic Signals – Citywide, as an increase in the Fiscal Year 2010 CIP Budget, to be used toward the installation of the Improvements.

4. That the City's Chief Financial Officer is authorized to appropriate and expend an amount not to exceed \$450,000 from City CIP A-IL.00004, Traffic Signals – Citywide, City Fund 200357, Crossroads Redevelopment CIP Contributions, for the purpose of installation of the Improvements.

5. That the City Comptroller is authorized to transfer back to the Agency all funds remaining in the Fiscal Year 2010 CIP Budget in City CIP A-IL.00004, Traffic Signals –



Citywide, City Fund 200357, Crossroads Redevelopment CIP Contributions, upon any cost savings should actual costs of the Improvements be less than \$450,000.

APPROVED: JAN I. GOLDSMITH, City Attorney

By Elisa A. Cusato
Elisa A. Cusato
Deputy City Attorney

EAC:DBY:hm
04/19/10
Or.Dept:Redev.Agency
R-2010-765
MMS#11541
Cert. No. 3000003190

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 04 2010.

ELIZABETH S. MALAND
City Clerk

By Elizabeth S. Maland
Deputy City Clerk

Approved: 5-11-10
(date)

Jerry Sanders
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

The City of San Diego
COMPTROLLER'S CERTIFICATE

CERTIFICATE OF UNALLOTTED BALANCE

CC 3000003190

ORIGINATING DEPT. NO.: _____

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: _____ Fund: _____

Purpose: _____

Date: _____ By: _____

COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
TOTAL AMOUNT									

FUND OVERRIDE

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: \$450,000.00

Vendor: City of San Diego

Purpose: Authorizing the transfer of Crossroads Redevelopment Project Area assets to City Fund 200357 (Crossroad Redev CIP Contrib) for the installation of traffic signals on College Ave. at Arosa State and Adams avenue in the Crossroad Redevelopment Project Area.

Date: March 29, 2010

By: Francisco J Lopez

 COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
001	400643	940500103000	940500103101	OTHR-0000018-NS	516014	2240	2240500011		\$450,000.00
TOTAL AMOUNT									\$450,000.00

CC-381 (REV 7-09)

FUND OVERRIDE

CC 3000003190

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