

RESOLUTION NUMBER R- 305963

DATE OF FINAL PASSAGE JUL 02 2010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO (i) APPROVING THE DISPOSITION OF CERTAIN AGENCY-OWNED PROPERTY AT NOT LESS THAN ITS FAIR REUSE VALUE IN CONNECTION WITH THE MERCADO PROJECT LOCATED WITHIN THE BARRIO LOGAN REDEVELOPMENT PROJECT AREA, AND (ii) MAKING CERTAIN FINDINGS WITH RESPECT TO THE DISPOSITION OF SUCH PROPERTY.

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 Barrio Logan Redevelopment Project [Redevelopment Plan]; and

WHEREAS, the Agency has adopted the five-year Implementation Plan covering the period of July 2009 through June 2014 for the Barrio Logan Redevelopment Project [Implementation Plan]; and

WHEREAS, among other things, the Implementation Plan provides for the implementation of certain activities necessary or appropriate to carry out the objectives of the Redevelopment Plan in accordance with California Health and Safety Code section 33490, which is part of the California Community Redevelopment Law [CRL], California Health and Safety Code sections 33000-34160; and

WHEREAS, the Agency owns an approximately 6.55-acre site [Site] consisting of two vacant City blocks bounded by Cesar E. Chavez Parkway to the north, the Coronado Bridge overpass and Chicano Park to the south, National Avenue to the east, and Main Street to the west, within the Barrio Logan Redevelopment Project Area [Project Area]; and

WHEREAS, Agency staff has negotiated a Disposition and Development Agreement [Retail DDA] with Shea Mercado, LLC, a California limited liability company [Retail

Developer], wherein the Retail Developer has agreed to develop, construct and operate the retail component of a mixed-use project [Retail Project] on a portion of the Site [Retail Property], comprised of a retail center of approximately 90,000 square feet anchored by a Latino-themed grocery store; and

WHEREAS, Agency staff also has negotiated an Affordable Housing Agreement [Housing Agreement] with Mercado CIC, L.P., a California limited partnership [Housing Developer], wherein the Housing Developer has agreed to construct and operate the residential component of the mixed-use project [Residential Project] on another portion of the Site, comprised of 91 apartment units affordable to extremely low-income, very low-income and low-income households and one unrestricted manager's unit, as more specifically defined and provided for in the Housing Agreement; and

WHEREAS, the Retail DDA contemplates the Agency's disposition of the Site to the Retail Developer subject to certain long-term use restrictions set forth in the Grant Deed, which is included as Attachment No. 7 to the Retail DDA [Grant Deed]; and

WHEREAS, in accordance with CRL section 33433, the Agency and the City Council of the City of San Diego [Council] held a joint public hearing to consider the approval of the Retail DDA and the Grant Deed, as well as the Housing Agreement, on JUN 29 2010, after publishing notice of the public hearing in accordance with CRL section 33433; and

WHEREAS, pursuant to CRL section 33433, Agency staff administered the preparation of a summary report pertaining to the sale of the Site dated May 2010 [Summary Report], which is attached to the Agency staff report for this action, and is incorporated fully into this Resolution by this reference; and

WHEREAS, the Agency has made copies of the Retail DDA, the Grant Deed, the Housing Agreement, and the Summary Report available for public inspection and copying no later than the time of the first publication of the notice of the public hearing; and

WHEREAS, the Summary Report contains a summary which describes and specifies all of the following:

- (i) The costs to be incurred by the Agency under the Retail DDA and the Housing Agreement;
- (ii) The estimated value of the interest to be conveyed, determined at the highest and best use permitted under the Redevelopment Plan;
- (iii) The estimated value of the interest to be conveyed, determined at the use and with the conditions, covenants, and development costs required by the Retail DDA and the Grant Deed;
- (iv) The compensation to be paid to the Agency under the Retail DDA and the Housing Agreement;
- (v) An explanation of the difference between the compensation to be paid to the Agency under the Retail DDA and the Housing Agreement and the fair market value of the Site at the highest and best use consistent with the Redevelopment Plan; and
- (vi) An explanation of why the sale of the Site will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation; and

WHEREAS, the Council believes that the Retail DDA and the Grant Deed are in the best interests of the Project Area, the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law and requirements; and

WHEREAS, the Council has considered any written evidence and/or testimony received in support of or in opposition to the Retail DDA, the Grant Deed, the Housing Agreement, and the Summary Report, as well as the entire record prepared by Agency and City staff; NOW, THEREFORE,

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

1. That the Council hereby finds and determines that all recitals set forth in this Resolution are true and correct and fully incorporated herein by this reference.
2. That the Council has reviewed and approves the Summary Report.
3. That the Council finds and determines that the consideration to be received by the Agency for the sale of the Site is not less than fair reuse value at the use and with covenants and conditions and development costs authorized by the Retail DDA and the Grant Deed for, among other reasons, the reasons set forth in Sections III through VI of the Summary Report.
4. That the Council finds and determines that the sale of the Site will assist in the elimination of blight or provide housing for low-income or moderate-income persons, for, among other reasons, the reasons set forth in Section VII of the Summary Report.
5. That the Council finds and determines that the sale of the Site and the development of the Site (including both the Retail Project and the Residential Project) in accordance with the Retail DDA, the Grant Deed and the Housing Agreement are consistent with the Section III of the Implementation Plan adopted pursuant to CRL section 33490, which states that the production of affordable housing in the Project Area is a specific goal of the Redevelopment Plan and the Implementation Plan.

6. That the Council hereby approves the sale of the Site to the Retail Developer in accordance with the Retail DDA and the Grant Deed.

APPROVED: JAN I. GOLDSMITH, City Attorney

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

KDB/EAC:nda  
06/07/10  
Or.Dept:Redev.Agency  
R-2010-888  
MMS #8908  
Comp.: RA-2010-104  
RA-2010-105  
RA-2010-106  
RA-2010-107  
RA-2010-108  
R-2010-887

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 29 2010.

ELIZABETH S. MALAND  
City Clerk

By Sara Richardson  
Deputy City Clerk

Approved: 7-2-10  
(date)

Jerry Sanders  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor