

RESOLUTION NUMBER R- 306314
DATE OF FINAL PASSAGE NOV 17 2010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO (i) AUTHORIZING THE REDEVELOPMENT AGENCY EXECUTIVE DIRECTOR TO ADMINISTER AND MANAGE THE INSTALLATION AND CONSTRUCTION OF THE ISLAND AVENUE POP-OUTS PHASE TWO PUBLIC IMPROVEMENTS (IMPROVEMENTS) IN THE EAST VILLAGE REDEVELOPMENT DISTRICT OF THE EXPANSION SUB AREA OF THE CENTRE CITY REDEVELOPMENT PROJECT AREA; (ii) MAKING CERTAIN FINDINGS AND DETERMINATIONS RELATED TO THE EXPENDITURE OF AGENCY FUNDS FOR THE CONSTRUCTION AND INSTALLATION OF THE IMPROVEMENTS, IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445; AND (iii) AUTHORIZING THE CITY TO ACCEPT THE 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 for the Centre City Redevelopment Project Area (Project Area); and

WHEREAS, Centre City Development Corporation, Inc. (Corporation) is responsible for implementing redevelopment projects in the Project Area; and

WHEREAS, the Redevelopment Plan for the Project Area at section 440.2 authorizes the Agency to cause the construction of public improvements, including improvements to street furnishings, and at section 110.1 states that the objectives for the Project Area include, among other things, upgrading the quality of life in the downtown area and coordinating the upgrade of community facilities that will serve the needs of the entire downtown area; and

WHEREAS, to implement the Redevelopment Plan for the Project Area, the Agency pursuant to Resolution No. R-04405, with date of final passage June 19, 2009, adopted the Fourth Five-Year Implementation Plan for the period of July 2009 through June 2014 for the

Project Area (Implementation Plan) in accordance with California Health and Safety Code section 33490; a copy of the Implementation Plan is on file at the office of the Agency Secretary as Document No. D-04405e; and

WHEREAS, the Implementation Plan identifies the need to contribute to blight removal by making improvements to streets and sidewalks in the public right-of-way within the Project Area; and

WHEREAS, consistent with the Implementation Plan and the Redevelopment Plan, the Corporation proposes the construction and installation of certain public improvements within the Project Area called the Island Avenue Pop-Outs Phase Two Public Improvements consisting of sidewalk pop-outs, curbs, gutters, widened sidewalks, pedestrian ramps, street paving, trees, irrigation, and signing and striping on the East side of Sixth Avenue, the West side of Seventh Avenue, the Northwest corner of Tenth Avenue, on Island Avenue between Sixth and Seventh Avenues, and the Southwest corner of 13th Street (Improvements); and

WHEREAS, Agency funds in the amount of \$1,749,219 are available in the Agency's Fiscal Year 2010-2011 Budget for the Centre City Redevelopment Project Area in the East Village Neighborhood, Island Avenue Pop-Outs Phase Two and Sidewalk Gaps Project Line Item upon a Budget Amendment that reallocates \$468,219 from the Public Infrastructure, Areawide Sidewalk Reconstruction Line Item to the East Village Neighborhood, Island Avenue Pop-Outs Phase Two and Sidewalk Gap Project Line Item; and

WHEREAS, the Agency, by and through the Corporation, now proposes to implement, administer and manage the construction and installation of the Improvements, and to contribute up to \$1,749,219 from the Project Area's tax increment funds to pay for the cost of construction and installation of the Improvements; and

WHEREAS, although the City of San Diego will own and maintain the Improvements upon their completion, the Agency desires to pay for the cost of the construction and installation of the Improvements because the City presently has insufficient funding for the construction and installation of the Improvements; and

WHEREAS, after having duly considered the actions described above and the Agency's proposed financial contribution for the construction and installation of the Improvements, the City Council finds that the actions and the payment by the Agency of all or part of the costs of the 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; NOW, THEREFORE,

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

1. That the Council authorizes the Agency Executive Director or designee to administer and manage the construction and installation of the Island Avenue Pop-Outs Phase Two Public Improvements to be located on the East side of Sixth Avenue, the West side of Seventh Avenue, the Northwest corner of Tenth Avenue, on Island Avenue between Sixth and Seventh Avenues, and the Southwest corner of 13th Street within the Centre City Redevelopment Project Area (Project Area).
2. That the Council authorizes the City to accept the Improvements, including the ongoing maintenance obligation associated therewith, upon completion of construction and installation of the Improvements.
3. That the Council authorizes the Mayor or designee 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 section 33445:

(a) That the construction and installation of the Improvements to be located on Island Avenue between Sixth and Seventh Avenues and at Tenth Avenue and 13th Street 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 which can be beneficial for maintenance activities are within the Project Area.

(2) The Improvements will assist in improving the existing damaged and outdated surface improvements to current City standards.

(3) The Improvements will provide enhancement of ceremonial streets which function as the focal point of their individual neighborhoods to contribute to blight removal, as stated on Page 4 of the work program of the Fourth Five-Year Implementation Plan for the Project Area adopted on June 19, 2009 pursuant to California Health and Safety Code section 33490.

(b) That no other reasonable means of financing the Improvements are available to the City for which the Agency proposes to pay, in that:

(1) The City's General Fund is dependent on the financial health of the local economy in addition to the State and nationwide economy. As the local, State, and

nationwide economic outlook continues to decline for the upcoming fiscal year, General Fund revenue growth rates are reviewed and revised.

(2) The City's General Fund Budget is funded from various sources, but the four largest revenue sources are property tax, sales tax, transient occupancy tax (TOT), and franchise fees, and account for approximately \$710.8 million or 65.1 percent of the total General Fund revenues. The decline in these four major revenues in the Fiscal Year 2011 Annual Budget accounts for approximately \$31.6 million or 84.3 percent of the total General Fund decline of \$37.4 million compared to the Fiscal Year 2010 Annual Budget.

(3) In Fiscal Year 2011 sales tax is budgeted at \$187.5 million, which represents a decrease of \$22.7 million or 10.8 percent from the Fiscal Year 2010 Annual Budget due to the decline in per capita income and consumer spending, and the high unemployment rate in the City. TOT is budgeted at \$66.1 million, a decrease of \$9.8 million or 12.9 percent from the Fiscal Year 2010 Annual Budget due to the decline in local tourism. Franchise fees are budgeted at \$67.2 million, a decrease of \$6.5 million or 8.9 percent from the Fiscal Year 2010 Annual Budget due to a decline in refuse haulers tonnage.

(4) The City's Fiscal Year 2011 Annual Budget reflects General Fund revenues and expenditures of \$1.09 billion, representing a decline of \$37.4 million or 3.3 percent over the Fiscal Year 2010 Annual Budget. The Fiscal Year 2011 Annual Budget includes 7,060.48 budgeted full time equivalent (FTE) positions, a decrease of 336.44 FTE positions over the Fiscal Year 2010 Budget. The net decrease in General Fund positions is primarily due to the reduction of 485.16 FTE positions as part of the revised Fiscal Year 2010 Budget approved by the City Council that has been incorporated in the Fiscal Year 2011 Annual Budget.

(5) The City's Fiscal Year 2011 Annual Budget, approved by City Council in June 2010, 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 property tax, sales tax, TOT, and franchisee fees.

(6) The City's Capital Improvements Program (CIP) budget allocates existing funds and anticipated revenues to rehabilitate, restore, improve, enhance, and increase the City's capital facilities. This budget supports the design and construction of a wide range of infrastructure improvement projects and other significant capital infrastructure investments. The Fiscal Year 2011 CIP Annual Budget totals \$332.2 million. This is a reduction of \$121.1 million or 26.7 percent from the Fiscal Year 2010 CIP Annual Budget of \$453.2 million.

(7) Deferred capital projects obligations remain one of the eight significant areas identified in the Five-Year Financial Outlook. Since Fiscal Year 2008, approximately \$142 million has been appropriated for facilities, streets, storm drain and other deferred capital projects, funded by proceeds from land sales, bond financing, and Proposition 1B funding. A second request for bond financing is anticipated to come before City Council in late Fiscal Year 2011 or Fiscal Year 2012 to continue efforts to address the City's approximately \$900 million backlog of deferred projects.

(8) The cost of the Improvements is approximately \$1,749,219. There are currently no funds allocated in the Fiscal Year 2011 Annual CIP Budget to fund the Improvements.


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

(1) The Improvements address the specific goals and objectives of the Implementation Plan, as identified on Page 7 of the work program which states in pertinent part as follows: "Replacement of public improvements allows new development to occur."

(2) By furthering the specific goals and objectives of the Implementation Plan, the Improvements and the Agency's payment thereof are a means to eliminate blight within the Project Area and will facilitate the objectives of the Redevelopment Plan.

5. That the Council consents to the Agency's payment for the cost of the Improvements using Agency funds generated from the Project Area.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Elisa A. Cusato
Deputy City Attorney

EAC:nja
October 22, 2010
Or.Dept:CCDC
R-2011-170
PL#2010-01577
Comp. RA-2011-24

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of ~~NOV 09 2010~~

ELIZABETH S. MALAND
City Clerk

By *Mary Zumaya*
Deputy City Clerk

Approved: 11.17.10
(date)

JSL
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor