

RESOLUTION NUMBER R- 300614

DATE OF FINAL PASSAGE FEB 23 2011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO (i) MAKING CERTAIN FINDINGS AND DETERMINATIONS RELATED TO THE EXPENDITURE OF AGENCY'S FUNDS FOR THE CONSTRUCTION OF THE FOURTH AND BEECH INTERIM PARKING LOT AND SITE IMPROVEMENTS LOCATED ON THE PARTIAL BLOCK BOUNDED BY ASH AND BEECH STREETS, AND FOURTH AND FIFTH AVENUES IN THE CORTEZ REDEVELOPMENT DISTRICT OF THE EXPANSION SUB AREA OF THE CENTRE CITY REDEVELOPMENT PROJECT AREA, IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445; AND (ii) CONSENTING TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO'S PAYMENT FOR THE COST OF CONSTRUCTION OF THE FOURTH AND BEECH INTERIM PARKING LOT AND SITE IMPROVEMENTS LOCATED ON THE PARTIAL BLOCK BOUNDED BY ASH AND BEECH STREETS, AND FOURTH AND FIFTH AVENUES IN THE CORTEZ REDEVELOPMENT DISTRICT OF THE EXPANSION SUB AREA OF THE CENTRE CITY REDEVELOPMENT PROJECT AREA.

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, the Centre City Development Corporation (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 motor vehicle parking facilities, and at Section 110.1 states that the objectives for the Project Area include, among other things, accommodating parking needs in a manner which will reduce the

negative impact of parking needs on the environmental quality of the area and strengthen the economic base of downtown through the installation of needed public improvements, including transit and parking facilities, to stimulate new commercial, residential, employment and economic growth, and to improve the circulation of people and vehicles; and

WHEREAS, in order to implement the Redevelopment Plan for the Project Area, the Agency, pursuant to Resolution No. R-04405 with the date of final passage June 19, 2009, adopted the Fourth Implementation Plan for the Project Area for the period of July 2009 through June 2014 (Implementation Plan), in accordance with Section 33490 of the California Health and Safety Code; 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 improving public rights-of-way, providing new paving, landscaping and sidewalks within the Project Area; and

WHEREAS, consistent with the Implementation Plan and the Redevelopment Plan for the Project Area, the Corporation has proposed the installation of certain public improvements within the Project Area called the Fourth and Beech Interim Parking Lot and Site Improvements Project, located on the partial block bounded by Ash and Beech Streets, and Fourth and Fifth Avenues in the Cortez Redevelopment District of the Sub Area of the Project Area, and consisting of the installation of an interim asphalt public-parking lot with lights, installation of a storm water collection/filtering system, and removal of one abandoned driveway and adjustment of the existing curb and gutter to match the two 24 feet wide driveways to the parking lot, replace dirt with decomposed granite in the public right-of way adjacent to the site, along with other minor improvements (Improvements); and

WHEREAS, Agency funds in the amount of \$191,048 are available in the Agency's Fiscal Year 2011 Cortez Public Improvement line item for a total amount not to exceed \$191,048; and

WHEREAS, the Agency, by and through the Corporation, now proposes to implement, administer and manage the construction of the Improvements, and to contribute up to \$191,048 from the Project Area's tax increment funds to pay for the cost of construction of the Improvements; and

WHEREAS, the Agency desires to pay for the cost of the construction of the Improvements because the City of San Diego (City) presently has insufficient funding for 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 of the City of San Diego (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 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.

2. That the Council finds and determines each of the following as to the Project Area, in accordance with California Health and Safety Code section 33445:

(a) That the Improvements within the Project Area, for which the Agency proposes to pay using Agency funds from the Project Area, are of benefit to the Project Area by helping to eliminate blighting conditions inside the Project Area, in that:

(1) The Improvements will replace inadequate public improvements and provide a catalyst for new development by implementing off-site improvements.

(2) The Improvements will increase the availability of parking to support downtown uses through a comprehensive strategy.

(3) The Improvements will “provide for future development” to contribute to blight removal as is included on page 4 of the work program of the Implementation Plan, pursuant to California Health and Safety Code section 33490.

(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) The City’s General Fund is dependent on the financial health of the local economy in addition to the State and nationwide economy. Some economic indicators are currently still lagging and could possibly restrain economic stabilization or expansion in the economy in Fiscal Year 2011. The improvement in municipal budgets appears to be also lagging the overall economy. Overall, the economic outlook remains very uncertain in the upcoming fiscal year.

(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 64.8 percent of total General

Fund revenues. The decline in these four major revenues in the Fiscal Year 2011 Adopted Budget accounts for approximately \$31.6 million or 94.3 percent of the total General Fund decline of \$33.5 million compared to the Fiscal Year 2010 Adopted 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 Adopted 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 Adopted 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 Adopted Budget due to a decline in refuse haulers tonnage.

(4) The City's Fiscal Year 2011 Adopted Budget reflects General Fund revenues and expenditures of \$1.10 billion, representing a decline of \$33.5 million or 3.0% over the Fiscal Year 2010 Adopted Budget. The Fiscal Year 2011 Adopted Budget includes 7,067.98 budgeted full time equivalent (FTE) positions, a decrease of 328.94 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 Council that has been incorporated in the Fiscal Year 2011 Adopted Budget. These reductions were to City's critical services including brownouts in the Fire Department, reductions in lifeguard positions, and reductions in library hours. If the City's revenues improve, then the City's first priority would be to restore those critical services funded by General Fund that have been reduced this year due to the loss of revenue in fiscal year 2011.

(5) The City's Fiscal Year 2011 Adopted 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 Adopted Budget totals \$299.6 million. This is a reduction of \$153.6 million or 33.9 percent from the Fiscal Year 2010 CIP Adopted Budget of \$453.2 million.

(7) Deferred capital projects 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. Another proposal for bond financing is anticipated to come before the Council in Fiscal Year 2012. 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 \$191,048. There are currently no funds allocated in the Fiscal Year 2011 Adopted CIP Budget to fund the Improvements.


(c) That the payment of Agency funds toward the cost of design and installation of the Improvements is consistent with the Implementation Plan adopted pursuant to Health and Safety Code section 33490, in that:

(1) The Improvements address the specific goals and objectives of the Implementation Plan, as indentified on Page 12 of the work program which states in pertinent part as follows: “increased availability of parking will attract greater development opportunities to the immediate area” and “enhance downtown residential living.”

(2) By furthering the specific goals and objectives of the Implementation Plan, 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.

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

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Elisa A. Cusato
Deputy City Attorney

EAC:mm
12/08/2010
Or.Dept: CCDC
R-2010-557
PL #2010-04832
Companion: RA-2010-56

Q - 306614

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of FEB 15 2011.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 2-23-11
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor