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(R-2011-172)  
(COR.COPY)

RESOLUTION NUMBER R- 306643

DATE OF FINAL PASSAGE FEB 28 2011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO (i) MAKING CERTAIN DETERMINATIONS RELATED TO THE EXPENDITURE OF AGENCY FUNDS FOR THE CONSTRUCTION OF THE INTERIM LEASH-FREE DOG PARK AND BLOCK IMPROVEMENTS LOCATED ON THE BLOCK BOUNDED BY G STREET, PARK BOULEVARD, MARKET STREET AND ELEVENTH AVENUE IN THE EAST VILLAGE 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 AGENCY'S PAYMENT FOR THE COST OF CONSTRUCTION OF THE IMPROVEMENTS.

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, 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 sidewalks, parks, motor vehicle parking facilities, and landscape areas, 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, coordinating the location of neighborhood/community-based facilities such as parks and open space 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 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 increasing the amount of public open space to enhance downtown residential neighborhoods and commercial districts; increasing the availability of parking to attract greater development opportunities to the immediate area and enhance downtown residential living; replacing inadequate public improvements by the addition of a van accessible parking space and access ramp along Park Boulevard and replacement of dilapidated sidewalks within the public right-of-way; increasing lighting which, in turn, will improve public safety and deter crime; increasing residential amenities and providing a needed public facility for the area which, in turn, increases the desire for residents to live within the Project Area; and

WHEREAS, consistent with the Implementation Plan and the Redevelopment Plan for the Project Area, the Corporation proposes the construction of certain public improvements within the Project Area called the Interim Leash-Free Dog Park and Block Improvements consisting of the development of an interim leash-free dog area for both large and small dogs, the upgrade of an existing surface parking lot to the requirements of the City of San Diego's Centre City Planned District Ordinance, and the addition of a van accessible parking space along Park Boulevard and sidewalk repairs within the public right-of-way of Market Street and Eleventh Avenue (Improvements); and

WHEREAS, within the Agency's Fiscal Year 2011 Budget for the Project Area, Agency funds in the amount of \$343,098 are available in the Parks and Open Space line item for the improvements to the Park and \$273,180 are available in the East Village Public Improvements line item for the improvements to the surface parking lot and to the public right-of-way, for a

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total amount not to exceed \$616,278 to pay for the total cost of construction of the Improvements; 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 \$616,278 from the Project Area's tax increment funds to pay for the cost of construction of the Improvements; and

WHEREAS, although the City will own and maintain the portion of the Improvements located within the public right-of-way upon their completion, the Agency desires to pay for the cost of construction of all Improvements because the 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 of the Improvements, the City Council determines that the actions and the payment by the Agency of 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; NOW, THEREFORE,

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

1. That the Council determines each of the following 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 within the Project Area, in that:

(1) The Improvements will improve public safety and health conditions.

(2) The Improvements will enhance the neighborhood by replacing a vacant, asphalt-covered lot with public open space.

(3) The Improvements will increase the quality of life for downtown residents, visitors and businesses by improving the surface improvements.

(4) The Improvements will increase residential amenities and provide a needed public facility for the area which, in turn, increases the desire for residents to live in the East Village neighborhood.

(5) The Improvements will replace inadequate public improvements by the addition of a van accessible parking space and access ramp along Park Boulevard and replacement of dilapidated sidewalks within the public right-of-way.

(6) The Improvements will act as a catalyst providing an incentive for private investment, thereby contributing to the removal of economic blight.

(7) The Improvements will increase lighting which, in turn, will improve public safety and deter crime.

(b) That no other reasonable means of financing construction of the Improvements are available to the City of San Diego 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.

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(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 percent 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 City 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 City Council in 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 \$616,278. 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 for construction of the Improvements is consistent with the Fourth Five-Year Implementation Plan for the Project Area adopted on

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June 19, 2009 (Implementation Plan) pursuant to section 33490 of the California Health and Safety Code, in that:

(1) The Improvements address the specific goals and objectives of the Implementation Plan, as identified on Page 9 of the work program which states in pertinent part as follows: "Encourage economically-viable development; increase economic and social vitality of bay front; provide uses and amenities that celebrate the community; provide public access and open space; create a signature expression that draws attention to the area; serve local community and tourists; and preserve and maximize bay views." A copy of the Implementation Plan is on file with the Agency as Document No. D-04405e.

(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 to facilitate the objectives of the Redevelopment Plan for the Project Area.

2. That the Council consents to the Agency's payment for the cost of construction of the Improvements.

APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Elisa A. Cusato  
Deputy City Attorney

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09/13/2010  
02/22/2011 Cor.Copy  
Or.Dept:CCDC  
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Comp. RA-2011-25  
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I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of FEB 28 2011.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 2-28-11  
(date)

  
JERRY SANDERS, Mayor

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

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JERRY SANDERS, Mayor