

6/21
335

RESOLUTION NUMBER R- 306880

DATE OF FINAL PASSAGE JUN 27 2011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO (i) MAKING CERTAIN FINDINGS AND DETERMINATIONS RELATED TO THE EXPENDITURE OF THE REDEVELOPMENT AGENCY'S FUNDS FOR DESIGN OF THE BETA STREET GREEN ALLEY PROJECT IN THE SOUTHCREST COMPONENT AREA OF THE SOUTHWESTERN SAN DIEGO MERGED REDEVELOPMENT PROJECT AREA IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445; (ii) ACCEPTING FUNDS FROM THE REDEVELOPMENT AGENCY FOR THE DESIGN OF THE BETA STREET GREEN ALLEY PROJECT; (iii) INCREASING THE FISCAL YEAR 2011 CAPITAL IMPROVEMENTS BUDGET FOR THE BETA STREET GREEN ALLEY PROJECT; (iv) AUTHORIZING THE EXPENDITURE OF FUNDS FOR THE BETA STREET GREEN ALLEY PROJECT; AND (v) APPROVING THE MEMORANDUM OF UNDERSTANDING FOR THE BETA STREET GREEN ALLEY PROJECT.

WHEREAS, the Redevelopment Agency of the City of San Diego (Agency) is engaged in activities necessary to carry out and implement certain redevelopment activities in various redevelopment project areas, including the Southcrest Component Area of the Southeast San Diego Merged Redevelopment Area (Project Area), which is administered by Southeastern Economic Development Corporation (SEDC); 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-04405j; and

WHEREAS, the Implementation Plan identifies the need to contribute to blight removal by constructing public improvements within the Project Area; and

WHEREAS, the Agency is a party to that certain Owner Participation Agreement dated June 4, 1987, as amended by that certain First Implementation Agreement dated March 1, 1994, and that certain Second Implementation Agreement dated August 17, 2007, (collectively, OPA) with San Diego Gas & Electric Company (SDG&E); and

WHEREAS, pursuant to the OPA, SDG&E has provided a \$162,000 contribution to the Agency for improvements in certain portions of the SEDC area of influence; and

WHEREAS, consistent with the Implementation Plan and the Redevelopment Plan, the Agency intends to use these funds for design of the Beta Street Green Alley Project (Project), consisting of the improvement of the existing unpaved alley north of Beta Street, between 36th Street and 38th Street in San Diego, California, by installing a concrete surface utilizing porous pavement sections to filter and treat storm water runoff (Improvements); and

WHEREAS, the Agency wishes to pay the cost of design of the Project because the City presently has insufficient funding for the Project; and

WHEREAS, the City Council finds that the payment by the Agency of all or part of the costs of the Project 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;

WHEREAS, the City's Engineering and Capital Projects Department has solicited proposals from qualified consultants to prepare construction documents and provide related design services for the Project (Design Services) and the City has selected Atkins (formerly, PBS&J Corporation) (Consultant) to provide the Design Services; and

WHEREAS, the City and Agency desire to enter into a Memorandum of Understanding (MOU) for the Agency to provide funds toward the costs of the Design Services and for the City

to contract with the Consultant and oversee the Consultant's completion of the Design Services;
NOW, THEREFORE;

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

1. 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 will benefit the Project Area by helping in the elimination of one or more blighting conditions inside the Project Area, in that:

- (1) The design of the Improvements will facilitate installation of pavement on a dirt alley located within an urban area. Dirt alleys constitute missing infrastructure, a characteristic of blight.
- (2) The Improvements will enhance the neighborhood and replace inadequate public improvements. The Improvements will remove and replace these adverse conditions, upgrading to match the improvements on nearby streets.
- (3) The Improvements will act as a catalyst providing an incentive for private investment, thereby contributing to the removal of economic blight.
- (4) The Improvements will install missing infrastructure within the public right-of-way and improve the neighborhood multi-modal transportation system, improve safety and reduce potential conflicts between vehicular, bicycles, and pedestrian modes of transportation.
- (5) The Improvements will increase the quality of life for residents and visitors by improving the air quality through improvement of the

street surface. The Improvements will eliminate the dirt alley that contributes to the release of dirt and dust particulates into the air, reducing the air quality in the area.

- (6) The Improvements will provide greater accessibility to and within the residential area and improve accessibility to park and open space areas.
- (7) The Improvements will improve the water quality by removing contaminants from storm water through the provision of catch basins and filtration systems to treat contaminated storm water runoff before it enters Las Chollas Creek.

(b) That there are no other reasonable means available to the City to finance the Improvements, 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 94.3 percent of the total General Fund decline of \$33.5 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 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 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 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 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.
- (7) 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.

(8) 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.

(9) There are currently no funds allocated by the City to fund the Improvements. In addition, given the City's current dire financial situation and overall negative future economic outlook, there is no present, realistic anticipation that the City will have adequate funds to complete the Improvements in future fiscal years, to the extent that the Improvements are constructed in future fiscal years.

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

(1) The Improvements address the specific goals and objectives of the Implementation Plan, as identified on Pages 3, 4, and 6 of the Implementation Plan, which state in pertinent parts: "Promote revitalization of the Southcrest community," "Provide better

lighting, streetscapes, traffic and other public improvements,”
“Installation of public improvements in the alley along the south
side of the 252 Corridor Park” and “Install various public
improvements in the Project Area to enhance potential for a new
private development by providing and improving public
infrastructure.”

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

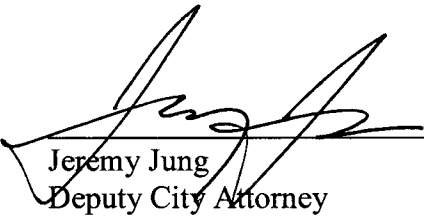
3. That the Council authorizes the Chief Financial Officer, as delegated, to accept, appropriate, encumber and expend funds for the Project in the amount of \$98,174 from Fund No. 400609 (OTHR-18-NS (City Projects)) to Fund No. 200353 (SC-RDA-CONTRIB TO CIP), and to return any unused portion of the \$98,174 to the Agency.

4. That the Council authorizes a \$98,174 increase in the Fiscal Year 2011 Capital Improvements Budget in Annual Allocation A-CC.00001, Drainage - Best Management Practices Watershed CIP (B11057), Fund 200353, SC-RDA-CONTRIB TO CIP.

5. That the Council authorizes the Chief Financial Officer to appropriate and expend up to \$98,174 from Annual Allocation A-CC.00001, Drainage - Best Management Practices Watershed CIP (B11057), Fund 200353, SC-RDA-CONTRIB TO CIP, for the purpose of designing the Project, contingent upon the City Comptroller certifying funds are available.

6. That the Council approves the MOU and authorizes the Mayor or designee to execute and administer the MOU.

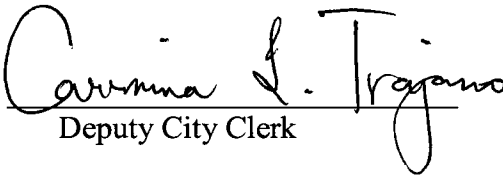
APPROVED: JAN I. GOLDSMITH, City Attorney

By  _____
Jeremy Jung
Deputy City Attorney

JJ:ca:hm
Or.Dept: CCDC
Comp. RA-2011-133

I hereby certify that the foregoing Resolution was passed by the City Council of the City of San Diego, at this meeting of JUN 21 2011.

ELIZABETH S. MALAND
City Clerk

By  _____
Deputy City Clerk

Approved: 6.27.11
(date)

 _____
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor