

RESOLUTION NUMBER R- 306987

DATE OF FINAL PASSAGE AUG 4 2011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO (i) APPROVING AND AUTHORIZING THE EXECUTION OF THE REHABILITATION LOAN AGREEMENT RELATED TO THE SILVERADO BALLROOM BUILDING LOCATED WITHIN THE CITY HEIGHTS REDEVELOPMENT PROJECT AREA, AND (ii) AUTHORIZING THE EXPENDITURE OF UP TO \$1,394,000 IN CITY HEIGHTS TAX ALLOCATION BOND PROCEEDS TOWARD THE REHABILITATION OF THE SILVERADO BALLROOM BUILDING.

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 City Heights Redevelopment Project (Redevelopment Plan) in accordance with the California Community Redevelopment Law, set forth at California Health and Safety Code sections 33000-33855; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Agency has negotiated the proposed Rehabilitation Loan Agreement (Agreement) among the Agency, the City of San Diego (City), and David Chinh Chau and Ngo M. Chau (collectively, Owner), wherein Owner will rehabilitate the existing historic Silverado Ballroom Building (Rehabilitation Project) located at the intersection of Euclid and University Avenues within the City Heights Redevelopment Project Area (Project Area) and the Agency will issue a loan to Owner in the amount of \$1,394,000 (Agency Loan); and

WHEREAS, the source of the Agency Loan will be taxable proceeds of the City Heights Tax Allocation Bond Series 2010 B; and

WHEREAS, the Agency Loan will not accrue interest and will be deemed forgiven in equal annual installments over a ten-year period after completion of the rehabilitation work, so long as there is no default under the Agreement or the related transaction documents; and

WHEREAS, pursuant to resolutions adopted effective February 28, 2011, the City Council of the City of San Diego (Council) and the Agency approved that certain Cooperation Agreement for Payment of Costs Associated with Certain Redevelopment Agency Funded Projects (Cooperation Agreement), a copy of which is on file with the City Clerk as Document No. RR-306632; and

WHEREAS, pursuant to the Cooperation Agreement, the Agency already has transferred to the City all funds necessary for the Agency's financial assistance toward the Rehabilitation Project, which is identified on page 4, Row #21 of Exhibit 1 to the Cooperation Agreement, entitled Schedule of Projects; and

WHEREAS, it is the intent of Owner, the Agency, and the City (collectively, Parties) that by executing the Agreement, the Parties confirm that they are all parties to the Agreement; and

WHEREAS, it is the intent of the Parties that, except as otherwise specified in the Agreement, all references to "Agency" in the Agreement shall mean either the Agency or the City, whichever of those two Parties is the holder of funds comprising the Agency Loan at the relevant time (or, as the case may be, whichever of those two Parties has disbursed to Owner the proceeds of the Agency Loan); and

WHEREAS, it is the intent of the Parties that, as between the Agency or the City, the Party that possesses the funds comprising the Agency Loan at the relevant time (or, as the case may be, whichever of those two Parties has disbursed to Owner the proceeds of the Agency

Loan) shall be entitled to exercise all rights, and shall be required to fulfill all outstanding obligations, attributable to "Agency" under the Agreement; and

WHEREAS, it is the intent of the Parties that, if the Agency's prior transfer to the City of funds comprising the Agency Loan is nullified, rescinded or invalidated for any reason whatsoever, then it is expressly agreed that the obligation to disburse the Agency Loan shall be carried out by the Agency (or its applicable successor, which may include the City); and

WHEREAS, Owner has acknowledged and agreed that the City's intent is to fulfill its financial obligations under the Agreement through tax increment funds and/or associated bond proceeds made available by the Agency, and thus nothing in the Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in the Agreement; and

WHEREAS, Owner has submitted to the Council and the Agency copies of the proposed Agreement in a form acceptable to Owner; and

WHEREAS, the Council believes that the Rehabilitation Project, the Agreement, and the Agency Loan are in the best interests of the City and benefit the public health, safety, or general welfare of its residents, and are in accord with the public purpose and provisions of applicable state and local law and requirements; NOW, THEREFORE,

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

1. That the Council 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 received and heard all oral and written objections to the proposed Agreement, and that all such oral and written objections are overruled.
3. That the Council approves the Agreement and all exhibits attached thereto.

4. That the Mayor, or designee, is authorized, on behalf of the City, to execute the Agreement, including all attachments and exhibits thereto requiring the City's signature. A copy of the Agreement, when fully executed, shall be placed on file with the City Clerk as Document No. RR- 306987.

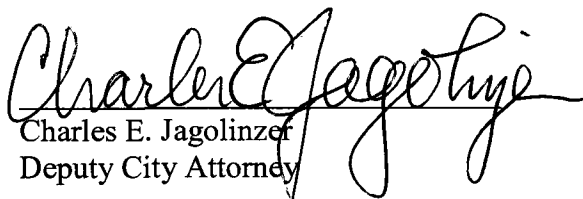
5. That the Mayor, or designee, is authorized, on behalf of the City, to sign all documents necessary and appropriate to carry out and implement the Agreement, and to take any actions necessary and appropriate to administer the City's obligations, responsibilities and duties to be performed under the Agreement, including all attachments and exhibits thereto.

6. That the Agency Loan in an amount not to exceed \$1,394,000, and the provisions of the Agreement establishing the terms and conditions for the disbursement and forgiveness of the Agency Loan, are approved.

7. That the Council hereby authorizes the City's Chief Financial Officer, as delegated, to appropriate, encumber and expend funds, in the form of the Agency Loan to be issued to Owner for the Rehabilitation Project, utilizing the taxable proceeds of the City Heights Tax Allocation Bond Series 2010 B in an amount not to exceed \$1,394,000, contingent on certification by the City Comptroller that funds are available.

APPROVED: JAN I. GOLDSMITH, City Attorney

By

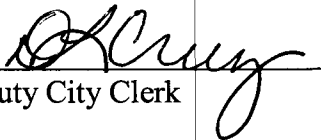

Charles E. Jagolinzer
Deputy City Attorney

CEJ:nja
7/19/2011
Cert. No. 3000004278
Or.Dept:Redev.Agency

R-2012-65
PL#2010-03944
Comp. RA-2012-4

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of AUG 2 2011

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 8.4.11
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor