

RESOLUTION NUMBER R- 307522

DATE OF FINAL PASSAGE JUN 20 2012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO, ACTING IN ITS CAPACITY AS THE BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, AUTHORIZING EXPENDITURE FOR A SETTLEMENT AGREEMENT AND RELEASE WITH HON, LLLP, A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP.

WHEREAS, from its formation in 1958 until its elimination on February 1, 2012, the Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City), and there are presently fourteen such project areas; and

WHEREAS, the Former RDA dissolved as of February 1, 2012, in accordance with a deadline for elimination of all redevelopment agencies throughout California set forth in Assembly Bill x1 26 (AB 26), as modified by the California Supreme Court in a final opinion issued on December 29, 2011, in litigation designated as Case No. S194861; and

WHEREAS, pursuant to Resolution No. R-307238 adopted by the City Council of the City of San Diego (Council) effective January 12, 2012, the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), elected to serve as the successor agency to the Former RDA and to retain the Former RDA's housing assets and assume the Former RDA's housing responsibilities, all pursuant to the dissolution provisions in Part 1.85 of AB 26 (Dissolution Provisions); and

WHEREAS, at the time of the Former RDA's dissolution, the Successor Agency became vested with all of the Former RDA's authority, rights, powers, duties, and obligations under the

California Community Redevelopment Law and, by operation of law, received all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former RDA for administration pursuant to the Dissolution Provisions; and

WHEREAS, the Dissolution Provisions generally require the Successor Agency to administer the winding down of the Former RDA's affairs in an expeditious manner; and

WHEREAS, the Former RDA began the process of assembling a redevelopment site (Site) of up to approximately 40,000 square feet on the south side of Market Street between 13th and 14th Streets in the East Village district for the purpose of constructing affordable housing units and possible mixed-use development; and

WHEREAS, certain litigation arose regarding the real property located at 528-542 14th Street in San Diego, California 92101 (Parcel), comprised of approximately 10,000 square feet of land associated with the assemblage of the Site; and

WHEREAS, the Parcel will be added to adjacent properties previously acquired by the Former RDA to bring the Site assembled to date to approximately 37,000 square feet; and

WHEREAS, the Site is in a substandard and dilapidated condition, and redevelopment of the property would eliminate considerable blight that presently exists thereon; and

WHEREAS, a Settlement Agreement and Release (Settlement Agreement) has been negotiated to settle certain litigation related to the Parcel and allow the acquisition of the Parcel by the Successor Agency; and

WHEREAS, the Settlement Agreement was authorized in Closed Session on January 31, 2012, by unanimous vote, with Councilmember DeMaio absent; and

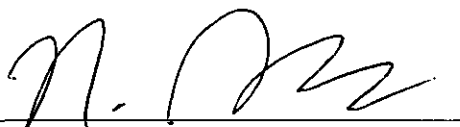
WHEREAS, the Settlement Agreement will require the expenditure of \$3.7 million, and the cost to perform demolition needed to render the Parcel usable for the purposes for which it is being acquired is \$150,000, for a total expenditure of \$3.85 million; and

WHEREAS, pursuant to Resolution No R-307353, approved on April 10, 2012, the City Council approved the expenditure of \$3.85 million by the City to cover the payment required pursuant to the Settlement Agreement and the costs of demolition;

WHEREAS, it has been determined that the Successor Agency should proceed with the payment required pursuant to the Settlement Agreement, the acquisition of the Parcel, and the demolition; NOW THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, acting in its capacity as the board of the Successor Agency, that the Chief Financial Officer is authorized to expend an amount not to exceed One Million Three Hundred Thousand Dollars (\$1,300,000) from Fund No. 400638 and Two Million Five Hundred and Fifty Thousand (\$2,550,000) from Fund No. 200586 for payments required by the Settlement Agreement and Release (Settlement Agreement), on file in the Office of the San Diego City Clerk as Document No. RR307522 and to perform demolition needed to render the real property located at 528-542 14th Street in San Diego, California 92101, usable for the purposes for which it is being acquired pursuant to the Settlement Agreement.


APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Nate Slegers
Deputy City Attorney

June 7, 2012
Or.Dept: CCDC
Cert. No.
Doc. No 367939

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 6/19/2012.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 6.20.12
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor