

RESOLUTION NUMBER R- 307841

DATE OF FINAL PASSAGE NOV 16 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, APPROVING THE EXPENDITURE OF FUNDS, AND AUTHORIZING CERTAIN RELATED ACTIONS, IN CONNECTION WITH THE HORTON PLAZA IMPROVEMENT PROJECT AS REQUIRED BY THE EXISTING OWNER PARTICIPATION AGREEMENT FOR THE HORTON PLAZA RETAIL CENTER.

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

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 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 the City also elected to serve as the successor housing entity to the Former RDA in order to retain housing assets and assume housing responsibilities; and

WHEREAS, at the time of the Former RDA's dissolution on February 1, 2012, 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; and

WHEREAS, in January 2011, the Former RDA and Horton Land, LLC, Horton Plaza Venture, LLC and Horton Plaza LP (collectively, Developer) executed an Owner Participation Agreement (OPA) with respect to the Horton Plaza Retail Center (Retail Center) in downtown San Diego; and

WHEREAS, among other things, the OPA required the Developer to transfer the Horton Park Plaza site (Site) to the Former RDA for the construction of a new urban plaza and related improvements on the Site (Project) and obligated the Former RDA to pay a minimum of \$8 million toward the hard construction costs of the Project; and

WHEREAS, the OPA also obligated the Former RDA to make five annual deposits of \$150,000 each into the Plaza Capital Reserve Account, beginning in Fiscal Year 2015 and continuing in the next four fiscal years, for a total contribution of \$750,000 toward the Project's future capital repairs and replacements; and

WHEREAS, the Successor Agency has assumed the Former RDA's rights and obligations under the OPA; and

WHEREAS, Civic San Diego (CivicSD), formerly known as Centre City Development Corporation, engaged the urban design and landscape architecture firm of Walker Macy and sub-consultants to gather public and stakeholder input and develop more specific designs for the Project; and

WHEREAS, based on the current design of the Project, the total hard and soft costs for design and construction of the Project are estimated to be \$14,286,905, including \$11,908,912 in total hard construction costs; and

WHEREAS, after deducting costs already incurred for the Project in the amount of \$1,552,822, the remaining costs of the Project are estimated to be \$12,734,083; and

WHEREAS, the Successor Agency, the Oversight Board, and the California Department of Finance have approved line items in certain Recognized Obligation Payment Schedules (collectively, ROPS) that cumulatively provide funding of \$12,757,312 for the Project, which includes (i) \$12,007,312 for design and construction costs of the Project (ROPS Project Funds) and (ii) \$750,000 for the five annual deposits into the Plaza Capital Reserve Account beginning in Fiscal Year 2015; and

WHEREAS, the remaining design and construction costs of the Project exceed the amount of funding shown in the ROPS by approximately \$726,771, and CivicSD will explore the availability of an additional funding source to offset this budget shortfall; 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, as follows:

1. The Chief Financial Officer is authorized to appropriate and expend an amount not to exceed \$12,734,083 for the Project from (a) the ROPS Project Funds in the amount of \$12,007,312 and (b) additional funds of up to \$726,771 for certain enhanced Project improvements that exceed the current ROPS limit, so long as an additional funding source is identified to pay for such enhanced improvements.

2. CivicSD is authorized, on behalf of the Successor Agency, to advertise and receive bids for construction of the Project.

3. The Mayor or designee is authorized to award the construction contract for the Project to the lowest responsible bidder, provided responsive bids from a responsible contractor are within the established budget of \$10,982,141, and provided further that the budget may be

increased by an additional \$726,771 for certain enhanced Project improvements that exceed the current ROPS limit, so long as an additional funding source is identified to pay for such improvements, for a total potential construction contract of \$11,708,912.

4. CivicSD is authorized, on behalf of the Successor Agency, to administer the construction contract for the Project.

5. CivicSD is authorized, on behalf of the Successor Agency, to acquire furniture, fixtures and equipment (“FF&E”) for the Project in an amount not to exceed \$200,000, utilizing the ROPS Project Funds.

6. The Chief Financial Officer is authorized to appropriate and expend an amount not to exceed \$280,589, utilizing the ROPS Project Funds, to pay for certain indirect costs of the Project, including additional design services, construction phase consultants, permits and plan check fees and other miscellaneous costs.

7. CivicSD is authorized, on behalf of the Successor Agency, to enter into an agreement with Walker Macy for construction administration support services for the Project in the amount not to exceed \$294,582, utilizing the ROPS Project Funds.

8. CivicSD is authorized, on behalf of the Successor Agency, to select (through a qualifications-based selection process), negotiate, and enter into an agreement with, a consultant for construction management and inspection services for the Project in an amount not to exceed \$250,000, utilizing the ROPS Project Funds.

9. The Mayor or designee is authorized to take all actions necessary and appropriate to carry out and implement the purposes set forth in this Resolution.

APPROVED: JAN I. GOLDSMITH, City Attorney

By Kevin Reisch
Kevin Reisch
Deputy City Attorney

KR:nja
11/02/12
Or.Dept:CivicSD
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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 NOV 13 2012.

ELIZABETH S. MALAND
City Clerk

By [Signature]
Deputy City Clerk

Approved: 11/16/12
(date)

[Signature]
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor