

RESOLUTION NUMBER R- 308280

DATE OF FINAL PASSAGE JUL 02 2013

A RESOLUTION OF THE 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 THE EXPENDITURE OF \$1,990,000 FOR PAYMENTS REQUIRED UNDER THE SETTLEMENT AGREEMENT AND RELEASE WITH RESPECT TO THE PROPERTY AT 1343-1345 MARKET STREET IN DOWNTOWN SAN DIEGO

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, the Successor Agency is winding down the Former RDA's affairs in accordance with AB 26, enacted on June 28, 2011, and Assembly Bill 1484, enacted on June 27, 2012; and

WHEREAS, in or about 2004, the Former RDA began the process of assembling a redevelopment site of up to approximately 40,000 square feet on the south side of Market Street between 13th and 14th Streets in downtown San Diego (Site); and

WHEREAS, Chris and Margaret LaFornara (collectively, LaFornaras) are the former owners of the real property located at 1343-1345 Market Street (Property), comprised of approximately 5,000 square feet of land associated with the assemblage of the Site; and

WHEREAS, the LaFornaras initiated legal claims against the Former RDA seeking damages for allegedly unreasonable pre-condemnation conduct, and those legal claims were automatically transferred to the Successor Agency upon the Former RDA's dissolution pursuant to California Health and Safety Code section 34173(g); and

WHEREAS, representatives of the Successor Agency and the LaFornaras attended mediation on May 1, 2013, and executed a "Settlement Agreement" (Mediation Settlement Agreement) setting forth various settlement deal points between the parties, including the Successor Agency's payment of \$1,990,000, and contemplating the future execution of a more formal agreement to memorialize the settlement deal points in a traditional format; and

WHEREAS, Successor Agency staff promptly submitted the Mediation Settlement Agreement to the California Department of Finance (DOF) for consideration during the statutory meet-and-confer process related to the Recognized Obligation Payment Schedule covering

payments to be made by the Successor Agency to third parties during the time period of July through December 2013 (ROPS 13-14A); and

WHEREAS, the DOF had initially rejected a proposed settlement payment of up to \$2 million on Line Item No. 87 in ROPS 13-14A on the basis that the Successor Agency had not produced evidence of an actual settlement; and

WHEREAS, in a final determination letter regarding ROPS 13-14A dated May 17, 2013, the DOF noted its receipt of the Mediation Settlement Agreement and approved the Successor Agency's settlement payment of \$1,990,000 during the ROPS 13-14A time period utilizing a distribution of funds from the Redevelopment Property Tax Trust Fund (RPTTF); and

WHEREAS, consistent with the Mediation Settlement Agreement, the Successor Agency and the LaFornaras have finalized the terms of the Settlement Agreement and Release, including exhibits thereto, a copy of which is included as Attachment D to Staff Report No. CSD-13-10 accompanying this Resolution (Final Settlement Agreement); and

WHEREAS, the Final Settlement Agreement will fully resolve the pending litigation between the Successor Agency and the LaFornaras; and

WHEREAS, the LaFornaras have signed the Final Settlement Agreement, and the City Council, acting as the Successor Agency's governing board, approved the deal points in the Final Settlement Agreement in closed session on May 21, 2013; and

WHEREAS, on June 3, 2013, the Successor Agency received the RPTTF distribution to be used for payment of enforceable obligations during the ROPS 13-14A time period, including a distribution of \$1,990,000 related to the Final Settlement Agreement; NOW, THEREFORE,

BE IT RESOLVED, by the 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 the aggregate amount of \$1,990,000, utilizing funds received in the distribution from the RPTTF for

ROPS 13-14A, to make the payments required under the Final Settlement Agreement, including:  
(a) \$1,100,000 to Margaret LaFornara; (b) \$233,000 to Chris LaFornara, and (c) \$657,000 to the  
LaFornaras' legal counsel, the law firm of Freeland, McKinley & McKinley.

APPROVED: JAN I. GOLDSMITH, City Attorney

By Kevin Reisch  
Kevin Reisch  
Chief Deputy City Attorney

KR:nja  
06/04/13  
Or.Dept: Civic San Diego  
Document No. 573752

I hereby certify that the foregoing Resolution was passed by the Council of the City of  
San Diego, at this meeting of JUN 18 2013

ELIZABETH S. MALAND  
City Clerk

By [Signature]  
Deputy City Clerk

Approved: 7/2/13  
(date)

[Signature]  
BOB FILNER, Mayor

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

\_\_\_\_\_  
BOB FILNER, Mayor

Passed by the Council of The City of San Diego on JUN 18 2016, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

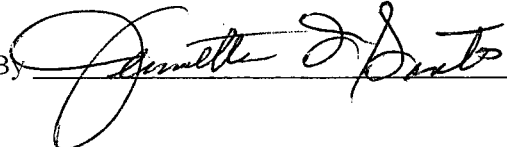
Date of final passage JUL 02 2013.

AUTHENTICATED BY:

BOB FILNER  
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California

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