

RESOLUTION NUMBER R- 303806

DATE OF FINAL PASSAGE MAR 25 2014

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, APPROVING THE REHABILITATION LOAN AGREEMENT WITH LOTUS EQUITY GROUP, LLC FOR THE SILVERADO BALLROOM BUILDING PROJECT.

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, before the Former RDA's dissolution, the City Council adopted Resolution No. R-307238 effective January 12, 2012, designating the City to serve as the successor agency to the Former RDA (Successor Agency) pursuant to California Health and Safety Code (Code) section 34173(d)(1); and

WHEREAS, upon 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 and subsequent legislation (collectively, the Dissolution Laws); and

WHEREAS, the Oversight Board has been formed to oversee certain actions and decisions of the Successor Agency in accordance with the Dissolution Laws; and

WHEREAS, the San Diego County Auditor-Controller, the State Controller, and the California Department of Finance (DOF) also possess certain rights and obligations under the Dissolution Laws with respect to the Successor Agency's administration of the Former RDA's operations; and

WHEREAS, the Dissolution Laws require the Successor Agency to submit to the Oversight Board and the DOF, for their review and approval, a Recognized Obligation Payment Schedule (ROPS) covering payments owed by the Successor Agency to third parties toward enforceable obligations during each upcoming six-month fiscal period; and

WHEREAS, the proposed Silverado Ballroom Rehabilitation Project (Project) is a legacy project between the Former RDA and the owner of the Silverado Ballroom Building in the City Heights Redevelopment Project Area (Project Area); and

WHEREAS, an earlier iteration of the Rehabilitation Loan Agreement for the Project was never fully executed due to the suspension of redevelopment activities in mid-2011, followed by the dissolution of the Former RDA on February 1, 2012; and

WHEREAS, pursuant to ROPS 13-14B covering the time period of January through June 2014, the Successor Agency is now permitted to expend excess non-housing bond proceeds from the Project Area toward the Project; and

WHEREAS, the Silverado Ballroom Building was constructed in 1931/1932 in the Art Deco/Moderne style and is part of a collection of three Art Deco buildings (Silverado Ballroom, Euclid Tower, and Egyptian Garage) at the intersection of Euclid and University Avenues; and

WHEREAS, the restoration and rehabilitation of the Silverado Ballroom Building will add to the community's vision of reviving this unique Art Deco street intersection; and

WHEREAS, Lotus Equity Group, LLC (Owner) has proposed a complete historical rehabilitation of the Silverado Ballroom Building, which includes: rehabilitation of the building exterior and the ballroom; vanilla shell tenant improvements on the first floor; installation of an elevator for Americans with Disabilities Act (ADA) accessibility; new paving and hardscape; and structural, mechanical, and electrical upgrades; and

WHEREAS, all improvements will be completed in compliance with the U.S. Secretary of the Interior's Standards for Rehabilitation, and all plans related to the Project will be reviewed and approved by the City's historic resources staff; and

WHEREAS, the Dissolution Laws, as interpreted by the DOF, require the Oversight Board and the DOF to approve the Rehabilitation Loan Agreement before it can become effective; 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, as follows:

1. The Rehabilitation Loan Agreement with Lotus Equity Group, LLC for the Silverado Ballroom Project is approved.
2. The Mayor or designee is authorized and directed to execute the Rehabilitation Loan Agreement and all exhibits thereto requiring the Successor Agency's signature. A copy of

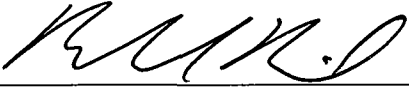
the fully-executed Rehabilitation Loan Agreement shall be placed on file in the Office of the City Clerk as Document No. RR- 308806-1

3. The Mayor or designee is authorized to execute any additional documents, and to take any actions, as may be reasonably necessary to implement the purposes of the Rehabilitation Loan Agreement.

4. The Basic Concept Drawings for the Silverado Ballroom Project are approved. A copy of the Basic Concept Drawings shall be placed on file in the Office of the City Clerk as Document No. RR- 308806-2

5. The City Chief Financial Officer, as delegated, is authorized and directed to appropriate, encumber, and expend up to \$1,379,358 pursuant to the Rehabilitation Loan Agreement from the Successor Agency's Unexpended City Heights Series 2010B Taxable Bond Proceeds, contingent on certification by the City Comptroller that funds are available.



APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Michael Reid
Deputy City Attorney

MTR:nja
02/25/14
Or.Dept:Economic Dev't
Doc. No.: 711581
Comp.No.: 711661

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAR 11 2014

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

KEVIN L. FAULCONER, Mayor

Approved: 3/20/2014
(date)

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

MAR 11 2014

Passed by the Council of The City of San Diego on _____, 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"/>
District 2 (Vacant)	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 MAR 25 2014

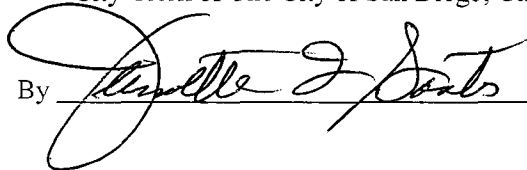
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
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
Resolution Number R- <u>308806</u>