

Item 502 3/18/14
(R-2014-557)
Sub item 'A'

RESOLUTION NUMBER R- 308829

DATE OF FINAL PASSAGE APR 03 2014

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO MAKING CERTAIN DETERMINATIONS RELATED TO THE EXPENDITURE OF EXCESS BOND PROCEEDS FOR THE CONSTRUCTION OF PARK BOULEVARD STREETScape IMPROVEMENTS WITHIN THE CENTRE CITY REDEVELOPMENT PROJECT AREA IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445.

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 engaged in activities necessary to carry out and implement the Redevelopment Plan for the Centre City Redevelopment Project (Project Area); and

WHEREAS, the intent of the Redevelopment Plan for the Project Area is, in part, to provide for the construction and installation of necessary public infrastructure and facilities; to facilitate the repair, restoration or replacement, or both, of existing public facilities; to perform specific actions necessary to promote the redevelopment and the economic revitalization of the Project Area; to increase, improve and preserve the community's supply of low and moderate income housing, some of which may be located or implemented outside the Project Area; and to take all other necessary actions to implement the Redevelopment Plan for the Project Area and to expend tax increment to accomplish these goals and objectives; and

WHEREAS, the current Five-Year Implementation Plan for the Project Area adopted on June 19, 2009 pursuant to California Health and Safety Code section 33490 (Implementation

Plan) sets out goals to support affordable housing, economic development, community revitalization, commercial revitalization, and institutional revitalization; 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 of the City of San Diego (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 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, enacted on June 28, 2011, and Assembly Bill 1484, enacted on June 27, 2012; and

WHEREAS, the Successor Agency will implement an enforceable obligation related to improvements located in the Project Area on Park Boulevard, north of Russ Boulevard in front of the San Diego High School campus on the east side of the street, and City College facilities on the west side of the street, which will result in greater pedestrian safety (Project); and

WHEREAS, the Project includes: installing a pedestrian traffic signal, increasing median width, moving the southbound bus loading zone from the center lane to the side of the street, installing warning signs, and improving sidewalk lighting with new street lights; and

WHEREAS, pursuant to California Health and Safety Code section 33445, the Successor Agency may, with the consent of the City, pay all or a part of the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned and is located inside or contiguous to the Project Area so long as the governing boards of the Successor Agency and the City make certain determinations; and

WHEREAS, the City Council has considered certain written determinations and supporting factual information concerning the Project in accordance with California Health and Safety Code section 33445 (33445 Determinations), and a copy of the 33445 Determinations is included as Attachment C to Staff Report No. CSD-14-02 accompanying this Resolution; and

WHEREAS, pursuant to California Health and Safety Code section 33445, the City Council has considered the information regarding: (1) the benefit of the Project to the Project Area, including the information contained in Section I of the 33445 Determinations; (2) the unavailability to the community (i.e., the City) of other reasonable means of financing the Project, including the information contained in Section II of the 33445 Determinations; and (3) the consistency of payment of funds for the Project with the Implementation Plan, including the information contained in Section III of the 33445 Determinations; and

WHEREAS, the total costs of the Project are estimated to be \$1,426,440; and

WHEREAS, contracts in the amount of \$141,440 have been previously executed for design costs including Project design, cost estimates, bidding, construction support, and final Project closeout, including as built; and

WHEREAS, funds in the amount of \$642,500 are currently available in line item 387 of Recognized Obligation Payment Schedule (ROPS) 13-14B from RPTTF Fund 200700; and

WHEREAS, additional funding of \$642,500 is pending approval by the State Department of Finance (DOF) in line item 387 of ROPS 14-15A in Fund 400638, Reserves from the approved OFA DDR; and

WHEREAS, Civic San Diego has been approved for a \$300,000 SANDAG Smart Growth grant, which will be applied to the Project and will replace the funds from ROPS line item 387 if not required for contingency or cost escalation; and

WHEREAS, the Successor Agency's expenditure of funds toward completion of the Project is contingent upon the Oversight Board and the DOF approving such expenditure in the applicable ROPS and approving the necessary contracting process; NOW, THEREFORE,

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

1. The City Council finds and determines that the foregoing recitals are true and correct.
2. The City Council determines, based upon the testimony and documentary evidence presented at the public hearing with respect to the Project, that:
 - a. The Project improvements, which include installing a pedestrian traffic signal, increasing median width, moving the southbound bus loading zone from the center lane to the side of the street, installing warning signs, and improving sidewalk lighting with new street lights, are of benefit to the Project Area, in that:
 - i. The Project is within the Project Area.
 - ii. The Project will enhance portions of redevelopment districts for the benefit of nearby users as well as residents, businesses, and visitors to downtown San Diego.

iii. The Project will improve the pedestrian safety needs of residents and visitors by meeting the current City standard for transit corridor lighting requirements.

iv. The Project will provide an efficient transportation system and safer merges for buses re-entering traffic on Park Boulevard.

v. The Project will upgrade and enhance pedestrian and vehicular mobility and improve transportation facilities, which will improve ingress and egress for residents of the neighborhoods and customers for commercial corridors within the Project Area.

vi. The Project will provide better and safer connectivity between the San Diego City College main campus and athletic fields.

b. No other reasonable means of financing the cost of acquisition of land for and/or the cost of installation and construction of the Project improvements are available to the community (i.e., the City), in that:

i. The City of San Diego Fiscal Year (FY) 2015-2019 Five-Year Financial Outlook is the guiding document for long-range fiscal planning and serves as the framework for the development of the City's annual budget. The City's General Fund is the primary focus of the FY 2015-2019 Five-Year Financial Outlook and forecasts revenues and expenditures for five fiscal years beginning with FY 2015. In addition to maintaining the City's baseline budget, over the next five years, approximately \$750 million in departmental operational needs have been identified. Including the critical operational needs that have been identified in the FY 2015-2019 Five-Year Financial Outlook, a General Fund deficit of \$78 million is projected for FY 2015 with deficits projected to decline to \$19.1 million by FY 2019.

ii. The City of San Diego maintains a large network of infrastructure assets, such as streets, facilities, storm drains, water and wastewater pipelines, parks, bridges,

airports, and golf courses. From 2007 to 2011, the City took action to assess the condition of certain General Fund infrastructure assets. Based upon a report of the condition of these assets, the City's deferred capital backlog for General Fund street, facility, and storm water infrastructure assets was estimated at \$898 million. Of this amount, \$478 million was related to streets, \$185 million was attributed to facilities, and \$235 million was related to storm water infrastructure. On March 20, 2012, the City Council approved a deferred capital funding plan which provided for bond funding totaling \$419.3 million over a five-year period from Fiscal Years 2013 through 2017, and increasing annual cash funding for maintenance and repair and capital expenditures from \$52.7 million in Fiscal Year 2013 to \$79.0 million by Fiscal Year 2017.

iii. On May 8, 2013, the Regional Water Quality Control Board (RWQCB) issued a new storm water permit in order to establish the conditions under which pollutants can be discharged from the City's storm drain system to local streams, coastal lagoons, and the ocean. The permit requires compliance with the federal Clean Water Act and storm water regulations by calendar year 2018. With a deadline of 2018 to comply with the new water quality regulations, the City's Storm Water Division will require significant increases in funding for both operating and capital expenses. By FY 2019, the operating increases amount to \$17 million while the Capital Improvements Program (CIP) requirements to comply with the permit amount to \$182.2 million. These expenditures are mostly unfunded through FY 2019, and there is not a current plan to fully fund these requirements.

iv. In light of the above circumstances, it is anticipated that the City's fiscal budget will continue to be constrained for the foreseeable future and that the City will not

have a reasonable means to finance the Project improvements without the use of redevelopment funds.

c. The payment of Successor Agency funds toward the cost of the construction of the Project improvements will assist in the elimination of blighting conditions within the Project Area, and is consistent with the Implementation Plan, in that:

i. The work program of the Implementation Plan, at page 4, sets forth certain ways to contribute to blight removal in the Project Area. For example, the work program anticipates the construction of “Improvements to existing water and sewer lines, streets, sidewalks, parkways, and lighting in the public right-of-way; continued participation in the enhancement of the public transit system.” Consistent with the work program, the Project will include upgrades to sidewalks and lighting, as well as relocation of an existing bus stop and installation of a new median to enhance user safety. Overall, the Project will improve the roadway at a primary entry point to Balboa Park.

ii. The work program of the Implementation Plan also anticipates that the Successor Agency will “Design and implement new street lighting system, convert existing low-pressure sodium lights and provide efficiencies with adoption of a comprehensive lighting plan.” Consistent with the work program, the Project will add new street lights for better sidewalk lighting.

APPROVED: JAN I. GOLDSMITH, City Attorney

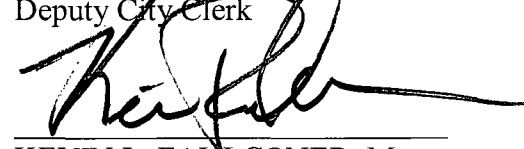
By Kevin Reisch
Kevin Reisch
Chief Deputy City Attorney

KR:mm
03/13/14
Or.Dept: Civic San Diego
Doc. No. 745933

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAR 18 2014

ELIZABETH S. MALAND
City Clerk

By Karen Crowley
Deputy City Clerk



KEVIN L. FAULCONER, Mayor

Approved: 4/2/14
(date)

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on MAR 18 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input type="checkbox"/>	<input checked="" 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 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 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 APR 03 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.

(Seal)

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

By Karen Col, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 308829