

#107
08/02/2022

(R-2023-52)

RESOLUTION NUMBER R- 314290

DATE OF FINAL PASSAGE AUG 10 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO MAKING PUBLIC BENEFIT FINDINGS AND
AUTHORIZING THE GRANTING OF AN UNDERGROUND
UTILITY EASEMENT TO SAN DIEGO GAS & ELECTRIC
COMPANY AT THE FORMER SAN DIEGO NAVAL
TRAINING CENTER/LIBERTY STATION.

WHEREAS, in 1993, the United States Government authorized the closure of the
San Diego Naval Training Center (NTC) located in the City of San Diego (City); and

WHEREAS, the City is officially recognized by the United States Department of Defense
as the "Local Redevelopment Authority" responsible for the closure and redevelopment of NTC;
and

WHEREAS, the City adopted the Redevelopment Plan for the Naval Training Center
Redevelopment Project Area in May 1997 (NTC Redevelopment Plan); and

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA)
was engaged in activities necessary to carry out and implement the NTC Redevelopment Plan;
and

WHEREAS, pursuant to Assembly Bill x1 26 enacted June 28, 2011, the California
Supreme Court opinion in *California Redevelopment Assn v. Matosantos*, 53 Cal. 4th 231
(2011), and subsequent related legislation (collectively, Dissolution Laws), the Former RDA
dissolved as of February 1, 2012; and

WHEREAS, pursuant to Resolution R-307238 adopted by the City Council (Council)
effective January 12, 2012, the City elected to serve as the successor agency to the Former RDA
(Successor Agency) in accordance with California Health and Safety Code (Code) section
34173(d)(1); and

WHEREAS, the Successor Agency, by operation of the Dissolution Laws, acquired ownership of all non-housing assets, properties, contracts, leases, books, records, buildings, and equipment of the Former RDA; and

WHEREAS, as required by the Dissolution Laws, the Successor Agency prepared its Amended and Restated Long-Range Property Management Plan (ARPMP) to govern disposition of the Former RDA's non-housing real property assets; and

WHEREAS, on September 21, 2015, the local Oversight Board for the Successor Agency adopted Resolution No. OB-2015-14, approving the ARPMP; and

WHEREAS, on October 15, 2015, the State of California Department of Finance issued a letter unconditionally approving the ARPMP; and

WHEREAS, consistent with California Health and Safety Code (Code) section 34191.5(c)(2), the ARPMP requires the Successor Agency to dispose of the Former RDA's non-housing real property assets, including transferring designated properties to the City for future development in accordance with historical redevelopment objectives (Future Development Sites); and

WHEREAS, the ARPMP designates the NTC property (NTC Property) as a Future Development Site; and

WHEREAS, consistent with the ARPMP, the Successor Agency conveyed ownership of the NTC Property to the City; and

WHEREAS, a portion of the NTC Property was subdivided, pursuant to City Map No. 16063, into 5 lots collectively designated "Liberty Station East Hotel" (East Hotel Site); and

WHEREAS, the East Hotel Site is subject to the Naval Training Center Disposition and Development Agreement between the Former RDA and McMillin-NTC, LLC, dated June 26,

2000, as amended (DDA), and various associated ground leases and other agreements related to redevelopment of the East Hotel Site; and

WHEREAS, pursuant to the DDA, the East Hotel Site is planned for construction of three hotels, a restaurant, parking facilities and community recreation and open space improvements; and

WHEREAS, the City owns the fee estate of the East Hotel Site, subject to certain long-term ground leases for redevelopment of the lots within the East Hotel Site; and

WHEREAS, two hotels have been constructed on the East Hotel Site, one on Lot 4 and one on Lot 5; and

WHEREAS, for development and operation of the existing hotels, the future hotel and restaurant, and other improvements planned for redevelopment of the East Hotel Site, underground gas and electric facilities were installed by or on behalf of San Diego Gas & Electric Company (SDG&E) running through portions of the East Hotel Site; and

WHEREAS, for the continuing operation and maintenance of the underground gas and electric facilities running through the East Hotel Site, SDG&E requires an easement over the portion of the East Hotel Site where such underground gas and electric facilities are located (Easement); and

WHEREAS, City staff negotiated a proposed Underground Utility Easement Agreement (Easement Agreement) with SDG&E through which the City will grant the Easement to SDG&E without direct monetary consideration and a copy of the Easement Agreement is included in the docket material accompanying this Resolution; and

WHEREAS, the Easement location is specifically described in Exhibits B and C attached to the Easement Agreement; and

WHEREAS, the Easement is approximately 14,449 square feet in size and the appraised fair market value of the Easement is \$295,000; and

WHEREAS, the Former RDA granted utility easements on the NTC Property to the utility service providers in furtherance of the redevelopment of the NTC Property without direct monetary consideration from the utility service providers; and

WHEREAS, redevelopment of the East Hotel Site has been an objective of the City for more than 20 years; and

WHEREAS, redevelopment of the East Hotel Site will:

- a. eliminate blight resulting from the closure of NTC; and
- b. benefit the City's economy by providing additional lodging for tourists visiting the City, where tourism is a major component of the City's economy; and
- c. benefit the City by providing significant new jobs, sales tax revenue, transient occupancy tax revenue, and annual possessory interest tax revenue; and

WHEREAS, granting the Easement is necessary for operation of the existing development on the East Hotel Site and planned future redevelopment of the East Hotel Site; and

WHEREAS, the Council finds and determines that granting the Easement without direct monetary consideration is in the best interests of the City and the health, safety, morals and welfare of its residents; and

WHEREAS, the Office of the City Attorney has drafted this Resolution based on the information provided by City staff (including information provided by affected third parties and

verified by City staff), with the understanding that this information is complete, true, and accurate; NOW, THEREFORE,

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

1. The following facts are found and determined to exist, based on evidence provided to the Council in the docket material accompanying this Resolution and at the meeting at which this Resolution is adopted:

a. Redevelopment of the East Hotel Site has been an objective of the City for more than 20 years; and

b. The City is the Local Redevelopment Authority for the closure and redevelopment of NTC; and

c. Redevelopment of the East Hotel Site will:

i. eliminate blight resulting from the closure of NTC; and

ii. benefit the City's economy by providing additional lodging for tourists visiting the City, where tourism is a major component of the City's economy; and

iii. benefit the City by providing significant new jobs, sales tax revenue, transient occupancy tax revenue, and annual possessory interest tax revenue; and

d. Granting the Easement is necessary for the operation of the existing development on the East Hotel Site and planned future planned redevelopment of the East Hotel Site; and

e. Granting the Easement without direct monetary consideration is in the best interests of the City and the health, safety, morals and welfare of its residents.

2. Based on the facts and circumstances of the redevelopment of the East Hotel Site found and determined to exist, granting the Easement to SDG&E is necessary for the operation of the existing development on the East Hotel Site and planned future redevelopment of the East Hotel Site and there are numerous public benefits accruing to the City and its residents from such redevelopment providing adequate consideration to the City for granting the Easement to SDG&E.

3. The Mayor or designee is authorized and directed, on behalf of the City, to sign and enter into the Easement Agreement and take all other actions reasonably necessary or desirable to grant the Easement to SDG&E and perform the City's obligations under the Easement Agreement. A copy of the Easement Agreement, when fully executed, shall be placed on file with the City Clerk as Document No. RR- 314290.

APPROVED: MARA W. ELLIOTT, City Attorney

By: /s/ Daphne Z. Skogen
Daphne Z. Skogen
Deputy City Attorney

DZS:hm
07/18/2022
Or. Dept: Econ. Dev.
Doc. No.: 3034949

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of AUG 02 2022.

ELIZABETH S. MALAND
City Clerk

By: Connie Patterson
Deputy City Clerk

Approved: 8/10/22
(date)

Tod Gloria
TOD GLORIA, Mayor

Vetoed: _____
(date)

TOD GLORIA, Mayor

Passed by the Council of The City of San Diego on AUG 02 2022, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage AUG 10 2022.

(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:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

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

By Connie Patterson, Deputy

Office of the City Clerk, San Diego, California

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