

000249

REQUEST FOR COUNCIL ACTION  
CITY OF SAN DIEGO

1. CERTIFICATE NUMBER 334  
(for auditor's use only) 9/11

TO:  
CITY ATTORNEY

2. FROM: (ORIGINATING DEPARTMENT)  
CITY PLANNING AND COMMUNITY INVESTMENT/  
REDEVELOPMENT DIVISION

3. DATE  
June 28, 2007

4. SUBJECT: El Cajon Blvd Medians – Crossroads Redevelopment Project (Companion to Agency Action)

5. Primary Contact (Name, Phone & Mail Sta.)  
Tracy Reed, x66543, MS 56D

6. Secondary Contact (Name, Phone & Mail Sta.)  
James Davies, x66540 MS 56D

7. Check BOX if REPORT TO REDEVELOPMENT IS  
ATTACHED AND EXECUTIVE SUMMARY

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	10274			
DEPT.				
ORGANIZATION				
OBJECT ACCOUNT	9544			
JOB ORDER				
C.I.P. NUMBER	39-234.0 <i>SR</i>			
AMOUNT	\$250,000			

9. ADDITIONAL INFORMATION/ESTIMATED COST:

Fiscal Impact: Funds in the amount of \$250,000 are available from tax increment within the Crossroads Redevelopment Project Area for this purpose.

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVING SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVING SIGNATURE	DATE SIGNED
1	Assistant Director City Planning & Community Investment	<i>Janise Weirich</i>	7/9/07	6	Deputy Chief, Land Use & Economic Development	<i>James T. Waring</i>	8/2/07
2	Director City Planning & Community Investment	<i>William Anderson</i>	7/9/07	7	City Attorney	<i>Carol Leone</i>	8/7/07
3	Financial Management	<i>Irina Dumits</i>	7/24/07	8	Originating Department	<i>Tracy Reed</i>	8/7/07
4	Auditor	<i>Roland Charney</i>	7/26/07				
5	EAS	<i>Martha Blake</i>	7/31/07				
				9	Docket Coord: _____ Council Liaison: _____		
					COUNCIL PRESIDENT <input type="checkbox"/> Spob <input type="checkbox"/> CONSENT <input checked="" type="checkbox"/> ADOPTION <i>ms</i>		9/11/07

11. PREPARATION OF:  RESOLUTION(S)  ORDINANCE(S)  AGREEMENT(S)  DEED(S)

1. Make the necessary findings that the El Cajon Boulevard Median Improvements will benefit the Crossroads Redevelopment Project Area, that there are no other means of financing the improvements, and that the contribution of \$250,000 to the City for the purpose of financing the El Cajon Boulevard Median Improvements (CIP 39-234.0) will assist in the elimination of one or more blighting conditions, *and,*

2. Amend the Fiscal Year 2008 Capital Improvements Program Budget for the El Cajon Blvd Median Improvements (CIP 39-234.0) to include an additional contribution from the Redevelopment Agency in the amount of \$250,000; *provided the Auditor and Comptroller*

3. Accept, appropriate, and expend funds in the amount of \$250,000 from the Redevelopment Agency for the El Cajon Boulevard Median Improvements (CIP 39-234.0).

DOCKET OF: September 11, 2007

*(back)*

11a. STAFF RECOMMENDATIONS: Approve the resolutions.

12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)

Council District(s): 7

Community Planning Area(s): College Area and Eastern Area.

Environmental Impact: This activity is categorically exempt for CEQA pursuant to State CEQA Guidelines, Section 15301, and exempt from NEPA pursuant to 24 CFR Part 58, Section 58.34(b).

Housing Impact: None.

Other Issues: None.

first furnishes a certificate certifying the funds are or will be on deposit with the City Treasurer, and;

000250

REC'D  
07 AUG 30 PM 3-11  
CITY CLERK'S OFFICE  
SAN DIEGO, CA

000251

EXECUTIVE SUMMARY SHEET

DATE REPORT ISSUED: September 5, 2007  
ATTENTION: Honorable Chair and Members of the Redevelopment Agency,  
Council President and City Council,  
Docket of September 11, 2007  
ORIGINATING DEPT: City Planning and Community Investment, Redevelopment Division  
SUBJECT: El Cajon Boulevard Median Improvements, Additional Funding  
COUNCIL DISTRICT(S): Seven  
STAFF CONTACT: Tracy Reed (619) 533-7519, [treed@sandiego.gov](mailto:treed@sandiego.gov)

REQUESTED ACTIONS:

- 1) Should the Redevelopment Agency and City Council make the necessary findings and authorize the contribution of \$250,000 from the Crossroads Redevelopment Project Area to the City for the purpose of financing the El Cajon Boulevard Median Improvements?
- 2) Should the Redevelopment Agency and City Council amend the Fiscal Year 2008 Redevelopment Agency Budget by increasing the Crossroads Redevelopment Project Area Budget (Fund 98250) in the amount of \$250,000 for the purpose of financing the El Cajon Boulevard Median Improvements?
- 3) Should the City accept the funds of \$250,000 for the El Cajon Boulevard Median Improvements (CIP 39-234.0)?

STAFF RECOMMENDATION:

Approve the requested actions.

EXECUTIVE SUMMARY:

Several years ago the Transportation Department received funding to initiate the planning and engineering to restore the medians along El Cajon Blvd. The project was to replace the substandard curbs and asphalt-surfaced raised medians with new curbs, color stamped concrete, landscaping and irrigation from 54<sup>th</sup> Street to 73<sup>rd</sup> Street. After the planning and engineering work was completed on this, construction was deferred until funds were identified and a maintenance assessment district was established. The College Heights Maintenance Assessment District established in April 2004.

The contract for the base bid of this project was awarded on October 30, 2006. The contractor was authorized to proceed with the base bid and three alternate bids in late January 2006. The pre-construction meeting for the project was held on March 1, 2007. The contractor commenced work on the project on March 12, 2007. The contractors anticipated completion of the project is early November 2007.

Construction is underway, however, the cost of the demolition is much higher than anticipated because of unforeseen concrete removal beneath the asphalt cap of the existing medians at several locations. The irrigation cost has increased beyond the engineer's estimate due to issues regarding the use of mainline piping sleeves that were previously installed. Several of the piping sleeves that were installed are damaged and unusable. The current funding gap is approximately

\$250,000 and the only funds available for this unanticipated cost increase are Crossroads Redevelopment Project tax increment funds.

California Community Redevelopment Law requires that certain findings be made by the Redevelopment Agency and the City Council prior to the expenditure of Agency funds for public improvements. The replacement of substandard median curbs and the installation of landscaping and irrigation will assist in the elimination of blighting conditions inside the Project Area, and that the medians and landscaping are consistent with the Redevelopment Plan and the Five-Year Implementation Plan. The landscaping will be maintained by the College Heights Maintenance Assessment District.

FISCAL CONSIDERATIONS:

If the Agency approves the additional \$250,000 requested through this action, the total Agency expenditure for this project will be \$2,340,000. Funds in the amount of \$250,000 are available from tax increment within the Crossroads Redevelopment Project. The total cost of this project is anticipated to be \$2,460,920. The funding consists of \$2,340,000 in tax increment funds, \$60,000 of Water Department funds, \$45,000 of College Heights MAD funds and \$15,920 of County of San Diego funds for the community signs.

PREVIOUS AGENCY and/or COMMITTEE ACTION:

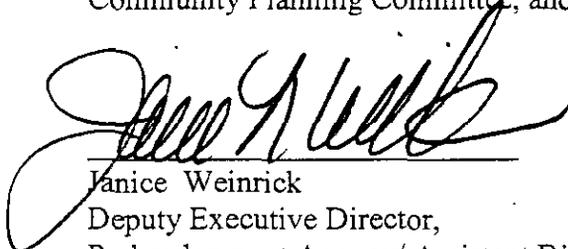
The Redevelopment Agency provided \$340,000 of tax increment funds from the Crossroads Redevelopment Project on January 9, 2007. The City Council authorized the construction of this project on August 8, 2006. The Redevelopment Agency authorized \$1,750,000 of tax increment funds from the Crossroads Redevelopment Project on September, 14, 2004.

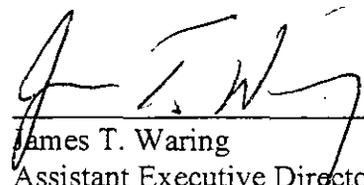
COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS:

The project is supported by the College Heights MAD, College Area Business Improvement District, Crossroads PAC, and College and Eastern community planning groups. Outreach efforts to these groups have been conducted on a regular basis. The Crossroads PAC will be asked to make a recommendation regarding this funding request at their July 26, 2007 meeting. Staff will inform the Agency of their recommendation.

KEY STAKEHOLDERS and PROJECT IMPACTS:

College Heights MAD, College Area BID, College Area Community Council, Eastern Area Community Planning Committee, and Crossroads PAC.

  
 Janice Weinrick  
 Deputy Executive Director,  
 Redevelopment Agency/ Assistant Director  
 City Planning & Community Investment

  
 James T. Waring  
 Assistant Executive Director,  
 Redevelopment Agency/ Deputy Chief,  
 Land Use & Economic Development

Attachment: Findings (Health & Safety Code § 33445)

**Findings**  
**(Health & Safety Code § 33445)**  
**Crossroads Redevelopment Project Area**

SUBJECT IMPROVEMENTS:

RECONSTRUCTION OF MEDIANS AND THE INSTALLATION OF LANDSCAPING  
(El Cajon Boulevard from 54<sup>th</sup> Street to 73<sup>rd</sup> Street)

The following findings are for the El Cajon Boulevard Median Improvements – within the Crossroads Redevelopment Project Area.

I. FINDINGS OF BENEFIT

The subject improvements for which the Redevelopment Agency of the City of San Diego (“Agency”) proposes to pay will benefit the Crossroads Redevelopment Project Area in that:

- A. These improvements are within the Crossroads Redevelopment Project Area.
- B. The improvements will enhance portions of the Crossroads Redevelopment Project Area for the benefit of nearby users as well as residents.
- C. These improvements will be completed in two phases: Phase one replaces substandard curbs and asphalt - surfaced raised medians with new curbs and color stamped concrete on El Cajon Boulevard between 54<sup>th</sup> Street and 73<sup>rd</sup> Street (the City boundary with La Mesa). Phase two will install landscaping and irrigation. Enhancements included street trees, shrubs, ground covers, automatic irrigation, and community signage.
- D. The improvements will contribute to parallel efforts to revitalize and beautify the community. By a majority vote the business owners established the College Area Economic Development Corporation (i.e., College Area Business Improvement Districts). By the majority vote of the property owners created the College Heights Maintenance Assessment District (“MAD”). The MAD will provide enhanced maintenance services with the goal of beautifying and improving the appearance of a specified boundary generally located on El Cajon Boulevard by providing street sweeping, graffiti removal, enhanced landscaping services, lighting and other services.

## II. NO OTHER REASONABLE MEANS OF FINANCING

There are no other reasonable means available to the community for financing the subject improvements for which the Agency proposes to pay in that:

### City of San Diego

- A. The City's Capital Improvement Budget is funded primarily with water and sewer fees, a half-cent local sales tax for transportation improvements, development impact fees, State and Federal grants and/or the issuance of bonds. The Fiscal Year 2008 Proposed Capital Improvements Program (CIP) Budget totals \$454.6 million, which is an increase of \$160.9 million from the Fiscal Year 2007 Annual Budget. In Fiscal Year 2007, the Water and Metropolitan Wastewater Department received rate increases. That increased the Fiscal Year 2008 Proposed CIP Budget by approximately \$175.7 million from the Fiscal Year 2007 Annual Budget. Excluding the rate increase and related projects the Fiscal Year 2008 Proposed CIP Budget has decreased \$14.8 million from the Fiscal Year 2007 Annual Budget.
- B. The Agency's Budget was developed in accordance with City and Council Policy, and each project activity was evaluated and incorporated in the respective budgets. The Fiscal Year 2008 Annual Budget for City Redevelopment totals \$128.2 million. Of this amount, \$91.4 million is comprised of new funds with \$36.8 million carrying over from the previous year. The Agency is in the process of securing \$70.0 million three-year line of credit through San Diego National Bank. This line of credit will be drawn upon to cover an estimated \$47.0 million of redevelopment project expenditures during Fiscal Year 2008. Tax increment to be generated in Fiscal Year 2008 in the City Redevelopment areas is estimated to exceed \$39.2 million.
- C. The total cost for the El Cajon Boulevard Median Improvements Project has increased from \$2,210,920 to \$2,460,920, resulting in a funding gap of \$250,000. There are insufficient funds currently allocated in the CIP Annual Budget to fund the additional cost of the improvements. The Redevelopment Agency shall contribute an additional \$250,000 of Crossroads Redevelopment Project Area tax increment funds to finance the additional cost for the improvements.

### III. ELIMINATION OF BLIGHTING CONDITIONS

The payment of Agency funds toward the cost of the construction and installation of the subject improvements will assist in the elimination of blighting conditions inside the Crossroads Redevelopment Project Area and the proposed improvements are consistent with the Implementation Plan for the Crossroads Redevelopment Project, adopted pursuant to Health and Safety Code Section 33490, in that:

- A. The improvements will correct and upgrade substandard and deteriorated infrastructure facilities and will specifically improve surface drainage, traffic safety, and improve pedestrian safety.
- B. The improvements will upgrade deficient public open spaces with decorative paving, street trees and other landscaping and will improve the image of a primary gateway into the College and Mid-City Communities.
- C. The improvements project is consistent with the First Implementation Plan for Crossroads Redevelopment Project Area, which is recorded with the Agency as Document No. O-19174 and dated May 6, 2003, in that the project addresses the Plan's specific priority goals which include the following:
  - 1) Reduce visible physical blight.
  - 2) Increase public awareness of community identity by physically improving and defining community boundaries and entryways, preserving the identity of separate neighborhoods and promoting the positive characteristics of the area.
  - 3) Upgrade streetscapes and improve pedestrian, public transit and bicycle orientation in the commercial areas.
  - 4) Concentrate improvements in demonstration block and at community gateways.
- D. The First Implementation Plan provides that one of the programs/projects for the 2004-2005 Fiscal Year period is to "develop master infrastructure improvement plan for El Cajon Boulevard and University Avenue." The First Implementation Plan further provides that one of the Agency's goals and objectives for the Crossroads Redevelopment Project Area is to "enhance economic growth within the Project Area by continuing ongoing efforts to revitalize commercial areas, particularly the commercial corridor along El Cajon Boulevard and University Avenue."



000259

RESOLUTION NUMBER R-\_\_\_\_\_

DATE OF FINAL PASSAGE \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO MAKING CERTAIN FINDINGS WITH RESPECT TO THE PAYMENT FOR THE EL CAJON BOULEVARD MEDIAN IMPROVEMENTS; ACCEPTING THE TRANSFER OF FUNDS FROM THE REDEVELOPMENT AGENCY IN THE AMOUNT OF \$250,000; AMENDING THE CAPITAL IMPROVEMENT PROGRAM BUDGET NO. 39-234.0 TO INCLUDE THE \$250,000.

WHEREAS, the Redevelopment Agency of the City of San Diego [Agency] is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Crossroads Redevelopment Project Area [Project Area]; and

WHEREAS, Agency and City of San Diego [City] desire to cooperate in the construction of public improvements designed to enhance the appearance, functionality, and safety of existing conditions within the Project Area; and

WHEREAS, Agency previously authorized an expenditure of \$2,090,000 for the El Cajon Boulevard Median Improvements [Project], and transfer of tax increment funds in that amount into the budget for CIP 39-234.0; and

WHEREAS, Agency wishes to contribute additional tax increment funds to the budget for CIP 39.234.0 in the amount of \$250,000 to finance a funding shortfall for the Project; NOW, THEREFORE,

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

1. The Council finds and determines that funding the construction of the Project with tax increment funds is:

- a) A benefit to the Crossroads Redevelopment Project Area;
- b) Appropriate because no other reasonable means of financing the Project is available to the community;
- c) Appropriate because the public improvements will assist in the elimination of one or more blighting conditions within the Project Area; and
- d) Consistent with the Implementation Plan for the Project Area adopted by the Agency on May 6, 2003, on file as Document No. O-19174 in the office of the Secretary to the Agency pursuant to California Health and Safety Code Section 33490. All of these findings are more fully described in Attachment 1 hereto.

2. That the Council amends and increases the Capital Improvement Program Budget No. 39-234.0 to include the \$250,000 in Agency public improvement contributions, provided the Auditor and Comptroller first furnishes a certificate certifying the funds are or will be on deposit with the City Treasurer.

3. That the Council accept, appropriate and expend the funds from the Agency for the Project in the amount of \$250,000.

BE IT FURTHER RESOLVED, that this activity is categorically exempt from the California Environmental Quality Act [CEQA], pursuant to CEQA Guidelines section 15301(c), and exempt from the National Environmental Policy Act [NEPA] pursuant to 24 CFR Part 58, Section 58.34(b).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By Carol A. Leone  
Carol A. Leone  
Deputy City Attorney

000261

(R-2008-42)

CAL:cfq  
07/11/07  
Or.Dept:R.A.  
R-2008-42  
Aud.Cert.:  
MMS#5071  
Redevelopment:Companion RA-2008-14

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

ELIZABETH S. MALAND  
City Clerk

By \_\_\_\_\_  
Deputy City Clerk

Approved: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

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

\_\_\_\_\_  
JERRY SANDERS, Mayor

**Findings**  
**(Health & Safety Code § 33445)**  
**Crossroads Redevelopment Project Area**

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- D. The improvements will contribute to parallel efforts to revitalize and beautify the community. By a majority vote the business owners established the College Area Economic Development Corporation (i.e., College Area Business Improvement Districts). By the majority vote of the property owners created the College Heights Maintenance Assessment District (“MAD”). The MAD will provide enhanced maintenance services with the goal of beautifying and improving the appearance of a specified boundary generally located on El Cajon Boulevard by providing street sweeping, graffiti removal, enhanced landscaping services, lighting and other services.

II. NO OTHER REASONABLE MEANS OF FINANCING

There are no other reasonable means available to the community for financing the subject improvements for which the Agency proposes to pay in that:

City of San Diego

- A. The City's Capital Improvement Budget is funded primarily with water and sewer fees, a half-cent local sales tax for transportation improvements, development impact fees, State and Federal grants and/or the issuance of bonds. The Fiscal Year 2008 Proposed Capital Improvements Program (CIP) Budget totals \$454.6 million, which is an increase of \$160.9 million from the Fiscal Year 2007 Annual Budget. In Fiscal Year 2007, the Water and Metropolitan Wastewater Department received rate increases. That increased the Fiscal Year 2008 Proposed CIP Budget by approximately \$175.7 million from the Fiscal Year 2007 Annual Budget. Excluding the rate increase and related projects the Fiscal Year 2008 Proposed CIP Budget has decreased \$14.8 million from the Fiscal Year 2007 Annual Budget.
- B. The Agency's Budget was developed in accordance with City and Council Policy, and each project activity was evaluated and incorporated in the respective budgets. The Fiscal Year 2008 Annual Budget for City Redevelopment totals \$128.2 million. Of this amount, \$91.4 million is comprised of new funds with \$36.8 million carrying over from the previous year. The Agency is in the process of securing \$70.0 million three-year line of credit through San Diego National Bank. This line of credit will be drawn upon to cover an estimated \$47.0 million of redevelopment project expenditures during Fiscal Year 2008. Tax increment to be generated in Fiscal Year 2008 in the City Redevelopment areas is estimated to exceed \$39.2 million.
- C. The total cost for the El Cajon Boulevard Median Improvements Project has increased from \$2,210,920 to \$2,460,920, resulting in a funding gap of \$250,000. There are insufficient funds currently allocated in the CIP Annual Budget to fund the additional cost of the improvements. The Redevelopment Agency shall contribute an additional \$250,000 of Crossroads Redevelopment Project Area tax increment funds to finance the additional cost for the improvements.

III. ELIMINATION OF BLIGHTING CONDITIONS

The payment of Agency funds toward the cost of the construction and installation of the subject improvements will assist in the elimination of blighting conditions inside the Crossroads Redevelopment Project Area and the proposed improvements are consistent with the Implementation Plan for the Crossroads Redevelopment Project, adopted pursuant to Health and Safety Code Section 33490, in that:

- A. The improvements will correct and upgrade substandard and deteriorated infrastructure facilities and will specifically improve surface drainage, traffic safety, and improve pedestrian safety.
- B. The improvements will upgrade deficient public open spaces with decorative paving, street trees and other landscaping and will improve the image of a primary gateway into the College and Mid-City Communities.
- C. The improvements project is consistent with the First Implementation Plan for Crossroads Redevelopment Project Area, which is recorded with the Agency as Document No. O-19174 and dated May 6, 2003, in that the project addresses the Plan's specific priority goals which include the following:
  - 1) Reduce visible physical blight.
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  - 3) Upgrade streetscapes and improve pedestrian, public transit and bicycle orientation in the commercial areas.
  - 4) Concentrate improvements in demonstration block and at community gateways.
- D. The First Implementation Plan provides that one of the programs/projects for the 2004-2005 Fiscal Year period is to "develop master infrastructure improvement plan for El Cajon Boulevard and University Avenue." The First Implementation Plan further provides that one of the Agency's goals and objectives for the Crossroads Redevelopment Project Area is to "enhance economic growth within the Project Area by continuing ongoing efforts to revitalize commercial areas, particularly the commercial corridor along El Cajon Boulevard and University Avenue."