



002257

THE CITY OF SAN DIEGO

337  
12/02

DATE ISSUED: November 12, 2008 Report NO: RA-08-35  
RTC-08-171

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Council President and Members of the City Council  
Docket of December 2, 2008

SUBJECT: Design and Construction of Park Improvements for a Park (City  
Heights Square Mini Park) Located in the City Heights  
Redevelopment Project Area

REFERENCE: Staff Report Nos. RA-04-26, RA-05-10, CMR-05-094, RA-07-31

REQUESTED ACTION:

For the Agency Board:

- 1) Should the Redevelopment Agency make necessary findings that the park improvements to be constructed on designated park property located on 43<sup>rd</sup> Street between University Avenue and Polk Street (City Heights Square Mini Park) within the City Heights Redevelopment Project Area will be of benefit to the City Heights Redevelopment Project Area (Project Area), that there are no other reasonable means of financing the improvements, that the improvements will assist in the elimination of blight within the Project Area, and that the project is consistent with the Third 5-Year Implementation Plan adopted on June 15, 2004 for the City Heights Redevelopment Project?
- 2) Should the Redevelopment Agency appropriate, contribute and transfer an amount not to exceed \$731,500 of tax increment funds from the City Heights Redevelopment Project Area, as allocated in its Fiscal Year 2009 Budget, to the City of San Diego for deposit into Fund Number 10297, CH RDA CONTRIB TO CIP, as an increase in the Fiscal Year 2009 Capital Improvement Program Budget in CIP No. 29-956.0, City Heights Square Mini Park, to be used toward the cost of design and construction of the park improvements, contingent upon the City Comptroller certifying availability of funds?
- 3) Should the Redevelopment Agency of the City of San Diego accept any and all funds remaining in the Fiscal Year 2009 Capital Improvement Program Budget in CIP No. 29-956.0, City Heights Mini Park, Fund Number 10297, CH RDA CONTRIB TO CIP, in the event the park shall not be designed and constructed for any reason?



**Redevelopment Agency**

1200 Third Avenue, Suite 1400, MS 560 • San Diego, CA 92101-4110  
Tel (619) 236-6700 Fax (619) 533-3219

City Planning & Community Investment



002258

For the City Council:

- 1) Should City Council make necessary findings that the park improvements to be constructed on designated park property located on 43<sup>rd</sup> Street between University Avenue and Polk Street (City Heights Square Mini Park) within the City Heights Redevelopment Project Area will be of benefit to the City Heights Redevelopment Project Area (Project Area), that there are no other reasonable means of financing the improvements, that the improvements will assist in the elimination of blight within the Project Area, and that the project is consistent with the Third 5-Year Implementation Plan adopted on June 15, 2004 for the City Heights Redevelopment Project?
- 2) Should the City Council authorize the Mayor or designee to take all necessary actions to secure funding in an amount not to exceed \$731,500 from the Redevelopment Agency of the City of San Diego to be used toward the cost of design and construction of the park improvements?
- 3) Should the City Council authorize the Auditor and Comptroller to establish a special interest-bearing account Fund Number 10297, City Heights Redevelopment Capital Improvement Program Contributions (CH RDA CONTRIB TO CIP), for the deposit of Redevelopment Agency funds from the City Heights Redevelopment Project Area, as allocated in its Fiscal Year 2009 Budget, to be used toward the cost of design and construction of park improvements?
- 4) Should the City Council authorize the Auditor and Comptroller to accept an amount not to exceed \$731,500 from the City Heights Redevelopment Project Area and deposit said funds into Fund Number 10297, CH RDA CONTRIB TO CIP?
- 5) Should the City Council authorize the addition of CIP No. 29-956.0, City Heights Square Mini Park, to the Fiscal Year 2009 Capital Improvement Program (CIP)?
- 6) Should the City Council authorize a \$731,500 increase in the Fiscal Year 2009 Capital Improvement Program Budget in CIP No. 29-956.0, City Heights Square Mini Park, Fund Number 10297, CH RDA CONTRIB TO CIP?
- 7) Should the City Council authorize the Auditor and Comptroller to appropriate and expend \$731,500 from CIP No. 29-956.0, City Heights Square Mini Park, Fund Number 10297, CH RDA CONTRIB TO CIP, for the purpose of design and construction of park improvements?
- 8) Should the City Council authorize the Auditor and Comptroller to transfer back to the Redevelopment Agency of the City of San Diego any and all funds remaining in the Fiscal Year 2009 Capital Improvement Program Budget in CIP No. 29-956.0, City Heights Square Mini Park, Fund Number 10297, CH RDA CONTRIB TO CIP, in the event the park shall not be designed and constructed for any reason?

STAFF RECOMMENDATION TO THE REDEVELOPMENT AGENCY:

- 1) Make the necessary findings that the park improvements to be constructed on designated park property located on 43<sup>rd</sup> Street between University Avenue and Polk Street (City Heights Square Mini Park) within the City Heights Redevelopment Project Area will be of benefit to the City Heights Redevelopment Project Area (Project Area), that there are no other reasonable means of financing the improvements, that the improvements will assist in the elimination of blight within the Project Area, and that the project is consistent with the Third 5-Year Implementation Plan adopted on June 15, 2004 for the City Heights Redevelopment Project;

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- 2) Authorize the Redevelopment Agency to appropriate, contribute and transfer an amount not to exceed \$731,500 of tax increment funds from the City Heights Redevelopment Project Area, as allocated in its Fiscal Year 2009 Budget, to the City of San Diego for deposit into Fund Number 10297, CH RDA CONTRIB TO CIP, as an increase in the Fiscal Year 2009 Capital Improvement Program Budget in CIP No. 29-956.0, City Heights Square Mini Park, to be used toward the cost of design and construction of the park improvements, contingent upon the City Comptroller certifying availability of funds; and
- 3) Authorize the Redevelopment Agency of the City of San Diego accept any and all funds remaining in the Fiscal Year 2009 Capital Improvement Program Budget in CIP No. 29-956.0, City Heights Mini Park, Fund Number 10297, CH RDA CONTRIB TO CIP, in the event the park shall not be designed and constructed for any reason.

STAFF RECOMMENDATION TO THE CITY COUNCIL:

- 1) Make the necessary findings that the park improvements to be constructed on designated park property located on 43<sup>rd</sup> Street between University Avenue and Polk Street (City Heights Square Mini Park) within the City Heights Redevelopment Project Area will be of benefit to the City Heights Redevelopment Project Area (Project Area), that there are no other reasonable means of financing the improvements, that the improvements will assist in the elimination of blight within the Project Area, and that the project is consistent with the Third 5-Year Implementation Plan adopted on June 15, 2004 for the City Heights Redevelopment Project;
- 2) Authorize the Mayor or designee to take all necessary actions to secure funding in an amount not to exceed \$731,500 from the Redevelopment Agency of the City of San Diego to be used toward the cost of design and construction of the park improvements;
- 3) Authorize the Auditor and Comptroller to establish a special interest-bearing account Fund Number 10297, City Heights Redevelopment Capital Improvement Program Contributions (CH RDA CONTRIB TO CIP), for the deposit of Redevelopment Agency funds from the City Heights Redevelopment Project Area, as allocated in its Fiscal Year 2009 Budget, to be used toward the cost of design and construction of park improvements;
- 4) Authorize the Auditor and Comptroller to accept an amount not to exceed \$731,500 from the City Heights Redevelopment Project Area and deposit said funds into Fund Number 10297, CH RDA CONTRIB TO CIP;
- 5) Authorize the addition of the CIP No. 29-956.0, City Heights Square Mini Park, to the Fiscal Year 2009 Capital Improvement Program (CIP);
- 6) Authorize a \$731,500 increase in the Fiscal Year 2009 Capital Improvement Program Budget in CIP No. 29-956.0, City Heights Square Mini Park, Fund No. 10297, CH RDA CONTRIB TO CIP;
- 7) Authorize the Auditor and Comptroller to appropriate and expend \$731,500 from CIP No. 29-956.0, City Heights Square Mini Park, Fund Number 10297, CH RDA CONTRIB TO CIP, for the purpose of design and construction of park improvements; and
- 8) Authorize the Auditor and Comptroller to transfer back to the Redevelopment Agency of the City of San Diego any and all funds remaining in the Fiscal Year 2009 Capital Improvement Program Budget in CIP No. 29-956.0, City Heights Square Mini Park,

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Fund Number 10297, CH RDA CONTRIB TO CIP, in the event the park shall not be designed and constructed for any reason.

SUMMARY:

Price Charities (previously known as San Diego Revitalization Corporation) has master planned the majority of the block bounded by University Avenue, Fairmount Avenue, Polk Avenue and 43<sup>rd</sup> Street to include a senior housing project, a community clinic, an office and retail project, and a mini-park. Price Charities (previously known as San Diego Revitalization Corporation), the developer of the proposed City Heights Square Office and Retail Project, established a working partnership with City Heights Square, L.P. for the planning and development of the City Heights Square Senior Housing Project and La Maestra Family Clinic for the planning and development of a new primary medical care facility. The Agency has assisted this master planning effort and is currently preparing a Second Implementation Agreement to the Disposition and Development Agreement (DDA) with Price Charities for the City Heights Square Office and Retail Project to reflect a change from an office and retail project to a commercial and residential mixed-use project. The Agency entered into a separate Disposition and Development Agreement with City Height Square, L.P. for the development of City Heights Square Senior Housing Project. The proposed La Maestra primary medical care facility development is expected to proceed without direct Agency assistance. Together, the four organizations have collaborated to develop a 2.7 acre master plan, shown in the Site Map provided as Attachment A.

The City Heights Square master plan includes a 5,348 square feet public mini-park located on 43<sup>rd</sup> Street adjacent to the proposed commercial and residential mixed-use project, the proposed primary medical care facility and the existing City Heights Square Senior Housing project. The Agency currently owns the land designated to be constructed as a park and will pay for the design and construction of the park. Once the park improvements are constructed, the Agency will convey the park property to the City. Detailed design for the park has not yet been undertaken and will take place per Council Policy 600-33, Community Notification and Input for City-wide Park Development Projects.

It is expected that the proposed mini-park will be constructed following completion of construction of the neighboring commercial and residential mixed-use project by Price Charities and the primary medical care facility by La Maestra, given that the park property will be used as a staging area during construction of these development projects. In this regard, La Maestra was previously granted a Right of Entry Permit by the Agency for use of the park property until the earlier of completion of its project or three years from the effective date of the Right of Entry Permit. In addition, any park improvements that may be constructed during construction of the neighboring projects would likely be destroyed by the adjacent construction activity.

The costs for the design and construction of the park improvements will be paid in accordance with applicable prevailing wage laws. A preliminary cost estimate for the

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design and construction of park improvements was prepared by City Planning and Community Investment, Park Planning. The preliminary cost estimate provides that an amount not to exceed \$731,500 is required for the design and construction of the park improvements.

Once the park improvements are completed, the Agency will convey the park site to the City. Maintenance for the mini-park will be provided by the property owners of the adjacent developments pursuant to a written agreement by and between the City and adjacent property owners. The form of the maintenance agreement between the adjacent property owners and the City of San Diego and the cooperation agreement between the Redevelopment Agency of the City of San Diego and the City of San Diego are currently being prepared and will be presented to the City Council for consideration in early 2009.

FINDINGS:

State Law requires that certain findings be made by the Agency and City Council prior to the expenditure of Agency funds for public facilities/improvements. Attachment B recites the proposed findings with respect to the benefits of the proposed park improvements in the City Heights Redevelopment Project Area, that there are no other reasonable means to finance the proposed improvements, that the proposed improvements will assist in the elimination of blighting conditions inside the Project Area, and that the proposed improvements are consistent with the Third 5-Year Implementation Plan adopted on June 15, 2004 for the City Heights Redevelopment Project pursuant to Health and Safety Code 33490.

FISCAL CONSIDERATIONS:

The preliminary cost estimate for the design and construction of park improvements is an amount not exceed \$731,500, to be funded by tax increment funds from the Agency's City Heights Redevelopment Project Area as allocated in its Fiscal Year 2009 Budget.

ENVIRONMENTAL IMPACT:

This activity is exempt from CEQA Guidelines Section 15060 (c)(3) (General Rule). This action authorizes the transfer of funds from the Redevelopment Agency of the City of San Diego. Any future activity involving construction associated with this action will be subject to a separate environmental review as required by CEQA.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Disposition and Development Agreement (DDA) for City Heights Square Office and Retail Project between San Diego Revitalization Corporation (currently named Price Charities) and the Redevelopment Agency was approved on May 3, 2005. The First Implementation Agreement to the DDA was approved by the Redevelopment Agency on November 13, 2007.

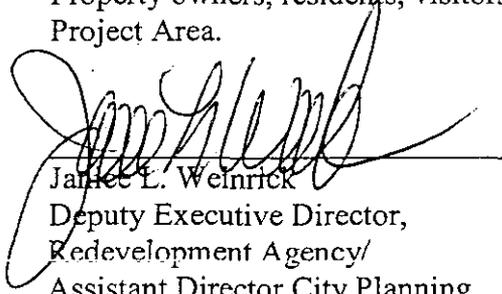
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COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

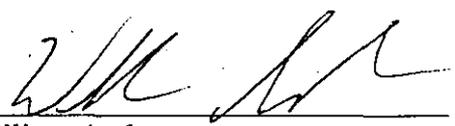
On April 27, 2005, the City Heights Project Area Committee (PAC) voted to recommend the approval of the current City Heights Square Office Retail Project. On May 2, 2005, the City Heights Area Planning Committee (CHAP) voted to recommend approval of the City Heights Square Office Retail Project DDA. On October 8, 2007 the City Heights PAC voted 15-0-0 to recommend approval of the First Implementation Agreement to the DDA. Community participation in the design of the park will take place per Council Policy 600-33, Community Notification and Input for City-wide Park Development Projects.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Property owners, residents, visitors, and merchants of the City Heights Redevelopment Project Area.



James L. Weinrick  
Deputy Executive Director,  
Redevelopment Agency/  
Assistant Director City Planning  
& Community Investment,  
Redevelopment Division



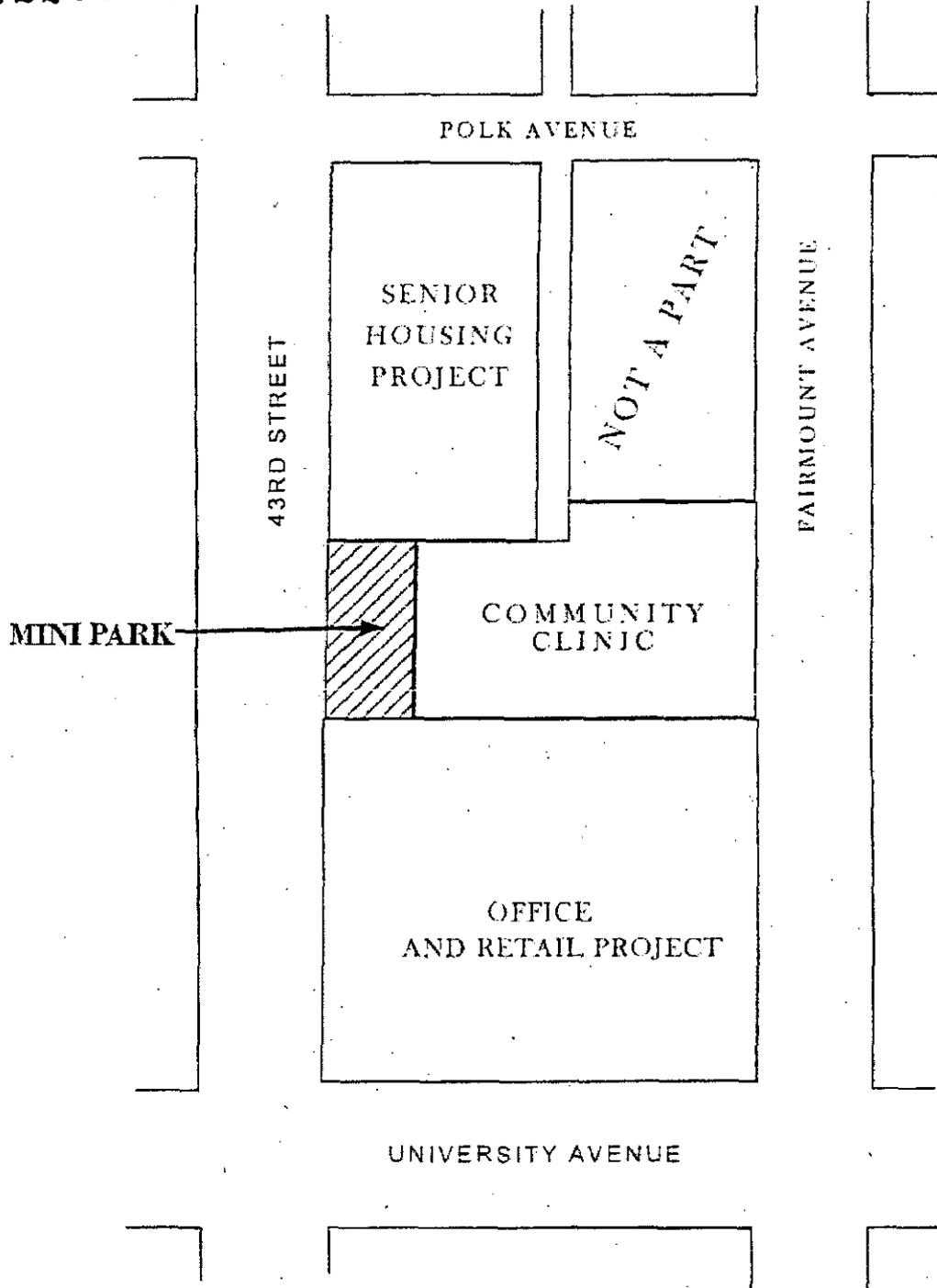
William Anderson  
Assistant Executive Director,  
Redevelopment Agency/  
Deputy Chief Operating Officer  
Executive Director of City Planning  
and Development

Attachments:  
A-Site Map  
B-Findings of Benefit

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CITY CLERKS OFFICE  
SAN DIEGO, CA

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SITE MAP



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

**SUBJECT IMPROVEMENTS:**

**DESIGN AND CONSTRUCTION OF CITY HEIGHTS SQUARE MINI PARK**

The following findings are for the design and construction of park improvements to be constructed on designated park property located on 43<sup>rd</sup> Street between University Avenue and Polk Street within the City Heights Redevelopment Project Area (referred to herein as the "City Heights Square Mini Park"). Park improvements include, without limitation, all facilities, structures or other improvements to be constructed within the City Heights Square Mini Park. No Redevelopment funds will be used for maintenance or operations.

**I. FINDINGS OF BENEFIT**

The park improvements for which the Redevelopment Agency of the City of San Diego ("Agency") proposes to pay will benefit the City Heights Redevelopment Project Area in that:

- A. The park improvements are located within the City Heights Redevelopment Project Area.
- B. The park improvements and the City Heights Square Mini Park will enhance portions of the City Heights Redevelopment Project Area for the benefit of residents, grade school students, visitors, and merchants by providing an attractive recreational area.

**II. NO OTHER REASONABLE MEANS OF FINANCING**

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

City of San Diego

- A. The Fiscal Year 2009 Proposed Capital Improvement Project (CIP) Budget totals \$574.0 million. This is an increase of \$82.3 million or 16.7 percent from the Annual Fiscal Year 2008 CIP Budget of \$491.6 million. The increase in the Fiscal Year 2009 Proposed CIP Budget is primarily due to an increase in funding for capital projects addressing deferred maintenance needs. The Proposed CIP Budget includes \$99.7 million for deferred maintenance projects for facilities, streets, storm drains, and sidewalks funded by proceeds from land sales, Proposition 1B funds and financing.

- B. The CIP Budget identifies \$7.6 billion in total projected CIP project costs through Fiscal Year 2019 for continuing, new and future projects. Of this amount, \$2.2 billion is currently unidentified funding, including \$545.1 million in projects that are entirely unfunded.
- C. Overall, the outlook for the San Diego economy during Fiscal Year 2009 projects a decrease in the rate of growth, ranging between 1.5 percent and 2.0 percent. The primary factors influencing the economic slowdown include a market correction in home prices, real estate defaults and foreclosures driven by the collapse of the sub-prime loan industry, the negative impact on consumer spending due to rising oil and gas prices, reduced consumer confidence, and a slowdown in job growth. Despite the economic slowdown affecting the region since 2005, San Diego's diversified economy is expected to continue to grow, albeit at a much slower pace than in past years.

### III. ELIMINATION OF BLIGHTING CONDITIONS

The payment of Agency funds toward the cost of the park improvements will assist in the elimination of one or more blighting conditions inside the City Heights Redevelopment Project Area in that:

- A. The park improvements and the City Heights Square Mini Park will increase park space to a local area deficient in park and recreational facilities relative to City of San Diego General Plan standards.
- B. The park improvements and the City Heights Square Mini Park will increase park and recreational space to an overcrowded area with population growth and alleviate overtaxed public facilities such as community clinics, recreation facilities, transportation infrastructure, water service and educational facilities.

### IV. FINDINGS OF CONSISTENCY WITH IMPLEMENTATION PLAN

The payment of Agency funds toward the cost of the park improvements is consistent with the Third Five-Year Implementation Plan (Implementation Plan) adopted on June 15, 2004 for the City Heights Redevelopment Project pursuant to Health and Safety Code Section 33490, and filed with the Agency as Document No. R-03771, in that:

- A. The park improvements are consistent with the Implementation Plan for the City Heights Redevelopment Project, in that the improvements address the Implementation Plan's specific goals and objectives including:
  - i. Reduce visible physical blight;
  - ii. Support the development of needed schools, parks and recreation amenities in the community; and

iii. Support the development of high quality, transit oriented, mixed-use commercial, residential, office, and public use projects near transportation nodes.

B. The park improvements are addressed in the Five Year Projects Schedule of the Implementation Plan for the City Heights Redevelopment Project. "The Program and Project Matrix FY 2005 – FY 2009", for Fiscal Year 2007-2008 includes:

i. Work with the community to identify potential pocket park sites and develop passive and recreational opportunities.

V. REDEVELOPMENT PLAN PROVIDES FOR DEVELOPMENT OF PARKS

The Redevelopment Plan for the City Heights Redevelopment Project provides for the development of parks such as the City Heights Square Mini Park, in that:

A. The Agency may acquire, install and construct, or cause to be installed and constructed, public improvements and public utilities as necessary to carry out the Redevelopment Plan. Public improvements include parks, playgrounds, landscaped areas, and any other public building, facility, structure or improvement deemed necessary or appropriate by the Agency to implement the Redevelopment Plan (Redevelopment Plan at Section 621).

B. Additional parks may be provided in the Project Area as enumerated in the Public Facilities Projects List of the Redevelopment Plan.

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**CITY OF SAN DIEGO  
MAYOR JERRY SANDERS**

**MEMORANDUM**

DATE: November 19, 2008

TO: Council President Scott Peters and Councilmembers

FROM: Beryl Rayford, EOC Program Manager *BR*

SUBJECT: Design and Construction of Park Improvements for a Park (City Heights Square Mini Park) Located in the City Heights Redevelopment Project Area

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**EQUAL OPPORTUNITY CONTRACTING**

This action does not authorize entering into any contract or agreement with a specific contractor; however, future contracts or agreements associated with this action will be subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2702) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517)

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DOCKET SUPPORTING INFORMATION  
CITY OF SAN DIEGO

DATE:

**EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION**

November 19, 2008

SUBJECT: Design and Construction of Park Improvements for a Park (City Heights Square Mini Park) Located in the City Heights Redevelopment Project Area (Companion to Redevelopment Agency Item)

**GENERAL CONTRACT INFORMATION**

Recommended Consultant: Not yet Identified

Amount of this Action: \$731,500.00 (Not to Exceed)

Funding Source: Redevelopment Agency/City of San Diego (Tax Increment Funds)

**SUBCONTRACTOR PARTICIPATION**

Not yet identified.

**EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE**

Equal Opportunity: Required

This action does not authorize entering into any contract or agreement; however, future contracts or agreements associated with this action will be subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2702) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517)

**ADDITIONAL COMMENTS**

This action is to transfer an amount not to exceed \$731,500 of tax increment funds from the City Heights Redevelopment Project Area to the City of San Diego for deposit into Fund Number 10297.



MM-J

<b>REQUEST FOR COUNCIL ACTION</b> CITY OF SAN DIEGO		1. CERTIFICATE NUMBER <sup>PD</sup> (for auditor's use only) 337
002273		12/02
TO: CITY ATTORNEY	2. FROM: (ORIGINATING DEPARTMENT) CITY PLANNING AND COMMUNITY INVESTMENT/ REDEVELOPMENT DIVISION	3. DATE November 12, 2008

4. SUBJECT:  
Design and Construction of Park Improvements for a Park (City Heights Square Mini Park) Located in the City Heights Redevelopment Project Area (Companion to Redevelopment Agency Item)

5. Primary Contact (Name, Phone & Mail Sta.) Karina Danek, 236-6537, MS 56D	6. Secondary Contact (Name, Phone & Mail Sta.) Kristine Toft, 236-6534, MS 56D	7. Check BOX if REPORT TO COUNCIL IS ATTACHED <input checked="" type="checkbox"/>
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FY 2009		8. COMPLETE FOR ACCOUNTING PURPOSES		9. ADDITIONAL INFORMATION/ESTIMATED COST:  Total Estimated Project Cost: Project cost not to exceed \$731,500. All funding is being provided to the City by the Redevelopment Agency. No fiscal impact to the City's General Fund.
FUND	10297			
DEPT.	10297			
ORGANIZATION				
OBJECT ACCOUNT	79899			
JOB ORDER	299560			
C.I.P. NUMBER	29-956.0			
AMOUNT	\$731,500			

10. ROUTING AND APPROVALS							
ROUTE (#)	APPROVING AUTHORITY	APPROVING SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVING SIGNATURE	DATE SIGNED
1	Redevelopment Finance	Scott M... <i>[Signature]</i>	11/14/08	9	Deputy COO	William Anderson <i>[Signature]</i>	11/19/08
2	Assistant Director, CP&CI, Redevelopment	Janice L. Winick <i>[Signature]</i>	11/14/08	10	City Attorney	Shannon Thomas <i>[Signature]</i>	11/19/08
3	Deputy Chief Operating Officer Executive Director of City Planning & Dev.	William Anderson <i>[Signature]</i>	11/14/08	11	Original Department	Karina Danek <i>[Signature]</i>	11/20/08
4	Director, Park and Recreation Department	Stacy LoMedico <i>[Signature]</i>	11/19/08				
5	EAS	<i>[Signature]</i>	11/18/08				
6	EOCP	Beryl Ray... <i>[Signature]</i>	11/19/08				
7	Financial Management/CIP	Julio Canizal <i>[Signature]</i>	11/18/08		Docket Coord: _____	Council Liaison: _____	
8	Comptroller CIP RDA-FRANCISCO	James Long <i>[Signature]</i>	11/19/08		COUNCIL PRESIDENT <i>[Signature]</i>	<input type="checkbox"/> Spob <input type="checkbox"/> CONSENT <input checked="" type="checkbox"/> ADOPTION 12/2/08	

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

- Make necessary findings that the park improvements to be constructed on designated park property located on 43<sup>rd</sup> Street between University Avenue and Polk Street (City Heights Square Mini Park) within the City Heights Redevelopment Project Area will be of benefit to the City Heights Redevelopment Project Area (Project Area), that there are no other reasonable means of financing the improvements, that the improvements will assist in the elimination of blight within the Project Area, and that the improvements are consistent with the Third 5-Year Implementation Plan adopted on June 15, 2004 for the City Heights Redevelopment Project;
- Authorize the Mayor of the City of San Diego or designee to take all necessary actions to secure funding in an amount not to exceed \$731,500 from the Redevelopment Agency of the City of San Diego to be used toward the cost of design and construction of the park improvements;
- Authorize the Comptroller to establish a special interest-bearing account Fund Number 10297, City Heights Redevelopment Capital Improvement Program Contributions (CH RDA CONTRIB TO CIP), for the deposit of Redevelopment Agency funds from the City Heights Redevelopment Project Area, as allocated in its Fiscal Year 2009 Budget, to be used toward the cost of design and construction of park improvements;

**CONTINUED**

DOCKET OF: December 2, 2008

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

COUNCIL DISTRICT(S):

3 (ATKINS)

COMMUNITY AREA(S):

Mid-City, City Heights

ENVIRONMENTAL IMPACT:

This activity is not subject to CEQA pursuant to CEQA Guidelines Section <sup>ms</sup> 15060(c)(3). This action authorizes the transfer of funds from the Redevelopment Agency of the City of San Diego to the City of San Diego. Any future activity involving construction associated with this action will be subject to a separate environmental review as required by CEQA.

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HOUSING IMPACT:

None with this action

CITY CLERK INSTRUCTIONS:

Please send copies of the resolution(s) to Jeannette Santos and Karina Danek at MS 56D

RESOLUTIONS (CONTINUED)

4. Authorize the Comptroller to accept an amount not to exceed \$731,500 from the City Heights Redevelopment Project Area and deposit said funds into Fund Number 10297, CH RDA CONTRIB TO CIP;
5. Authorize the addition of CIP No. 29-956.0, City Heights Square Mini Park, to the Fiscal Year 2009 Capital Improvement Program (CIP);
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CIVIL DIVISION

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CITY ATTORNEY

CITY CLERKS OFFICE  
SAN DIEGO, CA

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EXECUTIVE SUMMARY SHEET

DATE REPORT ISSUED: November 12, 2008

Report NO: RA-08-35  
RTC-08-171

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Council President and Members of the City Council  
Docket of December 2, 2008

ORIGINATING  
DEPARTMENT: City Planning and Community Investment, Redevelopment Division

SUBJECT: Design and Construction of Park Improvements for a Park (City Heights  
Square Mini Park) Located in the City Heights Redevelopment Project Area

COUNCIL DISTRICT(S): 3

STAFF CONTACT: Karina Danek (619) 236-6537

REQUESTED ACTION:

- 1) That the Redevelopment Agency and the City Council make necessary findings that the park improvements to be constructed on designated park property located on 43<sup>rd</sup> Street between University Avenue and Polk Street (City Heights Square Mini Park) within the City Heights Redevelopment Project Area will be of benefit to the City Heights Redevelopment Project Area (Project Area);
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- 7) That the City Council authorize the addition of CIP No. 29-956.0, City Heights Square Mini Park, to the Fiscal Year 2009 Capital Improvements Program (CIP);
- 8) That the City Council authorize a \$731,500 increase in the Fiscal Year 2009 Capital Improvement Program Budget in CIP No. 29-956.0, City Heights Square Mini Park, Fund Number 10297, CH RDA CONTRIB TO CIP;

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- 9) That the City Council authorize the Auditor and Comptroller to appropriate and expend \$731,500 from CIP No. 29-956.0, City Heights Square Mini Park, Fund Number 10297, CH RDA CONTRIB TO CIP, for the purpose of design and construction of park improvements; and
- 10) That the City Council authorize the Auditor and Comptroller to transfer back to the Redevelopment Agency of the City of San Diego any and all funds remaining in the event the park shall not be designated and constructed for any reason..

STAFF RECOMMENDATIONS

Approve recommendations.

EXECUTIVE SUMMARY:

City Heights Square is a 2.7-acre master plan project bounded by University Avenue, Fairmount Avenue, Polk Avenue and 43rd Street and includes an affordable senior housing project, a community clinic, an office and retail project (which is proposed to be changed to a residential and commercial mixed use project pursuant to a proposed Second Implementation Agreement with the Developer), and a 5,348 square feet public mini-park. The Agency currently owns the land for the proposed mini-park. Pursuant to an existing Disposition and Development Agreement with Price Charities, the Agency will pay for the design and construction of the mini-park; the mini-park will be conveyed to the City once it is completed. Maintenance for the mini-park will be provided by the property owners of the adjacent developments. The park improvements will be managed by Engineering and Capital Projects through CIP No. 29-956.0.

FISCAL CONSIDERATIONS:

The preliminary cost estimate for the design and construction of park improvements is an amount not to exceed \$731,500, to be funded by tax increment funds from the Agency's City Heights Redevelopment Project Area as allocated in its Fiscal Year 2009 Budget.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

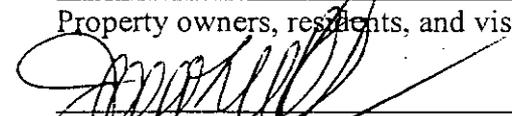
The First Implementation Agreement to the DDA was approved by the Redevelopment Agency on November 13, 2007.

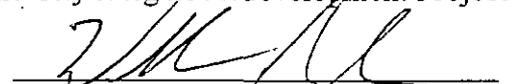
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On October 8, 2007, the City Heights PAC voted 15-0-0 to recommend approval of the First Implementation Agreement to the DDA. Community participation in the design of the park will take place per Council Policy 600-33, Community Notification and Input for City-wide Park Development Projects.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Property owners, residents, and visitors of the City Heights Redevelopment Project Area.

  
 \_\_\_\_\_  
 Janice L. Weinrick  
 Deputy Executive Director,  
 Redevelopment Agency/  
 Assistant Director City Planning  
 & Community Investment  
 Redevelopment Division

  
 \_\_\_\_\_  
 William Anderson  
 Assistant Executive Director,  
 Redevelopment Agency/  
 Deputy Chief Operating Officer  
 Executive Director of City Planning  
 and Development

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

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

A RESOLUTION APPROVING THE DESIGN AND  
CONSTRUCTION OF PARK IMPROVEMENTS FOR THE  
CITY HEIGHTS MINI PARK.

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

1. The Council finds and determines:
  - (a) That the design and construction of park improvements to be constructed on designated park property [Project] located on 43<sup>rd</sup> Street between University Avenue and Polk Street (City Heights Square Mini Park) [Project Area], for which the Redevelopment Agency [Agency] proposes to fund the cost of using Agency tax increment funds, are of benefit to the Project Area and the immediate neighborhood in which the Project Area is located;
  - (b) That no other reasonable means of financing the Project is available to the community;
  - (c) That the payment of Agency funds for the Project will assist in the elimination of blighting conditions inside the Project Area;
  - (d) That the proposed Project is consistent with the Third Implementation Plan adopted for the Project Area by the Agency on June 15, 2004, on file as Document No. 03771 in the office of the Secretary to the Agency, pursuant to California Health and Safety Code Section 33490; and
  - (e) All of the findings set forth herein above are more fully described in the Findings of Benefit attached hereto as Attachment "A" and incorporated herein by this reference.

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2. That the Mayor or his designee is authorized to take all necessary actions to secure funding in an amount not to exceed \$731,500 from the Redevelopment Agency of the City of San Diego to be used toward the cost of design and construction of the park improvements.

3. That the City Comptroller is authorized to establish a special interest-bearing account Fund Number 10297, City Heights Redevelopment Capital Improvement Program Contributions (CH RDA CONTRIB TO CIP), for the deposit of Redevelopment Agency funds from the City Heights Redevelopment Project Area, as allocated in its Fiscal Year 2009 Budget, to be used toward the cost of design and construction of park improvements.

4. That the City Comptroller is authorized to accept an amount not to exceed \$731,500 from the City Heights Redevelopment Project Area and deposit said funds into Fund Number 10297, CH RDA CONTRIB TO CIP.

5. That the Fiscal Year 2009 Capital Improvement Program Budget is amended by adding CIP No. 29-956.0, City Heights Square Mini Park.

6. That the Fiscal Year 2009 Capital Improvements Program Budget for CIP No. 29-956.0, City Heights Square Mini Park, Fund Number 10297, CH RDA CONTRIB TO CIP is amended by increasing the budget amount by \$731,500.

7. That the City Comptroller is authorized to appropriate and expend an amount not to exceed \$731,500 from CIP No. 29-956.0, City Heights Square Mini Park, Fund Number 10297, CH RDA CONTRIB TO CIP, for the purpose of design and construction of park improvements.

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8. That the City Comptroller is authorized to transfer back to the Redevelopment Agency of the City of San Diego any and all funds remaining in the Fiscal Year 2009 Capital Improvement Program Budget in CIP No. 29-956.0, City Heights Square Mini Park, Fund Number 10297, CH RDA CONTRIB TO CIP, in the event the park shall not be designed and constructed by the City within eighteen months of the City's successful execution of a construction contract or upon any cost savings should the actual costs of the Project be less than \$731,500.

9. That this activity is not subject to California Environmental Quality Act [CEQA] pursuant to State CEQA Guidelines Section 15060(c)(3). This action authorizes the transfer of funds from the Redevelopment Agency of the City of San Diego to the City of San Diego. Any future activity involving construction associated with this action will be subject to a separate environmental review as required by CEQA.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By Shannon Thomas  
Shannon Thomas  
Deputy City Attorney

ST:sc  
11/19/08  
Aud.Cert.: N/A  
Or.Dept:Planning  
R-2009-696

002280

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

002281

**ATTACHMENT A**

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

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

SUBJECT IMPROVEMENTS:  
DESIGN AND CONSTRUCTION OF CITY HEIGHTS SQUARE MINI PARK

The following findings are for the design and construction of park improvements to be constructed on designated park property located on 43<sup>rd</sup> Street between University Avenue and Polk Street within the City Heights Redevelopment Project Area (referred to herein as the "City Heights Square Mini Park"). Park improvements include, without limitation, all facilities, structures or other improvements to be constructed within the City Heights Square Mini Park. No Redevelopment funds will be used for maintenance or operations.

I. FINDINGS OF BENEFIT

The park improvements for which the Redevelopment Agency of the City of San Diego ("Agency") proposes to pay will benefit the City Heights Redevelopment Project Area in that:

- A. The park improvements are located within the City Heights Redevelopment Project Area.
- B. The park improvements and the City Heights Square Mini Park will enhance portions of the City Heights Redevelopment Project Area for the benefit of residents, grade school students, visitors, and merchants by providing an attractive recreational area.

II. NO OTHER REASONABLE MEANS OF FINANCING

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

City of San Diego

- A. The Fiscal Year 2009 Proposed Capital Improvement Project (CIP) Budget totals \$574.0 million. This is an increase of \$82.3 million or 16.7 percent from the Annual Fiscal Year 2008 CIP Budget of \$491.6 million. The increase in the Fiscal Year 2009 Proposed CIP Budget is primarily due to an increase in funding for capital projects addressing deferred maintenance needs. The Proposed CIP Budget includes \$99.7 million for deferred maintenance projects for facilities, streets, storm drains, and sidewalks funded by proceeds from land sales, Proposition 1B funds and financing.

- B. The CIP Budget identifies \$7.6 billion in total projected CIP project costs through Fiscal Year 2019 for continuing, new and future projects. Of this amount, \$2.2 billion is currently unidentified funding, including \$545.1 million in projects that are entirely unfunded.
- C. Overall, the outlook for the San Diego economy during Fiscal Year 2009 projects a decrease in the rate of growth, ranging between 1.5 percent and 2.0 percent. The primary factors influencing the economic slowdown include a market correction in home prices, real estate defaults and foreclosures driven by the collapse of the sub-prime loan industry, the negative impact on consumer spending due to rising oil and gas prices, reduced consumer confidence, and a slowdown in job growth. Despite the economic slowdown affecting the region since 2005, San Diego's diversified economy is expected to continue to grow, albeit at a much slower pace than in past years.

### III. ELIMINATION OF BLIGHTING CONDITIONS

The payment of Agency funds toward the cost of the park improvements will assist in the elimination of one or more blighting conditions inside the City Heights Redevelopment Project Area in that:

- A. The park improvements and the City Heights Square Mini Park will increase park space to a local area deficient in park and recreational facilities relative to City of San Diego General Plan standards.
- B. The park improvements and the City Heights Square Mini Park will increase park and recreational space to an overcrowded area with population growth and alleviate overtaxed public facilities such as community clinics, recreation facilities, transportation infrastructure, water service and educational facilities.

### IV. FINDINGS OF CONSISTENCY WITH IMPLEMENTATION PLAN

The payment of Agency funds toward the cost of the park improvements is consistent with the Third Five-Year Implementation Plan (Implementation Plan) adopted on June 15, 2004 for the City Heights Redevelopment Project pursuant to Health and Safety Code Section 33490, and filed with the Agency as Document No. R-03771, in that:

- A. The park improvements are consistent with the Implementation Plan for the City Heights Redevelopment Project, in that the improvements address the Implementation Plan's specific goals and objectives including:
  - i. Reduce visible physical blight;
  - ii. Support the development of needed schools, parks and recreation amenities in the community; and

iii. Support the development of high quality, transit oriented, mixed-use commercial, residential, office, and public use projects near transportation nodes.

B. The park improvements are addressed in the Five Year Projects Schedule of the Implementation Plan for the City Heights Redevelopment Project. "The Program and Project Matrix FY 2005 – FY 2009", for Fiscal Year 2007-2008 includes:

i. Work with the community to identify potential pocket park sites and develop passive and recreational opportunities.

V. REDEVELOPMENT PLAN PROVIDES FOR DEVELOPMENT OF PARKS

The Redevelopment Plan for the City Heights Redevelopment Project provides for the development of parks such as the City Heights Square Mini Park, in that:

A. The Agency may acquire, install and construct, or cause to be installed and constructed, public improvements and public utilities as necessary to carry out the Redevelopment Plan. Public improvements include parks, playgrounds, landscaped areas, and any other public building, facility, structure or improvement deemed necessary or appropriate by the Agency to implement the Redevelopment Plan (Redevelopment Plan at Section 621).

B. Additional parks may be provided in the Project Area as enumerated in the Public Facilities Projects List of the Redevelopment Plan.