

**REQUEST FOR COUNCIL ACTION
CITY OF SAN DIEGO**

1. CERTIFICATE NUMBER
(for auditor's use only) **N/A**

TO: **CITY ATTORNEY 001081**

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

3. DATE
June 17, 2008 **332
07/08**

4. SUBJECT: **NTC Park Aquatic Center Planning and Design Funding (Companion to Redevelopment Agency)**

5. Primary Contact: (Name, Phone & Mail Sta.)
Libby Day, 619.236.6272, 56D

6. Secondary Contact (Name, Phone & Mail Sta.)
Maureen Ostrye, 619.236.6270 MS 56D

7. Check box if report to Council is attached. **X**

8. COMPLETE FOR ACCOUNTING PURPOSES

| | | | | | |
|-----------------|--------------|--|--|--|--|
| FUND | 10294 | | | | |
| DEPT. | | | | | |
| ORGANIZATION | | | | | |
| OBJECT ACCOUNT. | 79899 | | | | |
| JOB ORDER | | | | | |
| C.I.P. NUMBER | | | | | |
| AMOUNT | \$466,726.00 | | | | |

9. ADDITIONAL INFORMATION/
ESTIMATED COST:
**Fiscal Impact: Transfer of
\$466,726 from the NTC Project
Area Line of Credit to the City
of San Diego.**

10. ROUTING AND APPROVALS

| ROUTE (#) | APPROVING AUTHORITY | APPROVING SIGNATURE | DATE SIGNED | ROUTE (#) | APPROVING AUTHORITY | APPROVING SIGNATURE | DATE SIGNED |
|-----------|--|---------------------|-------------|-----------|-------------------------------|---------------------|-------------|
| 1 | Assistant Director, CP&CI, Redevelopment | Janice L. Weinrick | 6/18/08 | 5 | Auditor | Robert Charvel | 6/30/08 |
| 2 | EAS | Allison Sherwood | 6-19-08 | 6 | City Attorney | Sharon Thomas | 6/23/08 |
| 3 | Deputy Chief Operating Officer Executive Director of City Planning and Development | William Anderson | 6-19-08 | 7 | Originating Department | Libby Day | 6/24/08 |
| 4 | Financial Management | Douglas | 6/20/08 | 8 | Docket Coord. Council Liaison | Ed | 6/29/08 |

COUNCIL PRESIDENT Spob CONSENT ADOPTION
 REFER TO _____ COUNCIL DATE: **7/8/08**

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

- Approve and adopt Findings that the expenditure of funds is of benefit to the NTC Redevelopment Project Area; and
- Accept the transfer from the Redevelopment Agency to CIP No. 29-976.0 for purposes of planning and designing the NTC Park Aquatic Center; and
FUND NUMBER 10294
- Amend the Fiscal Year 2009 Capital Improvements Program Budget by adding CIP No. 29-976.0, NTC Park Aquatic Center, in the amount of \$466,726; and
FUND NUMBER 10294
- Authorize a \$466,726 increase in the Fiscal Year 2009 Capital Improvement Program Budget for CIP No. 29-976.0: NTC Park Aquatic Center, from the NTC Redevelopment Project Line of Credit funds from Redevelopment Agency, and
FROM FUND NUMBER 10294
- Authorize the Auditor and Comptroller to appropriate and expend \$466,726 in CIP No. 29-976.0, NTC Park Aquatic Center, from the NTC-RDA Contrib to CIP Fund for the purpose of planning and design of the project; and
- The actions in sections 2-5 above are contingent upon the City's identification and allocation of sufficient funding for construction of the Aquatic Center, consistent with the Second Amendment to NTC Improvement Agreement, approved by Council on May 19, 2008, Resolution No. 303698.

DOCKET OF: July 8, 2008

11a. STAFF RECOMMENDATIONS: Approve the resolution.

12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)
COUNCIL DISTRICT(S): 2
Community Planning Area(s): Peninsula
Environmental Impact: This activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).
Housing Impact: None with this action
Other Issues: None with this action
City Clerk Instruction: Please send copies of the resolutions to Jeannette Santos, MS 56D and Libby Day, MS 56D

EXECUTIVE SUMMARY SHEET

DATE REPORT ISSUED: July 2, 2008

ATTENTION: Honorable Chair and Members of the
Redevelopment Agency and
Council President and Members of the City Council
Docket of July 8, 2008

ORIGINATING DEPARTMENT: City Planning and Community Investment,
Redevelopment Division

SUBJECT: NTC Park Aquatic Center Planning and Design Funding

COUNCIL DISTRICT(S): 2

STAFF CONTACT: Libby Day, 619.236.6272, MS 56D

REQUESTED ACTION:

For the Agency:

1. Amend the FY 2009 Redevelopment Budget to transfer \$466,726 from the NTC unallocated Projects to Fund No. 10294 (CIP No. 29-976.0) for the NTC Park Aquatic Center.
2. Authorize the Redevelopment Agency contribution and transfer of funds (\$466,726) for the NTC Park Aquatic Center planning and design.
3. Approve and adopt Findings that the expenditure of funds is of benefit to the Project Area.

For the Council:

1. Approve and adopt Findings that the expenditure of funds is of benefit to the NTC Redevelopment Project Area; and
2. Accept the transfer from the Redevelopment Agency to Fund No. 10294 CIP No. 29-976.0 for purposes of planning and designing the NTC Park Aquatic Center; and
3. Amend the Fiscal Year 2009 Capital Improvements Program Budget by adding CIP No. 29-976.0, NTC Park Aquatic Center, in the amount of \$466,726; and
4. Authorize a \$466,726 increase in the Fiscal Year 2009 Capital Improvement Program Budget for Fund No. 10294 CIP No. 29-976.0: NTC Park Aquatic Center, from the NTC Redevelopment Project Line of Credit funds from the Redevelopment Agency; and
5. Authorize the Auditor and Comptroller to appropriate and expend \$466,726 in Fund No. 10294 CIP No. 29-976.0, NTC Park Aquatic Center, from the NTC-RDA Contrib to CIP Fund for the purpose of planning and design of the project; and
6. The actions in sections 2-5 above are contingent upon the City's identification and allocation of sufficient funding for construction of the Aquatic Center, consistent with the Second Amendment to NTC Improvement Agreement, approved by Council on May 19, 2008, Resolution No. 303698.

STAFF RECOMMENDATION: That the Redevelopment Agency and the City Council approve the resolutions.

EXECUTIVE SUMMARY: The NTC Park General Development Plan approved by the City Council in 2003 and the California Coastal Commission in 2004 included a conceptual design for a future pool complex. This aquatic center has been discussed and considered since the NTC Park Reuse Subcommittee met during the community input sessions to create the NTC Reuse Plan which was adopted in October 1998.

The Second Amendment to the NTC Park Improvement Agreement approved by the Redevelopment Agency and City Council on May 13, 2008 included a funding obligation from NTC Redevelopment funds for \$466,726 toward the future NTC Park Aquatic Center. At this time,

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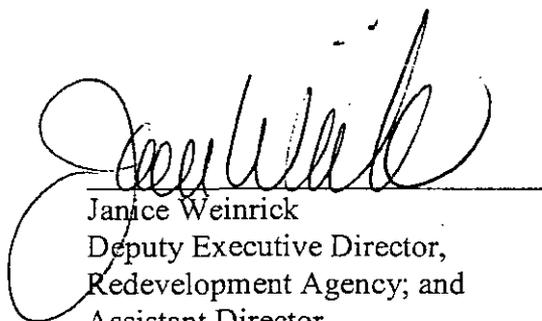
this funding is being provided from the NTC Non-Housing Line of Credit to a new CIP account for the NTC Park Aquatic Center. These funds will be used to initiate the planning and design phase of the Aquatic Center.

FISCAL CONSIDERATIONS: The \$466,726 will be transferred from the NTC Non-Housing Line of Credit to the new NTC Park Aquatic Center CIP account. This action was included in the unallocated projects section of the FY 2009 Redevelopment Budget for NTC.

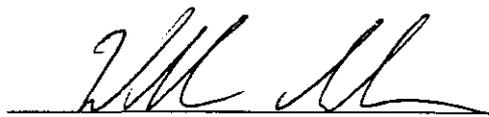
PREVIOUS COUNCIL and/or COMMITTEE ACTION: On May 13, 2008 the Redevelopment Agency and City Council approved the Second Amendment to the NTC Park Improvement Agreement.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: On June 19, 2008 the Peninsula Community Planning Board received an informational report regarding this funding. No vote was taken, but they were supportive of the project.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable): None with this action.



Janice Weinrick
Deputy Executive Director,
Redevelopment Agency; and
Assistant Director,
City Planning and Community Investment



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

- Attachments: 1. Second Amendment to the NTC Park Improvement Agreement
2. Findings of Benefit

001085

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION APPROVING AND ADOPTING THE FINDINGS FOR NTC REDEVELOPMENT PROJECT AREA.

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

1. That the findings for expenditure of funds for the NTC Park Aquatic Center [Project] are of benefit to the NTC Redevelopment Project Area and are hereby approved and adopted.
2. That the transfer from the Redevelopment Agency to CIP 29-976.0, Fund 10294, is authorized for purposes of planning and designing the NTC Park Aquatic Center.
3. That the Fiscal Year 2009 Capital Improvements Program Budget is amended by adding CIP 29-976.0, Fund 10294, NTC Park Aquatic Center, in the amount of \$466,726.
4. That an increase in the amount of \$466,726 is authorized in the Fiscal Year 2009 Capital Improvement Program Budget for CIP 29-976.0, Fund 10294, NTC Park Aquatic Center, from the NTC Redevelopment Project Line of Credit funds from the Redevelopment Agency.
5. That the City Auditor and Comptroller is authorized to appropriate and expend an amount not to exceed \$466,726 in CIP 29-976.0, Fund 10294, NTC Park Aquatic Center, from the NTC-RDA Contribution to CIP Fund for the purpose of planning and design of the Project.
6. That the actions in Sections 2-5 above are contingent upon the City's identification and allocation of sufficient funding for construction of the NTC Park Aquatic Center, consistent with the Second Amendment to NTC Improvement Agreement, approved by the City Council on May 19, 2008, by Resolution No. RR-303698.

001086

7. That this activity is not subject to California Environmental Quality Act [CEQA] pursuant to State CEQA Guidelines Section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By Shannon Thomas
Shannon Thomas
Deputy City Attorney

ST:sc
06/23/08
Aud.Cert.:N/A
Or.Dept:Planning
R-2008-1187

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

ORIGINAL

SECOND AMENDMENT TO NTC PARK IMPROVEMENT AGREEMENT

The NTC Park Improvement Agreement ("Agreement") dated July 10, 2000 between the Redevelopment Agency of the City of San Diego (the "Agency"), the City of San Diego (the "City") and McMillin-NTC, LLC (the "Master Developer"), which was previously amended by Agency Resolution 03917/City Council Resolution No. R-300481 on May 24, 2005, is hereby amended as follows.

Article II – Project Cost, Paragraph 2.1, Estimated Design and Construction Cost, is amended by replacing the amount of \$14,779,800 with \$16,979,800.

Article II, is amended by adding the following:

2.2.2.1 Agency's Financial Commitment.

The balance of the funding necessary to complete the park, up to \$2,200,000, shall be obtained from the Redevelopment Agency, which includes the Agency's 10% (\$1,479,980) obligation.

Payment of the additional funding, up to \$2,200,000, to the Master Developer for work completed and/or materials furnished during the construction of Phase II of NTC Park shall be made in accordance with Section 9 of the Standard Specifications for Public Works Construction, current edition when a construction contract is awarded. Monthly progress payment requests shall be submitted to the Agency, or its designee, by the Master Developer for work performed and/or materials furnished with sufficient information to satisfy the Agency that it correctly represents a reasonable apportionment of the completed work. The Agency shall verify that the work and/or materials furnished for which a progress payment has been submitted is in compliance with the approved plans and specifications for Phase II of NTC Park and shall have sole discretion to adjust the payment made based on field verification of the completed work and/or materials furnished. The Agency shall not unreasonably withhold payment for work completed and/or materials furnished that is in conformance with the approved plans and specifications.

Article III – Project Design and Budget, is amended by adding the following:

3.4.4 Aquatic Center Funding and Construction.

The water features included in the proposed General Development Plan for NTC Park were eliminated by the City Council on May 6, 2003 (Resolution No. R-297943). The City Council directed City staff to use the cost savings from the elimination of the water features for an Aquatic Center to be located within the park. The Master Developer estimated the cost of the eliminated water features to be \$466,726.

Design and construction of the Aquatic Center is not a responsibility of the Master Developer. The City is responsible for design and construction of the Aquatic Center. The City has proposed to finance the \$466,726 for the Aquatic Center with Community Facilities District No. 3 ("CFD") special tax proceeds remaining each year after the payment of debt service on the

DOCUMENT NO. 303698

DOCUMENT NO. D-04270/04270

FILED MAY 19 2008

FILED JUN 16 2008

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA L-303698

OFFICE OF THE REDEVELOPMENT AGENCY
SAN DIEGO, CALIF

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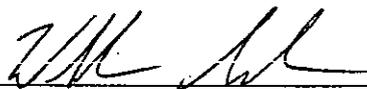
2006 CFD Bonds and the 2008 CFD Bonds. The Agency hereby assumes responsibility for funding the \$466,726 for the Aquatic Center, and the City agrees to remove this item from the CFD. At the time of approval of this Second Amendment, funds for construction of the Aquatic Center have not been identified. Upon the City identifying and allocating sufficient funding for construction of the Aquatic Center, the City will request from the Agency, and the Agency shall provide to the City, \$466,726 to be used by the City for the Aquatic Center.

All other provisions of the original Agreement and First Amendment to NTC Park Improvement Agreement shall remain unchanged.

IN WITNESS WHEREOF, this Agreement is executed by the Agency, the City, and the Master Developer on this 6 day of June, 2008.

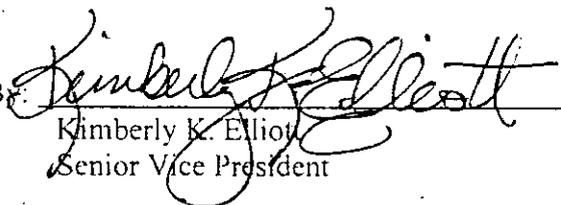
**Redevelopment Agency of
The City of San Diego**

DATED: 6-6-08

By: 
William Anderson
Assistant Executive Director

**McMillin-NTC, LLC
a Delaware limited liability company**

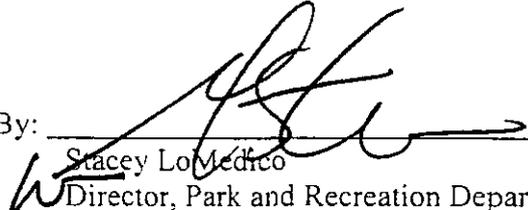
DATED: 3/21/08

By: 
Kimberly K. Elliott
Senior Vice President

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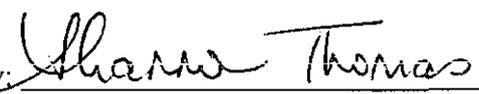
The City of San Diego
a municipal corporation

DATED: 6/13/08

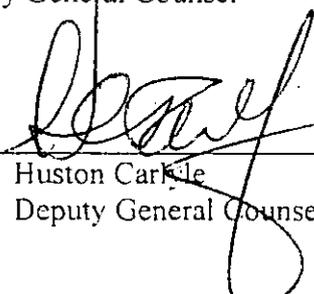
By: 
Stacey LoMedico
Director, Park and Recreation Department

Approved as to form and legality
this 10th day of June, 2008

MICHAEL J. AGUIRRE
City Attorney

By: 
Shannon Thomas
Deputy City Attorney

MICHAEL J. AGUIRRE
Agency General Counsel

By: 
Huston Carlisle
Deputy General Counsel

Special Findings
(Health & Safety Code § 33445)
Naval Training Center Redevelopment Project Area

SUBJECT IMPROVEMENTS:

NTC Park Aquatic Center

The following findings are for the NTC Park Aquatic Center planning and design phase – within the Naval Training Center (NTC) Redevelopment Project Area.

I. FINDINGS OF BENEFIT

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

- A. The Project is within the NTC Redevelopment Project.
- B. The Project will enhance the NTC Park for the benefit of residents, visitors, and businesses within the Project Area.

II. NO OTHER REASONABLE MEANS OF FINANCING

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

- A. The City’s Capital Improvement Budget is funded 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 Adopted Capital Improvements Program (CIP) Budget totals \$491.6 million, which is an increase of \$197.9 million from the Fiscal Year 2007 Annual Budget. Excluding water and sewer projects, the Fiscal Year 2008 Adopted CIP Budget was increased \$22.3 million from the Fiscal Year 2007 Annual Budget. The NTC Park Aquatic Center was not included in the CIP Budget.
- B. Priorities of the City’s CIP budget are to address deferred maintenance projects, which according to the City’s 2009-2013 Five-Year Financial Outlook (January 2008) is estimated to be at least \$800 to \$900 million, excluding Water and Wastewater.
- C. Pursuant to the Second Amendment to the NTC Park Improvement Agreement the amount the Redevelopment Agency has agreed to fund for the NTC Park Aquatic Center is \$466,726. There are currently no funds allocated in the City’s 2008 CIP Annual Budget to fund this Project. The Redevelopment Agency shall contribute up to \$466,726 of NTC Redevelopment Project Area funds to finance this Project.

- D. 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 the NTC Project Area totals \$22.0 million. Of this amount, \$17.7 million is comprised of new funds with \$4.6 million carrying over from the previous year. The Agency also secured a \$16.0 million three-year line of credit through San Diego National Bank for NTC non-housing projects. Tax increment to be generated in Fiscal Year 2008 in the NTC Project Area is estimated to exceed \$4.2 million.

II. ELIMINATION OF BLIGHTING CONDITIONS

The payment of Agency funds toward the cost of the Project will assist in the elimination of one or more blighting conditions in the NTC Redevelopment Project Area in that:

- A. The Project will create public facilities that meet the City's park construction standards.
- B. The Project will help eliminate blighting conditions in that the neighborhood will be provided with the Park facilities according to the approved General Development Plan and provide incentive for public use of the facilities and private investment in the surrounding area.

III. FINDINGS OF CONSISTENCY WITH IMPLEMENTATION PLAN

The payment of Agency funds toward the cost of the Project is consistent with the Third Five-Year Implementation Plan for the Project Area, adopted pursuant to Health and Safety Code Section 33490, in that:

The Project is consistent with the Third Five-Year Implementation Plan for the NTC Redevelopment Project, which is recorded with the Agency as Document No. R-04181 filed August 7, 2007, in that the Project addresses the Implementation Plan's specific goals and objectives including:

- A. Eliminate and prevent the spread of blight and deterioration, and redevelop the proposed Redevelopment Project Area in accordance with the Reuse Plan, Precise Plan, Redevelopment Plan, and local codes and ordinances;
- B. Expand and improve park and recreation facility options, green belts and open space opportunities as well as enhance the environmental habitat at the base; and
- C. Plan and complete construction of NTC Park enhancements.