

## DETERMINATIONS

(California Health & Safety Code Section 33445)

SUBJECT IMPROVEMENTS: INTERIM LEASH-FREE DOG PARK AND BLOCK IMPROVEMENTS (BLOCK BOUNDED BY G STREET, PARK BOULEVARD, MARKET STREET AND ELEVENTH AVENUE) – REQUEST TO BID – RENTAL, OPERATION AND MAINTENANCE – EAST VILLAGE REDEVELOPMENT DISTRICT OF THE EXPANSION SUB AREA OF THE CENTRE CITY REDEVELOPMENT PROJECT AREA

The following findings are for the construction of the proposed public improvements on the block bounded by Park Boulevard, Market Street, Eleventh Avenue and G Street within the East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project Area. The proposed public improvements include the development of an interim leash-free dog park and improvements to an existing adjacent surface parking lot and certain public right-of-way (“Improvements”). The proposed dog park is an approximately 16,500 square-foot area located on the eastern portion of the block, while the existing parking lot will remain on the western portion of the block and be upgraded to be in conformance with requirements of the City of San Diego’s Centre City Planned District Ordinance (“Centre City PDO”). Amenities of the dog park will include separate areas for large and small dogs, seating, shade structures, trash receptacles, lighting and drinking fountains for both people and dogs. The scope of work will also include improvements within the public right-of-way by the addition of a van accessible parking space along Park Boulevard, sidewalk repairs along Market Street and Eleventh Avenue and the removal of nuisance plant materials along Eleventh Avenue.

### I. DETERMINATIONS OF BENEFIT TO THE PROJECT AREA BY HELPING TO ELIMINATE BLIGHT

The Improvements, for which the Redevelopment Agency of the City of San Diego (“Agency”) proposes to pay, are of benefit to the Centre City Redevelopment Project Area (“Project Area”) by helping to eliminate blighting conditions within the Project Area, in that:

- A. The Improvements will improve public safety and health conditions.
- B. The Improvements will increase the amount of public open space to enhance downtown residential neighborhoods and commercial districts.

- C. The Improvements will enhance the neighborhood by replacing vacant or underutilized land with public open space.
- D. The Improvements will act as a catalyst providing an incentive for private investment, thereby contributing to the removal of economic blight.
- E. The Improvements will increase the quality of life for downtown residents, visitors and businesses by improving the surface improvements.
- F. The Improvements will foster and encourage a unique “sense of community.”
- G. The Improvements will increase residential amenities and provide needed public improvements for the area, which, in turn, increases the desire for people to live and businesses to establish and expand operations within the Project Area.
- H. The Improvements will eliminate inadequate public improvements by removing and replacing dilapidated sidewalks and non-ADA compliant surfaces within the public rights-of-way thereby providing a safe pedestrian walkway and improving accessibility and mobility to pedestrians.
- I. The Improvements will promote quality of life and business viability by allowing for the provisions of parking to serve growing needs, while avoiding excessive supplies that discourage transit ridership and disrupt urban fabric.
- J. The Improvements will increase lighting which, in turn, will improve public safety, deter crime and reduce energy consumption.

II. NO OTHER REASONABLE MEANS OF FINANCING

No other reasonable means of financing the cost of acquisition of land for and/or the cost of installation and construction of the Improvements are available to the community (i.e., City of San Diego) for which the Agency proposes to pay, in that:

City of San Diego

- A. The City of San Diego’s (“City”) General Fund is dependent on the financial health of the local economy in addition to the State and nationwide economy. Some economic indicators are currently still lagging and could possibly restrain economic stabilization or expansion in the economy in Fiscal Year 2011. The improvement in municipal budgets appears to be also lagging the overall economy. Overall, the economic outlook remains very uncertain in the upcoming fiscal year.

- B. The City's General Fund Budget is funded from various sources, but the four largest revenue sources are property tax, sales tax, transient occupancy tax ("TOT"), and franchise fees, and account for approximately \$710.8 million or 64.8 percent of total General Fund revenues. The decline in these four major revenues in the Fiscal Year 2011 Adopted Budget accounts for approximately \$31.6 million or 94.3 percent of the total General Fund decline of \$33.5 million compared to the Fiscal Year 2010 Adopted Budget.
- C. In Fiscal Year 2011 sales tax is budgeted at \$187.5 million, which represents a decrease of \$22.7 million or 10.8 percent from the Fiscal Year 2010 Adopted Budget due to the decline in per capita income and consumer spending, and the high unemployment rate in the City. TOT is budgeted at \$66.1 million, a decrease of \$9.8 million or 12.9 percent from the Fiscal Year 2010 Adopted Budget due to the decline in local tourism. Franchise fees are budgeted at \$67.2 million, a decrease of \$6.5 million or 8.9 percent from the Fiscal Year 2010 Adopted Budget due to a decline in refuse haulers tonnage.
- D. The City's Fiscal Year 2011 Adopted Budget reflects General Fund revenues and expenditures of \$1.10 billion, representing a decline of \$33.5 million or 3.0% over the Fiscal Year 2010 Adopted Budget. The Fiscal Year 2011 Adopted Budget includes 7,067.98 budgeted full time equivalent ("FTE") positions, a decrease of 328.94 FTE positions over the Fiscal Year 2010 Budget. The net decrease in General Fund positions is primarily due to the reduction of 485.16 FTE positions as part of the revised Fiscal Year 2010 Budget approved by the City Council that has been incorporated in the Fiscal Year 2011 Adopted Budget. These reductions were to City's critical services including brownouts in the Fire Department, reductions in lifeguard positions, and reductions in library hours. If the City's revenues improve, then the City's first priority would be to restore those critical services funded by General Fund that have been reduced this year due to the loss of revenue in fiscal year 2011.
- E. The City's Fiscal Year 2011 Adopted Budget, approved by City Council in June 2010, includes reduced revenue projections adjusted for a continuation of slow economic growth and a continued constriction of economic activity. Growth in revenues is anticipated to be negative in most major revenue categories such as property tax, sales tax, TOT, and franchisee fees.
- F. The City's Capital Improvements Program ("CIP") budget allocates existing funds and anticipated revenues to rehabilitate, restore, improve, enhance, and increase the City's capital facilities. This budget supports the design and construction of a wide range of infrastructure improvement projects and other significant capital infrastructure investments. The Fiscal Year 2011 CIP Adopted Budget totals \$299.6 million. This is a reduction of \$153.6 million or 33.9 percent from the Fiscal Year 2010 CIP Adopted Budget of \$453.2 million.

- G. Deferred capital projects remain one of the eight significant areas identified in the Five-Year Financial Outlook. Since Fiscal Year 2008, approximately \$142 million has been appropriated for facilities, streets, storm drain and other deferred capital projects, funded by proceeds from land sales, bond financing, and Proposition 1B funding. Another proposal for bond financing is anticipated to come before City Council in Fiscal Year 2012 to continue efforts to address the City's approximately \$900 million backlog of deferred projects.
- H. There are currently no funds allocated by the City to fund the Improvements. In addition, given the City's current dire financial situation and overall negative future economic outlook, there is no present, realistic anticipation that the City will have adequate funds to complete the Improvements in future fiscal years, to the extent that the Improvements are constructed in future fiscal years.

### III. CONSISTENCY WITH THE IMPLEMENTATION PLAN

The payment of Agency funds for the acquisition of land for and/or the installation and construction of the Improvements is consistent with the Horton Plaza and Centre City Fourth Five-Year Implementation Plan for the Project Area adopted on June 19, 2009 ("Implementation Plan") pursuant to section 33490 of the California Health and Safety Code, in that:

- A. The Improvements address the specific goals and objectives of the Implementation Plan, as identified in the work program which states in pertinent part as follows:
- At Page 4, "Improvements to existing water and sewer lines, streets, sidewalks, parkways, and lighting in the public right-of-way; continued participation in the enhancement of the public transit system."
  - At Page 12, "Increase the availability of parking to support downtown uses through a comprehensive strategy. Increased availability of parking will assist in the retention and reuse of historic structures and public buildings, attract greater development opportunities to the immediate area and enhance downtown residential living."
  - At Page 7, "Creation of parks, public spaces and/or plazas and recreational facilities to provide catalysts for new development and activity centers for persons in the Project Areas. Proposed parks and recreational facilities would create residential amenities, provide adequate public facilities for the area will increase the desire for residents to live in the East Village neighborhood."

- At Page 12, Parks, Open Space & Recreation, “The creation of new and the enhancement of existing public parks and open space for active and passive recreational use.

A copy of the Implementation Plan is on file with the Agency as Document No. D-04405e.

- B. By furthering the specific goals and objectives of the Implementation Plan, the Improvements and the Agency’s payment thereof are a means to eliminate blight within the Project Area and to facilitate the objectives of the Redevelopment Plan for the Project Area.