

<b>REQUEST FOR REDEVELOPMENT AGENCY ACTION</b> CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY) 3000003998
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TO: AGENCY/CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): Centre City Development Corp	DATE: 02/10/2011
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SUBJECT: North Embarcadero Visionary Plan – First Amendment to the Joint Exercise of Powers Agreement – Columbia Sub Area of the Centre City Redevelopment Project – JOINT PUBLIC HEARING

PRIMARY CONTACT (NAME, PHONE): Gary Bosse, 619.533.7163, MS 51D	SECONDARY CONTACT (NAME, PHONE): ,
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**COMPLETE FOR ACCOUNTING PURPOSES**

FUND	400638	400349			
DEPT / FUNCTIONAL AREA	OTHR-00000010-NS	OTHR-00000010-NS			
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT	512025	512025			
JOB / WBS OR INTERNAL ORDER	920513102000	920513102000			
C.I.P./CAPITAL PROJECT No.					
AMOUNT	\$19,220,000.00	\$10,380,000.00	0.00	0.00	0.00

FUND					
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE):

**ROUTING AND APPROVALS**

CONTRIBUTORS/REVIEWERS:	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
Environmental Analysis	ORIG DEPT.	Alessi, Frank	2/11/2011
Equal Opportunity Contracting	CFO		
Comptroller	DEPUTY CHIEF		
Liaison Office	COO	Goldstone, Jay	2/16/2011
	CITY ATTORNEY	Reisch, Kevin	2/16/2011
	COUNCIL PRESIDENTS OFFICE	Jurado-Sainz, Diana	2/16/2011

PREPARATION OF:     RESOLUTIONS     ORDINANCE(S)     AGREEMENT(S)     DEED(S)

That the Redevelopment Agency:

- Adopts a Resolution stating for the record that it has reviewed and considered the information contained in

certain environmental documents for the Project, adopting certain findings of fact, and adopting the Mitigation Monitoring and Reporting Program for the Project.

- Approves and authorizes execution of a proposed Amendment to the JPA Agreement by and among the Agency, acting through the Centre City Development Corporation (“Corporation”), the City of San Diego (“City”), and the San Diego Unified Port District (“Port”).
  - a. Adopts the findings and recommendations set forth in the “Summary Pertaining to the Use of Tax Increment for the North Embarcadero Visionary Plan,” and more specifically finds and determines that:
    - a. The Project for which the Agency proposes to pay will benefit the Project Area in which the Project is located by helping to eliminate blight within the Project Area.
    - b. There are no other reasonable means available to the City and the Port for financing the Project; and
    - c. The payment of Agency funds towards the cost of the Project is consistent with the Fourth Five-Year Implementation Plan for the Project Area adopted June 19, 2009 (“Implementation Plan”) pursuant to Section 33490 of the California Health and Safety Code (CRL); and
  - Authorizes the City’s Chief Financial Officer, as delegated, to appropriate, encumber and expend tax increment funds from the Project Area in the amount of \$29,600,000, enabling the Agency, as required by the Amendment, to (i) pay \$14,300,000 to the Port, representing the Agency’s 50 percent share of the Project Costs to complete Phase 1 of the Project, (ii) advance \$14,300,000 to the Port, representing the Agency’s advance of all of the Port’s 50 percent share of the Project Costs to complete Phase 1 of the Project, subject to the Port’s later reimbursement to the Agency except for any credit or offset to which the Port may be entitled, and (iii) pay up to \$1,000,000 to the Port, representing the Agency’s contribution toward the cost of design and construction of the Broadway Pier Surface Improvements, provided that the Agency’s contribution toward the cost of the design aspect only shall not exceed \$150,000.

And, that the City Council:

- Approves and authorizes execution of the proposed Amendment to the JPA Agreement by and among the Agency, acting through the Corporation, the City, and the Port; and
- Adopts the findings and recommendations set forth in the “Summary Pertaining to the Use of Tax Increment for the North Embarcadero Visionary Plan,” and more specifically finds and determines that:
  - d. The Project for which the Agency proposes to pay will benefit the Project Area in which the Project is located by helping to eliminate blight within the Project Area.
  - e. There are no other reasonable means available to the City and the Port for financing the Project; and
  - f. The payment of Agency funds towards the cost of the Project is consistent with the Fourth Five-Year Implementation Plan for the Project Area adopted June 19, 2009 (“Implementation Plan”) pursuant to Section 33490 of the California Health and Safety Code (CRL); and
- Consents to the Agency’s payment for the cost of the Project using tax increment proceeds generated from the Project Area; and
- Authorizes the City to accept the improvements, upon completion of construction of the improvements by the Port, that are within City right-of-way or easements.

**STAFF RECOMMENDATIONS:**

That the Agency and City Council approve the proposed First Amendment to the Joint Exercise of Powers Agreement for the North Embarcadero Visionary Plan.

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

COUNCIL DISTRICT(S):	2
COMMUNITY AREA(S):	N/A
ENVIRONMENTAL IMPACT:	The Port, acting as the Lead Agency for the purposes of the California

	<p>Environmental Quality Act (CEQA) set forth at California Public Resources Code Section 21000 et seq., and the State CEQA Guidelines (CEQA Guidelines), set forth at California Code of Regulations, Title 14, Chapter 3, Section 15000 et seq., prepared and certified a Master Environmental Impact Report (Final EIR) for the Project in April, 2000, including the adoption of Findings of Fact and a Mitigation Monitoring and Reporting Program (MMRP). In April, 2007, the Port certified an Addendum to the Final EIR for the Project's Broadway Pier Cruise Ship Terminal and Infrastructure Improvement Project. In October, 2007, the Port certified an Addendum to the Final EIR for the Project's Lane Field Development Project.</p> <p>In 2010 the Port prepared an Addendum to the Final EIR for the Phase I, Coastal Access Features Project which found that the Project is within the scope of the NEVP Final EIR and that there were no new significant impacts or required mitigation measures not previously identified in the NEVP Final EIR and MMRP.</p> <p>The Agency and Council, acting as Responsible Agencies under CEQA, shall review and consider these environmental documents and the Findings of Fact adopted by the Port as the Lead Agency. Staff recommends that the Agency and Council certify that the information contained in the Final EIR and Addenda has been reviewed and considered, adopt the Findings of Fact pursuant to CEQA Guidelines Sections 15091 and 15096, and adopt the MMRP prepared in connection with the Final EIR for the Project pursuant to CEQA Guidelines Section 15096, to monitor and ensure that the mitigation measures identified will be instituted. Based on these environmental documents, there is no further environmental review required under CEQA for the Project.</p>
<p>CITY CLERK INSTRUCTIONS:</p>	<p>N/A</p>

**REDEVELOPMENT AGENCY ACTION  
EXECUTIVE SUMMARY SHEET  
CITY OF SAN DIEGO**

DATE: 02/10/2011

ORIGINATING DEPARTMENT: Centre City Development Corp

SUBJECT: North Embarcadero Visionary Plan – First Amendment to the Joint Exercise of Powers Agreement – Columbia Sub Area of the Centre City Redevelopment Project – JOINT PUBLIC HEARING

COUNCIL DISTRICT(S): 2

CONTACT/PHONE NUMBER: Gary Bosse/619.533.7163, MS 51D

**DESCRIPTIVE SUMMARY OF ITEM:**

That the Redevelopment Agency of the City of San Diego (“Agency”) and City Council of the City of San Diego (“City Council”) approve all actions as necessary for the approval and execution of the proposed First Amendment (“Amendment”) to the Joint Exercise of Powers Agreement (“JPA Agreement”) for the North Embarcadero Visionary Plan (“Project”) located in the Columbia Sub Area of the Centre City Redevelopment Project (“Project Area”).

**STAFF RECOMMENDATION:**

That the Agency and City Council approve the proposed First Amendment to the Joint Exercise of Powers Agreement for the North Embarcadero Visionary Plan.

**EXECUTIVE SUMMARY OF ITEM BACKGROUND:**

On April 9, 2007, the JPA Agreement between the Agency, acting through the Corporation, the City, and the Port, herein after referred to as Parties, was executed. This JPA Agreement set forth the framework for financing the Project and provides that each member will use its best efforts to procure available funding. For purposes of funding, designing, and constructing the improvements, the Project has been proposed to be delivered in phases. In October 2005, in a joint meeting of the Corporation Board and the Board of Port Commissioners (“Port Commissioners”), Phase 1 of the Project was approved to be the construction of the Esplanade improvements (those improvements between the west side of Harbor Drive and the water’s edge), including the relocation of Harbor Drive, between West Broadway and B Street. Since the date of execution of the JPA Agreement, certain circumstances have changed that now require a First Amendment to the JPA Agreement, including, but not limited to, the limits of the first phase of construction, the Parties’ ability to fund construction of Phase 1, and the clarification of the maintenance funding arrangement. Key elements of the proposed Amendment are identified in the Discussion section of this staff report.

**FISCAL CONSIDERATIONS:** The First Amendment would require that the Agency advance the Port, potentially, all of their estimated 50 percent share of the Project costs to construct Phase 1, or \$14.3 million, less certain offsets or credits (\$5.724 million) for previous work completed and in exchange for the assumption of the maintenance responsibilities. The funding arrangement proposed requires the Port to agree to terms to secure the Agency’s advances, with interest, and to their repayment. The Agency’s receipt of repayment of the approximately \$12,960,000 advance to the Port for the First Phase Project Costs may be additionally offset by up to \$3,000,000 in the event that the Port must design and construct Setback Park/Plaza and fails to recoup those costs from a future developer of Lane Field. This and other key elements of

the funding arrangement are discussed in further detail below. Funds in the amount of \$29,600,000 are available in the Fiscal Year 2011 Agency budget. As part of their actions on this item, the Agency and City Council are being requested to make the required findings and determinations to utilize tax increment revenues from the Centre City Redevelopment Project area to fund the construction of the Project, which includes certain construction phase soft costs such as permitting fees and construction administration contracts with professional consultants. The findings and determinations are included within the attached "Summary Pertaining to the Use of Tax Increment for the North Embarcadero Visionary Plan."

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE): N/A

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION: On February 9, 2011, the Corporation Board of Directors unanimously approved the proposed Amendment.

OTHER RECOMMENDATIONS: On February 8, 2011, the Port Commissioners approved a resolution making a financing declaration that the Port has no other reasonable means of funding Phase 1 of the Project (Attachment D). On February 16, 2011, the Amendment will be heard by the Centre City Advisory Committee. On March 8, 2011 the Port Commissioners will consider approval of the Amendment. Corporation staff will provide an oral update to the Agency and City Council at the meeting of February 28, 2011.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: City, Port, and CCDC staff estimate that well over 100 public engagement opportunities have been conducted over the last 10 years of refinement of the Project. Just in the last six months, there have been over 10 opportunities for the public to provide input:

Date Outreach Effort

August 2010 Four (well-attended) Public Workshops at the B Street Pier Cruise Ship Terminal

September 2010 Joint Powers Authority Board meeting

October 2010 Participation in Revisioning our Waterfront Public Workshop (sponsored by a consortium of organizations including C3, the Navy Broadway Complex Coalition, League of Women Voters, Public Trust Alliance and other members of the design community).

September, October, November, and December 2010, and January 2011 Port Commission Meetings

KEY STAKEHOLDERS AND PROJECTED IMPACTS: Key stakeholders in the project are the Corporation, the Agency, the City and Port.

Alessi, Frank

Originating Department

Goldstone, Jay

Deputy Chief/Chief Operating Officer