

REDEVELOPMENT AGENCY OF THE
CITY OF SAN DIEGO

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO (i) APPROVING THE EXPENDITURE OF \$1,480,906 FOR THE CONSTRUCTION AND INSTALLATION OF THE EAST VILLAGE GREEN BUILDING DEMOLITION, ENVIRONMENTAL AND INTERIM PUBLIC IMPROVEMENT PROJECT LOCATED ON THE BLOCK BOUNDED BY 13TH, 14TH, F AND G STREETS WITHIN THE EAST VILLAGE REDEVELOPMENT DISTRICT OF THE EXPANSION SUB AREA OF THE CENTRE CITY REDEVELOPMENT PROJECT; (ii) AUTHORIZING THE CENTRE CITY DEVELOPMENT CORPORATION, ON BEHALF OF THE AGENCY, TO ADVERTISE AND RECEIVE BIDS AND TO ADMINISTER A CONTRACT FOR THE CONSTRUCTION AND INSTALLATION OF THE IMPROVEMENTS; (iii) AUTHORIZING THE AGENCY EXECUTIVE DIRECTOR OR DESIGNEE TO AWARD AND EXECUTE THE CONTRACT FOR CONSTRUCTION OF THE IMPROVEMENTS; AND (iv) MAKING CERTAIN FINDINGS AND DETERMINATIONS RELATED TO THE EXPENDITURE OF AGENCY FUNDS FOR THE CONSTRUCTION AND INSTALLATION OF THE IMPROVEMENTS, IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445.

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 Centre City Redevelopment Project Area (Project Area); and

WHEREAS, the Centre City Development Corporation, Inc. (Corporation) is responsible for implementing redevelopment projects in the Project Area; and

WHEREAS, the Redevelopment Plan for the Project Area at Section 440.1 authorizes the Agency to cause the demolition and clearing of buildings, structures and other improvements from any real property, and at Section 110.1 states that the objectives for the Project Area

include, among other things, upgrading the quality of life in the downtown area and coordinating the upgrade of community facilities that will serve the needs of the entire downtown area; and

WHEREAS, to implement the Redevelopment Plan for the Project Area, the Agency, pursuant to Resolution No. R-04405, with date of final passage June 19, 2009, adopted the Fourth Five-Year Implementation Plan for the period of July 2009 through June 2014 for the Project Area (Implementation Plan), in accordance with California Health and Safety Code section 33490; a copy of the Implementation Plan is on file with the Agency Secretary as Document No. D-04405e; and

WHEREAS, the Implementation Plan identifies the need to contribute to blight removal by replacing inadequate public improvements and providing a catalyst for new development by implementing off-site improvements within the Project Area; and

WHEREAS, consistent with the Implementation Plan and the Redevelopment Plan, the Corporation proposes the installation of certain public improvements within the Project Area called the East Village Green Building Demolition, Environmental and Interim Public Improvements Project consisting of demolition of three buildings, abatement of hazardous building materials, and removal of the concrete footings and slabs of three demolished buildings, environmental cleanup work to remove all contaminated soil from the block, removal of an underground tank and potential second underground tank, grade the site as level as possible and install an interim asphalt parking lot with lights, install a storm water collection system to collect and soak rain water into the site soil to reduce site runoff to the public storm water system per City of San Diego (City) and state codes, install six-foot perimeter fencing on the south half of the parking lot, and remove and replace all damaged sidewalks in the public right-of-way adjacent to the site as an interim public safety measure, until construction of the

future park begins as well as permanent reconstruction of all of the perimeter sidewalks (Improvements); and

WHEREAS, Agency funds in the amount of \$1,480,906 are available in the Agency's Fiscal Year 2011 Parks and Open Space, East Village Green West Block Budget, and funds in the amount of \$462,015 that were withheld from the acquisition of properties included in the proposed demolition/environmental cleanup are available to partially offset the costs to the Agency; and

WHEREAS, the Agency, by and through the Corporation, now proposes to implement, administer and manage the construction and installation of the Improvements, and to contribute up to \$1,480,906 from the Project Areas' tax increment funds to pay for the cost of construction and installation of the Improvements; and

WHEREAS, after having duly considered the actions described above and the Agency's proposed financial contribution for the construction and installation of the Improvements, the Agency finds that the actions and the payment by the Agency of all or part of the costs of the Improvements are of primary benefit to the Project Area and are in the best interests of the Project Area, the City and the safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law requirements; NOW, THEREFORE,

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

1. That the Agency authorizes the expenditure of \$1,480,906 of the Agency's Fiscal Year 2011 Parks and Open Space, East Village Green West Block Budget to pay for the cost of construction and installation of the East Village Green Building Demolition, Environmental, and Interim Public Improvements Project (Improvements).

2. That the Agency authorizes the Chief Financial Officer or designee, to appropriate and expend an amount not to exceed \$1,480,906 for the Improvements.

3. That the Agency authorizes the Centre City Development Corporation, Inc. (Corporation), on behalf of the Agency, to advertise and receive bids for the construction of the Improvements located on the block bounded by 13th, 14th, F and G streets in the East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project Area (Project Area).

4. That the Agency authorizes the Agency Executive Director or designee to award the construction contract to the lowest responsible bidder for the construction and installation of the Improvements provided that the bids are within the established allocation of \$1,480,906, that the construction contract shall not exceed \$1,480,906, and that all other public contracting requirements are met.

5. That the Agency authorizes the Agency Executive Director or designee to execute the construction contract with the lowest responsible bidder for the construction and installation of the Improvements.

6. That the Agency authorizes the Corporation, on behalf of the Agency, to administer the construction contract for the construction and installation of the Improvements.

7. That the Agency authorizes the Agency Executive Director or designee to execute all other documents on behalf of the Agency that are necessary and appropriate to carry out and implement the purposes set forth in this Resolution according to its terms, and to administer the Agency's obligations, responsibilities and duties to be performed hereunder.

8. That the Agency finds and determines each of the following as to the Project Area, in accordance with California Health and Safety Code section 33445:

(a) That the installation of the Improvements to be located on the block bounded by 13th, 14th, F and G streets within the Project Area, for which the Agency proposes to pay using Agency tax increment funds from the Project Area, will benefit the Project Area by helping in the elimination of one or more blighting conditions inside the Project Area, in that:

(1) The Improvements will demolish three vacant Agency-owned buildings.

(2) The Improvements will replace inadequate public improvements and provide a catalyst for new development by implementing off-site improvements.

(3) The Improvements will provide “systematic elimination of toxic substances in soils and groundwater” to contribute to blight removal as is included on page 4 of the work program of the Fourth Five-Year Implementation Plan for the Project Area, with date of final passage June 19, 2009 (Implementation Plan), pursuant to California Health and Safety Code section 33490.

(b) That there are no other reasonable means available to the City to finance the Improvements for which the Agency proposes to pay, in that:

(1) The City’s General Fund is dependent on the financial health of the local economy in addition to the State and nationwide economy. As the local, State, and nationwide economic outlook continues to decline for the upcoming fiscal year, General Fund revenue growth rates are reviewed and revised.

(2) 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 65.1 percent of the total General Fund revenues. The decline in these four major revenues in the Fiscal Year 2011 Annual

Budget accounts for approximately \$31.6 million or 84.3 percent of the total General Fund decline of \$37.4 million compared to the Fiscal Year 2010 Annual Budget.

(3) 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 Annual 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 Annual 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 Annual Budget due to a decline in refuse haulers tonnage.

(4) The City's Fiscal Year 2011 Annual Budget reflects General Fund revenues and expenditures of \$1.09 billion, representing a decline of \$37.4 million or 3.3% over the Fiscal Year 2010 Annual Budget. The Fiscal Year 2011 Annual Budget includes 7,060.48 budgeted full time equivalent (FTE) positions, a decrease of 336.44 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 Annual Budget.

(5) The City's Fiscal Year 2011 Annual 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.

(6) 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 Annual Budget totals \$332.2 million. This is a reduction of \$121.1 million or 26.7 percent from the Fiscal Year 2010 CIP Annual Budget of \$453.2 million.

(7) Deferred capital projects obligations 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. A second request for bond financing is anticipated to come before City Council in late Fiscal Year 2011 or Fiscal Year 2012 to continue efforts to address the City's approximately \$900 million backlog of deferred projects.

(8) The cost of the Improvements is approximately \$1,480,906. There are currently no funds allocated in the Fiscal Year 2011 Annual CIP Budget to fund the Improvements.

(c) That the payment of Agency funds toward the cost of design and installation of the Improvements is consistent with the Implementation Plan adopted pursuant to Health and Safety Code section 33490, in that:

(1) The Improvements address the specific goals and objectives of the Implementation Plan, as identified on Page 7 of the work program which states in pertinent part as follows: "Replacement of public improvements allows new development to occur" and "Eliminate general blighting characteristics of specific properties to be identified."

(2) By furthering the specific goals and objectives of the Implementation Plan, the Improvements and the Agency's payment therefor are a means to eliminate blight within the Project Area and will facilitate the project objectives of the Redevelopment Plan for the Project Area.

APPROVED: JAN I. GOLDSMITH, General Counsel

By 
Charles E. Jagolinzer
Deputy General Counsel

CEJ:nja
02/11/2011
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Or.Dept: CCDC
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PL#2010-04954
Comp. R-2011-577

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of _____.

REDEVELOPMENT AGENCY

By _____
Jeannette Santos, Deputy Secretary

Approved: _____
(date)

JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director