

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
TUESDAY, JULY 20, 2004
AT 9:00 A.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

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CHRONOLOGY OF THE MEETING:

The meeting was called to order by Mayor Murphy at 10:10 a.m.

Mayor Murphy welcomed and introduced Judie Italiano, President of the Municipal Employees Association (MEA), Ed Layman, past President of Local 127 of the American Federation of State County Municipal Employees, and John Quigley representing the Metropolitan Wastewater Department, who then presented the Mayor with a plaque as an expression of thanks and honoring him for his support of the Bid to Goal Program. The Mayor and Council were congratulated for being open-minded enough to give their employees an opportunity to compete and show how competitive they can be with their own jobs within the private industry, rather than contract out for services. The result of that program and the trust that the Mayor, Council and the City Manager's Office has put in it, and the hard work of all the employees along with the Unions, have saved the City for over the last six years, \$115 million which went back to the citizens.

Mayor Murphy accepted the plaque on behalf of the Mayor and City Council and stated that it is important that they recognize the many employees of the City of San Diego who have participated in the Metropolitan Wastewater Department's Bid to Goal Labor-Management Partnership, thanking them for their hard work.

Mayor Murphy recessed the meeting at 10:57 a.m. to convene the Housing Authority. The meeting was reconvened by Mayor Murphy at 11:00 a.m. with Deputy Mayor Atkins and Council Member Madaffer not present. Mayor Murphy recessed the regular meeting at 11:10 a.m. for the purpose of a break. The meeting was reconvened by Mayor Murphy at 11:20 a.m. with Deputy Mayor Atkins and Council Member Madaffer not present. The meeting was recessed by Mayor Murphy at 11:59 a.m. to reconvene in Closed Session at 2:00 p.m. in the 12th Floor Committee Room to discuss a legal matter that must be filed by 5:00 p.m., and to reconvene the regular meeting at 2:30 p.m.

The meeting was reconvened by Mayor Murphy at 2:35 p.m. with Council Member Zucchet, Deputy Mayor Atkins, and Council Member Madaffer not present. Mayor Murphy recessed the meeting at 3:42 p.m. for the purpose of a break. Mayor Murphy reconvened the meeting at 3:58 p.m. with Council Member Zucchet, Deputy Mayor Atkins, and Council Member Madaffer not present. Mayor Murphy adjourned the meeting at 5:54 p.m.

ATTENDANCE DURING THE MEETING:

- (M) Mayor Murphy-present
 - (1) Council Member Peters-present
 - (2) Council Member Zucchet-present
 - (3) Council Member Atkins-Excused (By R-299339 to attend the Harvard School of Government)
 - (4) Council Member Lewis-present
 - (5) Council Member Maienschein-present
 - (6) Council Member Frye-present
 - (7) Council Member Madaffer-Excused (By R-299388, no reason given)
 - (8) Council Member Inzunza-present
- Clerk-Abdelnour/Maland (mc/gS)

FILE LOCATION: MINUTES

ITEM-300: ROLL CALL

Clerk Abdelnour called the roll:

- (M) Mayor Murphy-present
- (1) Council Member Peters-present
- (2) Council Member Zucchet-present
- (3) Council Member Atkins-not present
- (4) Council Member Lewis-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-not present
- (8) Council Member Inzunza-present

NON-AGENDA COMMENT:

PUBLIC COMMENT-1:

Comment by Al Strohlein regarding destroying public documents.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:18 a.m. – 10:19 a.m.)

PUBLIC COMMENT-2:

Don Stillwell recited a prayer and informed Council of the history of when the first English bible was printed in America.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:20 a.m. – 10:23 a.m.)

PUBLIC COMMENT-3:

Comment by Sandy Summers regarding domestic terrorism.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:24 a.m. – 10:26 a.m.)

PUBLIC COMMENT-4:

Comment by Jarvis Ross suggesting that Council place the Development Service Department back under the Planning Department.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:27 a.m. – 10:28 a.m.)

PUBLIC COMMENT-5:

Comment by Ron Boshun regarding Council's actions.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:29 a.m. – 10:31 a.m.)

PUBLIC COMMENT-6:

Comment by Nick Shweda, on behalf of Kuntai Ho, Michelle Brazeau and himself, regarding the fifth anniversary of the brutal persecution against the gentle exercise and meditation practice of Falun Gong.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:32 a.m. – 10:34 a.m.)

PUBLIC COMMENT-7:

Comment by Ian Trowbridge regarding the Data Processing Corporation.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:35 a.m. – 10:38 a.m.)

PUBLIC COMMENT-8:

Comment by Joyceline Tarr regarding respect that needs to be given to police officers, fire fighters and certain Council Members.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:39 a.m. – 10:41 a.m.)

PUBLIC COMMENT-9:

Comment by Jamal Ali regarding humanity and a parable of a medical student.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:42 a.m. – 10:43 a.m.)

PUBLIC COMMENT-10:

Comment by Vanessa Royall speaking on behalf of the parents of the YWCA, thanking Council Member Lewis for his time and efforts concerning the YWCA. She further stated that he has proven that action speaks louder than words and that he is an asset to their community.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:44 a.m. – 10:44 a.m.)

PUBLIC COMMENT-11:

Comment by Muhammed Abdullah regarding Muslim safety in San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:45 a.m. – 10:49 a.m.)

PUBLIC COMMENT-12:

Comment by Elnorel Joseph requesting Council's assistance in finding a job.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:49 a.m. – 10:50 a.m.)

COUNCIL COMMENT:

COUNCIL COMMENT-1:

Comment by Council Member Maienschein stating that last Saturday they opened State Route 56 which was the culmination of a tremendous amount of work by a lot of people. Close to 10,000 people participated in the celebration of the event.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:50 a.m. – 10:51 a.m.)

COUNCIL COMMENT-2:

Comment by Council Member Peters stating that on behalf of his communities of Rancho Penasquitos and Torrey Highlands that he represents, they were also happy to see State Route 56 open. He also thanked Mayor Murphy and Mr. Maienschein in helping to achieve that. He also stated that they were also successful in getting the Camino del Sur interchange opened three years early, last April, and \$2.2 million under budget, thereby winning a Golden Watch Dog Award from the San Diego County Taxpayers Association.

He further stated that the two things they are currently working on in his office are to ensure CALTRANS is doing the correct metering because there are some issues regarding that right now; and to get more direct connectors to Highway 5 to the north. He has traveled to Washington to try to get funding for that and the City has now taken over the Environmental Review so that it does not lag. He also thanked Mayor Murphy for his leadership in setting the priority for the City for resolving sewer spills and traffic issues.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:52 a.m. – 10:53 a.m.)

COUNCIL COMMENT-3:

Comment by Mayor Murphy regarding his ten goals for the City, of which one is reducing traffic congestion. He stated that he, as well as Mr. Peters and Mr. Maienschein, formed a group called the Freeway Congestion Strike Team. Mr. Maienschein is his partner on Goal Number 2 and although they have spent a lot of time meeting on traffic issues, their number one focus was getting State Route 56 opened in 2004. The City put in a lot of money, as well as their personal time on that freeway and into right-of-way acquisitions and getting the environmental permits in order to open in 2004. By focusing on the combined resources of the State of California, the City of San Diego, the County of San Diego and the San Diego Association of Governments, they were able to move up the completion date of this project and meet their goal.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:54 a.m. – 10:55 a.m.)

COUNCIL COMMENT-4:

Comment by Council Member Lewis thanking Mayor Murphy, the City Manager and Fire Chiefs Bowman and Ghio for their leadership in helping to protect our citizens by starting the demolition and the construction for the new Fire Station 12 located in the Lincoln Park Community on Imperial Avenue and Willie James Jones Street.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:56 a.m. – 10:57 a.m.)

CITY MANAGER COMMENT:

None.

CITY ATTORNEY COMMENT:

None.

ITEM-330: Fiscal Year 2004-2005 Appropriation Ordinance.

CITY MANAGER'S RECOMMENDATION:

Conducting the second public hearing and introduction and adoption of the following ordinance:

(O-2005-1) INTRODUCED AND ADOPTED AS AMENDED AS
ORDINANCE O-19301 (New Series)

Introduction and adoption of an Ordinance adopting the Annual Budget for the Fiscal Year 2004-2005 and appropriating the necessary money to operate the City of San Diego for said Fiscal Year.

NOTE: Today's action is the second public hearing and adoption of the Ordinance pursuant to Charter Section 71. In accordance with Charter Section 16, this ordinance is effective upon introduction. See Item 200 on the docket of Monday, July 19, 2004, for the first public hearing.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:37 p.m. – 2:41 p.m.)

MOTION BY FRYE TO INTRODUCE AND ADOPT THE ORDINANCE AS AMENDED ON ATTACHMENT B, ITEM 2, SAN DIEGO CONVENTION & VISITORS BUREAU/MARKETING PROGRAM, DELETE B3 AND B4; AND ITEM 3, SAN DIEGO CONVENTION & VISITORS BUREAU/PROMOTIONAL PROGRAM, DELETE B3 AND B4 RELATING TO WAIVERS OF COUNCIL POLICY 100-03. Second by Peters. Passed by the following vote: Peters-yea, Zucchet-not present, Atkins-not present, Lewis-yea, Maienschein-yea, Frye-yea, Madaffer-not present, Inzunza-yea, Mayor Murphy-yea.

ITEM-331: In the Matter of Giving Direction to the City Attorney and City Manager Regarding Disposition of Mt. Soledad Natural Park and Disposition of the Case Paulson versus City of San Diego.

(See City Attorney Report dated 6/28/04. La Jolla Community Area. District-1.)

CITY ATTORNEY'S RECOMMENDATION:

Adopt the following resolution:

(R-2005-69) FILED

Direct the City Attorney to take appropriate action to rescind the sale of the portion of Mt. Soledad Natural Park that was sold in 1998 to the Mt. Soledad War Memorial Association for \$106,000;

After the rescission of the sale of the subject portion of Mt. Soledad Natural Park, the City Manager, with the advice and assistance of the City Attorney, is directed to lease the subject portion of land to the Mt. Soledad War Memorial Association;

Direct the City Attorney to develop for the November 2004 Municipal Election, a ballot measure that puts before the voters of the City of San Diego the authorization for the City of San Diego to sell a portion of Mt. Soledad Natural Park, including land leased to the Mt. Soledad War Memorial Association for maintenance of its war memorial, for fair-market value to a private owner to maintain the property, as open space;

Upon the passage of the ballot measure at the November 2004 Municipal Election, the City Manager, with the advice and assistance of the City Attorney, is directed to develop a constitutionally proper means of selling the subject portion of Mt. Soledad Natural Park for preservation of open space.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 11:26 a.m. – 11:59 a.m.; 2:42 p.m. – 5:53 p.m.)

Motion by Inzunza to continue this item to Tuesday, September 7, 2004, to allow the parties more time to reach a compromise. Second by Frye. Failed by the following vote: Peters-nay, Zucchet-yea, Atkins-not present, Lewis-nay, Maienschein-nay, Frye-yea, Madaffer-not present, Inzunza-yea, Mayor Murphy-nay.

Motion by Peters to continue to Tuesday, August 3, 2004, to allow the crafting of a sale meeting constitutional guidelines. Second by Maienschein. Failed by the following vote: Peters-yea, Zucchet-nay, Atkins-not present, Lewis-nay, Maienschein-yea, Frye-nay, Madaffer-not present, Inzunza-nay, Mayor Murphy-yea.

Motion by Inzunza to continue this item to Tuesday, September 7, 2004, to allow the parties more time to reach a compromise. Second by Frye. Failed by the following vote: Peters-nay, Zucchet-yea, Atkins-not present, Lewis-nay, Maienschein-nay, Frye-yea, Madaffer-not present, Inzunza-yea, Mayor Murphy-nay.

ITEM-332: Issuance of a Multifamily Revenue Bonds for Hillside Gardens Apartments.

(Darnall Community Area. District-7.)

SAN DIEGO HOUSING COMMISSION'S RECOMMENDATION:

Adopt the following resolution:

(R-2005-24) CONTINUED TO TUESDAY, JULY 27, 2004

Approving the issuance of bonds by the Housing Authority of the City of San Diego, for the acquisition and rehabilitation of Hillside Gardens Apartments, pursuant to Section 147(f) of the Internal Revenue Code of 1986.

SUPPORTING INFORMATION:

The San Diego Housing Commission recommends that the City Council adopt a resolution approving the Housing Authority's official intent to issue multifamily housing revenue bonds for up to \$27 million for the Hillside Gardens Apartments. The Housing Commission also requests that the City Council hold a noticed, public hearing, in accordance with Section 147 (f) of the Internal Revenue Code of 1986. These actions are required by the Internal Revenue Code in order for the interest on the bonds to be tax-exempt.

Approval of the recommended items will in no way commit the Housing Authority to issue bonds for the project. The recommended actions do not represent any commitment by the Housing Authority or the applicant to proceed with the financing of the project. If bonds are eventually issued, the financial risks associated with the project will be minimal since repayment of the bonds will be guaranteed by a third party.

The Project

The Hillside Gardens Apartments are located at 5802 University Avenue in Council District 7. The project currently consists of 380 units, with 95 units restricted at 65% of the area median income (\$44,550 for a family of four). Without future involvement by the Housing Authority, the current restrictions on the property will expire in 2005, and the restricted units would convert to market rents. The Housing Commission is currently working with the developer, to preserve the rental restrictions on a portion of the project's units. As part of a new financing, the Housing Commission is analyzing the feasibility of issuing multifamily housing revenue bonds for the project. A bond financing would require that at least 20% of the units (76) would be restricted at 50% AMI (\$34,250 for a family of four).

Prior Actions

On November 14, 2003, the Housing Commission approved the selection of bond counsel and a financial advisor to work on the project. In addition, the Housing Commission recommended that the Housing Authority and City Council take the initial steps to issue bonds for the project. On November 18, 2003, the Housing Authority adopted a resolution setting forth the official intent to issue bonds for the project. Due to a problem with docketing, the City Council resolution and the public hearing did not appear on the agenda at that time.

Future Actions

Approval of the recommended items would permit an application to be submitted to the State for an allocation of bond issuing authority. If the project receives a bond allocation, specific authorization to issue bonds for the project will be sought from the Housing Commission and Housing Authority at a future date. At that time, staff and its financing consultants will have completed all feasibility analysis for the project. Also, at that time, a set of substantially final bond documents will be presented to the Housing Authority for approval.

ECM/CF/PGA

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 11:01 a.m. – 11:09 a.m.)

Testimony in favor by Steve Last.

Motion by Peters to adopt. Second by Maienschein. Motion withdrawn.

MOTION BY PETERS TO CONTINUE THE ITEM TO TUESDAY, JULY 27, 2004, TO ALLOW COUNCIL MEMBER MADAFFER TO BE PRESENT. Second by Maienschein. Passed by the following vote: Peters-yea, Zucchet-yea, Atkins-not present, Lewis-yea, Maienschein-yea, Frye-yea, Madaffer-not present, Inzunza-yea, Mayor Murphy-yea.

ITEM-S500: Three actions related to Approving Gaslamp Quarter Special Permit No. 2004-13 for the Hard Rock Hotel Project.

(See Centre City Development Corporation Report CCDC-04-14. Gaslamp Quarter Sub Area of the Centre City Redevelopment Project. District-2.)

CENTRE CITY DEVELOPMENT CORPORATION'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2005-48) ADOPTED AS RESOLUTION R-299467

Approving Gaslamp Quarter Special Permit No. 2004-13, for the development of the Hard Rock Hotel project with 388 hotel rooms, 23,000 square feet of retail/commercial and parking uses on a 52,500 square foot site on the block bounded by Fifth, Sixth, "K", and "L" streets in the Gaslamp Quarter Sub Area of the Centre City Redevelopment Project.

Subitem-B: (R-2005-61) ADOPTED AS RESOLUTION R-299468

Approving a height exception of up to 125 feet for the Hard Rock Hotel project within the Gaslamp Quarter Sub Area of the Centre City Redevelopment Project.

Subitem-C: (R-2005-41) ADOPTED AS RESOLUTION R-299469

Certifying that the Council has reviewed and considered information contained in the Master Environmental Impact Report (MEIR) and the Final Subsequent Environmental Impact Report for the Centre City Redevelopment Project and the Secondary Study with respect to Gaslamp Quarter Special Permit No. 2004-13 (Hard Rock Hotel), and making certain findings and determinations regarding environmental impacts of the development pursuant thereto.

FILE LOCATION: SUBITEMS A-C: LUP – Gaslamp Quarter Special Permit
No. 2004-13 for the Hard Rock Hotel
Project 07/20/04 (65)

COUNCIL ACTION: (Time duration: 11:21 a.m. – 11:26 a.m.)

MOTION BY ZUCCHET TO ADOPT. Second by Maienschein. Passed by the following vote: Peters-yea, Zucchet-yea, Atkins-not present, Lewis-yea, Maienschein-yea, Frye-yea, Madaffer-not present, Inzunza-yea, Mayor Murphy-yea.

NON-DOCKET ITEMS:

None.

ADJOURNMENT:

The meeting was adjourned by Mayor Murphy at 5:54 p.m.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 5:54 p.m.)