

**SUPPLEMENTAL REDEVELOPMENT AGENCY MEETING
MARCH 29, 2011**

The meeting reconvened as the City Council at 2:04 p.m. by Council President Young with Council Member DeMaio not present.

Roll Call Lightner, Faulconer, Gloria, DeMaio, Zapf,
Emerald, Alvarez, and Council President Young

Elaine DuVal, Independent Budget Analyst
Jeff Kavar, Independent Budget Analyst
Tom Haynes, Independent Budget Analyst
Mary Jo Lanzafame, City Attorney
Elizabeth Maland, City Clerk

The meeting adjourned as the City Council at 3:40 p.m.

The meeting reconvened as the Joint Public Hearing Redevelopment Agency with City Council at 3:40 p.m. by Chair Young with all Agency Members present.

Joint Public Hearing-Adoption-Discussion

S40. Monarch School Project (west side of Newton Avenue between 16th Street and Sigbee Street)-Proposed First Amendment to Amended and Restated Disposition and Development Agreement with Ground Lease with Option to Purchase Acquisition Agreement and Leaseback East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (Districts 2 and 8)

(Continued from the Redevelopment Agency Meeting, March 22, 2011, RA Item no. 7 and Council Companion Item no. 333)

That the Redevelopment Agency of the City of San Diego ("Agency") adopts a resolution: (RA-2011-113)((Cor.Copy)(3/25/2011)

- Item 1. Approving the Summary Report prepared in accordance with Section 33433 of the California Community Redevelopment Law in order to inform the Agency and the public about the Amended and Restated Disposition and Development Agreement (ARDDA) and proposed First Amendment;
- Item 2. Finding and determining that the consideration to be received by the Agency under the terms of the ARDDA and proposed First Amendment is not less than the estimated fair re-use value of the 1625 Newton Avenue property ("Newton Property") at the use and with the covenants and conditions and development costs authorized by the ARDDA and proposed First Amendment;
- Item 3. Finding and determining that the ground leasing and rehabilitation of the building and improvements of the Newton Property and the acquisition and leaseback of the 808 West Cedar Street property ("Cedar Property") in accordance with the ARDDA and proposed First Amendment will assist in the elimination of blight in the Centre City Redevelopment Project Area, and is consistent with the Fourth Implementation Plan for the Horton Plaza and Centre City Redevelopment Projects ("Implementation Plan") adopted pursuant to California Health and Safety Code Section 33490;

SUPPLEMENTAL REDEVELOPMENT AGENCY MEETING MINUTES-MARCH 29, 2011

Joint Public Hearing-Adoption-Discussion

S40. Monarch School Project (west side of Newton Avenue between 16th Street and Sigbee Street)-Proposed First Amendment to Amended and Restated Disposition and Development Agreement with Ground Lease with Option to Purchase Acquisition Agreement and Leaseback East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (Districts 2 and 8)

(Continued from the Redevelopment Agency Meeting, March 22, 2011, RA Item no. 7 and Council Companion Item no. 333)

(Continued)

(RA-2011-113)((Cor.Copy)(3/25/2011))

Item 4. Approving the proposed First Amendment which changes the terms for the real property Transactions between the Agency and Monarch School Project and several other ARDDA conditions; and

Item 5. Authorizing the Agency Executive Director or designee to execute the First Amendment and any further instruments required by the ARDDA, as amended by the First Amendment.

This project is covered under the Final Environmental Impact Report (FEIR) for the Centre City Redevelopment Plan certified by the Agency on March 14, 2006 (Resolution R-04001), and subsequent addenda to the FEIR certified by the Agency on August 3, 2007 (Agency Resolution R-04193), April 21, 2010 (Agency Resolutions R-04508 and R-04510), and August 3, 2010 (Agency Resolution R-04544), in compliance with CEQA. The FEIR is a "Program EIR" prepared in compliance with State CEQA Guidelines Section 15168. An Environmental Secondary Study (ESS) dated October 2010 was prepared in accordance with CEQA and State and local guidelines. Based on the ESS, the Agency passed Resolution R-04585 on November 30, 2010 stating that (i) the environmental impacts of the proposed project were adequately addressed in the FEIR, (ii) the proposed project is within the scope of the development program described in the FEIR, and (iii) no further environmental documentation is required under CEQA. The terms of the proposed First Amendment are consistent with the project reviewed within the ESS.

Centre City Development Corporation Report nos. CCDC-11-20 (**Revised**) and CCDC-11-12 (**Revised**), dated, March 16, 2011.

Council Companion Item no. S500

John Collum, project manager, Centre City Development Corporation, presented staff report and slide presentation.

Public testimony in favor by Julie Dillion.

Staff: John Collum, 533-7124

James F. Barwick, 236-6144

Agency Counsel: Charles Jagolinzer

SUPPLEMENTAL REDEVELOPMENT AGENCY MEETING MINUTES-MARCH 29, 2011

Joint Public Hearing-Adoption-Discussion

S40. **Monarch School Project (west side of Newton Avenue between 16th Street and Sigbee Street)-Proposed First Amendment to Amended and Restated Disposition and Development Agreement with Ground Lease with Option to Purchase Acquisition Agreement and Leaseback East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (Districts 2 and 8)**

(Continued from the Redevelopment Agency Meeting, March 22, 2011, RA Item no. 7 and Council Companion Item no. 333)

(Continued)

Motion by Member Alvarez to Adopt with Direction to insert a new paragraph Section 703 of the Disposition and Development Agreement to Read: "The Developer acknowledges and Agrees that the City intends to fulfill financial obligations under this agreement through tax increment funds made available by the Agency and not through the City's General Fund; accordingly, nothing in this Agreement shall require the City to expend or promise to expend monies from its General Fund to satisfy all or any portion of the obligation set for in this Agreement".

Seconded by Member Emerald

Passed by the following Vote: 8-0

Redevelopment Agency Resolution and Document numbers R-04660 and D-04660; and City Council Resolution number R-306733.

Adoption-Discussion

S41. **Cooperation Agreement for Reimbursement of Annual Debt Service Costs Associated with the Outstanding Convention Center Expansion Financing Authority Lease Revenue Bonds, Series 1998A ("Outstanding-Series 1998A")-General (District 2)**

(RA-2011-119)

That the Redevelopment Agency ("Agency") and City Council ("Council") approve the Cooperation Agreement and make certain findings that:

The Convention Center Expansion Phase II ("Convention Center"), which was completed in 2001, is of benefit to the Centre City Redevelopment Project ("Project Area") and the immediate neighborhood in which the Project Area is located;

No other reasonable means of financing the associated costs for debt service payments associated with the on the Convention Center Expansion Financing Authority Lease Revenue Bonds, Series 1998A ("Series 1998A") are available to the community;

The reimbursement of funds for debt service on the outstanding Series 1998A to finance the cost of the Convention Center will assist in the elimination of one or more blighting conditions inside the Project Area; and

SUPPLEMENTAL REDEVELOPMENT AGENCY MEETING MINUTES-MARCH 29, 2011

Adoption-Discussion

S41. **Cooperation Agreement for Reimbursement of Annual Debt Service Costs Associated with the Outstanding Convention Center Expansion Financing Authority Lease Revenue Bonds, Series 1998A ("Outstanding-Series 1998A")-General (District 2)**
(Continued)

The payment associated with the cost of the Convention Center is consistent with the Implementation Plan for the Project Area adopted pursuant to Section 33490 of the California Community Redevelopment Law.

This activity is not a "project" under the definition set forth in CEQA Guidelines Section 15378. Therefore, pursuant to CEQA Guidelines Section 15060(c)(3), the activity is not subject to CEQA.

Centre City Development Corporation Report nos. CCDC-11-23 and CCDC-11-15, dated, March 23, 2011.

Council Companion Item no. S501

Frank Alessi, Executive Vice President & Chief Financial Officer, Centre City Development Corporation, gave a brief background of the project.

Public testimony in opposition by Gary Smith, Pat Start, Anne MacMillian Eichman, Brian Crisp, Richard Flores and Janielle Reilla. Hud Collins in opposition, not present.

Staff: Frank Alessi, 533-7130
Jay Goldstone
Agency Counsel: Kevin Reisch

Motion by Chair Pro Tem Falconer to Adopt (with Lightner in opposition)
Seconded by Member DeMaio
Passed by the following Vote: 7-1

Redevelopment Agency Resolution and Document numbers R-04661 and D-04661; and City Council Resolution number R-306734.

Adjournment

The meeting adjourned as the Redevelopment Agency with City Council at 4:46 p.m.



Elizabeth S. Maland, Secretary Redevelopment Agency
of the City of San Diego (jis)