



THE CITY OF SAN DIEGO
Redevelopment Agency's Report

DATE ISSUED: August 4, 2004 REPORT NO. RA -04-29

ATTENTION : Chair and Members of the Redevelopment Agency
Agenda of August 9, 2004

SUBJECT: North Park Housing Project

SUMMARY

Authorize condemnation of property interests required to enable the construction of housing at this site.

Issues - Should the Redevelopment Agency execute condemnation proceedings to acquire the business leasehold interests at 3959-3943 30th Street, San Diego for the North Park Housing Project?

Executive Director's Recommendation - Authorize condemnation proceedings for the acquisition for the North Park Housing Project.

RECOMMENDATION

That the Redevelopment Agency initiate condemnation proceedings to acquire property interests relating to the following parcels in the North Park Redevelopment Area. The interests sought in any and all leasehold interests relating to the parcel listed below and illustrated on the map attached as Figure 1.

<u>Tenants</u>	<u>Interest Sought</u>	<u>Parcel No.</u>
Rite Aid	Leasehold	446-413-12-00
Bimbo Bakery	Leasehold	446-413-12-00

FISCAL IMPACT

Pursuant to a Disposition and Development Agreement between the Redevelopment Agency of the City of San Diego and Western Pacific Housing regarding development of the above-described property, Western Pacific Housing will pay all the acquisition costs as well as potential relocation costs.

BACKGROUND

Private sector redevelopment in much of the North Park Redevelopment Project Area ("Project Area"), as defined by the Redevelopment Plan for the North Park Redevelopment Project ("Redevelopment Plan"), has been stagnant since the March 4, 1997, adoption of the Redevelopment Plan.¹ The physical and economic conditions of blight in the Project Area together, have caused a reduction in the proper use of the area to such an extent that it has become a burden on the community that cannot be reversed or alleviated without the assistance of the Redevelopment Agency through the authority of the California Community Redevelopment Law. In order to further the goals outlined in the Redevelopment Plan, it has been necessary to acquire property for assemblage of fragmented property interests and to eliminate blight.

The adverse physical, economic and social conditions which are impairing private reinvestment in the Project Area still prevail since the City Council's adoption of the Redevelopment Plan. The Redevelopment Agency now must impetus to the development of the Project Area in order to attract desirable private investment into the area.

The acquisition of the leasehold interests in the above-described property is necessary to facilitate the construction of a mixed-use development, consisting of a 224-unit for-sale condominium project with affordable housing; 18,500 square foot of commercial, retail, live-work space; a minimum of 375 parking spaces; and related improvements and amenities.

On July 12, 2004, the Redevelopment Agency, made offers to purchase the property to the owners and tenants listed above. These offers have not been accepted.

It is determined that negotiations for these parcels are at an impasse and that condemnation proceedings should be initiated to acquire the leasehold interest in the

above-referenced parcel. The tenants listed above have been notified of the hearing and invited to appear to be heard on the following issues:

1. Do the Public Interest and necessity require the project? The proposed action for condemnation of the above-described property interests parcels in conformity with the adopted Redevelopment Plan. The assemblage of property interests and the elimination of blighting conditions will improve the neighborhood and the quality of life for residents, visitors, property owners and tenants of this area, consistent with furthering redevelopment goals.
2. Is the proposed project planned or located in a manner that will be the most compatible with the greatest public good and least private injury? The proposed acquisitions to assemble property interests, eliminate blight and to further redevelopment of these sites is planned according to the adopted Redevelopment Plan.
3. Are the property interests sought to be acquired necessary for the proposed project? The acquisition of the above-described leasehold is necessary to facilitate the redevelopment of the Project Area in the vicinity of the subject properties.
4. That an offer to purchase the property interest was made to the property owner of record by the Redevelopment Agency, in accordance with Government Code section 7267.2.

ALTERNATIVE

Do not condemn the business leasehold interests and require that the project be delayed and redesigned.

Respectfully submitted,

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Redevelopment Agency

Approved: Hank Cunningham
Assistant Executive Director,
Redevelopment Agency