



THE CITY OF SAN DIEGO
Redevelopment Agency's Report

DATE ISSUED: November 23, 2004 REPORT NO. RA- 04-43

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of November 30, 2004

SUBJECT: Public Hearings for Two (2) Redevelopment Plans and Corresponding
Implementation Plans for the Naval Training Center and North Park
Redevelopment Project Areas

REFERENCE: California Community Redevelopment Law, Section 33490

SUMMARY:

Issue: Should the Redevelopment Agency accept the Mid-term Reports for the Naval Training Center and North Park Redevelopment Project Areas?

Executive Director's Recommendation: Accept the Mid-term Reports for the Naval Training Center and North Park Redevelopment Project Areas.

Fiscal Impact: No fiscal impact associated with this action. Any financial obligations of the Agency will be discussed as projects are proposed and will be subject to Agency approval.

BACKGROUND:

When California Community Redevelopment Law (CRL) was amended in 1993, a requirement was added to the statute requiring each redevelopment agency to adopt a Five-Year Implementation Plan that contains specific goals and objectives for each adopted Redevelopment Project. A new implementation plan is required to be adopted every five years. The amendment also requires redevelopment agencies to conduct a public hearing to hear testimony to review and evaluate the redevelopment plan and corresponding implementation plan for each redevelopment project during the five-year life of the plan and in conjunction with adoption of new implementation plans.

In April of 2002, the Redevelopment Agency adopted the Second Five-Year Implementation Plan for the North Park Redevelopment Project, and in June of 2002, the Second Five-Year Implementation Plan for the Naval Training Center (NTC) Redevelopment Project Area was adopted. Each implementation plan identifies specific programs and estimated expenditures proposed to be made during a five-year period, explains how the goals and objectives, programs

and expenditures of each implementation plan will eliminate blight within the project area and implement the requirements of CRL with respect to low and moderate-income housing. The Agency is required by CRL to conduct mid-term public hearings to evaluate the progress of these two Implementation Plans.

DISCUSSION:

Two Implementation Plans are subject to mid-term public hearings at this time. These are the NTC and North Park Plans.

The following project summaries address the status of each Redevelopment Project and corresponding Implementation Plan, and provide an overview of the Implementation activities.

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA

The NTC Redevelopment Plan (“Plan”) was adopted by the City Council in May, 1997, and is administered by the Redevelopment Division of the City’s Community and Economic Development Department. The 502-acre Project Area was adopted to eliminate conditions of blight within the boundaries of the former military base by new construction, revitalization and upgrading of commercial, office and public properties and facilities within the surrounding Project Area. The Second Five-Year Implementation Plan was adopted in June, 2002. There have been no amendments to the Second Five-Year Implementation Plan for the NTC Redevelopment Project Area.

ACCOMPLISHMENTS

Since June 2002, the accomplishments within the NTC Redevelopment Project Area include:

- On-site infrastructure improvements have been completed to support the ongoing development efforts and leasing opportunities in the residential, educational and office districts.
- Completion of the Rosecrans Street widening with median improvements along with the Rosecrans/Lytton intersection improvements. This included a traffic signal at the intersection of Rosecrans Street and Laning Road.
- Model homes were completed and home sales begun. The new homes sold as they became available. The final phases of construction are underway to complete the 349 homes.
- First phases of office development were begun. Building 903 and 904 were completed and Building 904 occupied.
- Metropolitan Waste Water Department Ocean Monitoring Laboratory was completed and occupied. This included construction of a two story laboratory, landscape improvements, parking lot, private driveway, utility improvements and improvements to Kincaid Road.
- Maps recorded for Units 1-4, 7 and 8.
- The military family housing development (“The Village at NTC”) was completed and occupied providing 500 homes for enlisted U.S. Marine Corps families.

- The Homeless Assistance Agreement continued to be monitored with Committee members. Periodic meetings with Committee members to update progress on projects as well as funding sources.
- The High Tech campus occupies Buildings 36, 37, 49 and 51. Following renovation for adaptive reuse, High Tech High School began classes in September, 2000, High Tech Middle School opened in August, 2003. High Tech High International is completing facility renovation to begin classes in Fall 2004.
- A Request for Qualifications was issued in December, 2002 for Building 83 in the Education Area.
- The General Development Plan for the NTC Regional Park was approved by the City Council and the California Coastal Commission.
- Demolition of surplus buildings was completed.
- Office, retail and commercial areas continue to be marketed by the McMillin and CB Richard Ellis teams.
- Planning has begun for the Regional Public Safety Training Institute site development.
- A HUD 108 loan and BEDI grant were received by the City of San Diego to assist the NTC Foundation with initial renovation costs for four buildings.
- Process has commenced with regulatory agencies to rehabilitate buildings in Mixed-use Area
- Traffic signals were installed on Harbor Drive at the intersections of Laning Road and Lee Road.

SUMMARY – NAVAL TRAINING CENTER

The NTC Second Five-Year Implementation Plan anticipated a considerable amount of positive redevelopment activities that would occur within the Project Area. To date, many projects have been approved or are under construction.

NORTH PARK REDEVELOPMENT PROJECT AREA

The North Park Redevelopment Plan (“Plan”) was adopted by the City Council in March, 1997 and is administered by the Redevelopment Division of the City’s Community and Economic Development Department. The 555-acre Project Area was adopted to eliminate and prevent the spread of blight and deterioration by improving, promoting and preserving the positive neighborhood characteristics of North Park while correcting physical and economic deficiencies. The Second Five-Year Implementation Plan was adopted in April, 2002. There have been no amendments to the Second Five-Year Implementation Plan for the North Park Redevelopment Project Area.

ACCOMPLISHMENTS

Since April 2002, the accomplishments within the North Park Redevelopment Project Area are as follows:

A seismic retrofit of the historic North Park Theatre (“Theatre”) was completed, and the property was conveyed to the developer for renovation, which includes major tenant improvements necessary for the Theatre to reopen as a venue for fine arts presentations. In addition to the renovation of the Theatre, the rehabilitated property will include 5,800 square feet of ground-level commercial/restaurant space and 6,700 square feet of office space.

A Disposition and Development Agreement (“DDA”) was executed for the development of a public parking facility at the northwest corner of 30th Street and North Park Way. This development will provide 328 public parking spaces and 60 parking spaces serving the ground-level commercial space associated with the rehabilitation of the Theatre project. The Agency is pursuing acquisition of land for this public parking project, which will be completed in Fiscal Year 2006.

The construction financing escrow for the Renaissance at North Park project located at the northwest corner of 30th Street and El Cajon Boulevard closed. This project, which will provide 94 rental apartments for very low-income seniors and 14 for-sale moderate-income townhomes, will be completed in Fiscal Year 2006.

A DDA was executed with Western Pacific Housing for the development of 224 residential condominium units located south of Lincoln Avenue between 30th Street and Ohio Street. This project will also include 15,600 square feet of ground-level commercial space. Additionally, 45 of the residential units will be available for purchase by moderate-income households.

In coordination with the City’s Library Department, the Agency administered a Request for Proposals (“RFP”) for a 25,000 square feet urban library development within the Project Area. This development is anticipated to incorporate housing and compatible commercial and office uses with a major branch library. With the conclusion of the RFP process, a developer and site have been recommended and negotiations toward a development agreement initiated.

The North Park Redevelopment Plan proposes to eliminate conditions of blight in the Project Area by new construction, revitalization and upgrading of residential, commercial, office and public properties and facilities within and surrounding the Project Area. In general, the goals and objectives of the Redevelopment Plan developed by the North Park PAC are: 1) Eliminate and prevent the spread of blight and deterioration and conserve, rehabilitate and redevelop the Project Area; 2) Improve, promote and preserve the positive neighborhood characteristics in North Park while correcting its physical and economic deficiencies; 3) Promote and enhance varied housing opportunities; 4) Improve, support and promote the growth and vitality of the Project Area’s business environment and address its commercial, service and employment needs; 5) Increase parking, enhance the quality of mobility and improve transportation facilities which support the vitality, safety and viability of North Park; 6) Expand and improve park and recreation facilities, green belts and open space; 7) Enhance infrastructure facilities; 8) Increase and improve quality education opportunities in North Park; and 9) Reduce and control crime and increase and improve needed health and social services in North Park.

Major goals for Fiscal Year 2005 are as follows:

- Complete acquisition of property for the development of the North Park Public Parking

Facility.

- Negotiate development agreements for the District Three Flagship Library.
- Negotiate development agreements for the development of 500+ new market rate and affordable dwelling units.
- Facilitate the completion of the North Park Theatre renovation.
- Facilitate completion of the North Park Public Parking Facility.
- Facilitate design of a public plaza within the 29th Street right-of-way between University Avenue and North Park Way.

SUMMARY – NORTH PARK

Current projects underway in the Project Area will generate approximately 330 residential units, which includes 150 affordable units; over 43,000 square feet of new commercial space; and over 900 new parking spaces.

The Agency has committed over \$16.5 million of North Park bond proceeds for projects in the Project Area. An additional \$2.1 million has been committed to affordable housing and \$4.1 million to public facilities through developer financing. This Redevelopment Agency investment has leveraged approximately \$100 million of private investment in the Project Area.

Respectfully submitted,

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Deputy Executive Director

Approved: Hank Cunningham
Assistant Executive Director