



Memorandum

Date Issued: November 9, 2005 SEDC Report No. 05-014

Meeting of November 15, 2005

To: Chair and Members of the Redevelopment Agency

From: Carolyn Y. Smith, President

Subject: Approval of an Agreement with the City of San Diego for Payment into the Habitat Acquisition Fund to Mitigate Impacts to Upland Habitat in the Valencia Business Park

Reference: Final Environmental Impact Report for the Potter Tract Tentative Map
LDR No. 96-7729, dated April 27, 2000, certified by the City of San Diego Planning Commission on May 11, 2000

SUMMARY

Staff Recommendation – That the Redevelopment Agency of the City of San Diego (Agency) approves an Agreement with the City of San Diego (City) for payment into the Habitat Acquisition Fund, in an amount not to exceed \$195,375.00, to mitigate impacts to Upland Habitat in the Valencia Business Park.

Other Recommendations – On September 28, 2005, the SEDC Board of Directors unanimously recommended approval of the Agreement with the City of San Diego for payment into the Habitat Acquisition Fund to mitigate impacts to Upland Habitat in the Valencia Business Park.

Fiscal Impact – The amount of \$195,375.00 was included in SEDC's FY 05-06 budget continuing appropriations to fund the payment for upland mitigation within the Central Imperial Redevelopment Project Area.

BACKGROUND

In 1996, SEDC on behalf of the Agency acquired a 14.7-acre site for the purpose of developing a business park. The site is located in the Valencia Park neighborhood and the Central Imperial Redevelopment Project Area within southeastern San Diego. As of today, SEDC has expended over \$6.6 million in the Valencia Business

Park for the public improvements required to make the site developable. Public improvements were completed in 2003. The findings reported in the Potter Tract Final Environmental Impact Report (EIR), dated April 27, 2000, indicated that the grading necessary for proposed development would eliminate all of the existing upland coastal sage scrub and non-native grassland habitat, resulting in a significant biological impact. As a result, SEDC is required to mitigate for impacts to 2.4 acres of coastal sage scrub (at a 1:1 ratio) and 10.83 acres of non-native grassland (at a 0.5:1 ratio) for a total of 7.815 acres, in order to be in compliance with the California Environmental Quality Act (CEQA).

DISCUSSION

The mitigation for impacts to upland habitat is payment of a fee in the amount of \$195,375.00 (\$25,000 per acre), which will be deposited into the City of San Diego's Habitat Acquisition Fund (Fund), Fund No. 10571, as established by City Council Resolution R-275129, adopted on February 12, 1990. Payments deposited into the Fund are used to acquire, maintain and administer the preservation of sensitive biological resources. Administration of the Fund is the responsibility of the City of San Diego.

Payment into the Fund will fully mitigate for impacts of Tier II and Tier IIIB habitat as noted in the Valencia Business Park EIR. Upon such payment, mitigation for upland habitat impacts resulting from implementation of the Valencia Business Park project will be complete and SEDC and the Agency will be in compliance with the Project's Mitigation, Monitoring and Reporting Program.

CONCLUSION

Payment into the City's Habitat Acquisition Fund satisfies SEDC's obligation for upland habitat mitigation as identified in the original environmental documents approved for the Valencia Business Park development.

Submitted by
Laura Roman
Project Coordinator

Approved by
Carolyn Y. Smith
President

Attachment: Agreement for Payment into the Habitat Acquisition Fund