

DATE ISSUED: January 18, 2006 REPORT NO.: CCDC-06-01  
CCDC-06-01

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Council President and Members of the City Council  
Docket of January 24, 2006

SUBJECT: Intermodal Transit Improvements—Broadway to Imperial Avenue  
("Park-to-Bay Link project")—First Amended Memorandum of  
Understanding—East Village Redevelopment District of the Expansion  
Sub Area of the Centre City Redevelopment Project

REFERENCE: Original Source of Funds  
First Amended Memorandum of Understanding  
Findings of Benefit

STAFF CONTACT: Eli Sanchez, Senior Project Manager-Development  
John L. Anderson, Senior Project Manager-Public Works

## SUMMARY

### Issue - Should the Redevelopment Agency:

1. Approve the First Amended Memorandum of Understanding ("MOU") between the Redevelopment Agency of the City of San Diego ("Agency"), Metropolitan Transit Development Board ("MTDB"), and Centre City Development Corporation ("CCDC"), to provide a \$2 million Agency contribution for Phase II funding of the construction of the Park-to-Bay Link project;
2. Make certain findings that the proposed improvements benefit the Centre City Project Area or the immediate neighborhood in which the project is located; that no other reasonable means of financing the improvements are available to the community; that the payment of funds for such improvements will assist in the elimination of blighting conditions inside the Project Area; and that the proposed improvements are consistent with the Implementation Plan adopted for the Project Area pursuant to Health and Safety Code 33490; and
3. Adopt a resolution stating for the record that the Agency has reviewed and considered information contained in the Master Environmental Impact Report, the Subsequent Environmental Impact Report prepared for the Ballpark and Ancillary Development projects, and the Secondary Study with respect to the improvements for the Park-to-Bay project?

And, should the City Council:

1. Make certain findings that the proposed improvements benefit the Centre City Project Area or the immediate neighborhood in which the project is located; that no other reasonable means of financing the improvements are available to the community; that the payment of funds for such improvements will assist in the elimination of blighting conditions inside the Project Area; and that the proposed improvements are consistent with the Implementation Plan adopted for the Project Area pursuant to Health and Safety Code 33490; and
2. Adopt a resolution stating for the record that the City Council has reviewed and considered information contained in the Master Environmental Impact Report, the Subsequent Environmental Impact Report prepared for the Ballpark and Ancillary Development Projects, and the Secondary Study with respect to the improvements for the Park-to-Bay project?

Staff Recommendation - That the Redevelopment Agency:

1. Approve the First Amended MOU between the Agency, MTDB, and CCDG, to provide a \$2 million Agency contribution for Phase II funding of the construction of the Park-to-Bay Link project;
2. Make certain findings that the proposed improvements benefit the Centre City Project Area or the immediate neighborhood in which the project is located; that no other reasonable means of financing the improvements are available to the community; that the payment of funds for such improvements will assist in the elimination of blighting conditions inside the Project Area; and that the proposed improvements are consistent with the Implementation Plan adopted for the Project Area pursuant to Health and Safety Code 33490; and
3. Adopt a resolution stating for the record that the Agency has reviewed and considered information contained in the Master Environmental Impact Report, the Subsequent Environmental Impact Report prepared for the Ballpark and Ancillary Development projects, and the Secondary Study with respect to the improvements for the Park-to-Bay project.

And, that the City Council:

1. Make certain findings that the proposed improvements benefit the Centre City Project Area or the immediate neighborhood in which the project is located; that no other reasonable means of financing the improvements are available to the community; that the payment of funds for such improvements will assist in the elimination of blighting conditions inside the Project Area; and that the proposed improvements are consistent with the Implementation Plan adopted for the Project Area pursuant to Health and Safety Code 33490; and

2. Adopt a resolution stating for the record that the City Council has reviewed and considered information contained in the Master Environmental Impact Report, the Subsequent Environmental Impact Report prepared for the Ballpark and Ancillary Development Projects, and the Secondary Study with respect to the improvements for the Park-to-Bay project.

Centre City Development Corporation Recommendation - On December 14, 2005, the Corporation Board of Directors ("Board") will consider the First Amended MOU. Staff will provide an oral report of the action taken at the January 10, 2006 Agency/Council meeting.

Centre City Advisory Committee ("CCAC")/Project Area Committee ("PAC") Recommendations – None.

Metropolitan Transit System ("MTS") Board - On November 10, 2005, MTS approved the First Amended MOU pending approval of the Corporation and the Agency.

Fiscal Impact - The funding for the Park-to-Bay Link project is from various federal, state, and local sources. Funds for the Agency's additional contribution of \$2 million, in accordance with the proposed First Amended MOU, are available in the Fiscal Year 2005-06 Budget.

## BACKGROUND

The Park-to-Bay-Link project together with the Smart Corner project advances the Visions and Goals of the Centre City Community Plan, the Objectives of the Centre City Redevelopment Project, and the actions of the East Village Focus Plan by:

- Constructing "Urban Trails" that branch out to link downtown with Balboa Park and the San Diego Bay ("Bay");
- Establishing linkages to the Bay; and
- Reinforcing Park Boulevard as the neighborhood and community focus for East Village and as the transportation spine connecting East Village to regional San Diego.

The Park-to-Bay Link project is a partnership between the Agency, CCDC, and MTDB. Phase II of this project will upgrade and enhance the public right-of-way and the operation of the trolley, create street amenities to encourage positive pedestrian activities, and complement existing and planned development from "C" Street to "G" Street on the Park Boulevard corridor. The design of the Park-to-Bay project provides a symbolic link of two San Diego icons—Balboa Park and San Diego Bay.

The Agency is also a participant in the Smart Corner project on the block bounded by Park

Boulevard, Broadway, and 11<sup>th</sup> and “C” streets (“Site”). The Smart Corner project provides for the development of the Site within a 19-story, mixed-use, residential project and is an integral part of the Park-to-Bay Link project. The two projects provide for the trolley rail line to be realigned through the Smart Corner site. This realignment also provides for the relocation of the City College Trolley Station from the southwest corner of Park Boulevard and “C” Street through the Smart Corner site.

The Park-to-Bay project is funded by a combination of local, state and federal funds. The initial budget for the Park-to-Bay project is \$29.2 million, with the largest single contribution (\$15 million) from the State’s Traffic Congestion Relief Program (“TCRP”).

## DISCUSSION

In January 2003, the Corporation and SANDAG decided to reduce the scope of work to construct improvements between Market to “K” streets due to the potential withdrawal of the TCRP funding allocations and the amount of existing local and Federal monies allocated to the project. This became the first phase of the project (Phase I). The construction of Phase I began July 2003 and was completed in mid 2005.

The TCRP funds were the subject of state budget negotiations and until late 2004, the availability of these funds had been questionable. However, it has now been determined that the TCRP funds are in tact and available for the completion of Phase II. The terms of the use of the TCRP funds provide that the funds be totally expended by December 31, 2006.

## PROJECT BUDGET & FINANCING

Participation by Agency – The Phase II design improvements are complete. The engineers estimate for the total project is \$16.2 million. The balance of funds for the Park-to-Bay Link project is \$14.2 million. The First Amended MOU provides for a cash contribution by the Agency for the construction of the Phase II improvements.

The additional Agency funds will be expended after the expenditure of all other funds available to complete the Park-to-Bay Link project and that upon completion of the project, any remaining unused monies from the additional \$2 million contribution will be returned, with any interest accrued, to the Agency. MTDB will provide the Agency with an accounting detailing of what the additional \$2 million was utilized for within 90 days of project completion.

## PROJECT ANALYSIS & IMPACT ASSESSMENT

Findings - State law requires that certain findings be made by the City Council and Agency prior to the expenditure of Agency funds for public facilities/improvements. Attachment Number 1 recites the proposed findings with respect to the benefits of the proposed improvements to the East Village District Sub Area of the Centre City Redevelopment Project Area, the unavailability of other reasonable means to finance the proposed

improvements, how the proposed improvements will assist in the elimination of blighting conditions inside the Project Area, and that the proposed improvements are consistent with the Implementation Plan adopted for the Project pursuant to Health and Safety Code 33490.

Environmental Impact - Under the 1992 Master Environmental Impact Report (MEIR) and Final Subsequent Environmental Impact Report (SEIR), an Environmental Secondary Study is prepared for all developments in the Centre City area in order to evaluate the project's compliance with the Community Plan and Centre City Planned District Ordinance and, therefore, the findings and conclusions of the MEIR and SEIR. Unless the project is found to be out of compliance with those planning documents, no further environmental review is required.

An Environmental Secondary Study, including specific mitigation measures, has been prepared for this project in accordance with CEQA, the Agency Procedures for Implementation of CEQA. The Study finds that the project will have no significant effect on the environment, except as identified and considered in the MEIR/SEIR for the Centre City Redevelopment Project. No further environmental review is required.

#### SUMMARY/CONCLUSION

The First Amended MOU will provide for the construction of the Phase II improvements within the time constraints of the TCRP funding mechanism. The additional Agency funding will assure that the City College Station located on the Smart Corner site is completed in accordance with the Disposition and Development Agreement with the Developer of the Smart Corner project. Moreover, the completion of these improvements will bring to fruition nearly a century of planning for a linkage to the Bay and brings to life the dreams and aspirations of countless San Diegans.

Submitted by:

Concurred by:

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Eli Sanchez  
Senior Project Manager-Development

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Nancy C. Graham  
President

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John L. Anderson  
Senior Project Manager-Public Works

Attachment(s):      No. 1—Original Source of Funds  
                              No. 2—First Amended Memorandum of Understanding  
                              No. 3—Findings of Benefit