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MEMORANDUM

DATE ISSUED: October 15, 2008 Report No. SEDC 08-010

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of October 21, 2008

SUBJECT: Approval of the First Amendment to the Amended Cooperation Agreement with the
City of San Diego for Design and Development of Phase II of the 252 Corridor Park.

REFERENCE: Approval of the Recommendation for the First Amendment to the Amended
Cooperation Agreement by the SEDC Board of Directors September 26, 2007.

Amended Cooperation Agreement between the City of San Diego and the
Redevelopment Agency of the City of San Diego for Development of the Route 252
Corridor Park dated June 12, 2000.

Approval of the FY 2006-2007 Tax Allocation Bond Issuance by the SEDC Board of
Directors on OCTOBER 21, 2008

REQUESTED ACTIONS

1. Should the Redevelopment Agency of the City of San Diego (Agency) approve the First Amendment to the Amended Cooperation Agreement between the Redevelopment Agency of the City of San Diego and the City of San Diego for the design and development of Phase II of the 252 Corridor Park?
2. Should the Redevelopment Agency of the City of San Diego approve the phased transfer of funds from the Agency to the City of San Diego Parks and Recreation Department for the design and development of Phase II of the 252 Corridor Park?
3. Should the Redevelopment Agency make certain findings that the use of funds from the Southcrest Redevelopment Project Area bond issuance will be of benefit to the Southcrest Redevelopment Project Area?

STAFF RECOMMENDATION TO THE REDEVELOPMENT AGENCY

That the Redevelopment Agency adopts a Resolution:

1. Approving the First Amendment to the Amended Cooperation Agreement between the Redevelopment Agency of the City of San Diego and the City of San Diego for the design and development of Phase II of the 252 Corridor Park.
2. Approving the phased transfer of funds from the Agency to the City of San Diego Parks and Recreation Department for the design and development of the 252 Corridor Phase II Park project.

3. Making certain findings that the use of funds from the Southcrest Redevelopment Project Area bond issuance will be of benefit to the Southcrest Redevelopment Project Area.

SUMMARY

On November 24, 1998, the Agency and the San Diego City Council approved a Cooperation Agreement with the Agency which provided for the conveyance of 9.5 acres to the City for the development of a park on the western end of the 252 Corridor and \$500,000. The City agreed to count the exchange for the balance remaining on an 8-acre residential property purchased by the Agency. The Cooperation Agreement also provided for the development of the subject property as a park within the 252 Corridor.

Certain City requirements necessitated revisions in support of the residential development to the adjacent Southcrest Park Estates II residential development. These revisions included reconfiguring the circulation and thereby reducing residential development area, and removing the slope areas from the park area.

These requirements resulted in the reduction of the proposed park area by approximately one acre. In June, 2000, an Amended Cooperation Agreement (Agreement) was approved reducing the park site to 8.5 acres and providing for SEDC's transfer of \$500,000 to the City for park development costs.

Approximately 2.7-acres located north of Las Chollas Creek and adjacent to Interstate 5 are referred to in the Agreement as the Phase I park area (Phase I) and the approximately 5.8-acre park site to the south of Las Chollas Creek is referred to as the Phase II park area (Phase II). The park improvements were referenced as active (turf, picnic benches, tot-lots, etc.) in the agreement and in community meetings and marketing of the homes, with the specifics to be determined by the Southcrest community during the public participation phase of the park planning effort.

In October, 2002, SEDC completed the consolidated parcel map process for the Phase II park site, vacating the paper streets and alleys mapped over the site, consolidating the numerous property parcels and granting the sewer and utility easements traversing the site. In January, 2003, SEDC transferred the entire 8.5 acre site to the City of San Diego and transferred the \$500,000 to assist in funding the park development.

The Parks & Recreation Department began the park planning and development process for the Phase I park area through the adopted Recreation Council process. Ultimately, the Southcrest Recreation Council approved the Phase I development of an active park with turf areas, playground equipment, pedestrian trails, picnic shelters, comfort station, a new bridge across Las Chollas Creek connecting the Phase I and II park areas located on both sides of the creek and expressed their desire to see the bridge connection lead to picnic shelters and play areas on the Phase II site as well.

During the development planning process, the City of San Diego Planning Department secured a grant from the Department of Water Resources for the Las Chollas Creek area and a portion of the Phase II park area to remove the concrete channel along the creek, install native vegetation, trails and interpretive signs. The enhancement program was completed in this area in early 2005.

The ground breaking for the Phase I park area was held in March, 2005, and the grand opening of the Dorothy Petway Park was held in May, 2006.

SEDC is working with the Parks & Recreation Department and has identified a development ratio mix of 60/40 for the design and development of active and passive uses respectively. This is consistent with the recommendation made by the SEDC Board of Directors on November 1, 2006. The design and development for the Phase II park area would be facilitated through the City recognized Recreation Council process. SEDC and the Parks & Recreation Department have negotiated an amendment to the existing agreement outlining the Park Development Scope of Service, Schedule of Performance and fund transfer schedule. SEDC will provide funding in the amount of \$1.6 million dollars for design & development of the Phase II park, and the funding will be used to develop a park with this 60/40 percentage mix of active and passive uses respectively.

SEDC is requesting that the Redevelopment Agency approve this First Amendment to the Amended Cooperation Agreement (Attachment No. 2) so that the park design and development phases may begin. Furthermore, SEDC is requesting that the Redevelopment Agency approve the phased transfer of funds from the Agency to the City of San Diego Parks & Recreation Department for the design and development of the 252 Corridor Phase II Park project. Furthermore, SEDC is requesting the City Council make certain special findings of benefit for the project.

FISCAL CONSIDERATION

The funding of \$1.6 million for the design and development of Phase II of the 252 Corridor Park was approved in the FY 2007/2008 project budget. A portion of the estimated net bond proceeds from the sale of the Southcrest Tax Allocation Bonds – Series B would provide the funding for the proposed park development. The funding will be transferred to the City Parks & Recreation department in three Phases – Predevelopment and Design Phase (\$300,000), Construction Phase (\$1,100,000), and Retention Phase (\$200,000). Each phased transfer is contingent upon the completion of the previous phase.

FINDINGS

California Community Redevelopment Law (CCRL) Health and Safety Code Section 33445, requires that certain findings be made by the Council and Agency prior to the expenditure of Agency funds for public facilities/improvements. Such findings will demonstrate that the proposed improvements benefit the Southcrest Redevelopment 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 the improvements will assist in the elimination of blight conditions inside the Project Area; and that the proposed improvements are consistent with the Implementation Plan adopted in June 2004 for the Southcrest Redevelopment Project Area pursuant to CCRL Health and Safety Code Section 33490. Attachment No. 1, Findings, contains the proposed findings with respect to the payment of Agency funds for public improvements.

ENVIRONMENTAL IMPACT

The Redevelopment Agency as Lead Agency under CEQA has reviewed and considered the previously adopted Secondary Study (which was adopted on November 24, 1998, by Resolution R-02912) for the 252 Corridor Park (including Phase II improvements), in accordance with CEQA Guidelines Section 15162. Based on the 15162 analysis, the Agency has determined that no additional environmental review is necessary as the scope and nature of the project, and the environmental setting in which it is located, has not changed since the project was evaluated in the 1998 Secondary Study. Therefore, no additional environmental review would be required.

COMMUNITY PARTICIPATION

On September 26, 2007, the SEDC Board of Directors approved the recommendation that the Agency approve the First Amendment to the Amended Cooperation Agreement with the City of San Diego for the Design and Development of the Phase II 252 Corridor Park.

With the previous phased park development, the City of San Diego through the Southcrest Recreation Council sought community input and participation for the entire park site – both Phases I & II. Within the Scope of Development, the specific park improvements for the Phase II Improvements will be determined with the Southcrest Community's assistance during the participation phase.

PREVIOUS AGENCY AND/OR COMMITTEE ACTION

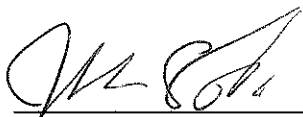
- City Council approval of a lot consolidation, Resolution Number - 297158
- Resolution of the Redevelopment Agency approving the sale of certain property in the Southcrest Redevelopment Project Area to the City of San Diego for the Development of the Father Brockhaus Park, Resolution Number 03141.

KEY STAKEHOLDERS

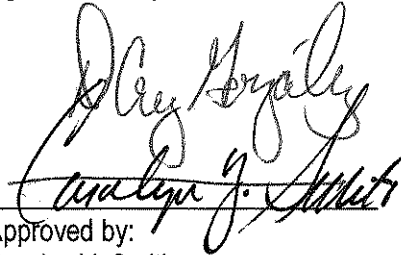
The key stakeholders for the project are current and future residents of the Southcrest Redevelopment Project area and the Southcrest Recreation Council.

CONCLUSION

The development of Phase II of the 252 Corridor Park will provide a cohesive park amenity adjacent to Las Chollas Creek and bring together a community that was once fractured by the rescinded 252 highway expansion. SEDC, the City of San Diego - Parks & Recreation, along with the Southcrest community, support the Development of the Phase II park area with the proposed active uses and native plantings that will encourage residents to: (1) utilize the park; (2) become engaged in the improvements that have enhanced Las Chollas Creek.



Submitted by:
Jill Sabo
Project Manager



Approved by:
Carolyn Y. Smith
President