



DATE ISSUED: July 22, 2009 REPORT NO.: CCDC-09-25

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Docket of July 28, 2009

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Amendment to the Fiscal Year 2009-2010 Budget for the San  
Diego Redevelopment Agency Projects Administered by the  
Centre City Development Corporation -- Centre City and Horton  
Plaza Redevelopment Projects

COUNCIL DISTRICTS: Two and Eight

REFERENCE: None

STAFF CONTACT: Andrew T. Phillips, Assistant Vice President/Controller  
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REQUESTED ACTION:

That the Redevelopment Agency of the City of San Diego ("Agency") approve an amendment to the Fiscal Year 2009-2010 (FY10) Budget for the San Diego Redevelopment Agency projects, administered by the Centre City Development Corporation ("Corporation") to include shifting \$9 million from the C Street line item to the North Embarcadero line item.

STAFF RECOMMENDATION:

That the Agency approve an amendment to the FY10 Budget for the San Diego Redevelopment Agency projects administered by the Corporation to include shifting \$9 million from the C Street line item to the North Embarcadero line item.

SUMMARY:

An amendment to the FY10 Budget would provide the available budget to facilitate the Agency funding as an advance potentially all of the Unified Port District's ("Port") 50 percent share of the Phase 1 Improvements to the North Embarcadero Visionary Plan ("Phase 1 Improvements"). The amendment would shift \$9 million from the C Street Line item to the North Embarcadero line item. The actual expenditure and use of these funds for the proposed purpose is subject to legally required findings and actions to be made under state law.

FISCAL CONSIDERATIONS:

The proposed FY10 Budget totals \$159.5 million and is financed with tax increment, developer proceeds, interest income and other income. The amendment would not affect the total amount budgeted but would shift \$9 million from the C Street line item to the North Embarcadero line item.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

On July 22, 2009, the Corporation Board of Directors will consider the proposed budget amendment. Corporation staff will provide an oral update to the Redevelopment Agency at its regular meeting of July 28, 2009.

OTHER RECOMMENDATIONS:

None

BACKGROUND

The FY 10 Budget was adopted by the Agency on June 9, 2009 and approved by the Corporation Board on March 18, 2009. Prior to the Board's approval, the budget was discussed at several workshops of the Budget/Finance & Administration Committee, at the Centre City Advisory Committee's (CCAC) Budget Subcommittee, as well as the full CCAC. Subsequent to the approval of the budget, Corporation and Port staff collaborated on the details regarding funding for the Phase 1 Improvements. After collaboration, a First Amendment to the Joint Exercise of Powers Agreement between the Agency, City of San Diego, and San Diego Unified Port District ("JPA Agreement") was informally reached that would provide for the Agency to advance, subject to legally required findings and actions under state law, the Port's 50 percent share of costs for the Phase 1 Improvements in order to move forward with Phase 1 Improvements under the current timeline.

DISCUSSION

The line item budgets for C Street and the North Embarcadero, as adopted by the Agency on June 9, 2009, are as follows:

<b>Project</b>	<b>Carry Over Funds</b>	<b>New FY 10 Budget</b>	<b>Available Budget</b>
C Street	\$ 4,064	\$11,200	\$15,264
North Embarcadero	\$18,213	\$ 3,000	\$21,213

The proposed amended C Street and North Embarcadero line item budgets will result in the following:

<b>Project</b>	<b>Carry Over Funds</b>	<b>New FY 10 Budget</b>	<b>Available Budget</b>
C Street	\$ 4,064	\$ 2,200	\$ 6,264
North Embarcadero	\$18,213	\$12,000	\$30,213

The amendment would provide the budget by which the Agency could advance the Port potentially all of its estimated 50 percent share of capital costs to construct Phase 1 Improvements, or \$14.3 Million, less certain offsets or credits for previous work completed or in exchange for the assumption of the maintenance responsibilities. The funding arrangement proposed in the JPA Agreement would require the Port to agree to terms to secure the Agency's advances and repayment and is subject to legally required findings and actions under state law.

Environmental Impact – This activity is not a “project” under the definition set forth in CEQA Guidelines Section 15378. Therefore, pursuant to CEQA Guidelines Section 15060(c)(3), the activity is not subject to CEQA.

CONCLUSION

Approval of the proposed amendment to the FY10 budget, shifting \$9 million from the C Street line item to the North Embarcadero line item, would provide the available budget to facilitate the Agency funding as an advance potentially all of the Port’s 50 percent share of the Phase 1 Improvements. Therefore, staff recommends approval of the proposed Amendment. The actual expenditure and use of these funds for the proposed purpose is subject to legally required findings and actions under state law.

Respectfully submitted,

Concurred by:



Andrew T. Phillips  
Assistant Vice President/Controller



Frank J. Alessi  
Executive Vice President & Chief Financial Officer