



THE CITY OF SAN DIEGO

DATE REPORT ISSUED: October 21, 2009

REPORT NO.: RA-09-11

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of October 27, 2009

SUBJECT: Funding to develop a Streetscape Master Plan for the design of streetscape improvements adjacent to a proposed 0.5 acre mini park in the North Park Redevelopment Project Area

REQUESTED ACTIONS:

1. Adopt special findings that streetscape improvements adjacent to a 0.5 acre mini park in the North Park Redevelopment Project Area will be of benefit to the North Park Redevelopment Project Area, that there are no other reasonable means of financing the design of the improvements, that the improvements will assist in the elimination of blight, and that the project is consistent with the North Park Redevelopment Project Area Implementation Plan.
2. Authorize the Chief Financial Officer to appropriate up to \$125,000 designated "North Park Mini Park and Streetscape Improvements" through the transfer of \$125,000 from North Park Redevelopment Project Area 2006 tax exempt line of credit proceeds and to transfer the proceeds into Fund Number 200356, RDA Contributions – NP to be used to develop a Streetscape Master Plan for the design of the streetscape improvements upon certification from the Comptroller that funds are available.
3. Authorize the Chief Financial Officer to transfer back to the Redevelopment Agency of the City of San Diego any and all funds remaining in the Capital Improvement Program Budget, WBS No. S-10050, North Park Mini-Park and Streetscape Improvements, Fund No. 10272, RDA Contributions – NP, upon any cost savings, should actual costs to develop the Streetscape Master Plan be less than \$125,000.

SUMMARY

Staff Recommendation - That Redevelopment Agency approves the requested actions.

Other Recommendations – None

Fiscal Impact – Funds in the amount of \$125,000 are available from North Park Redevelopment Project Area 2006 tax exempt line of credit proceeds.



Redevelopment Agency

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City Planning & Community Investment



PREVIOUS COUNCIL and/or COMMITTEE ACTION:

April 23, 2002: Council action to sell the North Park Theatre to the Redevelopment Agency of the City of San Diego. R-296401. (This action is for the theatre property only, and does not include the parking lot)

PROJECT BACKGROUND

The North Park Theatre building, located at 3812 29th Street, was purchased by the Redevelopment Agency of the City of San Diego from the City of San Diego in April of 2002. At that time, the Redevelopment Agency also committed to purchasing the land directly south and adjacent to the North Park Theatre building for development of a parking lot. The Redevelopment Agency purchased this property in September of 2004; after which the Redevelopment Agency developed the parking lot for theatre and business patrons.

Part of the Redevelopment Agency's long-term proposal for the North Park Theatre was to provide a parking structure adjacent to the site. The Redevelopment Agency completed this parking structure in February 2006 along North Park Way between 29th Street and 30th Street for use, in part, by the North Park Theatre users. With the opening of the adjacent parking structure, the parking lot was looked at as a potential 0.5 acre park site. Its proximity near the North Park Theatre, businesses along University, and the new parking garage make it an ideal location for a mini-park.

PROJECT DESCRIPTION

The proposed Mini-Park project includes the parking area directly south and adjacent to the North Park Theatre. The project also includes a Streetscape Master Plan for Streetscape Improvements along Utah Street from University Avenue to Gunn Street, 29th Street from University Avenue to North Park Way, and North Park Way from Utah Street to 29th Street.

The Streetscape Improvements may include the following: modifying the widths of streets and sidewalks, corner pop-outs, on-street parking reconfiguration, traffic calming improvements, and accessible pedestrian crossings. Streetscape elements may include: enhanced street/pedestrian paving and walkways, street trees with tree grates, landscaping, irrigation, unique street furniture including benches and trash receptacles, security and decorative lighting, pedestrian ramps, curbs, gutters and public art. These Streetscape Improvements and enhancements will provide additional areas for community interaction.

FISCAL CONSIDERATIONS:

The total estimated project cost is \$3,960,000, consisting of \$2,710,000 in Streetscape Improvements and \$1,250,000 in North Park Mini-Park Improvements. At this time, only funding to complete the General Development Plan (GDP) for the North Park Mini-Park and the Streetscape Master Plan is being requested. Funding for the North Park Mini-Park GDP and the Streetscape Master Plan in the amount of \$250,000 is available; consisting of \$125,000 in Redevelopment Agency Funding for the streetscape and \$125,000 in Park North-East Development Funds (Special Park Fees) for the park. Additional funding for construction-related items will be considered under future City Council and Redevelopment Agency actions. Pursuant to California Community Redevelopment Law (CCRL) Section 33445, the Redevelopment Agency is legally authorized to pay for the design and installation of public improvements if certain findings can be made by the Redevelopment Agency and the City Council, in the form attached hereto as Attachment 1.

ENVIRONMENTAL REVIEW

This funding activity is not subject to CEQA pursuant to State CEQA Guidelines Section 15060 (c)(3) (Not a Project). This action authorizes the transfer of funds from the Redevelopment Agency

of the City of San Diego and the Park North-East Park Development Fund to be used solely toward design costs. The future construction of the improvements will be subject to project specific environmental review as required by CEQA.

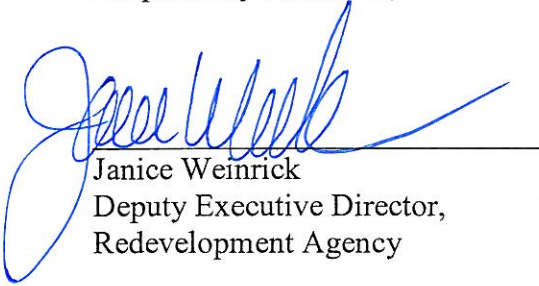
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS

1. On July 23, 2007 the North Park Recreation Council voted 4-0-0 to recommend that the City proceed with the design and construction of the North Park Mini Park and the Jefferson Elementary Joint Use Improvements, including streetscape improvements between the mini park and the joint use field.
2. On May 13, 2008 the North Park Redevelopment Project Area Committee voted 9-1-2 to recommend the expenditure of up to \$1,430,000 for streetscape improvements under CIP 29-879.0.

KEY STAKEHOLDERS & PROJECTED IMPACTS

Key stakeholders include Greater North Park community members, the North Park Recreation Council, the North Park Project Area Committee, the North Park Main Street Association, the North Park Theatre & Theatre Business Tenants, the San Diego Unified School District and the Redevelopment Agency of the City of San Diego.

Respectfully submitted,



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Redevelopment Agency



William Anderson
Assistant Executive Director,
Redevelopment Agency

Attachment: 1. Special Findings (California Health & Safety Code Section 33445)

ATTACHMENT 1
SPECIAL FINDINGS
(California Health & Safety Code Section 33445)

SUBJECT IMPROVEMENTS:
NORTH PARK MINI-PARK STREETScape IMPROVEMENT PROJECT
NORTH PARK REDEVELOPMENT PROJECT AREA

The following findings relate to the funding provided by the Redevelopment Agency of the City of San Diego (“Agency”) to the City of San Diego (“City”) for the completion of a Streetscape Master Plan comprising design work that ultimately could result in future construction of the proposed streetscape and traffic calming improvements to be constructed along Utah Street from University Avenue to Gunn Street, 29th Street from University Avenue to North Park Way, and North Park Way from Utah Street to 29th Street. The potential future project is referred to herein as the “North Park Mini-Park Streetscape Improvement Project” and is located within the North Park Redevelopment Project Area (“Project Area”).

Depending on the outcome of the preliminary design work and the future availability of funds, the proposed improvements may include: installing certain streetscape elements as described below, modifying the widths of streets and sidewalks, reconfiguring on-street parking, constructing corner pop-outs and other calming measures, and installing pedestrian crossings (collectively, “Improvements”). The streetscape elements may include: enhanced street/pedestrian paving and walkways, street trees with tree grates, landscaping, irrigation, unique street furniture including benches and trash receptacles, security and decorative lighting, pedestrian ramps, curbs and gutters.

The funding provided by the Agency to the City will be used solely to finance the City’s design of the Improvements. The City will be responsible for causing the design and any future construction of the Improvements as well as maintaining the Improvements after construction has been completed. Additional funding for construction-related items will be considered under future City and Agency actions after completion of the preliminary design work.

I. FINDINGS OF BENEFIT

The Improvements for which the Agency proposes to pay will benefit the Project Area and the immediate neighborhood in which the Improvements would be located, in that:

- A. The Improvements are within the Project Area.
- B. The Improvements will enhance portions of the Project Area for the benefit of residents, grade school students, visitors, and merchants.
- C. The Improvements will improve pedestrian and vehicular safety and circulation by creating wider sidewalks and implementing traffic calming measures.

II. NO OTHER REASONABLE MEANS OF FINANCING

There are no other reasonable means available to the community (i.e., the City) for financing the Improvements for which the Agency proposes to pay, in that:

A. In Fiscal Year 2009, the City of San Diego (“City”) experienced declining revenues in the City’s four major revenue sources (property tax, sales tax, Transient Occupancy Tax (TOT), and franchise fees), resulting in a \$39.0 million reduction from the Fiscal Year 2009 Adopted Budget.

B. In response to the economic downturn, the City of San Diego reduced its General Fund revenue projections for Fiscal Year 2009 and restricted departmental spending. To balance the General Fund budget, City Council adopted the Fiscal Year 2009 Revised Budget on December 9, 2008 and February 3, 2009 by reducing \$36.6 million in expenditures. These Fiscal Year 2009 budget adjustments were carried forward into the Fiscal Year 2010 Adopted Budget.

C. The Fiscal Year 2010 Adopted Budget for the City of San Diego decreased by approximately 5.8% from \$3.13 billion to \$2.95 billion. The Fiscal Year 2010 Budget reflects General Fund revenues and expenditures of \$1.13 billion, representing a decline of \$62.9 million or 5.3% over the Fiscal Year 2009 Adopted Budget. The General Fund Budget includes 7,396.92 FTE positions, a decrease of 148.30 FTE positions over the Fiscal Year 2009 Adopted Budget. The net decrease in General Fund positions is primarily due to the elimination of 146.95 FTE positions carried forward from the Fiscal Year 2009 Revised Budget.

D. The City’s Fiscal Year 2010 General Fund balanced budget, approved by City Council in June 2009, includes reduced revenue projections adjusted for a continuation of slow economic growth and a continued constriction of economic activity. Growth in revenues is anticipated to be negative in most major revenue categories such as sales tax, TOT, and property tax. The City Charter requires the City to maintain a balanced budget. The economic downturn and the negative effect of the Fiscal Year 2010 reduced revenues of approximately \$62.9 million (over the Fiscal Year 2009 Adopted General Fund Budget) confirms the need for the Agency to fund these improvements.

E. The City's capital improvement budget is funded from various sources, including water and sewer fees, Development Impact Fees, grant funds, Facilities Benefit Assessment funds, and sale of City-owned property and TransNet funds. The Fiscal Year 2010 Capital Improvement Program (CIP) Budget totals \$478.4 million, a decrease of \$108.5 million from Fiscal Year 2009. The Fiscal Year 2010 CIP Budget provides for improvements to the City’s water and sewer systems and projects for park and recreation, library, and transportation. Despite the decrease in the City’s CIP Budget, it is estimated that the City’s deferred maintenance capital needs, excluding water and sewer projects, may be at least \$800 to \$900 million. The City financed \$103 million of this backlog in fiscal year 2009, but given the current economic recession and the decline in General Fund revenues, the City is unable to expend General Fund revenues on additional capital projects this fiscal year.

F. On March 4, 2009 the Agency entered into a co-operation agreement with the City of San Diego to fund the debt service on the PETCO Park bonds for the next five years due to the economic downturn and negative growth rates for some major revenues. (Resolution # R304728/Agency Report CCDC-09-07)

ELIMINATION OF BLIGHTING CONDITIONS

The payment of Agency funds toward the cost of the Improvements will assist in the elimination of one or more blighting conditions within the Project Area, in that:

- A. The Improvements will correct and upgrade substandard and deteriorated infrastructure, thereby improving pedestrian and vehicular safety and circulation.
- B. The Improvements will upgrade deficient public right-of-way space with new infrastructure that will enhance the image of North Park, particularly at the intersection between residential corridors and busy commercial corridors.
- C. The Improvements will improve mobility with new infrastructure that will enhance area walkability.
- D. The Improvements will provide public infrastructure in an area that currently does not meet the City's street lighting standards for commercial, business and residential corridors.

III. FINDINGS OF CONSISTENCY

The payment of Agency funds toward the cost of the Improvements is consistent with the North Park Redevelopment Plan¹ and the Third 5-Year Implementation Plan ("Third Implementation Plan"),² adopted for the Project Area pursuant to California Health and Safety Code Section 33490, in that:

- A. The Improvements address the specific goals and objectives of the Redevelopment Plan and the Third Implementation Plan, including:
 - i. To encourage conservation, rehabilitation, and redevelopment in order to eliminate and prevent the spread of deterioration and blight in the Project Area;
 - ii. To improve, promote, and preserve the positive neighborhood characteristics of the Project Area while correcting its physical and economic deficiencies;

¹ North Park Redevelopment Plan adopted on December 2, 1996.

² North Park Redevelopment Project Third 5-Year Implementation Plan adopted on July 17, 2007, and filed with the Agency as Document No. D-04182.

- iii. To foster pedestrian and transportation alternatives throughout the Project Area;
 - iv. To redesign and construct street improvements, public lighting and other public improvements; and
 - v. To support the expansion of, and improvements to, park and recreational facilities and open spaces.
- B. The Improvements are consistent with the Third Implementation Plan's Fiscal Year 2008 – Fiscal Year 2012 Five Year Projects Schedule, including the Fiscal Year Work Program, which includes commencing construction of the North Park Mini-Park (to be developed in the future and located adjacent to the Improvements) and monitoring and coordinating public sector activities within the Project Area sponsored by the City and other public entities, including streetscape and lighting and landscaping improvement activities.