



THE CITY OF SAN DIEGO

DATE ISSUED: February 17, 2010 Report NO: RA-10-06
RTC-10-01

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Council President and Members of the City Council
Docket of February 23, 2010

SUBJECT: Agreements Related to the Development and Transfer of the City
Heights Square Mini Park

REFERENCE: Staff Report Nos. RA-04-26, RA-05-10, CMR-05-094, RA-07-31,
RA-08-32, RA-08-35

REQUESTED ACTIONS:

Sub-item A (Grant of Temporary Easement and Remaining Encroachment and Agreement)

The Redevelopment Agency:

- 1) Approve the Grant of Temporary Easement and Remaining Encroachment and Agreement between the Redevelopment Agency of the City of San Diego and City Heights Realty, LLC and authorize the Executive Director or designee to execute the Agreement.

Sub-item B (Cooperation Agreement)

That the Redevelopment Agency:

- 1) Approve the Cooperation Agreement by and between the Redevelopment Agency of the City of San Diego and the City of San Diego for the design and construction of the City Heights Square Mini Park and authorize the Executive Director or designee to execute the Agreement; and
- 2) Approve the Grant Deed whereby the Agency transfers fee title to real property known as the City Heights Square Mini Park to the City of San Diego as a public park and authorize the Executive Director or designee to execute the Grant Deed upon completion of the park improvements.

That the City Council:

- 1) Approve the Cooperation Agreement by and between the Redevelopment Agency of the City of San Diego and the City of San Diego for the design and construction of the City Heights Square Mini Park and authorize the Mayor of the City of San Diego or designee to execute the Agreement; and
- 2) Approve the Grant Deed whereby the City of San Diego accepts fee title to real property known as the City Heights Square Mini Park from the Redevelopment Agency of the City of San Diego as a public park and authorize the Mayor of the City of San Diego or designee to execute the Grant Deed.



Redevelopment Agency

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City Planning & Community Investment



STAFF RECOMMENDATIONS:

That the Agency approve the requested actions.

The City Council approve the requested actions.

SUMMARY:

City Heights Realty, LLC (formerly San Diego Revitalization Corporation) master planned the majority of the block bounded by University Avenue, Fairmount Avenue, Polk Avenue and 43rd Street to include a senior housing project, a community clinic, an office and retail mixed use project, and a mini park. The Redevelopment Agency of the City of San Diego (Agency) has assisted this master planning effort and entered into a Second Implementation Agreement to the Disposition and Development Agreement (DDA) with City Heights Realty, LLC to change the office and retail mixed use project to a residential and commercial project on December 2, 2008. The construction of the residential and commercial project has begun and includes 92 residential apartment units, 20,500 square feet of retail space, approximately 3,000 square feet of office space and two (2) levels of subterranean parking. The Agency entered into a separate DDA agreement with City Heights Square, L.P. for the development of the City Heights Square Senior Housing Project. The proposed La Maestra Clinic development is proceeding without Agency assistance. Together, the three organizations with assistance from the Agency have collaborated to develop a 2.7 acre master plan, shown in the Site Map provided as Attachment A.

Sub-item A

City Heights Realty, LLC began grading shoring and excavation for the development of the City Heights Square residential and commercial project in January 2010. A tie-back system is proposed to be used for support to facilitate the construction of the concrete subterranean parking garage. The City of San Diego (City) has already entered into Agreements with City Heights Realty, LLC for temporary shoring and tie-backs in the right-of-way. A portion of the subterranean parking garage is proposed to be constructed adjacent to the City Heights Square Mini Park. City Heights Realty, LLC has requested permission to drill tie-backs beneath the Agency owned property that will be developed as a mini park. City Heights Realty, LLC proposes to drill three tie-backs, 6 inches in diameter and 35 feet long, at a 25° angle, and 35 feet into the Agency owned property; the tie-backs will remain no less than 9 feet below grade. The tie-back system will support the concrete subterranean parking garage wall during construction. The construction of the subterranean parking garage is expected to be complete in December 2010. At that time, the tie-backs will be disengaged and remain as an encroachment in the Agency owned property. The tie-backs will not impact the development of the future City Heights Square Mini Park. Disclosure of the temporary easement and remaining encroachment for the tie-backs has been disclosed in the proposed Cooperation Agreement between the Agency and the City. Additionally, City staff from Park and Recreation and Engineering and Capital Projects, as well as their respective attorneys, has had an opportunity to review and comment on the proposed temporary easement agreement.

Sub-item B

The Agency funded CIP No. 29-956.0, on December 2, 2008, in the amount of \$731,500 for the design and construction of the park and currently holds fee title to the property for the proposed 5,348 square foot mini park located on 43rd Street. Pursuant to the existing DDA for the City Heights Square residential and commercial project, the Agency will convey the mini park to the City once the improvements are completed. Maintenance for the mini park will not be provided by the City, but will instead, be provided by the adjacent property owners currently identified as La Maestra Family Clinic, Inc., City Heights Square, L.P., and City Heights Realty, LLC. The mini park is proposed to be constructed following completion of construction of the City Heights Square residential and commercial project (expected to be completed in 2011), since park improvements may be compromised by adjacent construction activity. Design for the park will take place per Council Policy 600-33, Community Notification and Input for City-wide Park Development Projects. The proposed Cooperation Agreement sets forth a mutual agreement in connection with the development and transfer of the City Heights Square Mini Park and includes the following: 1) a Schedule of Performance for the City's design and construction of the City Heights Square Mini Park; 2) a Project Budget for the City's design and construction of the City Heights Square Mini Park; 3) a Scope of Development including a non-exclusive list of improvements and components to be included in the design and construction of the City Heights Square Mini Park; and 4) the Agency's transfer of fee title to the Property, and the City's acceptance of fee title to the property, by Grant Deed upon the City's completion of the design and construction of the City Heights Square Mini Park, for the Property to be used as a public park (Attachment C). The park is expected to be completed in 2012.

FISCAL CONSIDERATIONS:

No fiscal impact with the proposed action. The development of the mini park has been fully funded by the Agency through CIP No. 29-956.0 and maintenance for the park will be borne privately by the adjacent property owners. Pursuant to the DDA for the City Heights Square residential and commercial project, the adjacent property owners shall enter into a Grant of Maintenance and Operations Easement and Agreement with the City to provide for the maintenance and operations of the park. Advertisement and bidding for the construction of the park is contingent on the execution of the Grant of Maintenance and Operations Easement and Agreement between the adjacent property owners and the City, as reflected in the Schedule of Performance, Attachment D, of the Cooperation Agreement. In addition, pursuant to the DDA, the execution of the Grant of Maintenance and Operations Easement and Agreement is a condition precedent to the Agency conveying an Agency owned parcel (the former Jack in the Box restaurant site) for the City Heights Square residential and commercial project. The conveyance of the former Jack in the Box restaurant site is expected to occur by the end of April 2010.

ENVIRONMENTAL IMPACT:

The activities are covered under City Heights Square Project No. 146605 (Subsequent Addendum to Mitigated Negative Declaration approved by City Council and certified by the Agency Board on December 2, 2008). Any construction related activities shall be subject to the Mitigation Monitoring and Reporting Program (MMRP) adopted for the project. The activities are adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review pursuant to State CEQA Guidelines Section 15162(c).

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

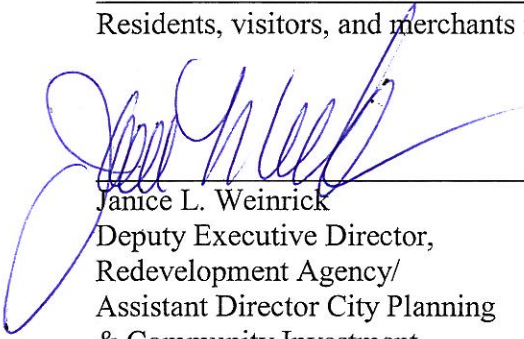
On May 3, 2005, the Redevelopment Agency of the City of San Diego (Agency) approved the Disposition and Development Agreement (DDA) between San Diego Revitalization Corporation (City Heights Realty, LLC) and the Agency for the City Heights Square Office and Retail Project. On November 13, 2007, the Agency approved the First Implementation Agreement to the DDA. On December 2, 2008, the Agency approved the Second Implementation Agreement to the DDA. On December 2, 2008, the Agency and the City Council authorized the transfer of \$731,500 in Agency funds as a contribution to the City's Capital Improvement Program for the design and construction of the City Heights Square Mini Park.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:


On April 27, 2005, the City Heights Project Area Committee (PAC) voted to recommend approval of the Disposition and Development Agreement (DDA) for the City Heights Square Office and Retail Project. On May 2, 2005, the City Heights Area Planning Committee (CHAPC) voted to recommend approval of the DDA for the City Heights Square Office and Retail Project. On October 8, 2007 the City Heights PAC voted 15-0-0 to recommend approval of the First Implementation Agreement to the DDA. On September 8, 2008, the City Heights PAC voted 10-0-2 to recommend approval of the Second Implementation Agreement to the DDA. Community participation for the design of the park will take place per Council Policy 600-33, Community Notification and Input for City-wide Park Development Projects. To date, two public meetings have been held to discuss the proposed improvements for the City Heights Mini Park.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Residents, visitors, and merchants in City Heights.



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Redevelopment Agency/
Assistant Director City Planning
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William Anderson
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Attachments:

- A-Site Map
- B- Grant of Temporary Easement and Remaining Encroachment and Agreement
- C-Cooperation Agreement