

DATE ISSUED: February 28, 2001

REPORT NO. 01-043

ATTENTION: Honorable Mayor and Members of the City Council
Docket of March 6, 2001

SUBJECT: Enter into a Cooperation Agreement with the Redevelopment Agency for
the Proposed James Edgar and Jean Jessop Hervey Library

SUMMARY :

Issue - Should the City Council enter into a cooperation agreement with the Redevelopment Agency and make certain findings for the proposed James Edgar and Jean Jessop Hervey Library?

City Manager's Recommendation - That the City Council:

- 1) Approve the Cooperation Agreement with the Redevelopment Agency; and
- 2) Make certain findings that the development of the proposed library is of benefit to the North Bay 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 such improvements will assist in the elimination of blighting conditions inside the project area; and that the proposed improvements are consistent with Redevelopment Plan adopted for the Project Area on May 18, 1998 and the Five-Year Implementation Plan adopted May 4, 1998 and amended on March 6, 2001; and
- 3) State for the record that the Final Environmental Impact Report has been reviewed and considered prior to approving the project; directing the City Clerk to file a Notice of Determination.

Fiscal Impact - The total project cost is estimated at \$11.053 million. The Redevelopment Agency's contribution is not to exceed \$4.089 million. The City has also agreed to accept a grant of \$5.0 million from the James Edgar and Jean Jessop Hervey family through the San Diego Foundation for the construction of the proposed library. The remaining funds are coming from a combination of City funds and Friends of the Point Loma Library fund raising.

Environmental Impact - The City of San Diego as Lead Agency under the California Environmental Quality Act (CEQA) has reviewed and considered an Environmental

Impact Report (EIR), File No. SCH-97091022, dated March 1998, covering this activity. The EIR was adopted May 18, 1998, by Resolution No. 290053.

BACKGROUND:

The existing Point Loma Branch Library is located at the corner of Udall Street and Poinsettia Drive within the North Bay Redevelopment Project area (see Attachment 1). The existing approximate 4,900 square foot library is outdated and too small to meet current community needs. The proposal to build a new branch library in the Point Loma community has been in the discussion and planning stages since the late 1980's.

The proposed James Edgar and Jean Jessop Hervey Library will be located at the corner of Poinsettia Drive and Voltaire Street, adjacent to the existing Point Loma Branch Library (see Attachment 1). The proposed library site is also within the North Bay Redevelopment Project and identified as a project within the North Bay Redevelopment Plan. The proposed library provides for a new 25,890 square foot library to meet the current and growing needs of the redevelopment project area and its immediate neighborhood.

A total of \$13.0 million in North Bay Redevelopment Tax Allocation Bonds, Series 2000 were issued last October for project area improvements. Monies from this bond issue are available and eligible for the proposed library. The development of the proposed library will benefit the North Bay Redevelopment Project and further implement the goals and objective of the Redevelopment Plan. The Redevelopment Agency's contribution of \$4.089 million will be combined with the \$5.0 million grant from the San Diego Foundation, Friends of the Point Loma Library fund raising proceeds and City funds.

DISCUSSION:

The proposed library is identified as a proposed project within the approved North Bay Redevelopment Plan. With the immediate availability of North Bay Redevelopment tax-exempt bond proceeds and the grant from the San Diego Foundation, the implementation time line for the library development has been accelerated. With this accelerated development schedule and to be consistent with Redevelopment Law, the Five-Year Implementation Plan for the North Bay Redevelopment Project needs to be amended to reflect the proposed library project. Attachment 2 presents the proposed first amendment to the Five-Year Implementation Plan for the North Bay Redevelopment Project.

The proposed library will be of benefit to the North Bay Redevelopment Project and community. The expanded facility will provide additional services and facilities to residents and businesses of the Project area. Formal and informal educational resources will be available, expanded computer and Internet access will be available for educational, employment search and business opportunities. Conference and meeting room space will be available to the residents and the business community. The proposed library will serve as a key destination in the Voltaire Commercial Corridor and bring additional library users and potential business customers to the commercial district. The proposed library will assist in the elimination of blighting conditions

including upgrading park space, landscaping, library, parking and other public improvements. Also, the existing library was built in 1959 and does not meet contemporary library program or design standards.

In order to effectuate the transaction between the Redevelopment Agency and the City, a cooperation agreement has been prepared. The cooperation agreement (Attachment 3) sets forth the terms and conditions by which the Redevelopment Agency will contribute a not to exceed amount of \$4.089 million in the public facility. The cooperation agreement sets forth the installment payments to be made to the City for the proposed library. The City is the lead agency for this project and City's Engineering and Capital Projects is the lead department. Construction bids for the project are expected to be received this Fall. Construction is expected to take approximately one year.

State law requires that certain findings be made by the City Council and Redevelopment Agency prior to the expenditure of Redevelopment Agency funds for public facilities/improvements. Attachment 4 recites the proposed findings with respect to the benefits of the proposed improvements to the North Bay 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 facility is consistent with the Redevelopment Plan and the First Amendment to the Five-Year Implementation Plan.

The North Bay Redevelopment Project Area Committee (PAC) has reviewed the project. The PAC Project Review Subcommittee met on January 24, 2001 and the full PAC met on February 7, 2001 to discuss the project. On February 7, 2001, the PAC approved a resolution (8-yes, 2-no, 1-abstention) recommending that the Redevelopment Agency contribute \$2.7 million in North Bay Bond proceeds to the proposed library project.

Also, the public has been noticed regarding the March 6, 2001 Redevelopment Agency and City Council meetings. A notice was published in two local papers and posted in the North Bay Redevelopment Project Area regarding the Redevelopment Agency's Public Hearing to amend the North Bay Five-Year Implementation Plan. A notice was also published informing the public of the proposal by the Redevelopment Agency to use redevelopment bond proceeds for the proposed library.

Respectfully submitted,

Hank Cunningham
Community and Economic Development
Director

Approved: Bruce A. Herring
Deputy City Manager

HOOKS / JRD

Note: The attachments are not available in electronic format. A copy of the attachments is available for review in the Office of the City Clerk.

- Attachments:
1. Location Map
 2. Proposed First Amendment to Five-Year Implementation Plan for the North Bay Redevelopment Project
 3. Cooperation Agreement for the Point Loma Branch Library
 4. Findings