

DATE ISSUED: April 17, 2002

REPORT NO. RA-02-04  
CMR-02-087

ATTENTION: Honorable Mayor and Members of the Council  
Honorable Chair and Members of the Redevelopment Agency  
Docket of April 23, 2002

SUBJECT: North Park Theatre Rehabilitation Project – Conveyance, Seismic  
Retrofit, and Public Parking Facility

SUMMARY:

Issue - Should the Redevelopment Agency Authorize \$3,420,000 for the Purchase and Seismic Rehabilitation of the North Park Theatre, and the Purchase of Land and Construction of a Public Parking Lot?

Executive Director's Recommendation –

Certify that the Final Environmental Impact Report has been Reviewed and Considered and Make Certain Findings; and

Amend the Redevelopment Agency Budget for Fiscal Year 2002 to:  
Accept \$100,000 from the North Park Theatre, LLC; and Authorize the Appropriate and Expenditure of \$3,420,000 from North Park Bond Proceeds and \$100,000 from North Park Theatre LLC, for the North Park Theatre Project (98309); and

Authorize the Purchase of the North Park Theatre from the City of San Diego for the sum of \$900,000; and

Accept the Loan of \$900,000 from the Appropriate City Fund(s) for Land Acquisition and Development of a Public Parking Lot with the Loan to be Recorded as Debt of the Redevelopment Agency to be Repaid as soon as Practicable from Tax Increment or Other Revenues.

Fiscal Impact – Total costs associated with the Purchase and Seismic Rehabilitation of the North Park Theatre, and the Purchase of Adjacent Land and Construction of a Public Parking Lot is estimated at \$3,420,000. Funds in the amount of \$3,420,000 are available from the proceeds of the North Park Tax Allocation Bonds, Series 2000.

Environmental Impact – Stating for the record that the final Environmental Impact Report (EIR) prepared for the North Park Redevelopment Project, adopted by the City Council of the City of San Diego on January 28, 1997 by Resolution Number R-288303 and the Environmental Secondary Study for the Proposed North Park Theater Rehabilitation Project has been reviewed and considered prior to approving the project and covers the activities of the project.

#### BACKGROUND:

The North Park Theatre is located within the North Park Redevelopment Project area at the corner of University Avenue and 29<sup>th</sup> Street. The Theatre opened in 1928 as a single screen motion picture theatre with approximately 1,200 seats. No off-street parking was provided for patrons and none currently exists. The City's Historic Resources Board has designated the North Park Theatre as a historic structure. Structural engineering studies performed in 1988, 1991, and 1992, have confirmed the need for extensive structural improvements to achieve currently applicable code requirements for general occupancy. Until necessary structural improvements have been completed, the building has been declared unsafe for public use.

To help effect the reopening of this community landmark, vacant since 1989, the Theatre was purchased by the City of San Diego in 1990 for \$900,000 using Federal Community Development Block Grant (CDBG) funds. Since acquisition of the Theatre, the City has worked continuously to develop a program for the property's rehabilitation and reopening. Requests for Proposals (RFP) and Letters Of Interest (LOI) have been issued and specific proposals considered. None have resulted in physical improvement of the property. During this period the City/Agency have spent between \$134,500 to \$184,500, excluding staff time, for consultant services, for trash and graffiti removal, security improvements and expenses, building repairs due to vandalism/burglaries, replaced locks and windows, and repairs to the roof.

#### DISCUSSION:

The proposed development program includes: purchase the North Park Theatre from the City of San Diego for \$900,000; execution of certain seismic, structural and hazardous materials abatement improvements to the Theatre building and property; and acquisition and improvement of property immediately south of the Theatre for use as a public parking lot. These activities are estimated to cost \$3,420,000.

The Theatre was originally acquired with CDBG funds and has, therefore, been subject to Section 106 of the National Historic Preservation Act. Potentially historic spaces, both interior and exterior, of structures included in or eligible for inclusion in the National Register of Historic Places are subject to compliance with the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings. Documentation of compliance with standards and guidelines requires consultation with both Federal and State Historic Preservation Officers. Completion of the consultation process can take eight months or more, depending on the project's unique circumstances. Purchase of the Theatre property using proceeds of the North Park Redevelopment Project's Tax Allocation Bond, Series 2000, would release the property from the consultation process. As a locally-designated historic structure, the exterior renovation of the Theatre would be subject to review by the City's Historic Resources Board for compliance with the Secretary of the Interior's standards and guidelines. In order to support future project activities in the North Park Project Area, Agency staff is recommending a re-loan of CDBG funds in the amount of \$900,000 to the Project Area.

Based on an analysis prepared by the civil and structural engineering firm of Curry Price Court completed in May of 2001, structural improvements necessary to permit reuse of the Theatre for any purpose are estimated at \$1,280,000. This figure includes the cost of repairing damage to interior and exterior surfaces done during structural rehabilitation.

A parking facility adjacent to the renovated Theatre is considered vital to the reuse of the North Park Theatre and ancillary commercial space contained within the structure. The ability of the Redevelopment Agency or a subsequent owner to market the Theatre property to any tenant will depend in large part on the availability of customer/patron parking. The public parking facility will also benefit residents and patrons of nearby businesses. The property identified for possible improvement as a public parking lot is approximately 25,000 square feet in size and currently improved with single-story wood-frame structures occupied by office tenants. It is estimated that this property would yield approximately 70 to 75 surface parking spaces. It is estimated that this element of the project will cost no more than \$1,240,000.

#### COMMUNITY INPUT:

The North Park community has received a number of presentations and updates on the proposed project and has provided input. The North Park Project Area Committee (PAC) received a presentation on February 12, 2002. The North Park Project Area Committee voted (7-0-0) to support the North Park Theatre renovation project and provision of public parking both at-grade and structured. The Project Area Committee recommended that the feasibility of providing 500 new off-street parking spaces be considered. Within this same motion, the North Park Project Area Committee also stated that the community shall be actively involved in the process of the design of any parking structure from its inception. The North Park Project Area Committee will hold a meeting prior to the Redevelopment Agency/City Council hearing to discuss revisions that have been made to the project since their February 12, 2002 meeting. Any recommendations made at that meeting will be presented to the Redevelopment Agency/City Council on April 23, 2002.

The Greater North Park Community Planning Committee (GNPCPC) received a presentation of the project on February 19, 2002. The GNPCPC approved a motion (5-1-1) supporting the proposed Theatre renovation and construction of adjacent public parking facilities.

ENVIRONMENTAL REVIEW:

A Final Environmental Impact Report analyzing the probable effects of development activity implementing the North Park Redevelopment Project was adopted in January of 1997 (SCH No. 93-121105). Pursuant to the State Guidelines for the Implementation of the California Environmental Quality Act (CEQA) (California Administrative Code, Section 15000 et. seq.) and the San Diego Redevelopment Agency's amended "Procedures for Implementation of CEQA and the State CEQA Guidelines" (adopted July 17, 1990), an Environmental Secondary Study has been prepared to identify probable environmental effects of the North Park Theatre Rehabilitation project. The North Park Theatre Rehabilitation Environmental Secondary Study finds no activity-specific environmental effects in excess of those identified in the Final Environmental Impact Report (EIR) for the North Park Redevelopment Project. Mitigation measures identified in the North Park Redevelopment Project EIR and applicable to the proposed activity are listed in Attachment A of the Secondary Study.

Respectfully submitted,

\_\_\_\_\_  
Todd Hooks  
Deputy Executive Director

\_\_\_\_\_  
Approved: Hank Cunningham  
Assistant Executive Director

HOOKS / TCR

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

Attachments:

1. Site Plan
2. Property Acquisition Map
3. Project Budget, North Park Theatre Purchase, Structural Rehabilitation, and Public Off-Street Parking Facility
4. Report of Structural Survey and Preliminary Retrofit Guideline Document – North Park Theater (Curry Price Court, Structural and Civil Engineers)
5. Environmental Secondary Study for the Proposed North Park Theatre Rehabilitation