

DATE ISSUED: May 22, 2002

REPORT NO. RA-02-08
CMR-02-110

ATTENTION: Mayor and Members of the City Council
Chair and Members of the Redevelopment Agency
Docket of May 28, 2002

SUBJECT: San Ysidro Library - Fourth Implementation Agreement to the Disposition and Development Agreement for the Las Americas Project, Cooperation Agreement between Agency and City, findings to expend tax increment revenues, Reciprocal Easement Agreement (REA), Two Deeds, Amend Public Use Lease Parcel A (Parking Lease), and direction to proceed with Redevelopment Tax Allocation Bond issue.

REFERENCE: Manager's Reports No.'s RA-01-08 dated June 13, 2001; 01-035, dated February 21, 2001; 00-247, dated November 12, 2000; RA-00-19, dated November 15, 2000; RA-00-03, dated February 16, 2000; RA-98-4, dated May 6, 1998; and RA-97-8, dated July 11, 1997. See also City Manager's' Companion Report on Proposition 14 Bond Application.

SUMMARY

Issue(s) -

For the Council: Should the Council (1) Approve a Reciprocal Easement Agreement (REA) with International Gateway Associates, LLC; (2) Accept two Deeds for construction of a branch library in San Ysidro as a donation from International Gateway Associates, LLC for the Library; (3) Introduce and hold a first reading of an ordinance approving an amendment to the 'Public Use Lease Parcel A' (for parking) phasing the lease payments and adjusting the boundaries; (4) Approve findings for spending redevelopment tax increment funds on the San Ysidro Library; and (5) Approve a Cooperation Agreement with the Redevelopment Agency regarding the Agency's contribution to the City of tax allocation bond funds for the San Ysidro Library?

For the Agency: Should the Agency: (1) Enter into the Fourth Implementation Agreement to the Disposition and Development Agreement (DDA) for the Las Americas (International Gateway of the Americas) Project with International Gateway Associates, LLC; (2) Approve findings for spending redevelopment tax increment funds on the San Ysidro Library; (3) Enter into a Cooperation Agreement with the City regarding the Agency's contribution of tax allocation bond funds to the City for the San Ysidro Library; and (4) Authorize the Executive Director to proceed with the preparation of all documents necessary to issue a tax allocation bond for the San Ysidro Redevelopment Project Area?

Manager's Recommendation -

For the Council: That the City Council: (1) Approve a Reciprocal Easement Agreement (REA) with International Gateway Associates, LLC; (2) Accept two Deeds for construction of a branch library in San Ysidro as a donation from International Gateway Associates, LLC for the Library; (3) Introduce and hold a first reading of an ordinance approving an amendment to the 'Public Use Lease Parcel A' (for parking) phasing the lease payments and adjusting the boundaries; (4) Approve findings for spending redevelopment tax increment funds on the San Ysidro Library; and (5) Approve a Cooperation Agreement with the Redevelopment Agency regarding the Agency's contribution to the City of tax allocation bond funds for the San Ysidro Library.

For the Agency: That the Agency: (1) Enter into the Fourth Implementation Agreement to the Disposition and Development Agreement (DDA) for the Las Americas (International Gateway of the Americas) Project with International Gateway Associates, LLC; (2) Approve findings for spending redevelopment tax increment funds on the San Ysidro Library; (3) Enter into a Cooperation Agreement with the City regarding the Agency's contribution of tax allocation bond funds to the City for the San Ysidro Library; and (4) Authorize the Executive Director to proceed with the preparation of all documents necessary to issue a tax allocation bond for the San Ysidro Redevelopment Project Area.

Other Recommendations - None.

Fiscal Impact -

For the City: The Amendment to the Public Use Lease Parcel A would phase the lease payment by the City to the Developer, but not change the total amount paid by the City to the Developer. The value of the donation equal \$3,195,000 for the library and includes not only the air rights parcel and parking, but the Common Area Maintenance (CAM) charges for the library for the entire time the City uses the building for a public library.

For the Agency: The Cooperation Agreement commits the Agency to expending up to \$2,500,000 subject to issuing tax allocation bonds toward a branch library in the San Ysidro Redevelopment Project Area as part of the Las Americas Project. The total library is estimated to cost \$14,686,000. The City is applying for a grant from Proposition 14 moneys to provide the remaining costs of the library. The economics of the remainder of the DDA do not change, other than phasing the repayment of the tax increment note to match the phasing of the development on Parcel A.

Environmental - The City Council and Redevelopment Agency certified the Final

