

County of San Diego



Sample Ballot & Voter Information Pamphlet

GENERAL ELECTION

TUESDAY, NOVEMBER 3, 1998

**CHECK BACK COVER
FOR YOUR POLLING PLACE**

- ✓ POLLS OPEN AT 7 A.M. AND CLOSE AT 8 P.M.
- ✓ PLEASE CALL BEFORE ELECTION DAY IF DIRECTIONS ARE NEEDED
- ✓ MARK AND TAKE THIS PAMPHLET WITH YOU TO THE POLLS

SEPARATE PAMPHLETS CONCERNING STATE PROPOSITIONS
AND STATEWIDE CANDIDATES WILL BE MAILED TO YOU
BY THE SECRETARY OF STATE.

**ELECTION NIGHT RESULTS AVAILABLE AT
www.sdvote.com.**



- ✓ A Spanish-language Sample Ballot & Voter Information Pamphlet is available upon request. Call (619) 565-5800.
- ✓ Una Balota de Muestra y un Folleto de Información en Español está disponible si lo solicita. Llame al (619) 565-5800.

MIKEL HAAS, REGISTRAR OF VOTERS
5201 Ruffin Road, Suite I
San Diego, CA 92123
Phone: (619) 565-5800 or
1-800-696-0136

SAMPLE

GENERAL ELECTION - NOVEMBER 3, 1998 - SAN DIEGO COUNTY
OFFICIAL BALLOT

COUNTY OF SAN DIEGO

PROP A	PROPOSED AMENDMENTS TO THE SAN DIEGO COUNTY CHARTER. Shall the San Diego County Charter be amended to change the positions of Auditor and Controller and his or her principal assistants from the Classified Service (Civil Service System) to the Unclassified Service (non-Civil Service System) of the County?	263	YES ➡ <input type="radio"/>
		264	NO ➡ <input type="radio"/>
PROP B	RURAL HERITAGE AND WATERSHED INITIATIVE. Shall the Rural Heritage And Watershed Initiative be adopted?	265	YES ➡ <input type="radio"/>
		266	NO ➡ <input type="radio"/>

CITY OF SAN DIEGO

PROP C	AUTHORIZING REDEVELOPMENT AND A BALLPARK. Shall an ordinance be adopted authorizing the City of San Diego to enter into agreements to redevelop an area of downtown, and construct a multiple use ballpark, provided that: 1) the City's participation requires no new taxes, is capped, and also limited to redevelopment funds and an amount equivalent to certain hotel tax revenue; and 2) the San Diego Padres guarantee substantial private contributions, pay all ballpark construction cost overruns, and play in San Diego until 2024?	270	YES ➡ <input type="radio"/>
		271	NO ➡ <input type="radio"/>
PROP D	INITIATIVE MEASURE. Shall Ordinance O-18573 (New Series) be adopted amending the 30-foot height limit in the Coastal Zone to allow Sea World to plan and construct exhibits, attractions and educational facilities only upon that land leased from the City, provided: • The improvements are subject to City and Coastal Commission approval and do not exceed 1/2 the height of the existing Sea World Sky Tower; and • No taxpayer funds are spent for any improvements resulting from this initiative?	274	YES ➡ <input type="radio"/>
		275	NO ➡ <input type="radio"/>
PROP E	AMENDS THE CHARTER OF THE CITY OF SAN DIEGO BY ADDING SECTION 90.3, VOTER APPROVAL FOR MAJOR PUBLIC PROJECTS CONFERRING SIGNIFICANT PRIVATE BENEFIT. Shall the City Charter be amended to require majority voter approval for any major public project conferring "significant private benefit", as defined in the proposition?	277	YES ➡ <input type="radio"/>
		278	NO ➡ <input type="radio"/>
PROP F	AMENDS THE CHARTER OF THE CITY OF SAN DIEGO BY ADDING SECTION 94.2, DESIGN-BUILD CONTRACTS. Shall the City Charter be amended to permit the award of public works contracts to the same entity which furnishes both design and construction services for the same project and which must be competitively negotiated? Amendment requires the City Council to enact an ordinance to set guidelines for the use, evaluation, and award of such contracts.	281	YES ➡ <input type="radio"/>
		282	NO ➡ <input type="radio"/>
PROP G	AMENDS THE CHARTER OF THE CITY OF SAN DIEGO BY ADDING SECTION 94.1, JOB ORDER CONTRACTS. Shall the City Charter be amended to permit public works contracts to be competitively awarded based on a unit		

SAMPLE

GENERAL ELECTION - NOVEMBER 3, 1998 - SAN DIEGO COUNTY
OFFICIAL BALLOT

CITY OF SAN DIEGO (CONTINUED)

<p>PROP H AMENDS THE CHARTER OF THE CITY OF SAN DIEGO BY AMENDING SECTION 94 ON PUBLIC WORKS CONTRACTS. Shall the City Charter be amended to require surety bonds for public works contracts that exceed \$100,000 instead of for public works contracts that exceed \$25,000?</p>	289	YES ➡ <input type="radio"/>
	290	NO ➡ <input type="radio"/>
<p>PROP J AMENDS THE CHARTER OF THE CITY OF SAN DIEGO BY ADDING SECTION 94.3, BOND REIMBURSEMENT PROGRAM. Shall the San Diego City Charter be amended by adding Section 94.3, allowing the City Council to establish a bond reimbursement program, to reimburse contractors for all or a portion of the premium paid for a surety bond required by the Charter for City contracts?</p>	292	YES ➡ <input type="radio"/>
	293	NO ➡ <input type="radio"/>
<p>PROP K Shall the General Plan of The City of San Diego be amended to change the designation of 1,410 acres in Subarea I from "Future Urbanizing" to "Planned Urbanizing" to create a transit-oriented community, provided that 280 additional acres of habitat is permanently conserved for a total of 1,945 acres of open space in the Subarea, and substantial contributions are made by the developer for needed schools, fire stations, roadway improvements to Interstate 15, SR-56 and other regional roadways?</p>	296	YES ➡ <input type="radio"/>
	297	NO ➡ <input type="radio"/>
<p>PROP M Shall the City of San Diego's General Plan be amended to change the designation of 2,102 acres in Subarea III from "Future Urbanizing" to "Planned Urbanizing" to allow development of a transit-oriented community, provided that 889 acres remains open space, and an additional 150 acres of extremely rare habitat on Carmel Mountain is dedicated to the City, and approximately 90 acres within Subarea III needed for completion of SR-56 is sold to the City at substantially below market value?</p>	300	YES ➡ <input type="radio"/>
	301	NO ➡ <input type="radio"/>
<p>PROP N RATIFICATION OF ORDINANCE NO. 0-18569 (NEW SERIES). Shall Ordinance No. 0-18569 be ratified? This ordinance authorizes the transfer of approximately 30 acres of City-owned land in exchange for 47.7 acres of land within the planning area for the San Dieguito River Park.</p>	303	YES ➡ <input type="radio"/>
	304	NO ➡ <input type="radio"/>

SAN DIEGO UNIFIED SCHOOL DISTRICT

<p>PROP MM To improve classroom health, safety and instruction in every neighborhood school by:</p> <ul style="list-style-type: none"> • Repairing deteriorating roofs, drainage, heating, plumbing and electrical systems; • Upgrading fire security, disabled access, science laboratories, wiring for computers; • Removing hazardous lead paints; • Building needed libraries; • Enabling additional class size reduction; and • Building and acquiring schools and classrooms; <p>shall San Diego Unified School District issue \$1.510 billion in bonds at legal interest rates, pay no salaries for general administration, conduct annual audits and establish Independent Oversight Committee?</p>	311	YES ➡ <input type="radio"/>
	312	NO ➡ <input type="radio"/>

CITY OF SAN DIEGO

Proposition C

(This proposition will appear on the ballot in the following form.)

PROP C **AUTHORIZING REDEVELOPMENT AND A BALLPARK.** Shall an ordinance be adopted authorizing the City of San Diego to enter into agreements to redevelop an area of downtown, and construct a multiple use ballpark, provided that: 1) the City's participation requires no new taxes, is capped, and also limited to redevelopment funds and an amount equivalent to certain hotel tax revenue; and 2) the San Diego Padres guarantee substantial private contributions, pay all ballpark construction cost overruns, and play in San Diego until 2024?

AN ORDINANCE AUTHORIZING REDEVELOPMENT AND CONSTRUCTION OF A BALLPARK

WHEREAS, on December 30, 1996, the Mayor's Task Force on Padres Planning [Mayor's Task Force] was established by the Mayor to "develop and help implement a strategic plan that enables the San Diego Padres Baseball Club [Padres] to operate on a sound business basis and as a contributing corporate citizen of San Diego for the foreseeable future;" and

WHEREAS, on September 19, 1997, the Mayor's Task Force issued its report concluding, in part, that a new baseball-oriented facility was necessary for the Padres to have the opportunity to remain competitive and to become financially stable; and

WHEREAS, on September 30, 1997, the City of San Diego Task Force on Ballpark Planning [Citizen's Task Force] was established to recommend to the Mayor and City Council a site and financing alternatives for a new baseball-oriented facility within the City of San Diego; and

WHEREAS, after numerous public hearings and debate, the Citizen's Task Force issued its report on January 29, 1998, recommending, in part, that the proposed new facility be located in the South Embarcadero area of the City of San Diego and that the City enter into negotiations regarding the planning, construction and operation of such a new facility, but recognizing that the new facility should be part of a larger redevelopment effort in the Centre City East area of San Diego; and

WHEREAS, the City, the Redevelopment Agency of the City of San Diego, the Centre City Development Corporation and the Padres have been negotiating regarding such matters since that time; and

WHEREAS, on July 14, 1998, the City and the Padres jointly presented the essential terms of an agreement to be submitted to the voters regarding the new ballpark and the necessary redevelopment to be built concurrently with the new ballpark; and

WHEREAS, those essential terms include an investment from the Padres and private sector of \$115 million, an investment from the City of \$225 million, an investment from the Redevelopment Agency of \$50 million, and numerous protections for the City's general fund including caps on both the City's investment and contribution for annual operating expenses, and a protection regarding certain general fund revenues; and

WHEREAS, the Citizen's Task Force has reviewed and unanimously approved the essential terms of the proposed agreement; and,

WHEREAS, it is the intent of the People of the City of San Diego [People] that this ordinance and the Memorandum of Understanding it authorizes constitute the legislative acts that establish policy for the City on these matters, and provide the ways and means for the implementation of that policy by such administrative and non-legislative acts as may be necessary and appropriate to carry out the purpose and intent of this ordinance; and

WHEREAS, it is the further intent of the People that this ordinance and the Memorandum of Understanding it authorizes not provide for entitlements in land or development, such entitlements being the subject of other actions by public entities or of permits to be sought at later times; and

WHEREAS, it is also the intent of the People that the requirements of the California Environmental Quality Act be fully complied with in the implementation of the matters set forth in this ordinance and the Memorandum of Understanding it authorizes; NOW, THEREFORE,

BE IT ORDAINED BY THE PEOPLE OF THE CITY OF SAN DIEGO as follows:

Section 1. That the City Manager be and he is hereby authorized and directed to execute for and on behalf of the City of San Diego the Memorandum of Understanding between the City of San Diego [City], the Redevelopment Agency of the City of San Diego [Agency], the Centre City Development Corporation [CCDC], and Padres L.P. [Padres] concerning a ballpark district, construction of a baseball park, and a redevelopment project [MOU], the form of which is attached hereto as Exhibit A and which is incorporated into this ordinance and made a part of it. When fully executed, the MOU shall be on file in the office of the City Clerk as Document No. OO-18565.

Section 2. That, following the adoption of this ordinance and approval of the MOU by the voters of the City, the City Council be and it is hereby authorized to enter into any amendments, or agree to any modifications, to the MOU that in its judgement are in the best interests of the City, Agency and CCDC only if any such amendments or modifications do not materially: 1) decrease the rights or increase the obligations of the City; 2) increase the financial commitments of the City; or 3) decrease revenue to the City.

Section 3. That the City be and it is hereby authorized and directed to enter into the agreements necessary to implement the provisions of this ordinance and the MOU, and to carry out their purposes and intent; provided, however, that any such agreements are determined by the City Council to be in the best interests of the City, Agency and CCDC and do not materially: 1) decrease the rights or increase the obligations of the City pursuant to the MOU; 2) increase the financial commitments of the City pursuant to the MOU; or 3) decrease revenue to the City pursuant to the MOU.

Section 4. This ordinance shall become effective on the date of its adoption by a majority of the voters of the City of San Diego voting at an election held for that purpose.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF SAN DIEGO,
THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO,
THE CENTRE CITY DEVELOPMENT CORPORATION,
AND
PADRES L.P.
CONCERNING A BALLPARK DISTRICT,
CONSTRUCTION OF A BASEBALL PARK, AND A
REDEVELOPMENT PROJECT

RECITALS

WHEREAS, the San Diego Padres Baseball Club has been a valued community asset since joining The National League of Professional Baseball Clubs in 1969; and

WHEREAS, Padres L.P. ("Padres"), the current owner, purchased the team in 1994 and has worked diligently to improve the image of the Club in the community and to contribute to the quality of life in San Diego; and

WHEREAS, a City of San Diego ("City") task force, after thorough investigation and analysis determined that the development and construction of a baseball park ("Ballpark") is important to providing the Padres with the opportunity for long-term economic and competitive viability; and

WHEREAS, the City believes that the development and construction of a Ballpark will provide a significant and much needed catalyst for revitalization and continuing redevelopment of downtown San Diego; and

WHEREAS, the Padres are willing to make a significant investment in the Ballpark, to make the \$115,000,000 investment in the Ballpark Project described in Section XVIII, and to commit to remain in San Diego for an expected 30 years, but in no event less than 22 years, from the Opening Date; and

WHEREAS, it has always been understood between the Parties that the Ballpark would be more than just a Ballpark, but will be a significant redevelopment project including private development in the underdeveloped vicinity of the Ballpark; and

WHEREAS, the City, the Redevelopment Agency of the City of San Diego ("Agency"), and the Centre City Development Corporation ("CCDC") are willing to make significant investments in the Ballpark and redevelopment around the Ballpark; and

WHEREAS, the Padres are willing to assume the responsibility for and make development of the Ballpark contingent upon contemporaneous, significant commercial redevelopment in the vicinity of the Ballpark; and

WHEREAS, the Parties agree that the following principles are central to the terms and conditions of this MOU: a) no new or increased taxes will be imposed to pay for construction of the Ballpark Project; b) the Ballpark Project will be funded through a public/private partnership, with substantial private-sector investment in addition to the public investment; c) Ballpark operations will be "privatized" to reduce public costs; d) tax-exempt financing will be used to the greatest extent possible for the Ballpark Project; and

WHEREAS, the terms of this MOU contain numerous protections for the City's general fund, including caps on the expenses of the City for operating costs and investments in the Ballpark, land and infrastructure, and a protection from the Padres regarding certain revenue streams; and

WHEREAS, the Parties have concluded that the proposed public/private partnership for the Ballpark and associated redevelopment is in the best interests of the Parties and the citizens of San Diego; and

WHEREAS, on July 14, 1998, the Parties agreed to the essential terms and conditions regarding the subject matter described herein to be presented to the electorate, and it is the purpose of this MOU to memorialize such agreements, subject to a vote of the electorate;

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

I. PURPOSE AND INTENT

The purpose and intent of this Memorandum of Understanding ("MOU") is to provide for the establishment of a Ballpark District ("District"), the construction of a Ballpark within the District, and the construction of new development in the District, all within an underdeveloped area of downtown San Diego. It is the intent of the Parties that this MOU and its authorizing ordinance which are being voted on by the electorate constitute the only legislative act necessary to establish policy for the City and the Agency on these matters, and provide the ways and means for the implementation of that policy by such administrative and non-legislative acts as may be necessary and appropriate to carry out the purpose and intent provided for herein.

It is the further intent of the Parties that this MOU not provide for entitlements in land or development, such entitlements being the subject of other actions by public entities or of permits to be sought at later times. It is also the intent of the Parties that the requirements of the California Environmental Quality Act be fully complied with in the implementation of the matters set forth in this MOU. The Parties intend that the planning, development and construction of the projects set forth in this MOU be a cooperative, mutual endeavor in which the Parties actively participate and work together, in good faith and with due diligence - a public/private partnership.

II. DEFINITIONS

"Agency" means the Redevelopment Agency of the City of San Diego.

"Agency Investment" means the investment of Agency and CCDC funds towards the Ballpark Project as set forth in Section XVII.

"Ancillary Development" means commercial, retail and residential development, including hotels, office buildings and associated parking, to be built within the District.

"Ballpark" means an open-air, natural grass, state-of-the-art baseball facility, with multiple uses, and with approximately 42,000 seats and the Outfield Park, to be constructed in the District, and consisting of the ballpark structure itself, all fixtures and systems, the Outfield Park, and the grounds and walkways immediately surrounding the ballpark structure.

"Ballpark Estimate" means an estimate of the total cost for the development and construction of the Ballpark, including all hard and soft costs but not including any Land Acquisition Costs, Parking Facilities costs or Infrastructure costs.

"Ballpark Project" means the Ballpark, Outfield Park Retail Parcels (as defined in Section XVIII), Infrastructure and Parking Facilities (except for the Phase 1 Parking Facilities to the extent the Developer is responsible for the costs therefor), including Land Acquisition Costs.

"Ballpark Project Estimate" means an estimate of the total cost for the development and construction of the Ballpark Project.

"Bond Counsel Review" means an opinion by bond counsel retained by the City at no expense to the Padres, as to whether an action proposed by the Padres would cause the securities issued by the City not to qualify for tax-exempt status under federal law, such opinion to be rendered within ten (10) business days after notification by the Padres to the City of the proposed action.

"Capital Expenditure" means the cost of all labor and materials reasonably required to repair, restore or replace any structural components, systems components or integral parts of the Ballpark, which would customarily be treated as a capital item for federal income tax purposes. By way of example only and not as a limitation: structural components include all foundations, structural members, piers, walls, roofs and ramps; systems components include scoring systems, video boards, heating, ventilating, air conditioning, plumbing, electrical, gas and water systems, escalators and elevators; integral parts include the Public Parking Facilities.

"Capital Expenditure Reserve Fund" means the fund established for Capital Expenditures as set forth in Section XXII.G.

"CCDC" means the Centre City Development Corporation.

"Centre City Redevelopment Project" means that project and area, and its associated plan, established by the City Council on May 11, 1992, by the adoption of Ordinance No. O-17767.

"Centre City Redevelopment Plan" means the plan for the Centre City Redevelopment Project.

"Certification Date" means the date on which the San Diego City Clerk certifies to the City Council that at the statewide general election on November 3, 1998, at least fifty percent plus one votes were cast in favor of a ballot measure placed before the voters by the City Council authorizing the City to enter into this MOU.

"City" means the City of San Diego.

"City Council" means the San Diego City Council.

"City Events" means those events conducted by the City (including City-sponsored 3rd party events) as set forth in Section XXII.C.

"City Investment" means the investment of the City towards the Ballpark Project as set forth in Section XVI, which may include any monies obtained from other public sources, except as set forth in this MOU.

"Concession Rights" means the contractual right to sell any kind of food, beverage or novelties at the Ballpark.

"C.P.I." means the San Diego Consumer Price Index for all urban consumers (CPI-U).

"Design & Construction Fund" means the fund described in Section XX.

"Developer" means the master developer for Phase 1 selected by the Padres and reasonably acceptable to the City, Agency and CCDC.

"Developer Rights Fees" means any fees paid by a private developer in consideration for the opportunity to participate in Phase 1.

"District" means the Ballpark District to be established pursuant to this MOU.

"Final Baseline Ballpark Program" means the program for the Ballpark as set forth in Section VII.

"Final Completion of the Ballpark Project" means that the Ballpark Project is ready for the playing and public exhibition of Major League Baseball.

"Force Majeure Event" means any of the following events which prevents a party from performing any obligation under this MOU: any act of God, strike, lockout or other industrial disturbance during the development or construction only of the Ballpark Project, but not including a strike or lockout by Major League Baseball players or umpires; act of public enemy, blockade, war, insurrection, civil disturbance, explosion or riot; epidemic; landslide, earthquake, fire, storm, flood, or washout; any act of God, strike, lockout or other industrial disturbance, including a strike or lockout by Major League Baseball players or umpires (except as expressly provided above); title dispute, or other litigation, including the inability to timely obtain judgments in eminent domain or timely obtain possession through eminent domain; governmental restraint, action or inaction, either federal, state, county, civil or military, including the adoption of any new law materially affecting either the ability of the Parties to proceed or the costs of proceeding (but not including any City laws or ordinances); any initiative or referendum; and failure to obtain any necessary federal, state or county governmental approval.

"Incremental Ballpark Expenses" means specific event related expenses for the respective operations of City Events, and Padres Games and Events at the Ballpark, as set forth in Section XXII.F.

"Infrastructure" means roads, sidewalks, other public facilities, and public utilities related to the Ballpark and Parking Facilities, as listed and set forth in Attachment A.

"Infrastructure Estimate" means an estimate of the total cost for the development and construction of infrastructure but not including any Land Acquisition Costs.

"Joint Ballpark Ownership Expenses" means the shared expense between the City and the Padres of owning and managing the Ballpark, as set forth in Section XXII.E.

"Land Acquisition Costs" means the full cost of all land to be acquired for the Ballpark Project, as set forth and described in Attachment B, either by fee simple title or other control, and either through negotiated purchase or eminent domain, including the cost of legal proceedings in eminent domain, and compensation for relocation, goodwill, fixtures, equipment and related costs.

"Land Acquisition Estimate" means an estimate of Land Acquisition Costs.

"Major Change Order" means any change order exceeding \$750,000 or resulting in a significant programmatic deviation from the Final Baseline Ballpark Program.

"MOU" means this Memorandum of Understanding.

"Naming Rights" means the contractual right to have a name associated with the Ballpark Project, whether for the Ballpark and/or Ballpark Project as a whole or for specific areas within the Ballpark and/or Ballpark Project.

"Opening Date" means the first scheduled home game of the 2002 National League Championship Season (or any exhibition game occurring no more than two weeks prior thereto), or such earlier date as is possible and mutually determined by the Padres and the City.

"Outfield Park" means a park-like area, suitable for picnics and observing events in the Ballpark, set amidst (but not including) a combination of retail, commercial and residential development located adjacent to the Ballpark.

"Padres" means Padres L.P.

"Padres' Games and Events" means those events conducted by the Padres as set forth in Section XXII.C.

"Padres/Private Investment" means the investment or contribution of private persons or entities, including the Padres, towards the Ballpark Project, as set forth in Section XVIII of this MOU.

"Parking Facilities" means a combination of surface and structured parking facilities constructed and configured to provide at least 5,000 revenue-controlled parking spaces to serve patrons of the Ballpark, as listed and set forth in Attachment B.

"Parking Facilities Estimate" means an estimate of the total cost for the development and construction of the Parking Facilities, but not including any Land Acquisition Costs.

"Party" or "Parties" means a party or the parties, respectively, to this MOU.

"Phase 1" means the first phase of Ancillary Development which, subject to the credit available for Substitute Ancillary Development, shall include at least: a) a 150 room extended stay hotel and 700 additional new hotel rooms with associated parking; b) office complexes containing at least 600,000 gross square feet with associated parking; and c) retail development containing at least 150,000 gross square feet.

"Phase 1 Parking Facilities" means the approximately 2,238 parking stalls (which consists of approximately 1,650 stalls for which the Developer will provide the land and improvements and approximately 588 stalls for which the Developer will provide the land and the City will provide the improvements as part of the Infrastructure Estimate) provided by Padres or the Developer as part of Phase 1, as described in Attachment B.

"Public Parking Facilities" means Parking Facilities not including Phase 1 Parking Facilities, as described in Attachment B.

"Stabilization Reserve Fund" means the fund described in Section XXXIV and Attachment F.

"Substantial Completion of the Ballpark Project" means that the Padres' offices, clubhouse and other exclusive spaces are ready for occupancy, and that all other areas of the Ballpark Project have been finished to the Padres' reasonable satisfaction, subject only to contractors' punch lists.

"Substitute Ancillary Development" means development and construction of hotel and/or retail properties by other developers in the area in Centre City East shown on Attachment C, of a type comparable to the Phase 1 hotel and/or retail properties, which hotel and/or retail properties shall be credited against the Padres' commitment for Phase 1 hotel and/or retail development and construction; provided, however, that the same Transient Occupancy Tax revenue and net available tax increment revenue reasonably expected to be generated by the Substitute Ancillary Development is at least the same as the Transient Occupancy Tax revenue and net available tax increment revenue reasonably expected to be generated by the comparable Phase 1 development. Notwithstanding the above, in no event shall the Phase 1 retail adjacent to the Outfield Park be less than 100,000 gross square feet and the Substitute Ancillary Development shall not include any development which has been proposed to CCDC, and for which plans and drawings have been created by the developer but not yet submitted to CCDC, as of August 4, 1998.

"Transient Occupancy Taxes" means taxes paid by users of hotel and motel rooms within the City, as more fully set forth in San Diego Municipal Code section 35.0101, et seq.

"Value Engineering" means a process of reviewing the program, design, plans and specifications for the Ballpark Project for the purpose of reducing costs wherever possible.

III. EFFECTIVE DATE AND TERMINATION

The City Manager shall be directed and authorized to sign this MOU on behalf of the City on the Certification Date. The Padres shall execute this MOU no later than August 3, 1998, and, by its signature on this MOU, the Padres irrevocably accept the terms of this MOU and agree to be bound by it if the Certification Date occurs, in which case the City Manager, the Agency and CCDC shall execute and deliver this MOU to the Padres. This MOU shall become effective upon its execution by all Parties and, unless otherwise agreed to in writing by the Parties, shall expire on March 31, 2000, unless the Conditions Subsequent set forth in Section XXXIII are satisfied, in which case this MOU shall continue in force and effect for the same term as any lease or other agreement for the use and occupancy of the Ballpark entered into between the City and the Padres pursuant to this MOU.

IV. BALLPARK DISTRICT

The City shall establish the District within, but not as a part of, the Centre City East Sub-area of the Centre City Redevelopment Project ("Centre City East"). The District shall be located adjacent to the Gaslamp Quarter and across from the Convention Center expansion. The boundaries of the District shall be established by the City Council, with the participation of the Padres, but shall generally be the boundaries of Centre City East south of Market Street. The Centre City Redevelopment Plan is not amended by this action to incorporate the District within it; however, the Agency and CCDC shall be responsible for the same activities within the District as for the Centre City Redevelopment Project.

The District initially shall be established for planning purposes only, and not as a separate legal entity. However, the City Council shall have the discretion to establish the District as a separate legal entity in the future, and to establish any necessary or appropriate legal entity to oversee planning or activities within the District (provided such entity includes the representation of the Padres), or the Agency may cause the Centre City Redevelopment Plan and Project to be amended to incorporate the District. The City Council may change the District's boundaries at its sole discretion, when, in its judgement, circumstances warrant or require a change, provided that any change in the boundaries of the District shall not affect the Ballpark Project, the Padres' obligations pursuant to the MOU, or Phase 1 without the consent of the Padres.

V. SUMMARY OF BALLPARK PROJECT COSTS AND FUNDING

The following is a summary only of the Ballpark Project costs and funding:

1. Costs:	
Ballpark	\$267,500,000
Land Acquisition and Infrastructure	\$143,500,000
Total	\$411,000,000
2. Funding:	
Ballpark:	
Padres/Private	\$ 81,000,000
City	\$186,500,000
Total	\$267,500,000
Land Acquisition and Infrastructure:	
Padres/Private	\$ 34,000,000
City/CCDC	\$ 88,500,000
Other	\$ 21,000,000
Total	\$143,500,000

VI. BALLPARK PROJECT

The Ballpark Project shall be planned and constructed within the District. Subject to the approvals of the City and Agency as required by law, the precise location, orientation, footprint and configuration of the Ballpark Project within this District will be determined by the City and Padres. Any future changes made by the City in the boundaries of the District shall not materially affect either the Ballpark Project or Phase 1 without the mutual consent of the City and Padres. The Padres and the City shall collaborate in the planning of the Ballpark Project. The City and the Agency shall be responsible for the adoption of the plans and other legal documents, and the undertaking of the administrative acts within their respective jurisdictions necessary to facilitate construction of the Ballpark Project, as more fully set forth in this MOU.

The Ballpark Project Estimate shall not exceed \$411,000,000. The ability of the Parties to proceed with the Ballpark Project is specifically contingent upon funds in the amount of the Ballpark Project Estimate being secured as more fully set forth in this MOU.

VII. BALLPARK

The Ballpark shall be constructed within the District. The Padres or its agents shall be responsible for the design and construction of the Ballpark, including the selection of architects, contractors and project/construction managers. The Ballpark shall be designed in all its aspects for the playing and public exhibition of Major League Baseball in accordance with plans, designs, and programs approved by the Padres, and developed by or at the direction of the Padres; provided, however, that the City, Agency and CCDC shall have the opportunity to collaboratively participate in the design of the Ballpark, and that the development of the Ballpark shall be subject only to the approvals of the City or Agency as required by law.

The Padres will be responsible for developing all plans, designs, schemes, drawings and programs for the construction of the Ballpark, but the City, Agency and CCDC shall have the right to participate in the planning process. The Padres shall have final approval of the program, design, plans, specifications and timetable for construction of the Ballpark and, not later than February 1, 1999, shall provide to the City, Agency and CCDC a complete set of all documents evidencing and comprising the Final Baseline Ballpark Program. The City shall have the right to further review and comment on the Final Baseline Ballpark Program, and will provide any recommendations to the Padres on or before March 1, 1999.

The Ballpark Estimate shall not exceed \$267,500,000. The Padres shall be solely responsible for any and all development and construction costs for the Ballpark exceeding the Ballpark Estimate. Any change orders to the Final Baseline Ballpark Program during Ballpark construction shall be subject to the Padres' approval. Except for any change orders that cause the cost of the Ballpark to exceed, or that are made once the cost of the Ballpark exceeds, the Ballpark Estimate (which excess cost shall be paid by the Padres), any Major Change Order shall be subject to the City's approval, which will not be unreasonably withheld and which will be given, or presumed, within five (5) business days after written notice to the City of the Major Change Order. Once funds for Ballpark construction have been committed in the amount of \$175,000,000, no such City approval will be required if the change order is deemed necessary to stay within the Ballpark Estimate, provided such change order does not result in a material adverse impact on the Ballpark and on the fan's experience at the Ballpark. If the actual cost to develop and construct the Ballpark is less than the Ballpark Estimate, the first \$5,000,000 of any such savings shall be deposited into the Capital Expenditure Reserve Fund; any additional savings over and above the first \$5,000,000 shall be shared equally by the Padres and the City.

The Opening Date shall be in 2002. Notwithstanding the foregoing, but subject to the other terms and conditions of this MOU, the Parties shall work cooperatively and use their best, good faith efforts to accomplish the construction of the Ballpark so that the Ballpark may be open as early as possible. The Padres, City, Agency and CCDC shall each have no liability to the other Parties for failure to meet the Opening Date, provided they proceed with due diligence and in good faith, and meet their respective obligations regarding the acquisition of land and completion of infrastructure for the Ballpark Project as set forth in Sections IX and XI.

VIII. CONSTRUCTION ARRANGEMENTS FOR THE BALLPARK PROJECT

The Padres will select the architect, general contractor and project/construction manager for the Ballpark and Phase 1 Parking Facilities. The City, Agency or CCDC will select the architect, general contractor and construction manager for its Infrastructure and the Public Parking Facilities. The City, Agency or CCDC may elect to use for the construction of Infrastructure and Parking Facilities (to the extent the City is responsible for the construction of such Facilities) the architects and general contractors selected by the Padres. Subject to compliance with applicable law, the Parties will make these selections in order to meet the schedule set forth in Attachment E.

The Parties will provide each other with monthly progress reports and budget comparison statements throughout the Land Acquisition, Infrastructure and Ballpark construction process, and shall meet at least monthly to ensure that the Ballpark Project is on schedule and within budget. The Padres may retain whatever construction expertise they require in connection with the infrastructure improvements, and the City, Agency and CCDC may retain whatever construction expertise they require in connection with the Ballpark Project. The Parties will ensure that their contractors work together cooperatively.

IX. LAND ACQUISITION COSTS

Subject to the cap set forth in Section XII, and except for the costs to be paid as part of the Padres/Private Investment, the City, Agency or CCDC shall be responsible for all Land Acquisition Costs, using monies available for the Ballpark Project as set forth in this MOU, and for making the land available for the construction of the Ballpark within such time that the Ballpark may be open by the Opening Date. Except as otherwise expressly provided in this MOU, the Padres shall not be responsible, either directly or as guarantor, for any Land Acquisition Costs.

The Parties acknowledge that it is desirable that the land necessary for the construction of the Ballpark Project be obtained by negotiated purchase, and the Parties shall work cooperatively and in good faith to so acquire such land. However, if the necessary land cannot be acquired by negotiated purchase within such time that the Ballpark may be open by the Opening Date, the City or Agency shall exercise their powers of eminent domain (subject to any requirements of law, including hearings and findings) where necessary to secure the land within such time as is necessary to meet the Opening Date.

The Padres may acquire the necessary land through negotiated purchase at any time, and the Padres will collaborate with the City, Agency and CCDC in this regard. If the Padres acquire any such land, the Certification Date occurs and this MOU becomes effective, to effectuate the purposes of this Section, the Padres shall sell the land, upon the City's request, to either the City, Agency or CCDC for the price for which the Padres purchased the land, plus any customary acquisition and financing costs.

The Padres acknowledge that a significant portion of the land necessary to construct the Ballpark Project may have to be acquired through the exercise of the City's or Agency's power of eminent domain, and that there can be no assurance that the required eminent domain proceedings will be successful or, even if successful, that they will be concluded in a timely fashion or that possession of the necessary land will be obtained in a timely fashion. The necessary eminent domain proceedings shall be subject to the *force majeure* provisions of this MOU.

The Agency and CCDC will continue to perform the services necessary to expedite the Land Acquisition, entitlement process and design of the Ballpark and Phase 1, including (a) performing all site due diligence necessary to complete the EIR, complete the relocation plan, prepare Land Acquisition offers, and complete the environmental studies necessary for Phase 1, (b) preparing the District and Ballpark boundary survey and description, including preparing a base map to be used by the Ballpark design team prior to the start of schematic design, (c) engaging a design/consulting team to design and plan the utility relocations and public roadway improvements, and (d) performing all planning and preparation necessary to commence with condemnation, including preparing all Land Acquisition offers, notices and relocation plans and obtaining all necessary approvals (subject to any requirements of law, including hearings and findings).

Nothing in this MOU shall require the City, Agency or CCDC to incur any expense or obligation (except as expressly provided below) in connection with Land Acquisition Costs under this Section unless and until all the following have occurred:

A. The City, Agency and CCDC have obtained funds from their financing of choice (i.e. lease revenue bonds, certificates of participation, or other) to meet their respective investment obligations for Land Acquisition Costs, and all applicable statute of limitations for bringing any action challenging the financing have passed, or a bridge loan or other interim financing is obtained in an amount sufficient for the City, Agency and CCDC to meet their respective investment obligations for Land Acquisition Costs (which such Parties will use their best efforts to obtain) until such time as funds from their financing of choice are obtained.

B. The Padres have provided the security for the Padres/Private Investment as set forth in Section XVIII.

C. The City receives sufficient assurances from the Padres and/or others that Phase 1 (including any Substitute Ancillary Development) and the 1,000 room Convention Center Expansion hotel will proceed and have the potential to generate the required new public revenue to help finance the City and Agency Investments.

X. PARKING

Subject to the cap set forth in Section XII, the City, Agency or CCDC shall be responsible for all costs incurred in connection with the development and construction of the Parking Facilities, except for those costs to be paid by the Developer for the Phase 1 Parking Facilities. Except as

otherwise expressly provided herein, the Padres shall not be responsible, either directly or as guarantor, for the development or construction of the Public Parking Facilities. The design, configuration and operation of the Parking Facilities shall be subject to the Padres' reasonable approval. For the duration of the Ballpark occupancy agreement, the Public Parking Facilities shall accept validation, for 2 hours, at no cost to the Padres and/or their customers and/or patrons, to accommodate visitors to the Padres' offices and purchasers of Padres' merchandise and advance tickets. In addition, for the first 15 years of the Ballpark occupancy agreement, Lot P1 of the Public Parking Facilities shall accept validation, for 3 hours, at no cost to the Padres, the Developer, the Phase 1 retail tenants and/or their customers and/or patrons, to accommodate customers and patrons of the retail portions of Phase 1.

Subject to Bond Counsel Review, the Padres shall be responsible for selecting and contracting with any third-party operator(s) engaged to operate the Parking Facilities year-round. Any fee paid by such parking operator(s) for the right to operate the Parking Facilities shall be retained by the Padres.

Subject to Bond Counsel Review, any amounts invested by a parking operator in the construction, installation or equipping of the Public Parking Facilities may be applied on a dollar-for-dollar basis toward the satisfaction of the Padres' obligation to make the Padres/Private Investment.

The Padres shall establish all prices for parking at the Parking Facilities during Padres' Games and Events. The City shall establish all prices for parking at the Public Parking Facilities during City Events, with the Padres' reasonable concurrence.

The Padres shall cause the Public Parking Facilities to be open to the public for general parking at non-event times, at competitive prices established by the City with the Padres' reasonable concurrence.

All expenses associated with the operation of the Public Parking Facilities, including all fees and expenses owed to the parking operator, shall be paid out of the gross revenue from the Public Parking Facilities. The contract with the parking operator shall provide that any expenses that exceed revenue are the parking operator's sole responsibility.

Net revenue from the operation of the Public Parking Facilities (i.e. gross revenue less all fees and operating expenses incurred in compliance with the parking operator's agreement) shall be shared, with the City retaining such revenue from City Events (on a net basis, after payment of all incremental Ballpark Expenses for such events), and the Padres retaining such revenue from Padres' Games and Events. Parking revenue generated through any use of the Phase 1 Parking Facilities shall be retained by the Padres or the Developer. During the term of the Padres' occupancy of the Ballpark, the first \$250,000 (increased every five (5) years by cumulative C.P.I. since the previous C.P.I. increase (if any)) of annual net parking revenue generated through any non-event public use of the Public Parking Facilities, shall be deposited into the Capital Expenditure Reserve Fund; any excess in such annual net parking revenue shall be paid to the City.

XI. INFRASTRUCTURE

Subject to the cap set forth in Section XII, the City, Agency and CDC shall be responsible for the planning and construction of, and all costs for, Infrastructure, as defined and set forth in Attachment A; provided, however, that the franchise utilities shall be responsible for making certain Infrastructure improvements (i.e., dry utility relocation) that are included within the Padres/Private Investment. The City agrees to work with the Padres and the private franchise utilities and take all steps necessary to provide that the private franchise utilities will relocate their respective systems and pay all costs therefor. In the event that such costs exceed the amount allocated for such costs on Attachment A, and the private franchise utilities pay for the full amount of such costs, the Ballpark Project Estimate and the Padres/Private Investment shall each be increased by the amount of such excess. In the event that such costs are less than the amount allocated for such costs on Attachment A, and the private utilities pay for the full amount of such costs, the Ballpark Project Estimate and the Padres/Private Investment shall each be reduced by the amount of such difference. In the event the amount of costs paid by the private franchise utilities is less than the total amount of such costs, such difference shall (a) be paid for out of the Padres/Private Investment to the extent that the total amount of such costs is less than the amount allocated for such costs on Attachment A and (b) be treated in the same manner as the other Infrastructure costs to the extent that the total amount of such costs exceeds the total amount allocated for such

costs on Attachment A. Except as otherwise expressly provided herein, the Padres shall not be responsible, either directly or as guarantor, for any Infrastructure. The City or the Agency may contract with any entity for the construction of Infrastructure and may use a guaranteed maximum price contract.

XII. CAP ON EXPENSES FOR LAND ACQUISITION, PARKING AND INFRASTRUCTURE

The total of the Infrastructure Estimate and Land Acquisition Estimate shall be \$143,500,000. Except as specifically provided in this MOU, the City, Agency, CCDC and Padres shall collectively not be required to spend more than \$143,500,000 for Land Acquisition Costs and Infrastructure. If actual costs will exceed this cap, the City, Agency, CCDC and Padres shall endeavor cooperatively to locate additional funding. If actual costs are less than this cap, the City, Agency and CCDC shall (a) use any such savings to pay any Excess Land Cost (as defined in Section XXXI.C), (b) with any remaining savings being used to pay Off-Site Costs (as defined in Section XXXI.E), and (c) with any remaining savings being retained by the City, Agency and CCDC. Notwithstanding the cap on the total cost of Land Acquisition and Infrastructure set forth in this Section, the City shall be obligated to provide the Parking Facilities (other than any costs associated with the Phase 1 Parking Facilities to be paid by the Developer).

XIII. PREPARATION OF ESTIMATES

On or before January 1, 1999, the Padres will develop and submit to the City the Ballpark Estimate. On or before January 1, 1999, the City, Agency or CCDC will develop and submit to the Padres the Infrastructure and Land Acquisition Estimates, and estimate for the Public Parking Facilities. Prior to the establishment of these estimates, the program, design, plans and specifications for the Ballpark and the Infrastructure, Land Acquisition and Public Parking Facilities shall have been Value Engineered by the City and Padres.

XIV. TIMETABLE FOR DEVELOPMENT AND CONSTRUCTION

Subject to all other provisions of this MOU, the general target timetable for the development and construction of the Ballpark Project shall be as set forth in Attachment E, which may be amended by mutual agreement of the Parties from time to time.

XV. CITY INVESTMENT

Subject to the other provisions of this MOU, the City shall provide not more than \$225,000,000 towards the construction of the Ballpark Project. These funds shall be provided based upon the financing of the City's choice (i.e., lease revenue bonds, certificates of participation, or other). The City shall determine in its sole discretion the sources of revenue to support its investment; however, existing sources of revenue in the City's general fund, and other non-general fund sources are available to support its investment. Any additional agreements between the Parties for Land Acquisition Costs, Infrastructure, Parking Facilities and the ownership, operation, maintenance, use and occupancy of the Ballpark shall be structured in such a manner that any financing of the City Investment for the Ballpark Project will be on a fully tax-exempt basis. The City Investment is also contingent upon the City receiving the assurances set forth in Section IX.C and XXXIII.B.

XVI. CITY FINANCING PLAN

The City's current pro forma for its investment in the Ballpark Project includes an annual financing payment to support a lease-revenue type financing, such as lease revenue bonds. The City's annual financing payment would be based in part upon certain existing revenue in the City's general fund and certain new revenue to the City's general fund as a result of Phase 1. The City believes that additional new development will occur in and around the District, including additional new hotel development on and around the San Diego Unified Port District's 10th Avenue Marine Terminal, which will provide new revenue to the City's general fund not currently in the City's pro forma. Such additional new hotel development is not confirmed or committed at the present time, and thus cannot support the City's annual financing payments; however, the City believes it appropriate that, in the future, its annual financing payment be based, to the greatest extent possible, upon revenue equal to an amount of new revenue to the City's general fund.

Accordingly, the City reserves the right to adjust its pro forma and the boundaries of the District in the future, provided that any such adjustments have no adverse effect on the Padres' rights or obligations. Any such adjustments would enable the City to base its annual financing payments, in part, upon an amount of revenue equal to amounts of additional new revenue to the general fund resulting from development on and around the 10th Avenue Marine Terminal, rather than an

amount equal to an amount of existing revenues or growth in those existing revenues. For this reason, and because of the general benefits additional new development on and around the 10th Avenue Marine Terminal will bring to the City, the City and Padres conceptually support efforts of the Port District to stimulate or undertake such additional new development. Because Phase 1, guaranteed by the Padres, is a predicate and critical to the overall financing of the City and Agency Investments in the Ballpark Project, nothing in this Section modifies or alters the obligation of the Padres with respect to Phase 1 (including any Substitute Ancillary Development).

XVII. AGENCY INVESTMENT

Toward the Ballpark Project, the Agency and CCDC shall provide not more than \$50,000,000. The Agency Investment shall be a combination of equity and real property tax increment financing. Agency or CCDC money shall only be invested in Infrastructure and/or used for Land Acquisition Costs. Any additional agreements between the Parties for Land Acquisition Costs, Infrastructure, Parking Facilities and the ownership, operation, maintenance, use and occupancy of the Ballpark shall be structured in such a manner that any financing of the Agency Investment for the Ballpark Project will be on a fully tax-exempt basis. The Agency Investment is also contingent upon the receipt of the assurances set forth in Section IX.C and XXXIII.B.

XVIII. PADRES/PRIVATE INVESTMENT

Towards the Ballpark Project, the Padres and the private sector shall make an investment of \$115,000,000. The Padres/Private Investment may include, but may not necessarily be limited to, monies from Naming Rights; sponsorships; Concession Rights; vendors; founding partners and other fan programs; capitalized Padres' revenue and/or other Padres' sources; capitalized property and/or possessory interest taxes, net of all currently existing set-aside requirements (e.g., housing, county and school district); Developer Rights Fees; Padres' equity; private franchise utility contributions for utility relocations and equipment; and private donations and grants; and also interest on all such monies, and amounts expended by the Padres for the costs referred to in Section XLII (to the extent such costs are included in the Ballpark Project Estimate). Specific funding levels by source will be determined by the Padres and private sector. The City shall assist and collaborate with the Padres in the effort to obtain such private sector funds. The sale by the Padres of any rights relating to the Ballpark Project (i.e., Naming Rights and Concession Rights) shall not extend beyond the Padres' term of occupancy of the Ballpark.

The City shall cause the financing of obligations secured by certain of these private payments (which may at least include, at the Padres' discretion, Padres' revenue and/or other Padres' sources, and net possessory interest and/or net property taxes), provided that the financing is reasonably acceptable to the City and the Padres provide appropriate assurances of such payments reasonably acceptable to the City, its bond underwriters, rating agencies and bond insurers; reimburse the City for the reasonable and necessary financing costs; and do not, during the term of any financing, contest the imposition or amount of any taxes used as security for such financing if the effect of success on such contest would render the City, in the City's discretion, unable to satisfy all obligations therefrom and coverage requirements associated with such a financing. The City shall maximize the amount of such proceeds from this financing by issuing the obligations at market rates, including only usual and customary financing charges and reserves, and on mutually agreed-upon terms. At the Padres' request, the City shall consider approving the refinancing of such obligations in the future if market conditions allow for improved borrowing terms, provided that the Padres reimburse the City for the reasonable and necessary financing costs of such refinancing. If the Padres elect to finance all or any part of the Padres/Private Investment without City involvement, payment of all debt service associated with such borrowings shall be the Padres' sole responsibility.

Approximately \$81,000,000 (30% of the Ballpark Estimate) of the Padres/Private Investment will be used for Ballpark construction; the balance will be used for Infrastructure and Land Acquisition Costs in a mutually agreed upon manner, but will include the private franchise utility contributions for utility relocation and equipment, and acquisition of the Outfield Park retail parcels (parcels R1, R2, R3, R4, and R5), as shown and referred to on Attachment B ("Outfield Park Retail Parcels"). If acquired in accordance with the terms of this MOU, title to the Outfield Park Retail Parcels will be conveyed to the Padres in consideration for the Padres' investment in Land Acquisition Costs as set forth in this Section XVIII. Retail Parcels R-3 and R-5 will be delivered to the Padres with the existing buildings on APN 535-352-12 and APN 535-353-11 in an "as is condition," and Retail Parcels R-1, R-2 and R-4 and the balance of Retail Parcels R-3 and R-5 will be delivered to the Padres as a clean site, ready for development. The Outfield Park Retail Parcels and Outfield Park will be subject to mutually agreed-upon appropriate reciprocal easement agreements, and operating and maintenance covenants to protect the respective interests of the Parties.

On or before April 1, 1999, the Padres will provide the City with a first priority lien on the Padres' National League franchise, to be released promptly upon the deposit by the Padres/private sector of \$50,000,000 in the Design & Construction Fund.

XIX. OTHER REQUIRED FINANCING INVESTMENTS

The City and the Padres will cooperatively endeavor to obtain from other public and quasi-public sources commitments to provide funds or financing for land, parking, transportation, infrastructure improvements, or other value reasonably acceptable to the Parties, sufficient to provide the \$21 million in added value needed to reach the Ballpark Project Estimate of \$411 million. The Parties will also work collaboratively to obtain other general assistance from other public and quasi-public sources.

XX. DESIGN & CONSTRUCTION FUND

The City and the Padres shall establish the Design & Construction Fund as an interest bearing account. All payments for the costs of the Ballpark Project shall be made out of the Design & Construction Fund unless otherwise specifically agreed to in writing by the Parties. Within the Design & Construction Fund, separate accounts will be established for the Padres/Private Investment and the City Investment. The Agency Investment will be deposited into a separate fund. The City and the Padres will control the investments in their respective accounts; provided, however, that the City shall control the investments in the Padres' account to the extent such investments are allocated to Land Acquisition and Infrastructure. Expenditures for the Ballpark out of the Design & Construction Fund shall be under the joint control of the City and the Padres; provided, however, that the City and Padres shall establish, no later than December 1, 1998, a mechanism to ensure that all obligations approved by the Padres are satisfied in a timely and efficient manner. With the exception of other costs to be paid as part of the Padres/Private Investment, and the expenditures for the Ballpark out of the Design and Construction Fund, all other expenditures shall be under the sole control of the City. The City Investment and Agency Investment shall be deposited into their respective funds as soon as available. Notwithstanding the foregoing, the City will deposit, from its initial financing proceeds, at least \$215,000,000 into the Design & Construction Fund by the later of May 31, 1999, or 30 days after the certification of the Environmental Impact Report for the Ballpark and any necessary land use changes; provided, however, that the City, Agency and Padres shall use their best efforts to obtain such certification and financing proceeds as soon as reasonably possible. The Padres/Private Investment shall be deposited into the Design & Construction Fund in eight (8) equal quarterly payments commencing in June, 2000, subject to acceleration for any exigencies in the financing plan as reasonably determined by the City and the Padres. Interest earned on each account within the Design & Construction Fund shall count towards the Parties' respective funding requirements. The Parties will confer in good faith and agree, no later than December 1, 1998, on an estimated schedule of cash disbursements from the Design & Construction Fund, including the timing and amount of the bridge loan, to be provided or arranged by the City, Agency or CCDC necessary to meet the requirements of the schedule, but in no event shall such funds be disbursed prior to the Certification Date. As soon as expenses for the design and construction of the Ballpark Project are incurred, but no earlier than the Certification Date, payments of such expenses shall be funded by Agency equity and/or a bridge loan or other interim financing obtained by the City, Agency and CCDC (the type of financing to be at the City's discretion) to meet their respective investment obligations for the Ballpark Project, until such time as funds from their financing of choice are obtained. In the event the Padres elect not to proceed with the Ballpark Project on or before April 1, 1999, reimbursement shall take place based on the Parties' pro rata share of the Ballpark Project Estimate less the amount of other required financing investments as described in Section XIX.

In the event the Conditions Subsequent set forth in Section XXXIII have not been satisfied by March 31, 2000, or such other date as the Parties mutually agree in writing, any funds remaining in the Design & Construction Fund accounts shall be returned to the respective Parties and any assets purchased for a Party with such Party's funds will be distributed to such Party.

XXI. OWNERSHIP OF THE BALLPARK

The Ballpark shall be owned by the City and the Padres. The Padres shall have a 30% divided minority interest, and the City shall have a 70% divided majority interest. The specific Ballpark components owned by the Padres will be determined by mutual agreement and set forth in the Final Baseline Ballpark Program, but will generally include the facilities made available to suite licensees and other premium seat owners, Padres' offices and other spaces, and Ballpark fixtures and equipment, as well other items to be determined in accordance with this Section XXI. The City and Padres will each be entitled to the tax benefits, if any, with respect to its ownership interest in the Ballpark.

The Padres' ownership interest in the Ballpark will transfer automatically to the City, without further consideration, and free and clear of all encumbrances, upon the expiration of the Padres' occupancy agreement for the Ballpark. To effectuate the purpose of this provision, the Padres shall execute and escrow the necessary documents upon execution of the Ballpark occupancy agreement.

Property and general liability insurance for the Ballpark shall be obtained in conjunction with the operation and management of the Ballpark, and the expense of such insurance shall be shared, as set forth in Section XXII.E.

XXII. OCCUPATION, OPERATION AND MANAGEMENT OF BALLPARK

A. Term of Occupancy

The Padres will commit to play Major League Baseball games at the Ballpark for the duration of the financing instrument used by the City to finance (and refinance, provided that such refinancing does not increase the term of the financing instrument or adversely affect in any other way the Padres' obligations) the Ballpark Project, or for thirty (30) years, whichever period expires first; provided that in no event shall the Padres' occupancy be for less than twenty-two (22) years. The Padres shall have two (2) five (5) year options to extend the lease term on the same terms (but without additional options) and conditions. To exercise these options, the Padres must provide one (1) year prior written notification to the City.

The Padres will be prohibited from relocating the Padres' franchise to a location other than San Diego, or from playing home games at any facility other than the Ballpark except as expressly provided herein and except for temporary relocation necessitated by casualty damage to the Ballpark, for the duration of any agreement for occupancy of the Ballpark between the Padres and the City.

The Padres will have the right to transfer ownership of the Padres' franchise during the term of any occupancy agreement for the Ballpark to the extent permitted by Major League Baseball, without any restrictions imposed by the City, so long as the new franchise owner agrees in writing prior to the transfer to assume all of the Padres' obligations under the occupancy agreement for the Ballpark for the balance of its term.

B. Rent

The Padres shall pay as rent to the City, for the right to use and occupy the Ballpark, the sum of \$500,000 each Padres' fiscal year (pro-rated, based on the Opening Date through November 1, in the year of the Opening Date) in equal semi-annual payments in July and December, commencing in the first year of the Padres' occupancy of the Ballpark and increased every five (5) years by cumulative C.P.I. since the previous C.P.I. increase (if any).

C. General Operation and Use of the Ballpark

The Padres will manage and operate the Ballpark, for both Padres' Games and Events and City Events as provided herein. The Padres shall have the right to use the Ballpark for up to 125 days each calendar year for Padres' Games and Events, including without limitation Padres' games, fantasy camps, baseball games and clinics, concerts and other events conducted by Major League Baseball clubs, each calendar year. The City shall have the right, without obligation to pay rent, to use the Ballpark for 240 days each calendar year for City Events, including without limitation Convention Center and other public uses, subject to priority of scheduling as described below.

The Padres will play all of their home games, whether exhibition, regular season or post-season, at the Ballpark, except that: 1) the Padres may play up to three (3) home games each season outside the continental U.S., such as in Hawaii or Mexico; and 2) the Padres may play, every three (3) years, one home series not exceeding five (5) games (in lieu of five (5) home games) in Asia.

No amateur or professional football games shall be played at the Ballpark. City Events shall not include any professional softball or baseball games. City Events may include amateur or high school softball or baseball games with the reasonable consent of the Padres.

City Events may take place year-round, provided that no City Events shall be held on the playing field during the Major League Baseball season or during the period from February 1 until opening day of each season (to protect spring turf growth on the playing field) without the Padres' reasonable consent. City Events shall have scheduling priority during the off-season and the Padres shall have scheduling priority during the period February 1 until the end of the Major League Baseball season (including the post-season if the Padres are participants therein). The Padres will actively assist the City in operating City Events so as to maximize the City's net revenue from those events.

The Padres will not schedule, without the City's prior written consent (which shall not be unreasonably withheld), any Padres' non-game events at the Ballpark estimated to attract more than 10,000 spectators on days that events have previously been scheduled at Qualcomm Stadium.

The Padres will make every reasonable effort to keep Major League Baseball an affordable family recreation activity at the Ballpark and will provide attractive and meaningful programs designed to keep Major League Baseball affordable for families in San Diego, including providing senior, military and children discount programs during each year of the Padres' occupancy of the Ballpark.

D. Management Responsibilities

The Padres shall be responsible for operating and managing the Ballpark for all events at the Ballpark in a first class manner. Subject to Bond Counsel Review, the Padres may, at their option, establish a separate management company owned and controlled by the Padres for the purpose of providing management services for the Ballpark in accordance with the terms set out herein. The expense of such operation and management shall be shared as set forth herein. Any rights fees paid by third-party contractors for the acquisition of rights to provide services in connection with the Ballpark Project shall be retained by the Padres. The Padres shall not enter into any contract or grant any rights with respect to the operation of the Ballpark Project that extend beyond the Padres term of occupancy of the Ballpark or are not terminable by the City upon default by the Padres under any agreement for the occupancy of the Ballpark.

E. Joint Ballpark Ownership Expenses

The City and the Padres shall share Joint Ballpark Ownership Expenses based on their respective ownership percentages, with the City paying 70% of those expenses and the Padres paying 30%; provided, however, that the City's annual share of such expenses shall be limited to \$3,500,000 in the first year of operation, and increased annually thereafter by the C.P.I. Payments by the City of its share of Joint Ballpark Ownership Expenses shall be made in 2 equal payments, on February 1 (or 3 months after the start of the Padres' fiscal year) and August 1 (or 6 months after the first payment) of each year based on the Padres' good faith estimate of the total Joint Ballpark Ownership Expenses and the City's share thereof; provided, however, that the City's payment for Joint Ballpark Ownership Expenses in the year of the Opening Date shall be paid on a pro rata basis (based on the Opening Date through November 1) in two equal payments on July 1 and November 1 in the year of the Opening Date. The Padres shall provide such estimate to the City on or before December 15 of the prior calendar year. The Padres will provide the City with a final reconciliation of the total Joint Ballpark Ownership Expenses and the City's share thereof together with any refund or request for additional payment within sixty (60) days after the end of the Padres' fiscal year. Joint Ballpark Ownership Expenses consist of: 1) salaries and benefits for year-round Ballpark supervisory staff; 2) property and general liability insurance for the Ballpark and its fixtures; 3) professional fees, including legal and accounting fees and expenses, for professional services paid to unaffiliated third parties directly related to the management of the Ballpark; 4) salaries and benefits for year-round event operations supervisors who supervise all Ballpark events; 5) utility costs for the Ballpark; 6) salaries and benefits for year-round repair and maintenance staff; 7) repairs and maintenance for the Ballpark and its fixtures, equipment and systems; 8) routine maintenance and upkeep for the Ballpark, including year-round cleaning and janitorial costs; 9) year-round security costs; 10) year-round field maintenance and landscaping costs; and 11) any other customary year-round, non-event specific expenses.

F. Incremental Ballpark Expenses

The City and the Padres shall each be responsible for the Incremental Ballpark Expenses for their own events. The Padres shall be responsible for Incremental Ballpark Expenses incurred in connection with Padres' Games and Events, and which consist of the following: 1) wages, benefits and incidentals paid to all event-day staff, including, without limitation, ushers, ticket-takers, ticket-sellers and fan assistance personnel; 2) event security; 3) on-site first aid and ambulance service; 4) event publicity and marketing; 5) concession services; 6) required licenses and permits; 7) event liability insurance; 8) video board and scoreboard event staff, entertainment and event production costs; 9) public address system operations; 10) post-event cleaning and trash removal; 11) custodial staff and maintenance personnel during events, such as electricians, plumbers, and air-conditioning, elevator and escalator service personnel, sound system and field crew, and scoreboard and video board maintenance personnel; 12) any costs for the preparation and set-up for games and events, including the cost for one-time upgrades to the facility such as the provision of electricity to a particular location; and 13) any other event expenses not part of Joint Ballpark Ownership Expenses.

The City shall be responsible for all Incremental Ballpark Expenses incurred in connection with City Events, including all event expenses of the type listed above for Padres' Games and Events. Incremental Ballpark Expenses incurred for City Events shall be paid in the first instance out of the revenue received by the City from that event (i.e., ticket, concession and parking revenue generated by City Events). The City shall also be responsible for all usual and customary City operations in connection with all Ballpark events, including traffic and public safety personnel outside the Ballpark in accordance with current practice.

G. Capital Expenditures

The City will designate all Capital Expenditures, if any, with the Padres' reasonable concurrence. Such Capital Expenditures shall be paid for in the first instance with funds on deposit in the Capital Expenditure Reserve Fund, to be established and controlled by the City and Padres. Capital Expenditures shall be made to preserve the Ballpark in first-class Major League Baseball condition. The Padres shall submit to the City, on or before November 1 of each year, a proposed budget of anticipated Capital Expenditures for the succeeding year. The proposed budget shall provide a detailed statement of the need for and cost of proposed Capital Expenditures. The City shall provide its response to the proposed budget on or before January 1 of the succeeding calendar year. In the event of an emergency requiring a Capital Expenditure or other Capital Expenditure not identified in the budget, the Padres shall notify the City as soon as possible after the discovery of the emergency or need for the Capital Expenditure, and the Padres and the City shall work together in good faith to address the need for the Capital Expenditure.

The first \$5,000,000 in Ballpark construction cost savings below the Ballpark Estimate shall be deposited into the Capital Expenditure Reserve Fund. The first \$250,000 (increased every five (5) years by cumulative C.P.I. since the previous C.P.I. increase (if any)) in net annual parking revenue generated through any non-event public use of the Public Parking Facilities shall be deposited by the City into the Capital Expenditure Reserve Fund. Interest income generated by the Capital Expenditure Reserve Fund shall constitute part of such fund. Any funds on balance in the Capital Expenditure Reserve Fund at the expiration of the Padres' occupancy agreement for the Ballpark shall belong to the City.

The Padres shall be responsible for Capital Expenditures that cannot be paid for in full out of the then remaining balance in the Capital Expenditure Reserve Fund. Any such amounts paid by the Padres shall be treated as an interest-free loan to the Capital Expenditure Reserve Fund, which shall be repaid to the Padres the following year using deposits made by the City, subject to the limitations set forth above, provided and to the extent that the balance in the Capital Expenditure Reserve Fund exceeds \$500,000. At the conclusion of the term of the Padres' occupancy agreement for the Ballpark, the Padres shall ensure through an independent qualified third party that all necessary capital improvements have been completed and that there are no deferred maintenance items.

XXIII. CONCESSIONS

The Padres will select and contract with one or more concessionaires to provide concession services for all events at the Ballpark. To the extent legally permitted, the Ballpark concessionaires selected by the Padres shall have the exclusive right to offer concession services within the entire Ballpark Project, including the walkways surrounding the admissions gates and the Parking Facilities. Any amounts invested by a concessionaire in the construction, installation or equipping of the concession facilities for the Ballpark may be applied on a dollar-for-dollar basis toward satisfaction of the Padres/Private Investment.

The Ballpark concessionaires shall pay the same rates of commissions for concessions at City Events as are paid at Padres' Games and Events. The Padres shall determine all food, beverage and novelty items to be sold by the Ballpark concessionaires, and shall approve all prices for such products. The Padres shall consult with the City before approving products and prices for sale at City Events. The City shall have the right to sell its novelties at its events.

All fees paid to obtain Concession Rights within the Ballpark Project shall be retained by the Padres. All concession commissions payable in connection with concessions at Padres' Games and Events shall be paid to the Padres. Subject to any commissions due to the Padres from the sale of Padres' related merchandise, all concession commissions payable in connection with concessions at City Events shall be paid to the City on a net basis, after payment of all Incremental Ballpark Expenses for such events.

XXIV. ADVERTISING

The Padres shall have the exclusive right to sell advertising within all parts of the Ballpark Project, including (subject to all applicable laws) outside the Ballpark and on the exterior structure of the Ballpark and/or its systems. Unless otherwise determined by the Padres in its contracts with advertisers, all advertising sold by the Padres shall be displayed at the Ballpark Project at a events.

Advertising sold and/or otherwise provided by the Padres for display in or within the Ballpark may not be covered or obstructed without the Padres' consent. The City's Events shall not have title sponsors who are competitors of the exclusive Ballpark advertisers or sponsors. No sponsor of a City Event may remove or obstruct any Ballpark advertising sold by the Padres, or display temporary advertising signage of any type that conflicts with the Padres' advertising arrangement for the Ballpark.

All revenue from the sale of advertising and sponsorships within the Ballpark shall be retained by the Padres, except for permissible temporary advertising and sponsorships in connection with City Events.

XXV. NAMING RIGHTS

Funds obtained from Naming Rights shall be retained by the Padres. The Padres shall have the exclusive right to solicit for and contract with persons or entities interested in purchasing Naming Rights (except with respect to the Public Parking Facilities). Any name proposed to be associated with the Ballpark shall be tasteful and not be a cause for embarrassment to the City and, to ensure this protection shall be subject to the City's consent (which will not be unreasonably withheld or delayed).

XXVI. UTILITIES

The Padres will be responsible for contracting with utility companies to provide all utility services for the Ballpark. Any rights fees or other revenue generated by those arrangements shall be retained by the Padres.

XXVII. PRIVATE SUITES

The Padres will have the exclusive right to license the private suites in the Ballpark for all events at the Ballpark, and to retain all resulting licensing revenue. The Padres shall determine the amount of all suite license fees and the costs of related amenities.

The Padres may grant private suite licensees the exclusive right to use their suites during all Ballpark events. Suite licensees will have the option, but not the obligation, to buy tickets to City Events as part of the suite license package, provided that such licensees shall not be admitted to such events without purchasing such tickets.

Revenue, if any, from the sale of admission tickets to the exterior seats of such private suites will be shared, with the City receiving such revenue from City Events on a net basis (after payment of all Incremental Ballpark Expenses for such events), and the Padres receiving such revenue for Padres' Games and Events.

XXVIII. PREMIUM SEATS

The Padres shall have the exclusive right to establish premium seat ownership rights at the Ballpark, and to determine all license fees and ticket prices for such seating, including but not limited to club seat ownership fees, one-time founders' fees or construction contributions associated with the purchase of such seating. All revenue from all premium seat ownership fees, founders' fees or related construction contributions shall be retained by the Padres.

Revenue from the sale of admission tickets to premium seating will be shared, with the City receiving such revenue for City Events on a net basis (after payment of all Incremental Ballpark Expenses for such events), and with the Padres receiving such revenue for Padres' Games and Events.

XXIX. USER FEES

The Padres shall have the exclusive right to charge a per-ticket user fee per paid admission for tickets to Padres' Games and Events. If the Padres charge such fee, they shall be accounted for separately by the Padres. Any such fee may be used for the purpose of providing funding for the Padres/Private investment, either directly or by functioning as collateral for financing.

XXX. COMPLIANCE WITH LAWS

Each Party shall be responsible for compliance with all laws and regulations that may apply to the construction, use and operation of the Ballpark Project to the extent that such Party is responsible for that aspect of the Ballpark Project. The Padres shall have the lead responsibility during the Ballpark design and construction for ensuring compliance with all licensing, permitting and construction requirements, and with the design and access requirements of the federal Americans with Disabilities Act and any similar laws. To the extent the Parties purchase insurance or obtain contract protection with respect to construction of the Ballpark Project, the Padres and the City shall each ensure that the other Party has the same protections available to it with respect to coverage, including insurance and contract protection from general contractors, architects and other Ballpark Project professionals, from claims resulting from the Americans with Disabilities Act and any similar laws (if such protection can be obtained without significant additional cost; however, each Party may elect to pay any such significant additional cost); provided, however, that the Padres shall be responsible for any such claims in the event that the City provides the Padres with written notice of a violation of such laws and the Padres have the responsibility to remedy such violations and fail for any reason to remedy such violations. All actions required by this MOU shall be subject to all requirements of law, including any required hearings and findings.

All Parties to this MOU shall assure that equal opportunities are provided in contracting, subcontracting and employment regardless of race, color, religion, sex, sexual orientation or national origin.

XXXI. CONSTRUCTION OF PHASE 1 AND OTHER ANCILLARY DEVELOPMENT

A. Components of Ancillary Development.

The Ancillary Development will include the construction of hotels, office buildings, retail space, as well as residential development and associated parking. The Developer will have the right to fine-tune its mix of hotel, office, retail, residential and other development space within the District at any time prior to the completion of Phase 1 (provided the Developer completes Phase 1 as required by this MOU) in order for the development program to respond to market conditions, subject only to the following sentence. The Developer's right to fine-tune the mix of development properties is conditioned upon (1) the Transient Occupancy Tax generated by, and the assessed values of, the Ancillary Development being at the completion of Ballpark construction at least what such amounts would have been as agreed upon by the parties on or before February 14, 1999 (although the Parties shall endeavor to agree on an interim preliminary pro forma with respect to such amounts on or before November 30, 1998) and (2) to the extent the property for Phase 1 was acquired from the Agency, any such changes being consistent with the fair reuse value analysis for the properties; provided that any such changes after the execution of the DDA shall be subject to any applicable laws. The Padres/Developer shall have the right to transfer all or part of these rights and obligations to an entity reasonably acceptable to the City and Agency, and the parties recognize that market demand shall be the critical determinant in the ability of the Padres/Developer to commit by April 1, 1999 to the high level of Phase 1 development contemplated. The Developer shall substantially complete Phase 1 and obtain an appropriate certificate of occupancy on or before March 31, 2002, and shall use its good faith, best efforts to accomplish this on or before January 31, 2002.

B. Location of Phase 1.

Phase 1 will be located within the boundaries of the District. The overall size and location of Phase 1, and the locations and configurations for each structure comprising it, will be designed by the Padres and/or the Developer, subject to negotiations with CCDC, and the City's and Agency's approval as required by law. The Substitute Ancillary Development must be located in the area set forth on Attachment C.

C. Developer's Purchase of Land.

If the Agency purchases or uses its powers of eminent domain to acquire all or any part of the land needed for Phase 1, and the Developer approves the terms on which such purchases are to be made, the Developer agrees to advance to the Agency, after the Certification Date, sufficient funds necessary to pay all costs for such purchase not to exceed \$25,000,000 in the aggregate ("Loans"). The Agency shall not be required to exercise its powers of eminent domain to acquire any property needed for Phase 1 to the extent that the cost of such property exceeds the available Loan proceeds. The Parties shall use their good faith best efforts in attempting to structure the Loans so that they are fully tax-exempt and are collateralized by a deed of trust. Costs shall include all funds necessary to pay for the land, including without limitation buildings, improvements, fixtures, equipment, relocation costs, goodwill and other costs associated with the acquisition of the properties ("All-In Costs").

In the event Phase 1 does not proceed for any reason, the Agency agrees to repay the Loans together with interest at a market rate, from funds available to the Agency amortized over a 10 year period. The Loans will be secured by a deed of trust on the properties purchased with the proceeds of such Loans; be the obligation of the Agency; and contain such other terms as are reasonably acceptable to the Agency and the Developer. The Developer and the Agency will use their good faith best efforts in attempting to structure the financing so as to make the Loans salable by the Developer in the secondary market.

In the event Phase 1 does proceed, the Agency (after review of all information customarily submitted by a developer) will permit the Developer to purchase the land at the lowest of its fair market value, its fair reuse value, or the Agency's All-In Costs, in accordance with and to the fullest extent permitted by law. If the Agency's All-In Costs turn out to be the lowest of those three amounts, but applicable law does not permit a sale at less than the lower of fair market value or fair reuse value, then the Agency will utilize the amount of the excess paid by the Developer over the All-In Costs ("Excess Land Cost"), on a parcel-by-parcel and dollar-for-dollar basis, for infrastructure and public improvement costs within the District (excluding dry utility costs), and for other development by the Developer, consistent with applicable law. Notwithstanding the foregoing, if there is one developer of Phase 1, the Excess Land Cost may be determined on an aggregate and dollar-for-dollar basis, for infrastructure and public improvement costs within the District (excluding dry utility costs), and for other development by the Developer, consistent with applicable law, as determined by the Developer. In the event of excess credit pursuant to the previous provision, the Agency and the Developer shall in good faith reach an equitable solution, to the fullest extent permitted by applicable law. The Agency and the Developer shall work cooperatively to determine the fair reuse value of such land within thirty (30) days after the Agency receives all information customarily required by the Agency. If the price for the land paid by the Developer is less than the Agency's All-In Costs for such land, the Developer shall finance such difference on the same terms as the Loans (including interest at a market rate); provided, however, that the Agency shall replace the trust deed with other collateral reasonably acceptable to the Developer (e.g., a pledge of tax increment) (for the Agency will no longer own the land previously encumbered by the trust deed), and the Loans re-collateralized in that manner again will be the obligation of the Agency; and contain such other terms as are reasonably acceptable to the Agency and the Developer. The Developer and the Agency will use their good faith best efforts in attempting to structure the financing so as to make the Loans salable by the Developer in the secondary market, which the Parties acknowledge is a material term of the loans.

D. Developer Rights within the District.

For a period from the date of the MOU until three (3) years after the Opening Date, the Agency shall consult with the Developer on any Request For Proposal/Request For Qualifications ("RFP/RFQ") prior to issuance on the nature and scope of the RFP/RFQ. Such consultation shall apply for the blocks shown on Attachment D. For a period from the date of the MOU until three (3) years after the Opening Date, the Developer shall have an option (subject to Agency approval as provided below) to submit a proposal to acquire a site (or sites) from the Agency for development consistent with applicable law within the area shown on Attachment D, but only after Agency's review of all information customarily submitted by a developer, and only if such development is consistent with the applicable Planned District Ordinance ("PDO") requirements, and is economically feasible for the Agency in its judgment. If the Agency determines not to enter into a DDA on the terms proposed by the Developer on any such site(s), for a period of one year after such determination, if the Agency offers any incentives for development to any other developer on such site(s) that are greater than that which was offered to the Agency by the Developer, then the Developer shall have a Right Of First Refusal ("ROFR") for such development on such site(s) and with such incentives; provided, however, that if the Agency makes a counter offer to the Developer, which the Developer rejects, then the Agency may also offer to any other developer on such site(s) the same incentives (or less favorable incentives) as counter-offered to and turned down by the Developer, without being subject to the Developer's ROFR. The foregoing is subject to the provisions of Section XXXI.P.

E. Land Acquisition Process for Phase 1.

Except with respect to land purchased by the Padres/Developer, the Agency shall purchase and/or use its powers of eminent domain (subject to any requirements of law, including hearings and findings) to acquire title to or full control of all land required for Phase 1 (and if agreed upon between the City and the Developer after a request by the Developer and good faith consideration by the Agency, also for subsequent related development).

Regardless of whether the Agency or Developer purchases the land required for Phase 1, the Agency and Developer agree to negotiate in good faith for the payment of the Off-Site Costs (as defined below) based on the fair reuse value of each individual project parcel. If, based on a reasonable fair reuse value analysis conducted by the Agency, the Developer's project is deemed to be unable to sustain the Off-Site Costs, then the Agency shall pay such Costs if the combined Land Acquisition and Infrastructure Estimates exceed the actual costs for Land Acquisition and Infrastructure; if there is no such excess the Agency will treat the Developer as it customarily treats other developers with respect to other issues. Off-Site Costs consist of only the costs for the streetscape improvements adjacent to the Developer's individual projects and the costs of any wet utility relocations not paid by other sources.

F. Master Developer.

The Padres shall have the right to select and contract with the Developer, including the right to negotiate for and retain all Developer Rights Fees and to include such fees in the Padres/Private Investment. The City agrees that the Padres may act as principal in the Developer to be formed by the Padres and other entities.

G. Necessary Development Agreements.

The City, Agency and the Padres, or the City, Agency and the Developer, shall promptly negotiate and enter into either (a) a Development Agreement and a separate Disposition and Development Agreement concerning Phase 1, or (b) a combined DA/DDA, on or before the date the PDO is adopted. These agreements shall give the Padres/Developer all requisite authority allowed under law to contract with developers for Phase 1. To the extent not previously accomplished, following the execution of those agreements, the Parties shall proceed expeditiously to process any remaining necessary land use changes, acquire the parcels needed for Phase 1 and to design and begin construction. The Padres and/or the Developer may request an amendment to the existing Centre City PDO generally consistent with the ROMA Urban Plan 4g Draft such that the Ballpark Project and Phase 1 development can be built. The amended PDO may establish standards for design within the District. The amended PDO may also provide flexibility to select among multiple alternative uses of blocks, and may permit the transfer of FAR among blocks in order to respond to market conditions, each with CCDC's concurrence, which will not be unreasonably withheld. The City agrees to consider expeditiously (but no later than 2 weeks before the date by which the Developer has to commit to Phase 1) and in good faith the adoption of the requested amendment. If the City does not adopt an amendment acceptable to the Padres and Developer, the Padres and Developer may decline to proceed with Phase 1, in which case the City and/or Padres may decline to proceed with the Ballpark Project.

H. Parity in Development Rights and Opportunities.

The Parties recognize the importance of the success of Phase 1 to the redevelopment of Centre City East, and the Parties therefore commit to each other to treat Phase 1 as projects of the highest priority. Accordingly, from the execution of the DA/DDA through the completion of Phase 1, the Agency and CCDC will treat the Developer as the primary and best development partner with which such Parties work. If the Agency or CCDC enters into a DA, DDA, owner participation agreement and/or similar development incentive agreement with a developer regarding development of a product type comparable to that required for Phase 1 that, when taken as a whole and fairly considered, contain rights more favorable than those given to the Developer, the Agency shall adjust the Developer's rights accordingly.

I. Tax Issues.

Subject to any requirements of law (including any hearings and findings), the City or its designees agree to use the tax increment or an equivalent amount, net of any currently existing set-asides, pass through agreements and other obligations of the Agency, generated by Phase 1, including incremental property taxes, and Transient Occupancy Tax receipts, first to defray the public cost of the Ballpark Project to the extent required in this MOU and thereafter will consider in good faith such funds for reinvestment for public improvements within the District.

J. Fee and Tax Waivers.

In connection with the construction of Phase 1, and to the fullest extent permitted by law, the City and Agency shall waive and/or discount for the Developer the imposition of all taxes and fees customarily imposed on developers in their capacity as developers and/or their projects.

K. Limitations on New Taxes.

For the duration of the Ballpark occupancy agreement, if the City imposes, either directly or indirectly, any new or increased taxes, fees or assessments against the Padres with respect to the Ballpark Project (such as new or increased admission, ticket or entertainment taxes, sales taxes on admissions or tickets, parking taxes, transportation taxes or assessments, utility taxes, facility benefit assessments, possessory interest taxes or personal property taxes) above and beyond those already required to be paid under or already established by existing law as of August 4, 1998, then the Padres shall receive full credit for the amounts of such new or increased taxes, fees or assessments paid by the Padres against sums otherwise owed to the City under the Ballpark occupancy agreement or the DA/DDA (or other consideration in the event such sums are not sufficient to offset the required credit). The previous sentence shall not apply to (a) any new or increased taxes, fees or assessments already required to be paid under or already established by existing law as of August 4, 1998; (b) any assessments imposed pursuant to a favorable vote of taxpayers within an assessment district including the Ballpark Project, in which the Padres participate as a voter; and (c) any new or increased taxes, fees or assessments which are "generally applicable." In order to qualify as "generally applicable," a new or increased tax, fee or assessment (1) must apply City-wide; (2) must be payable by a substantial number of taxpayers in addition to the Padres; and (3) must not be an admission, ticket, entertainment or similar tax, fee or assessment.

L. Development Assistance.

The City shall promptly enter into an Economic Incentive Agreement with the Developer under City Council Policy 900-12, through which all permitted Enterprise Zone and other incentives, to the extent the proposed development meets the required criteria, including permit assistance and (as allowed by law) housing-impact fee waivers, shall be made available to the Developer, to the fullest extent allowed by law. The Agency agrees to give favorable consideration, to the extent permitted by applicable law (if all other applicable criteria are also met), to proposals from the Developer for the development of low and moderate income housing in the District, by which the Developer may use an amount equivalent to that portion of the Agency's 20% set-aside housing fund attributable to tax increment from Phase 1, for the year in which the proposal is made. In all cases, however, such proposals shall be subject to Agency review and approval as required by applicable law and as considered economically feasible in the Agency's judgement.

M. Expedited Development Processing.

To the fullest extent permitted by law, the City and CCDC shall expedite and give first-priority status to its processing of the Developer's land use, zoning and permit applications, the Developer's construction drawings, plans and specifications, and all similar or related submissions by the Developer concerning Phase 1.

N. Ballpark Protection Zone.

As part of the Centre City PDO amendment described above, the City and CCDC shall, subject to any necessary public hearings and compliance with applicable law, establish a zone extending around the entire perimeter of the Ballpark, as set forth in Attachment G, which will be treated as a "Ballpark Protection Zone" for purposes of Phase 1 and all further development subsequently authorized by the City. Within this zone, architectural and development controls will be addressed to protect the sight lines, shadow impact, general operation, architectural image and commercial value and integrity of the Ballpark.

O. Further Actions.

The DA/DDA(s) for Phase 1 will contain a provision stating that the Padres, Developer, City and CCDC/Agency agree to take any and all further actions as may be reasonably required or appropriate to evidence or effect the intent and purposes of the rights and obligations regarding Phase 1 and any subsequent related development, including without limitation collaborating to ensure the success of the redevelopment of Centre City East, Phase 1 and any subsequent related development, and collaborating with public and/or quasi-public entities and/or private landowners to obtain their support for Phase 1 and any subsequent related development.

P. Sports Arena.

If the City/CCDC/Agency decides to construct a sports arena in San Diego, and the Padres (and/or any entity in which the Padres and/or its principals have an ownership interest) have a commitment from the NBA, NHL or team owner for an existing NBA or NHL franchise to relocate

San Diego or any NBA or NHL expansion franchise to be located in San Diego within 3 years after the date of such commitment ("Commitment"), the City shall (subject to any existing right of the current sports arena operator to operate and manage a new sports arena in San Diego) negotiate exclusively with the Padres concerning the rights to own, construct, use and/or operate that sports arena before conducting discussions of those issues with any other potential owners, developers, operators, managers or occupants. In the event the negotiations between the City and Padres do not lead to an agreement, the City/CCDC/Agency shall provide the Padres with a right of first refusal with respect to any such agreement to be entered into between the City and a third party, provided that at the time of the exercise of such a right, the Padres have a Commitment and are not in default under the Ballpark occupancy agreement. The rights of negotiation and first refusal under this paragraph must be exercised, if at all, during the first 10 years of the Padres occupancy of the Ballpark.

XXXII. EXTENSION OF TERM AT QUALCOMM STADIUM

The Padres will extend their use and occupancy of Qualcomm Stadium through the end of the 2001 Major League Baseball season or until the Ballpark opens for play. Such extension shall be governed by the same terms as apply to the Padres' current occupancy of Qualcomm Stadium, as reflected in the September 25, 1996, agreements between the Padres and the City, as modified by mutually agreed-upon financial terms to address the consequences of the City-Chargers arrangements for the 2000 season and beyond. The City and Padres acknowledge the existence of the City-Chargers agreement, and agree that the agreed-upon modifications for this extension, which will be contained in a fully integrated agreement not subject to any other agreement, cannot be inconsistent with the terms of the City-Chargers agreement. Unless otherwise agreed upon, the necessary agreement for the extension will be reached no later than October 1, 1998.

After the Padres occupy the Ballpark, the Padres will have, at no additional cost, access to the current Padres store (subject only to any agreement the City reaches with the National Football League for use of facilities for any Super Bowl), parking at Qualcomm Stadium (as provided below), and appropriately equipped ticket windows at Window C and offices to allow patrons of Qualcomm Stadium to buy tickets to Padres' games and other Ballpark events. On days Padres Games or Events are scheduled at the Ballpark, 2,500 parking spaces shall be available for patrons of the Padres (subject to Chargers' games and other high attendance events at Qualcomm Stadium); on all other days, a reasonable number of parking spaces shall be available to accommodate purchasers of tickets and patrons of the Padres store.

XXXIII. CONDITIONS SUBSEQUENT

A. The respective obligations of the Parties as set forth in this MOU are contingent upon the following (unless waived by the Parties):

1. The City's and Agency's ability to obtain financing for the Ballpark Project on terms reasonably acceptable to the City and on a fully tax-exempt basis, except for such financing based upon certain limited, agreed-upon Padres/Private Investment payments (which may at least include, at the Padres' discretion, Padres' revenue and/or other Padres' sources, and net possessory interest and/or net property taxes). Notwithstanding anything to the contrary contained in this MOU, the Parties will work together to maximize the amount of tax-exempt financing.
2. Occurrence of the Certification Date.
3. Full compliance with the California Environmental Quality Act has occurred.
4. The feasibility of completing Land Acquisition, environmental approvals, Parking Facilities and Infrastructure for the Ballpark Project within the cap set forth in Section XII is confirmed by April 1, 1999.
5. The ability of the City and Padres to obtain by April 1, 1999, sufficient additional financing investments, as set forth in Section XIX, to fund the Ballpark Project, or the Padres' agreement by that date to reduce the size of the Ballpark Project in light of the available funds.
6. The City and Padres agreeing on financial terms for the extension of the use and occupancy agreement for Qualcomm Stadium by October 1, 1998, as set forth in Section XXXII.
7. The Padres' continued good standing in Major League Baseball and Major League Baseball's approval of the terms of the MOU and the terms of any Ballpark occupancy agreement (to the extent such agreements exist on or before March 31, 2000).
8. The Padres' continued ability to pay its debts ~~when~~ and as due, and avoid insolvency or any form of voluntary or involuntary bankruptcy.

9. The Parties reaching agreement on the schedule of disbursements from the Design & Construction Fund, as set forth in Section XX.

B. The obligations of the City, Agency and CCDC, as set forth in this MOU, are additionally contingent upon the following (unless waived by the City, CCDC and the Agency):

1. The City receives from the Padres and/or others, by April 1, 1999, the assurances set forth in Section IX.C.

2. The City receives from the Padres and/or Developer, by April 1, 1999, assurances that Phase 1 (including any Substitute Ancillary Development) will be substantially complete on or before March 31, 2002, and have the potential to generate the tax increment and Transient Occupancy Tax revenue necessary to help support the City and Agency Investments.

3. The Padres/Private Investment is secured as set forth in Section XVIII.

4. The State of California, on or before September 1, 1999, not eliminating Vehicle License Tax revenues (or any alternative revenue source substituted for such revenues as a result of negotiations between the State legislature and Governor, or as determined by the State legislature) to the City, or reducing those revenues to the City in an amount constituting more than 5% of the City's general fund budget at the time the reduction is effective; provided, however, that if this condition subsequent is not satisfied, the City shall reimburse the Padres in full for any out-of-pocket expenses incurred by the Padres up to that time for the Ballpark Project. Upon any such reimbursement, the Padres shall assign and deliver to the City all designs, plans, reports, renderings and other materials owned or controlled by the Padres and relating to the Ballpark Project to the extent any such materials were paid for by the reimbursement.

C. The obligations of the Padres, as set forth in this MOU, are additionally contingent upon the following (unless waived by the Padres):

1. The Padres commitment by April 1, 1999, to fund or obtain financing for all or part of the Padres/Private Investment.

2. Land acquisition is completed as set forth in Attachment E.

3. The initial City financing is executed as set forth in Attachment E.

4. The Padres' ability to provide the necessary assurances to the City by April 1, 1999, that Phase 1 (including any the Substitute Ancillary Development) will proceed.

XXXIV. CREDIT ENHANCEMENT

The City intends to establish a Stabilization Reserve Fund for its financing of choice for the Ballpark Project. The Padres shall deposit certain sums into the Stabilization Reserve Fund from time to time under the circumstances and terms set forth in Attachment F.

XXXV. PADRES COVENANTS

In the unlikely event that the Padres file for bankruptcy protection, this MOU, and any lease or other agreement between the Parties regarding the Ballpark Project or Ballpark shall immediately be null and void, and the Padres' ownership in the Ballpark shall immediately revert to the City, unless specifically agreed to in writing by the City, Agency and CCDC.

In the construction of the Ballpark and Phase 1, the Padres shall use its good faith efforts to maximize the use of local contractors, sub-contractors and workers.

Should the City decide to transfer its ownership interest in the Ballpark Project, or lose that ownership interest as a result of foreclosure or similar action, the Padres will attorn to the finance instrument holders, or to any other transferee of the City who acquires the City's ownership, so long as the Padres are provided with a non-disturbance agreement in form and substance reasonably acceptable to the Padres.

XXXVI. CITY AND AGENCY COVENANTS

The City and the Agency covenant that, if there is no default of any lease or other agreement for the Padres' use and occupancy of the Ballpark beyond any applicable grace and cure periods, during the term of any such agreement the Padres shall quietly enjoy possession of the Ballpark pursuant to this MOU or any such agreement without hindrance or interference by the City or Agency, or any party claiming by, through or under them, on the dates and during the times it is entitled to such possession pursuant to the terms of such occupancy agreement, except as otherwise required by law.

XXXVII. OPTION TO PURCHASE AND RIGHT OF FIRST REFUSAL

If, at any time during the term of a lease or other agreement between the City and the Padres for the use and occupancy of the Ballpark, the City proposes to sell its interest in the Ballpark to a third party, the City shall first give the Padres a written offer to sell the City's interest in the Ballpark to the Padres on the same terms and conditions on which the City proposes to sell its interest in the Ballpark to such third party. The Padres shall have a period of 90 days to accept or reject the City offer. In addition, if at any time during the term of any lease or other agreement, the Padres wish to purchase the City's interest in the Ballpark and/or the City contemplates a sale of its interest in the Ballpark, the City shall negotiate exclusively and in good faith with the Padres to sell its interest in the Ballpark to the Padres for a period of 60 days before negotiating with other potential purchasers of the City's interest.

If, at any time during the term of any occupancy agreement for the Ballpark, the Padres propose to sell its interest in the Ballpark to a third party, other than in connection with a sale of the Padres' franchise or to an entity controlled by the Padres and/or its partners, the City shall have a right to approve such sale.

XXXVIII. MODIFICATIONS TO MOU

Except as specifically set forth in this MOU, this MOU may not be modified or amended without the affirmative vote of a majority of the electorate of the City voting at an election held for that purpose. The City Council may agree to amend or modify this MOU without a vote of the electorate only if such amendments or modifications do not materially: 1) decrease the rights or increase the obligations of the City; 2) increase the financial commitments of the City; or 3) decrease revenue to the City. Any modifications or amendments to this MOU must be in writing and signed by all the Parties.

XXXIX. IMPLEMENTATION

Subject to compliance with the California Environmental Quality Act and any other applicable laws, the Parties shall take all lawful actions, and enter into all legal agreements, within their respective jurisdictions, necessary to implement the purpose and intent of this MOU. Unless specifically directed or prohibited to act in a particular manner by this MOU, each Party shall have the discretion, within its respective jurisdiction, to implement this MOU in the manner that, in its best judgement, is in its best interests.

Prior to the Certification Date, the Padres shall have obtained such consents and approvals of Major League Baseball as may be necessary for the Padres to enter into and perform its obligations under this MOU and the additional documents required by this MOU (to the extent such documents exist at such time).

In light of the public vote and the Padres' guarantee of various aspects of the City's financing plan, the City shall share with the Padres the composition of the public funding sources and the Padres shall share with the City, on or before the Certification Date, the composition of the private funding sources.

XL. BINDING EFFECT AND ENFORCEABILITY

Although the planning, construction, operation, management, use and occupancy of the Ballpark, Ballpark Project and Phase 1 shall be subject to the terms of more definitive agreements, which will encompass issues not addressed in this MOU, the Parties agree that the terms of this MOU will be incorporated into such other agreements. The Parties further acknowledge and agree that this MOU reflects the basic business deal between the Parties and is intended to be binding on the Parties, their respective successors and assigns; however, this MOU shall be binding on the Parties only as to the matters set forth in this MOU, and shall not bind the Parties regarding any other future proposal for the construction of a ballpark or other development anywhere in the City.

XLI. FORCE MAJEURE

Should any of the Parties be delayed in or prevented, in whole or in part, from performing any obligation or condition required by this MOU by reason of a Force Majeure Event, that Party shall be excused from performing that obligation or condition for so long as the Party is delayed or prevented from performing, and for a period of thirty calendar days thereafter, and any affected deadlines shall be similarly extended.

XLII. COSTS FOR NEGOTIATIONS AND PREPARATION OF DOCUMENTS

Each Party shall be solely responsible for its own legal, accounting, consulting and other professional fees and expenses incurred in connection with the planning and negotiation process

for the Ballpark Project, and the negotiation and preparation of all agreements and documents required to implement the terms herein. If the Ballpark Project proceeds, the City, Agency, CCD and Padres will be entitled to receive out of the Design and Construction Fund any existing development expenses and other soft costs, including those set forth in this Section XLII, relate solely to the Ballpark Project (to the extent such costs are included in the Ballpark Project Estimate).

XLIII. NOTICE

Any notice, demand, complaint, request, or other submission under this MOU shall be in writing and shall be given by personal delivery to the persons designated below, with copies delivered as indicated, or by US Mail, Certified, return receipt requested, with copies mailed as indicated.

For the City: City Manager
202 "C" Street
San Diego, CA 92101

Copy: City Attorney
1200 Third Avenue, Suite 1620
San Diego, CA 92101

For the Agency: Executive Director
202 "C" Street
San Diego, CA 92101

Copy: General Counsel
1200 Third Avenue, Suite 1620
San Diego, CA 92101

For CCDC: President
225 Broadway, Ste. 1100
San Diego, CA 92101

Copy: Bea Kemp, General Counsel
Kemp & Pratt
[REDACTED]
San Diego, CA 92101

For the Padres: Lawrence Lucchino, President & Chief Executive Officer
San Diego Padres
[REDACTED]
San Diego, CA 92108
P.O. Box [REDACTED]
San Diego, CA 92112

Copy: Alan Ostfield, Vice President & General Counsel
San Diego Padres
[REDACTED]
San Diego, CA 92108
P.O. Box [REDACTED]
San Diego, CA 92112

XLIV. COUNTERPARTS

This agreement may be executed in any number of separate counterparts and by each of the Parties in separate counterparts, each counterpart constituting an original, and all such counterparts constituting but one and the same agreement.

XLV. POSSESSORY INTEREST TAXES

The use and occupancy of the Ballpark or Ballpark Project may create possessory interests subject to taxation by the State of California. The City, Agency and CCDC shall have no liability for such possessory interest taxes. Any further or additional agreements regarding the Ballpark or Ballpark Project shall contain a provision that relieves the City, Agency and CCDC of any liability for possessory interest taxes for the use or occupancy of the Ballpark or Ballpark Project.

XLVI. REVIEW AND AUDIT

At its own cost and expense, each Party shall have the right to review and audit, upon reasonable notice, the books and records of any other Party concerning any monies due and owing to the requesting Party, or concerning the expenditure of funds received from the requesting Party. This right does not extend to books and records that do not, in any way, relate to or concern

the accounting of monies as may be owed to the Parties from each other, or the expenditure of monies received from any other Party. Any additional agreement contemplated or required by this MOU shall contain appropriate provisions to implement this Section.

VII. OTHER PROVISIONS

The other documents required or contemplated by this MOU shall contain such other provisions, representations, warranties, covenants and indemnities as are customarily included in similar documents related to the development, construction and operation of Major League Baseball facilities.

VIII. SUCCESSORS AND ASSIGNS

This MOU shall be binding upon and shall inure to the benefit of the Parties and their respective assigns; provided, however, that the Padres shall have no right to assign this MOU or its rights hereunder prior to the Opening Date.

LIX. GOVERNING LAW

This MOU shall be governed by and construed according to the laws of California.

SAN DIEGO PADRES

CITY OF SAN DIEGO

By: _____
Lawrence Lucchino
President & Chief Executive Officer

By: _____
Michael T. Uberuaga
City Manager

REDEVELOPMENT AGENCY OF THE
CITY OF SAN DIEGO

CENTRE CITY DEVELOPMENT
CORPORATION

By: _____
Michael T. Uberuaga
Executive Director

By: _____
Peter Hall
President

I HEREBY APPROVE the form and legality of the foregoing Memorandum of Understanding this _____ day of _____, 1998.

CASEY GWINN, City Attorney

By: _____
Leslie J. Girard
Assistant City Attorney

**ATTACHMENT A
MAP OF INFRASTRUCTURE IMPROVEMENTS**



A BALLPARK DISTRICT FOR SAN DIEGO

INFRASTRUCTURE IMPROVEMENTS

- City/Ballpark Project Road Improvements and Utilities Relocation
- City/Ballpark Project Streetscape Improvements
- Private Developer /CCDC Streetscape Improvements
- City/Ballpark Project Park & Plaza Improvements (striped is sitework only)
- Surface Parking Lots - Phase I
- Structured Parking - Phase I
- Coaster Improvements

**ATTACHMENT A-1
BALLPARK PROJECT AREA
INFRASTRUCTURE EXPENSE SUMMARY**

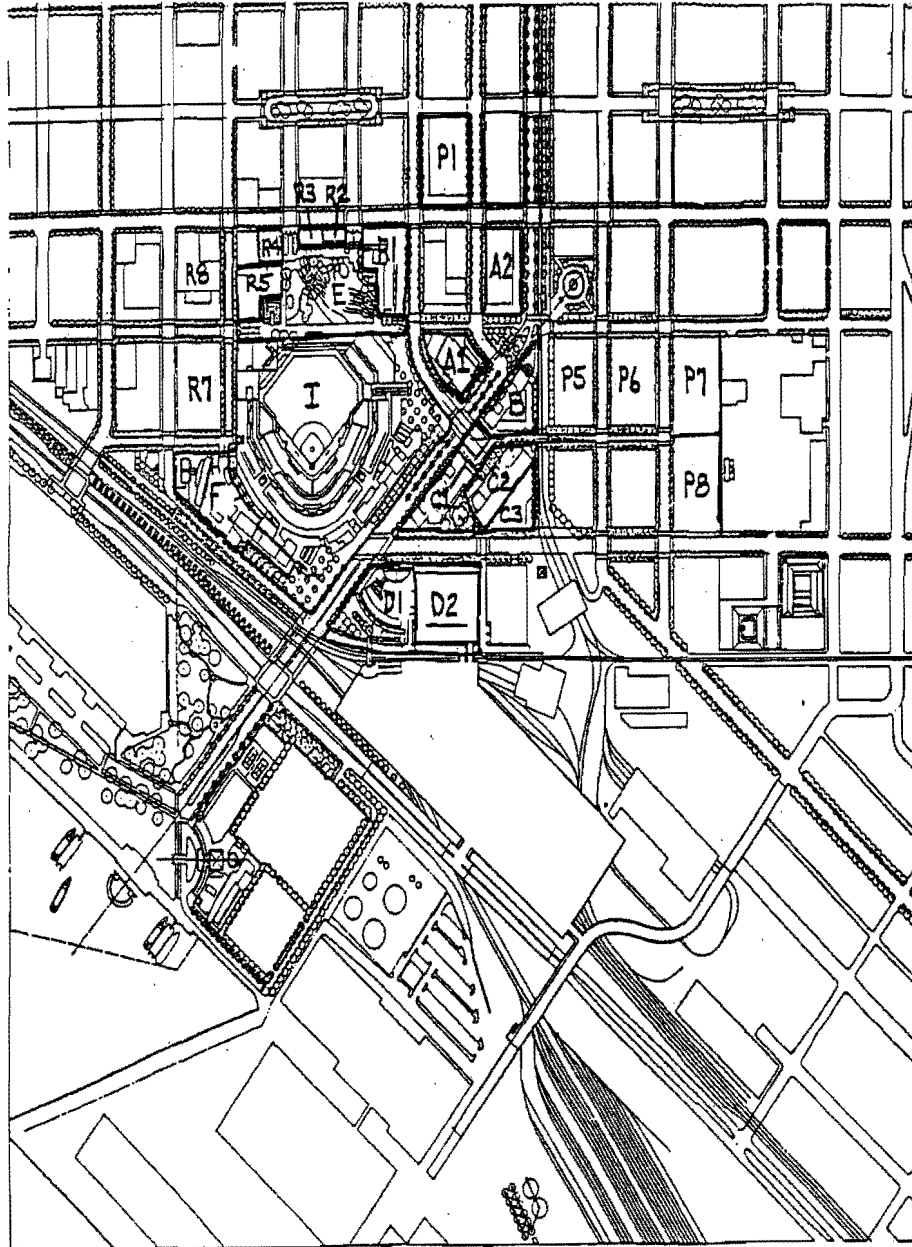
<u>Project Infrastructure Improvements</u>		<u>Total Project Costs</u>
1.	Public Roadways	\$8,265,196
2.	Ballpark parcel Site Work (Demo & Abatement)	\$2,190,015
3.	Park and Plaza Site Work & Improvements	\$2,553,735
4.	Parking Improvements	
	Surface Parking Improvements	
	D1	\$646,000
	D2	\$530,000
	P5	\$500,000
	P6	\$500,000
	P7	\$500,000
	P8	\$500,000
	Bldg. Abatement & Demo for P1 & P5-P8 lots	\$1,811,500
	Structured Parking Improvements (P1)	\$10,000,000
	Parking Equipment Allowance	<u>\$750,000</u>
	Parking Improvements Subtotal:	\$15,737,500
5.	Subsurface Hazardous Materials Allowance	\$1,000,000
6.	Transit System Improvements	\$400,000
7.	Site Utilities	\$14,376,000
8.	Permits & Fees	3% \$1,335,673
9.	Architecture & Engineering	8% \$3,561,796
10.	Escalation	10% \$4,452,245
11.	Planning & Predevelopment	\$2,590,000
12.	City Project Administration	\$1,281,000
13.	Contingency	<u>\$3,845,740</u>
	Total Infrastructure Costs	\$61,588,900

**ATTACHMENT A-2
ROADWAY IMPROVEMENT DETAIL**

Ballpark Project:

Street	Segment	Direction
J St	7th - 8th (1/2)	south
	10th - 11th	north
	Intersection	8/J
	Intersection	9/J
	Intersection	10/J
	Intersection	11/J
	roadway	7th - 8th
	roadway	8th - 9th
	roadway	9th - 10th
	roadway	10th - 11th
	roadway	11th - Park
K St	10th - 11th	north
	roadway	10th - 11th
L St	6th - 7th (1/3)	south
Drop Off Dr.	L St - Park (1/2)	north-east
	L St - Park	south-west
	roadway	L - Park
Imperial	Park - Trolley	south
Park Blvd	roadway	Park/Trolley
	Drop Off - Imperial	north-west
	Intersection	Park/Imperial
	Imperial - 10th	north-west
	Intersection	10th/Park
	Intersection	11th/Park
	11th - K St	north-west
	Intersection	K/Park
	roadway	Drop - Imperial
	roadway	Imperial - 10th
	roadway	10th - K
	median	diagonal
	Demo & Abatement	Park Blvd.
Intersection	Harbor/Park	
Intersection	Trolley/Park	
Drop Off Dr - Imperial	south-east	
11th Ave	Island - J St	west
	K St - Park	east
	roadway	J - K
	roadway	K - Park
10th Ave	Island - J St	east
	K St - Park	west
	intersection	10/K
	roadway	J - K
	roadway	K - Park
7th Ave	K St - L St	east
	L St - Hotel	east
	roadway	J - K
	roadway	K - L
	roadway	L - Hotel
	J - K St (existing bldg)	east

**ATTACHMENT B
LAND ACQUISITION PARCELS**



A BALLPARK DISTRICT

ATTACHMENT B - 1
BALLPARK PROJECT AREA
LAND ACQUISITION EXPENSE SUMMARY

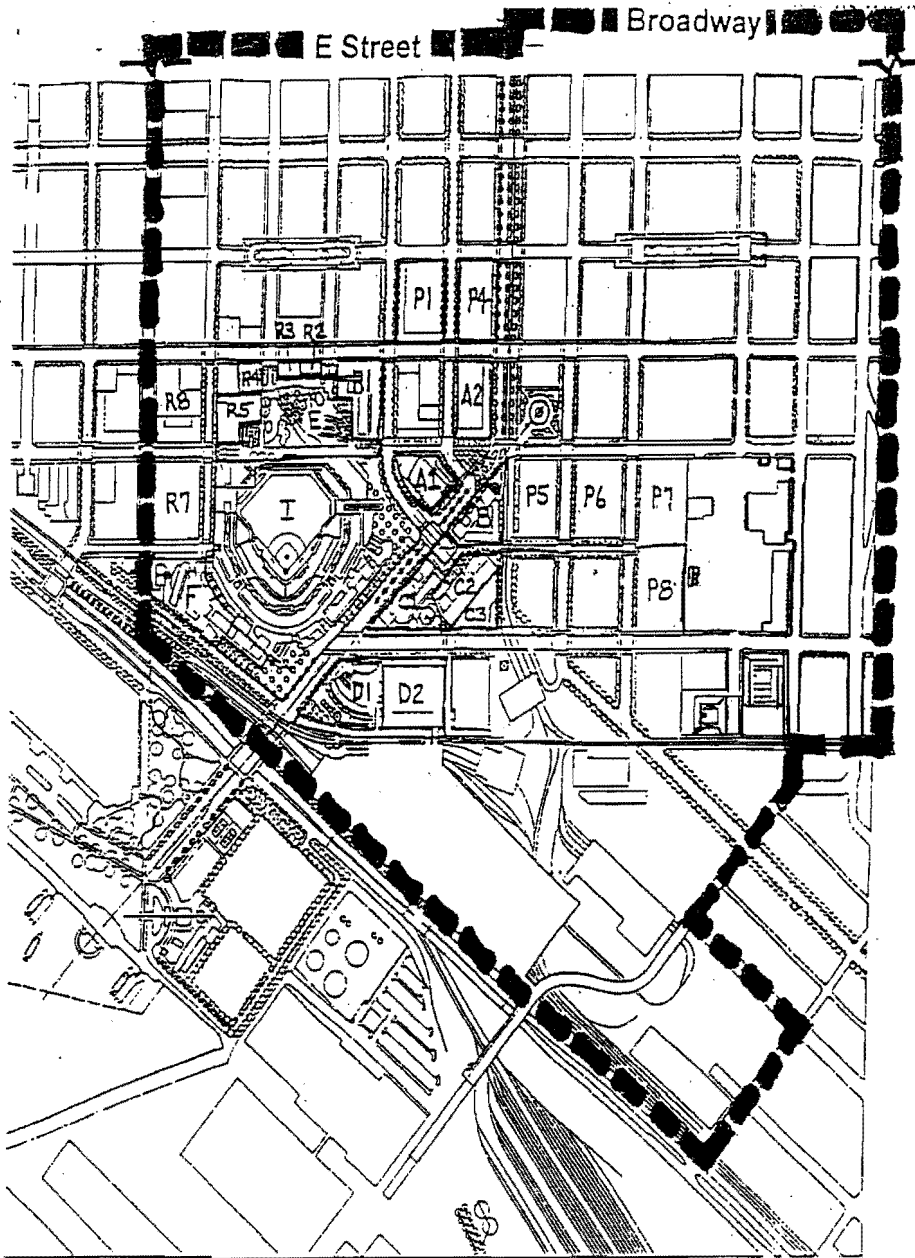
<u>Project Parcel Acquisition</u>	<u>Estimated Acquisition Cost</u>
Base Project - Ballpark, Outfield Park and Outfield Park Retail Parcels - Parcels I, E and R1-R5 respectively	\$49,583,000
Base Parking - Parcels P1, P5, P6, P7 and P8	<u>\$12,556,000</u>
Total Land Cost Before Contingency	\$62,139,000
Land Cost Contingency	<u>\$19,772,100</u>
Total Land Acquisition Costs	\$81,911,100

ATTACHMENT B-2
SUMMARY OF 5,000 PARKING SPACES *
REQUIRED TO BE PROVIDED BY THE CITY
IN ADDITION TO OTHER PRIVATELY OWNED SPACES

	<u>Site</u>	<u># Spaces</u>
1,800 publicly purchased land and developed surface and structured spaces:		
	P1	1,000
	P5	200
	P6	200
	P7	200
	P8	<u>200</u>
Subtotal		1,800
588 privately purchased land, publicly developed spaces:		
	D1	323
	D2	<u>265</u>
Subtotal		588
1,000 other existing spaces:		
		1,000
1,650, privately purchased and developed structured spaces:		
	A1	350
	A2	800
	C1	150
	C3	<u>350</u>
Subtotal		1,650
TOTAL		<u>5,038</u>

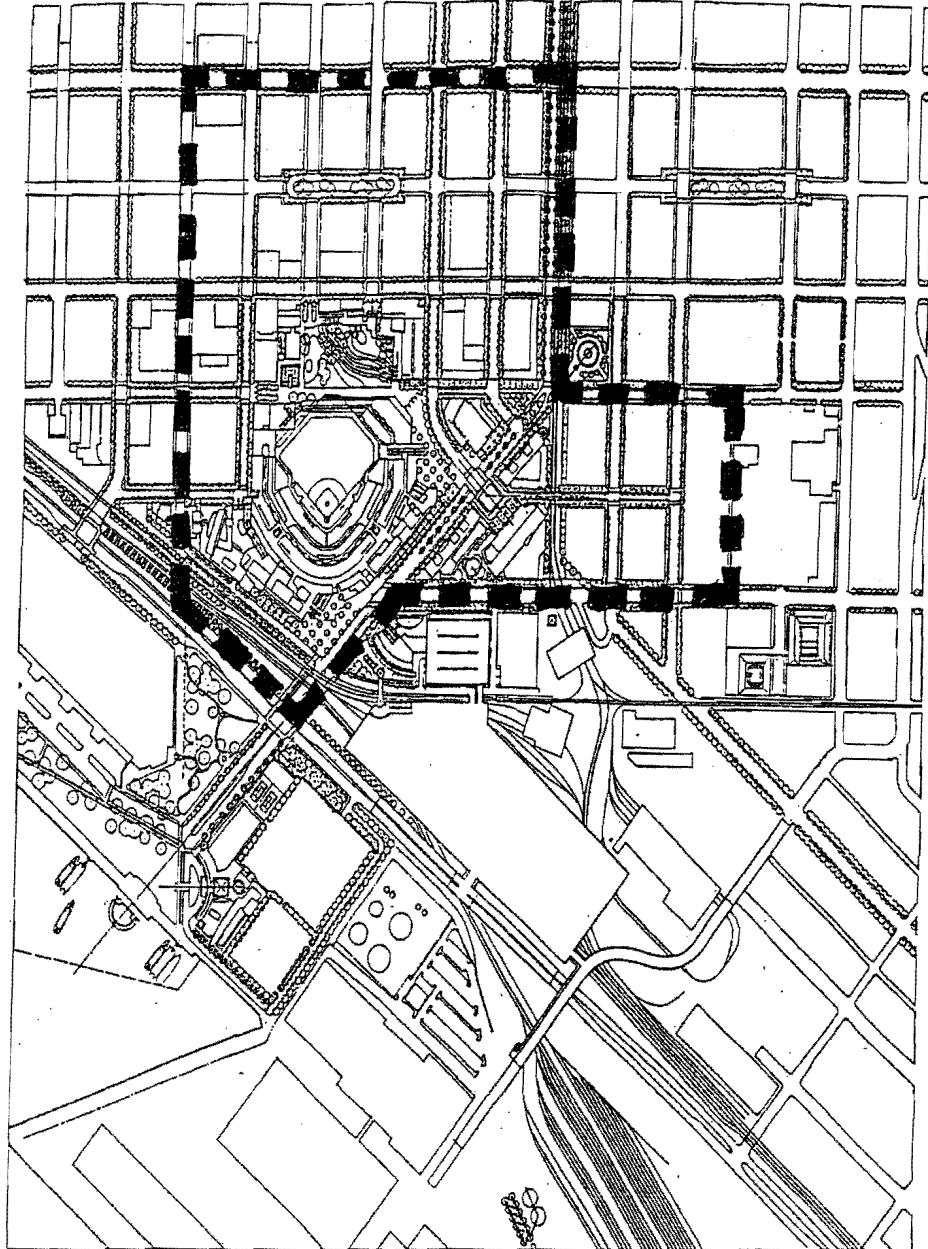
* There are approximately 12,000 additional parking spaces within a 15 minute walk of the Ballpark for a total of over 17,000 stalls.

**ATTACHMENT C
HOTEL CREDIT ZONE**



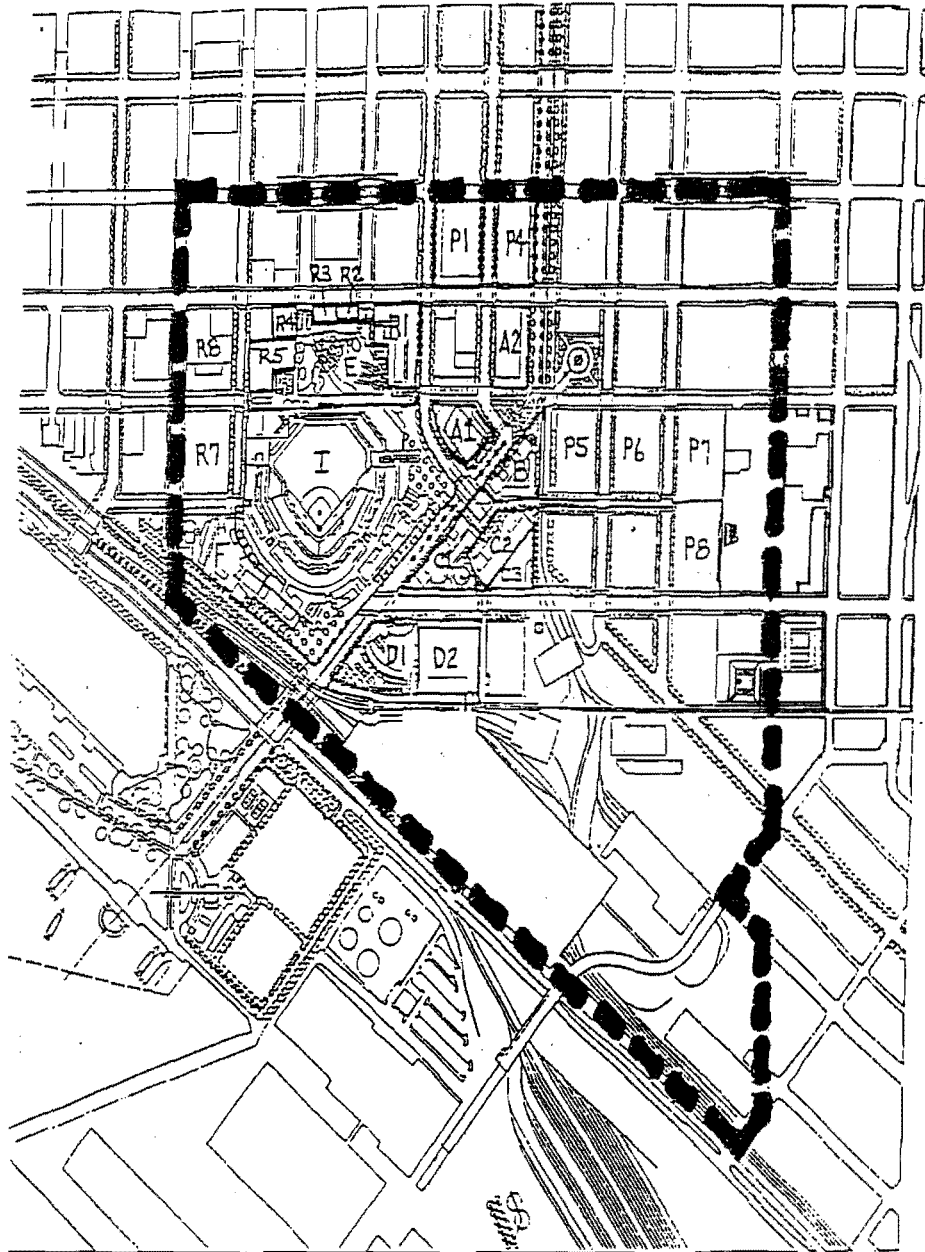
**SOUTH EMBARCADERO CONCEPT
A BALLPARK DISTRICT**

ATTACHMENT C-1
SUBSTITUTE ANCILLARY RETAIL DEVELOPMENT



A BALLPARK DISTRICT

ATTACHMENT D
RFP/RFQ ZONE



A BALLPARK DISTRICT

**ATTACHMENT E
GENERAL TARGET TIMETABLE**

8/3/98	Padres execute MOU.
8/4/98	City Council approves ballot measure for submission to voters.
10/1/98	Terms agreed for extension at Qualcomm Stadium.
11/3/98	Ballpark Project vote.
12/3/99	Certification Date.
1/1/99	Budget Estimates for Ballpark, Land, Public Parking and Infrastructure finalized.
2/1/99	Finalize Baseline Ballpark Program and minimum design standards.
2/14/99	Finalize estimate of property/possessory interest tax and Transient Occupancy Tax revenue for Ballpark and Phase 1.
3/15/99	City comments on Final Baseline Ballpark Program and minimum design standards.
4/1/99	Finalize binding agreement with Padres, Developer and/or others for Phase 1 and receive assurances for Substitute Ancillary Development (if any) and 1,000 room Convention Center Expansion hotel.
4/1/99	Receive commitments for Other Required Financing Investments (\$21 million).
4/1/99	Receive Padres first priority lien on National League Franchise.
4/1/99	Execution of DDA or DA for Phase 1.
4/1/99	Begin land acquisition.
TBD	Finalize EIR and PDO amendment (if any).
TBD	Ballpark groundbreaking.
TBD	Execute City financing - 45 days after latter of certification of EIR, or adoption of PDO amendment.
6/1/00	Padres deposit first of eight (8) quarterly payments - subject to acceleration.
2/1/02	Substantial Completion of Ballpark Project.
3/1/02	Operational start-up of Ballpark.
3/31/02	Substantial Completion and Certificate of Occupancy for Phase 1.
4/1/02	Opening Date.
10/1/02	Deposit Ballpark construction savings (if any), up to \$5 million, into Capital Expenditure Reserve Fund.

Example:

If in 2005, growth in receipts from the tax on hotel rooms is 6% and the average growth in receipts from the tax on hotel rooms for the preceding three Fiscal Years was less than 8%, then a payment by the Padres to the Stabilization Reserve Fund would be required.

Year	Projected Receipts	Percent Change	Actual Receipts	Percent Change	Shortfall
2002	\$120.1		\$120.1		\$0
2003	\$129.7	8%	\$126.1	5%	(\$3.6)
2004	\$136.2	8%	\$134.9	7%	(\$1.3)
2005	\$145.7	8%	\$143.0	6%	(\$2.7)
3-Year Total					(\$7.6)

Padres Payment would be the lesser of the following calculations:

Hypothetical Option 1:

- (1) The Shortfall between projected receipts and actual receipts equals \$2.7 million for 2005.
- (2) The project financing payment (\$20.7 million) is 14% of total receipts from the tax on hotel rooms (\$143 million) in 2005.
- (3) **The Padre Payment would equal \$380,000**, which is 14% of the \$2.7 million Shortfall.

Hypothetical Option 2

- (1) The Shortfall between projected receipts and actual receipts for three years (2003 through 2005) is \$7.6 million.
- (2) The project financing payment (\$20.7 million) is 14% of total receipts from the tax on hotel rooms (\$143 million) in 2005.
- (3) **The Padre Payment would equal \$1.06 million**, which is 14% of the \$7.6 million Shortfall.

Thus, under these scenarios, the Padres would pay \$380,000, which is the lesser of the two options.

CITY ATTORNEY'S IMPARTIAL ANALYSIS

This ordinance authorizes the City of San Diego [City] to enter into a Memorandum of Understanding [Memorandum] and related agreements with the San Diego Padres [Padres], the Redevelopment Agency of the City of San Diego [Agency], and the Centre City Development Corporation [Corporation] to undertake a major redevelopment project and construction of a baseball park in a Ballpark District [District] within the current downtown redevelopment area.

If approved, the Memorandum will provide the following: The District will be established in the area generally east of the Gaslamp Quarter and near the Convention Center expansion. The project cost will be \$411 million. The Padres will invest \$115 million, which may come from various private sources including naming rights, concession rights, and Padres' equity. The City will invest \$225 million. Although not specifying the source of City funds, the Memorandum indicates that existing and future general fund revenue may be used to finance the City's investment. The Padres will provide certain protection to the City for some of the future revenues. The Agency and Corporation will invest \$50 million, from a combination of existing funds and real property tax increment. Additional funding or project value of \$21 million must be secured, or the project scaled back in that amount.

The Padres will design and construct the ballpark, with the City's participation. Opening day is targeted for April, 2002. The ballpark cost will be \$267.5 million and the Padres must pay any construction costs over that amount. The City, Agency and Corporation will generally be responsible for all land acquisition and infrastructure costs, which will be capped at \$143.5 million, subject only to an exception that the Padres receive game-time revenue from 5,000 parking spaces near the ballpark, which spaces will augment approximately 12,000 spaces near the District.

The City will own 70% of the ballpark, the Padres 30%. The Padres must play at the ballpark for 30 years or until the ballpark bonds are retired, whichever is earlier, but at least 22 years, after which time the City will own 100% of the ballpark. The Padres will operate the ballpark and pay \$500,000 annually (plus C.P.I.) in rent. The City's share of annual operating expenses (expected to be \$9-10 million) is capped at \$3.5 million (plus C.P.I.); the Padres pay all annual operating expenses over the City's cap. The Padres will generally be responsible for capital expenditures. The Padres will retain all revenue from their use of the ballpark. The City will retain net revenue generated by events sponsored by the City.

The Padres are required to arrange for substantial private redevelopment immediately surrounding the ballpark, to generate new revenue to support the City's, Agency's and Corporation's investment. To facilitate the required redevelopment, the private developer will be given certain rights and opportunities, consistent with all laws. Numerous conditions must be satisfied for the project to proceed, including full compliance with the California Environmental Quality Act and the City's receipt of assurances that the private redevelopment will proceed and generate the necessary revenue.

ARGUMENT IN FAVOR OF PROPOSITION C
YES ON C: REDEVELOPMENT WORKS FOR ALL OF US!

Over \$400 million in private investment can transform the Ballpark District from a tax drain into a tax gain for San Diego neighborhoods.

- Horton Plaza, the Convention Center and Gaslamp Quarter have proven redevelopment pays off for San Diego taxpayers.
- The Ballpark District is a final step in revitalization of downtown, creating a dynamic new neighborhood which will produce over 6,000 jobs and over \$1 million per year in new sales tax revenue.

No new or increased taxes, no impact on existing city services or facilities.

- The city's share can be taken from redevelopment funds generated by downtown development, tourist taxes from new hotels built near the Ballpark, and a portion of the one-half cent of tourist tax established in 1994 to pay for a sports facility at this site.
- Conservative growth projections show adequate funds are also available for central library construction and existing services and facilities funded by tourist taxes.

Guarantees shift major risk from taxpayers to private investors.

- The Padres guarantee \$115 million for Ballpark project, plus \$300 million of private investment for redevelopment of a 26-square-block district.
- Padres are responsible for all Ballpark construction cost overruns.
- City costs for infrastructure and operating expenses of the Ballpark are capped and limited.
- Padres are required to stay in San Diego until 2024.

Affordable family entertainment, improved access, and a downtown of which we can be proud.

- Padres guarantee there will continue to be affordable seats for San Diegans.
- Proximity to freeways, the Trolley and city street grid, along with over 14,000 nearby parking spaces, ensure quick, convenient access.
- 1.2 million square feet of new high-tech office space, housing, restaurants, retail establishments, and a tree-lined avenue linking Balboa Park to San Diego Bay make the Ballpark a catalyst for a great new downtown.

PETER Q. DAVIS
Chair, Centre City Development Corp.

BONNIE BREITENSTEIN
President, East Village Association

ANNE L. EVANS
Chairman
Greater San Diego Chamber of Commerce

MICHAEL J. AGUIRRE
Taxpayer advocate

SUSAN GOLDING
Mayor, City of San Diego

ARGUMENT AGAINST PROPOSITION C

From the same politicians that brought us the Charger ticket guarantee, we now get an even bigger boondoggle - An obligation to the taxpayers for \$700 million over 30 years to be paid from assumed tax revenues from 2500 nonexistent hotel rooms. Don't get fooled again.

Libraries, police, infrastructure, arts and cultural activities should have priority over an unnecessary ballpark that would gobble up valuable and historic downtown property. A new ballpark would create a traffic nightmare with expensive and inadequate parking.

Redevelopment for affordable housing in the East Village is undermined by this ballpark proposal.

Unlike the convention center, the Padres won't draw tourists. "A professional baseball team provides a debatable economic benefit to a community and probably **provides no net fiscal benefit.**" (San Diego Taxpayers Association, 2/5/98).

The Padres won't leave; they have nowhere to go. No baseball team has left a city in 26 years.

Expect ticket prices to rise at least 30%, across the board, as in other cities, with premium seats costing much more. **Typical Padre fans will be priced out of seats, if they can find any.**

Even IF the Padres get their new ballpark, it is doubtful they will remain "competitive" for long-UNLESS they control player salaries. Under the conditions of the Memorandum Of Understanding, it is almost certain **the Padres will require additional subsidies.**

Smart voters have rejected taxpayer-financed stadiums in San Francisco, Birmingham, Toledo, Milwaukee, Pittsburgh, Minnesota and North Carolina.

The San Francisco Giants went to using private funds. If the Padres want a new ballpark, **they should build it themselves.**

Should San Diego taxpayers be forced to subsidize multimillionaire team owners, overpaid athletes and those sitting in tax deductible corporate "luxury suites?"

Don't mortgage OUR City for the sake of a playground we can't afford.

STOP THIS BALLPARK. Vote NO on Proposition C.

CHRIS MICHAELS
Co-Chair
Strike Three on Proposition C
SCOTT McLACHLAN
President
Citizens Organized Against
Sports Team Subsidies

KENT C. WILSON
President
Peoples East Village Association (PEVA)
ROBERT SIMMONS
Professor of Law - USD (Ret.)

JOEL FOX
President
Howard Jarvis Taxpayers Association

CITY OF SAN DIEGO

Proposition D

(This proposition will appear on the ballot in the following form.)

PROP D **INITIATIVE MEASURE.** Shall Ordinance O-18573 (New Series) be adopted amending the 30-foot height limit in the Coastal Zone to allow Sea World to plan and construct exhibits, attractions and educational facilities only upon that land leased from the City, provided:

- The improvements are subject to City and Coastal Commission approval and do not exceed ½ the height of the existing Sea World Sky Tower; and
- No taxpayer funds are spent for any improvements resulting from this initiative?

PROPOSED ORDINANCE

BE IT ORDAINED, by the People of the City of San Diego, as follows:

The San Diego Municipal Code section enacted by the voters as Proposition D on November 7, 1972, and effective on December 7, 1972 as Ordinance No. 10960 (New Series), and amended by vote of the People on November 8, 1988, as Proposition L, effective November 9, 1988, shall be amended as follows (amendment is in italic print underlined):

SAN DIEGO MUNICIPAL CODE

Limitation of Height of Buildings in the Coastal Zone

Section 1. Notwithstanding any section to the contrary, no building or addition to a building shall be constructed with a height in excess of thirty feet within the Coastal Zone of The City of San Diego. The words Coastal Zone as used within this Ordinance shall mean that land and water area of the City of San Diego from the northern city limits, south to the border of the Republic of Mexico, extending seaward to the outer limit of city jurisdiction and extending inland to the location of Interstate 5 on January 1, 1971. This limitation shall not apply to *(i) that land area of the Coastal Zone bounded by National City on the south, San Diego Bay on the west and Laurel Street or the southwesterly projection of Laurel Street on the north or (ii) that land area of the Coastal Zone bounded by Ingraham Street on the west, Sea World Drive on the south, Mission Bay on the north and the boat ramp access road in South Shores Park on the east.*

The base of measurement of the height shall be in accordance with the Uniform Building Code of 1970.

Section 2. Other than the restoration of the chimney and rooftop cupola as part of the historic restoration of the 1915 Agar/Mission Brewery building located at Washington and Hancock Streets in San Diego, California, there shall be no exception to the provisions of this Ordinance.

Section 3.

A. No building or structure or addition to a building or structure within the land described in exception Section 1 (ii), shall exceed one-half the height of the existing Sea World Sky Tower on that land using the base of measurement in accordance with the Uniform Building Code of 1970.

B. No taxpayer funds shall be spent for any improvements in connection with a building or structure or addition to a building or structure within the land described in exception Section 1 (ii).

C. The exception set forth in Section 1 (ii) shall remain in effect as long as the land described therein is used for recreational, exhibition, educational, research and scientific purposes.

Section 4.

This ordinance shall take effect and be in force on the day from and after its passage. The City Attorney and City Clerk are hereby authorized to publish this amendment in the appropriate section of the San Diego Municipal Code.

Section 5.

This ordinance may be amended, including an amendment to make an exception to the thirty-foot height limitation, only by a majority vote of the voters of the City of San Diego.

Section 6.

The provisions of this Initiative are severable. If any statement, section, subsection, phrase, or word herein, or the application thereof to any person, property, or circumstance, is held invalid by a court of competent jurisdiction, either on its face or as applied, the remaining portions of this Initiative shall not be affected, and shall remain in full force and effect.

CITY ATTORNEY'S IMPARTIAL ANALYSIS

In 1972, the voters of the City of San Diego passed Proposition D. Proposition D was an initiative which adopted an ordinance limiting the height of buildings in the Coastal Zone to no more than 30 feet.

The Coastal Zone, as defined in Proposition D, includes the land and water area of the City of San Diego from the northern city limits south to the border of Mexico, extending seaward to the outer limit of the City's jurisdiction and extending inland to the location of Interstate 5.

As stated in the initiative petition circulated in 1972, the purpose of Proposition D was to "keep the beaches usable by all citizens and to preserve the nature of the coastal communities by preventing concrete high rise barriers that would, because of congestion, impede or prevent access to these areas." In addition, the petition stated that the 30-foot height limit would "provide a small measure of protection against unwanted high population density with its problems of congestion, lack of parking space, increased crime rate, noise, air pollution, inadequate public utilities and increased taxes."

This Proposition would create an exception to the 30-foot height limitation in the Coastal Zone. The exception would apply only to the City-owned land which is currently being leased to Sea World. For the Sea World property only, the height limitation would be raised from 30 feet to "one-half the height of the existing Sea World Sky Tower." The existing Sea World Sky Tower is 320 feet tall and was legally permitted before the passage of Proposition D.

If passed by a majority of the electorate, the effect of this Proposition would be to create a height limit for Sea World of 160 feet. The 160-foot height limit would remain in effect only for so long as the land at Sea World is used for recreational, exhibition, educational, research or scientific purposes. Construction of any new buildings or improvements would remain subject to City and Coastal Commission review and approval. This Proposition further provides that no taxpayer funds shall be spent for construction of any buildings or structures upon the land.

ARGUMENT IN FAVOR OF PROPOSITION D

For more than 30 years, SeaWorld and its employees have been an integral part of San Diego's marine education and research community as well as a major visitor attraction. **Approval of the SeaWorld Initiative will give SeaWorld the ability to propose state-of-the-art visitor attractions and educational exhibits.**

Here are the conditions and restrictions:

- **Absolutely NO taxpayer funds can be spent** for any improvements, attractions or exhibits. SeaWorld pays for everything.
- Attractions or exhibits cannot exceed 1/2 the height (1/2 = 159 feet, 8-1/2 inches) of the existing SeaWorld Skytower.
- The initiative applies only to the SeaWorld leasehold; it does not apply to all of Mission Bay. **No other height limit changes are permitted unless there is another vote of the people.**
- Passage of this initiative only permits SeaWorld to propose exhibits and attractions. **No new exhibits or attractions will be built without the approval of the City of San Diego and the Coastal Commission.** Before SeaWorld decides what to build SeaWorld must go through the City planning process which includes public review and public hearings.

Here are the benefits from approval:

- SeaWorld and its research partner, the Hubbs-SeaWorld Research Institute, will be able to continue to improve into the 21st Century to better serve both educational and recreational missions.
- About 2,000 new jobs from new construction and attractions.
- Increased revenue to the City of San Diego through higher lease payments and taxes.

More than 4 million students have benefited by SeaWorld marine life education programs. SeaWorld rescues, rehabilitates and releases more marine animals, including stranded sea lions and J.J. the whale, than any other organization in the world. SeaWorld continues to work actively to save the highly endangered Florida manatee from extinction and recently brought several to SeaWorld San Diego.

Please vote Yes on the SeaWorld Initiative to help SeaWorld continue its mission of entertainment, education, and conservation.

WILLIAM A. DAVIS
Executive Vice President and
General Manager
SeaWorld San Diego

ALAN PITCAIRN
President
San Diego Oceans Foundation

DONALD B. KENT
Executive Director
Hubbs-SeaWorld Research Institute

JULIE WIGNALL
President
National Marine Educators Association,
Southwest Chapter

LARRY NUFFER
President
San Diego County Taxpayers Association

ARGUMENT AGAINST PROPOSITION D
PRESERVE AND PROTECT SAN DIEGO'S COAST.
VOTE NO ON THE ANHEUSER-BUSCH SPECIAL EXEMPTION.

In 1972 the citizens of San Diego voted to approve a reasonable building height limit in the coastal zone which includes Mission Bay Park. For over 25 years, this has preserved and protected the beauty, openness and unique character of our coastal lands and public parks along the ocean and around Mission Bay.

Anheuser-Busch, the corporation that owns Sea World, wants a building height exemption for their entire leasehold (over 180 acres) in Mission Bay Park that is owned by the public. **However, Anheuser-Busch will not identify a specific project nor even specify the numerical height of their development plans.** Instead, they have offered a laundry list of "maybes" for future development that could be as tall as "half the height of the existing Sea World Sky Tower."

This means 160-foot tall buildings (the approximate height of a 16-story hotel) could be developed on all of the existing and future coastal parkland in Mission Bay that the public leases to Anheuser-Busch.

ANHEUSER-BUSCH WANTS A SPECIAL EXEMPTION TO DEVELOP UNIDENTIFIED PROJECTS BUILT TO UNSPECIFIED HEIGHTS.

This is contrary to good planning practices, the voters' wishes and is the first step in eliminating building limitations along our picturesque coast, beautiful bay and within our coastal parks.

A "NO" vote on the Anheuser-Busch exemption will ensure that every building project in Mission Bay Park that exceeds the height limit is identified, reviewed and voted on by the public before being approved for development.

A "NO" vote will also ensure that Anheuser-Busch follows coastal development guidelines that have been in place and worked well for over 25 years.

Preserve and protect Mission Bay Park for all San Diegans, visitors and our future generations.

PLEASE VOTE NO ON PROPOSITION D - THE ANHEUSER-BUSCH SPECIAL EXEMPTION.

VALERIE STALLINGS
Councilmember
City of San Diego

MICHAEL BECK
President
League of Conservation Voters
San Diego

DAVID A. POTTER
Chair
Clairemont-Mesa Planning Committee

KEVIN McCABE
Chair
Mission Beach Precise Planning Board

DONNA FRYE
Communications Chair
Pacific Beach Community Planning Committee

CITY OF SAN DIEGO

Proposition E

(This proposition will appear on the ballot in the following form.)

PROP E AMENDS THE CHARTER OF THE CITY OF SAN DIEGO BY ADDING SECTION 90.3, VOTER APPROVAL FOR MAJOR PUBLIC PROJECTS CONFERRING SIGNIFICANT PRIVATE BENEFIT. Shall the City Charter be amended to require majority voter approval for any major public project conferring "significant private benefit", as defined in the proposition?

PROPOSED CHARTER AMENDMENT

The portions of the charter to be added are underlined and the portions to be deleted are printed in ~~strike-out~~ type.

SEC. 90.3 VOTER APPROVAL FOR MAJOR PUBLIC PROJECTS CONFERRING SIGNIFICANT PRIVATE BENEFIT

(a) The City may not enter into the agreements necessary for financing, development, and construction of a major public project that confers a significant private benefit, unless that project is submitted to a vote at a municipal election and a majority of those voting in that election approve the project.

(b) For purposes of this section 90.3:

(1) the term "major public project" means any capital improvement for which the expenditure of City funds is proposed, other than capital improvements for water, sewer or other public infrastructure, and for which the City's total cost is in excess of an amount equal to ten percent (10%) of the City's General Fund budget for the fiscal year in which the project is proposed to be approved by the electorate;

(2) the term "cost" means the amount paid to directly develop or construct the project, and does not include costs related to financing or interest;

(3) the term "significant private benefit" means that one or more identifiable private individuals or entities will have the exclusive use of any portion of the proposed capital improvement, pursuant to any type of agreement, for more than ten percent (10%) of the days during any calendar year that the proposed capital improvement is available for use, for the purpose of generating federal or state taxable income for such private individual or entity;

(4) the term "City funds" means funds authorized to be spent pursuant to an appropriation in the City's annual budget and derived through any type of financing mechanism, including cash, loans, revenue bonds, lease revenue bonds or certificates of participation, but not including funds generated by a financing mechanism in which the City acts solely as a conduit, and where all costs and financial risks associated with the financing, development and construction are the responsibility of individuals or entities other than the City; and

(5) the term "identifiable private individuals or entities" means those individuals or entities which can be clearly identified, prior to the development of a project, as the party or parties who will ultimately use, rent, lease, or operate the facility for their own benefit. Not included within this definition are private individuals, business interests, groups, trades, associations or any other private entity that may derive private benefit indirectly as a result of the major public project.

(c) Nothing in this section supersedes or nullifies the application of the voter approval requirements of section 90 of this Charter, governing any major public project financed by the City's issuance of general obligation bonds.

(d) Any major public project that has been submitted to a vote at a municipal election and has been approved by a majority of those voting in that election on or before the effective date of this section shall be deemed to have complied with and fulfilled the requirements of this section.

ARGUMENT IN FAVOR OF PROPOSITION E

PROTECTION TO CITY TAXPAYERS

Proposition E provides new taxpayer protections. This measure will ensure that any new major public project, which could provide a significant benefit to a private party or group, first have the approval of a majority of San Diego City voters.

A CITIZENS INITIATIVE

Proposition E is the product of a Citizens Task Force. Mayor Golding established the Task Force on Voter Rights to make recommendations on whether a public vote should be required on certain major public projects where a city-wide vote is not currently required. This measure is the product of more than 9 months of thorough and open public debate.

AN ADDED SAFEGUARD

Proposition E adds to the voter protections of the City Charter, and specifically Section 90, which requires a public vote on bonded indebtedness. The Supreme Court of the State of California recently ruled that public projects utilizing lease-revenue financing administered through a joint powers authority do not require a 2/3rd vote, or, in fact, any vote of the people. **Prop. E, therefore, would provide a new safeguard that is not covered by the City's Charter or the State Constitution.**

If you believe that in the future, voters of San Diego should have a direct say in approving public participation on certain major projects which could confer significant benefit to a private party - then support this measure.

For a copy of the Mayor's Task Force report, go to:

VOTE y-E-s on E!

SUSAN GOLDING
Mayor, City of San Diego

RICHARD FRIEDLAND
Task Force on Voter Rights

JOHN S. HAWKINS
President, Cloud 9 Shuttle

ARGUMENT AGAINST PROPOSITION E

COSTLY, UNNECESSARY, AND POORLY DRAFTED

Proposition E is a poorly drafted, simplistic solution to an important city issue.
Proposition E creates arbitrary and confusing changes to voter approved City Charter.
Proposition E:
Will increase cost of City projects.
Could result in wasting millions in tax dollars.

WILL DISCOURAGE PRIVATE INVESTMENT IN CITY

Could stymie vital private participation in cleaning up blighted areas of city.
Will result in hiring more city employees.
Could require costly multiple votes on public/private projects.
Could result in costly litigation to City.
Could stop important downtown redevelopment projects from proceeding

HORTON PLAZA MAY NEVER HAVE BEEN BUILT

If Proposition E were in place, important projects such as Horton Plaza may never have been built.
Proposition E may stop future downtown redevelopment projects leaving blighted neighborhoods in place and could result in blocking important projects such as the Naval Training Center Redevelopment and the relocation of City trash and dump truck operations out of Balboa park.
The Voter Rights Taskforce never voted to approve this Charter amendment.
For more information contact the San Diego County Taxpayers Association at [REDACTED] or at [REDACTED]

Vote NO on Proposition E.

SCOTT BARNETT
Executive Director
San Diego County Taxpayers Association

BARRY I. NEWMAN
Boardmember/Past President
San Diego County Taxpayers Association

CITY OF SAN DIEGO

Proposition F

(This proposition will appear on the ballot in the following form.)

PROP F AMENDS THE CHARTER OF THE CITY OF SAN DIEGO BY ADDING SECTION 94.2, DESIGN-BUILD CONTRACTS. Shall the City Charter be amended to permit the award of public works contracts to the same entity which furnishes both design and construction services for the same project and which must be competitively negotiated? Amendment requires the City Council to enact an ordinance to set guidelines for the use, evaluation, and award of such contracts.

PROPOSED CHARTER AMENDMENT

The portions of the charter to be added are underlined and the portions to be deleted are printed in ~~strike-out~~ type.

SEC. 94.2 DESIGN-BUILD CONTRACTS.

Notwithstanding any provisions of this Charter to the contrary, the City is not prohibited from awarding contracts for the combined design and construction of public works pursuant to a process of competitive negotiation, provided the process of competitive negotiation is conducted as may otherwise be required by this Charter or the Municipal Code. The City Council shall establish by ordinance guidelines for the award, use, and evaluation of such design-build contracts, and may set an amount below which the City Manager may award such contracts.

CITY ATTORNEY'S IMPARTIAL ANALYSIS

The City Charter currently requires that contracts for the construction or repair of public buildings, streets, utilities, and other public works be awarded to the lowest responsible bidder. Generally, plans for these projects are prepared in advance by design firms hired by the City. Contractors review these plans and submit sealed bids for the construction work under current Charter language. The contract is awarded to the contractor with the lowest bid.

As an alternative to awarding a construction contract to the lowest bidder, this proposed Charter amendment gives the City the option of hiring a single firm to both design and build a public works project. If approved, this Charter amendment would allow firms to submit proposals to meet the City's requirements for a particular project. Competing proposals would be evaluated on criteria to be adopted by the City Council if this measure passes. The criteria might include price, quality, feasibility, efficiency, ease and cost of maintenance, durability, compatibility with existing facilities, as well as the firm's qualifications and experience. The City Council might also provide that the City Manager could award construction contracts to a single firm that would design and build a project, without Council approval. If this Charter amendment is approved, the winning proposal would not necessarily be the proposal with the lowest price. The winning proposal would be determined based on criteria to be established by the City Council as referenced above.

ARGUMENT IN FAVOR OF PROPOSITION F

Proposition F will amend the City Charter to allow the same contractor to both design and build a City project through a single contract. Under Design-Build, one contractor is responsible for both design and the construction, as compared to the method of having one firm do the design and another do the construction. Design-Build can provide significant cost and time savings due to single source responsibility.

REDUCES COSTS ON CITY OF SAN DIEGO PROJECTS FOR TAXPAYERS

- Lowers construction overhead and project financing costs
- Allows builder flexibility to use cost-saving construction methods
- Lowers legal costs due to clearer liability for entire project

PRODUCES HIGHER QUALITY PROJECTS

- Eliminates any miscommunications between designer and builder

ACCELERATES COMPLETION OF PROJECTS

- Provides flexibility to accelerate completion of construction
- Consolidates design and construction procurement into a single selection process

Proposition F will not require the use of the Design-Build method - it will merely make it available as one method project managers can use . . . nor will it jeopardize the jobs of existing City employees.

The Design-Build method is already used for projects in many cities, states, and by agencies of the federal government. San Diego should be able to cut costs too!

Vote YES on Proposition F! Reduce costs, build high quality projects, and reduce construction time and impacts!

SUSAN GOLDING
Mayor, City of San Diego

BYRON WEAR
Deputy Mayor, City of San Diego

LARRY NUFFER
President, San Diego County Taxpayers Association

ARGUMENT AGAINST PROPOSITION F

No argument against the proposition was filed in the office of the City Clerk.

CITY OF SAN DIEGO

Proposition G

(This proposition will appear on the ballot in the following form.)

PROP G AMENDS THE CHARTER OF THE CITY OF SAN DIEGO BY ADDING SECTION 94.1, JOB ORDER CONTRACTS. Shall the City Charter be amended to permit public works contracts to be competitively awarded based on a unit cost basis? Amendment requires the City Council to enact by ordinance guidelines for award and use of such contracts to assure that they are competitively bid and appropriately used.

PROPOSED CHARTER AMENDMENT

The portions of the charter to be added are underlined and the portions to be deleted are printed in ~~strike-out~~ type.

SEC. 94.1 JOB ORDER CONTRACTS.

Notwithstanding any provisions of this Charter to the contrary, the City is not prohibited from awarding public works contracts on a unit cost basis for all necessary labor, materials, and equipment provided such contracts are secured on a competitive basis as otherwise required by this Charter. The City Council shall establish by ordinance guidelines for the award and use of such unit cost contracts, and may set an amount below which the City Manager may award such contracts.

CITY ATTORNEY'S IMPARTIAL ANALYSIS

The City Charter currently requires that public works contracts be awarded to the lowest responsible bidder. The process of public works contracting begins with specific identification of the nature of work for each project, followed by preparation of detailed architectural and engineering plans by design professionals. The plans are then publicly advertised in a call for construction bids. Bids are received and opened in public at an appointed date and time. Award of the contract must be to the lowest responsible bidder.

This measure would allow the City Council to establish procedures to permit competitive bidding on a unit-cost basis rather than project-specific basis. Under a unit-cost contract, the successful bidder is obliged to perform those jobs at the labor, equipment, and material unit costs bid earlier. This measure would grant the City Council discretion to enact laws delineating the circumstances when work may be performed on unit-cost specifications rather than project-specific specifications, and to set an amount below which the City Manager may award such contracts.

ARGUMENT IN FAVOR OF PROPOSITION G

Proposition G amends the City Charter to permit the City to streamline and make more cost efficient the method of contracting for City emergency work, repair work, and small routine construction projects. This contracting method is used by more than 1,500 public entities, including numerous municipal governments and counties around the country. The Job Order Contract is a competitively bid public works contract that includes a unit price book (a detailed listing of the units of work involved in the contract, and the dollar value of each unit of work) and technical specifications.

ACCELERATES COMPLETION OF ROUTINE AND EMERGENCY CITY INFRASTRUCTURE PROJECTS

- Enables timely response to emergencies at competitive costs.
- Cuts through red tape to save time and taxpayer dollars.

REDUCES COSTS ON THESE PROJECTS

- Lowers City's management and administrative costs
- Provides competitive prices for unscheduled work

*Proposition G will **not** require the use of the Job Order Contracting method - it will merely make it available as one method project managers can use . . . nor will it jeopardize the jobs of existing City employees.*

Vote YES on Proposition G! Reduce the costs and increase the efficiency of routine City construction projects.

SUSAN GOLDING
Mayor, City of San Diego

BYRON WEAR
Deputy Mayor, City of San Diego

LARRY NUFFER
President, San Diego County Taxpayers Association

ARGUMENT AGAINST PROPOSITION G

No argument against the proposition was filed in the office of the City Clerk.

CITY OF SAN DIEGO

Proposition H

(This proposition will appear on the ballot in the following form.)

PROP H AMENDS THE CHARTER OF THE CITY OF SAN DIEGO BY AMENDING SECTION 94 ON PUBLIC WORKS CONTRACTS. Shall the City Charter be amended to require surety bonds for public works contracts that exceed \$100,000 instead of for public works contracts that exceed \$25,000?

PROPOSED CHARTER AMENDMENT

The portions of the charter to be added are underlined and the portions to be deleted are printed in ~~strike-out~~ type.

SEC. 94 CONTRACTS.

In the construction, reconstruction or repair of public buildings, streets, utilities and other public works, when the expenditure therefor shall exceed the sum established by ordinance of the City Council, the same shall be done by written contract, except as otherwise provided in this Charter, and the Council, on the recommendation of the Manager or the head of the Department in charge if not under the Manager's jurisdiction, shall let the same to the lowest responsible and reliable bidder, not less than ten days after advertising for one day in the official newspaper of the City for sealed proposals for the work contemplated. If the cost of said public contract work is of a lesser amount than the figure established by ordinance of the City Council, the Manager may let said contract without advertising for bids, but not until the Purchasing Agent of the City shall have secured competitive prices from contractors interested, which shall be taken under consideration before said contract is let. The Council may, however, establish by ordinance an amount below which the Manager may order the performance of any construction, reconstruction or repair work by appropriate City forces without approval by Council. When such Council approval is required, the Manager's recommendation shall indicate justification for the use of City forces and shall indicate whether the work can be done by City forces more economically than if let by contract.

In case of a great public calamity, such as extraordinary fire, flood, storm, epidemic or other disaster the Council may, by resolution passed by a vote of two-thirds of the members elected to the Council, determine and declare that the public interest or necessity demands the immediate expenditure of public money to safeguard life, health or property, and thereupon they may proceed, without advertising for bids or receiving the same, to expend, or enter into a contract involving the expenditure of any sum required in such emergency, on hand in the City treasury and available for such purpose. All contracts before execution shall be approved as to form and legality by the City Attorney.

Each bidder shall furnish with his bid such security or deposit insuring the execution of the contract by him as shall be specified by the Council or as provided by general law.

For contracts exceeding ~~\$25,000.00~~ \$100,000.00, the Council shall require each contractor to insure the faithful performance of his contract by delivering to the City a surety bond in an amount specified by the Council, executed by a surety company authorized to do business in the State of California; provided, however, that in all contracts the Council shall require the retention of sufficient payments, under the contract to insure the protection of the City against labor or material liens.

The Council, on the recommendation of the Manager, or the Head of the Department not under the jurisdiction of the Manager, may reject any and all bids and readvertise for bids. The Council may provide that no contract shall be awarded to any person, firm or corporation if prison or alien labor is to be employed in performing such contract, or if the wage schedule for employees engaged in performing such contract is based on more than eight hours of labor per day. Any contract may be let for a gross price or on a unit basis and may provide for liquidated damages to the City for every day the contract is uncompleted beyond a specified date. It shall be competent in awarding any contract to compare bids on the basis of time completion, provided that when any award has been made in consideration, in whole or in part, of the relative time estimates of bidders

for the completion of the work, the performance in accordance with such time limits shall be secured by a surety bond as hereinabove provided with adequate sureties and penalties, and provided further, that for any contract awarded solely or partially on a specified time for completion the Council shall not extend such time limits unless such extension be recommended by the Manager and the Head of the Department concerned.

No officer, whether elected or appointed, of The City of San Diego shall be or become directly or indirectly interested in, or in the performance of, any contract with or for The City of San Diego or in the purchase or lease of any property, real or personal, belonging to or taken by said City or which shall be sold for taxes or assessments or by virtue of legal process or suit of said City. Any person wilfully violating this section of the Charter shall be guilty of a misdemeanor and shall immediately forfeit his office and be thereafter forever barred and disqualified from holding any elective or appointive office in the service of the City. No officer, whether elected or appointed, shall be construed to have an interest within the meaning of this section unless the contract, purchase, lease, or sale shall be with or for the benefit of the office, board, department, bureau or division with which said officer is directly connected in the performance of his duties and in which he or the office, board, department, bureau or division he represents exercises legislative, administrative or quasi-judicial authority in the letting of or performance under said contract, purchase, lease or sale.

All contracts entered into in violation of this Section shall be void and shall not be enforceable against said City; provided, however, that officers of this municipality may own stock in public utility service corporations and the City permitted to contract for public utility service when the rates for such service are fixed by law or by virtue of the Public Utilities Commission of the State of California; and provided further, that no officer shall be prohibited from purchasing the services or any utility whether publicly or privately owned, whether or not the rates are fixed by law or by the Public Utilities Commission of the State of California; and provided further, that in designating any bank as a depository for the funds of said City, any officer interested as a stockholder or otherwise in such bank shall not be deemed to have an interest in such City contract within the meaning of this section, and in each of the cases enumerated herein such contracts shall be valid and enforceable obligations against the municipality.

CITY ATTORNEY'S IMPARTIAL ANALYSIS

The San Diego City Charter currently requires that any contractor awarded a public works contract of \$25,000 or more must obtain a surety bond to ensure performance of the contract. This measure will raise the minimum contract size requiring a surety bond from \$25,000 to \$100,000. This measure will not affect any other criteria or selection process for the award of public works contracts.

A "Yes" vote on this proposition will change the San Diego City Charter by requiring a surety bond for all contracts worth \$100,000 or more. A "No" vote will retain the current requirement of a surety bond for all public works contracts of \$25,000 or more.

ARGUMENT IN FAVOR OF PROPOSITION H

Section 94 of the City Charter requires that construction contracts over \$25,000 must have a surety bond and requires retaining a sufficient payment amount to protect the City against labor or materials liens on all contracts. The \$25,000 threshold was established in 1974 and has not been raised since, although construction costs and the value of money have changed considerably since 1974.

Prop H proposes to raise the threshold for surety bonds to \$100,000. Task forces across the country have studied bonding requirements, resulting in many government entities raising the bonding thresholds, including San Diego City Schools, the County of San Diego and various California cities.

A task force including representatives from the construction industry, small businesses, the surety association and City staff reviewed the current bonding requirements and recommended raising the threshold. Before making this recommendation, a thorough review was made of the default rate for City contracts. The City, on average, awards 500 construction contracts per year. From 1993 to date, a total of 16 contracts went into default, with only one under the \$100,000 amount.

The advantages of raising the bonding threshold include:

- increased competition
- developing local small businesses
- a reduction in paperwork

resulting in more job opportunities.

To revise and streamline federal contracting, Congress passed the Federal Acquisition Streamlining Act of 1994, which increased federal construction contracts that required surety bonds from \$25,000 to \$100,000, effective October 1995. Since then, the new bonding threshold eliminated the need for bonding for many small business construction firms doing business with the federal government, which allowed for increased competition, small business development and a significant reduction in paperwork.

Join us in supporting this change in the City Charter to improve City contracting practices.

SUSAN GOLDING
Mayor
City of San Diego

LARRY NUFFER
President
San Diego County Taxpayers Association

GEORGE STEVENS
San Diego City Councilman

BARBARA WARDEN
San Diego City Councilwoman

GEORGE P. CHANDLER, JR.
Chairman, Small Business Advisory Board
City of San Diego

ARGUMENT AGAINST PROPOSITION H

No argument against the proposition was filed in the office of the City Clerk.

CITY OF SAN DIEGO

Proposition J

(This proposition will appear on the ballot in the following form.)

PROP J AMENDS THE CHARTER OF THE CITY OF SAN DIEGO BY ADDING SECTION 94.3, BOND REIMBURSEMENT PROGRAM. Shall the San Diego City Charter be amended by adding Section 94.3, allowing the City Council to establish a bond reimbursement program, to reimburse contractors for all or a portion of the premium paid for a surety bond required by the Charter for City contracts?

PROPOSED CHARTER AMENDMENT

The portions of the charter to be added are underlined and the portions to be deleted are printed in ~~strike-out~~ type.

SECTION 94.3 BOND REIMBURSEMENT PROGRAM

Nothing in this charter shall prohibit the City Council from creating a program by ordinance to reimburse contractors for all or a portion of the premium paid by a contractor for a surety bond required under Section 94 of this Charter. If it creates a bond reimbursement program, the Council shall by ordinance establish eligibility criteria for contractors, levels and thresholds of reimbursement, the process for seeking reimbursement, and other requirements for operation of, and participation in, the program.

CITY ATTORNEY'S IMPARTIAL ANALYSIS

The San Diego City Charter currently requires that any contractor awarded a public works contract of \$25,000 or more must obtain a surety bond to ensure performance of the contract. This measure provides that the City Council may establish a program that allows contractors meeting certain criteria to be reimbursed for all or a portion of the premium they pay for the required surety bond. This measure does not set any criteria for eligibility or establish the program, but allows the City Council to do so by ordinance if it chooses.

A "Yes" vote on this proposition will add a provision to the San Diego City Charter expressly allowing the establishment of a bond premium reimbursement program. A "No" vote will result in no such provision being added to the Charter, but will not necessarily prevent the City Council from establishing such a program.

ARGUMENT IN FAVOR OF PROPOSITION J

Proposition J would encourage the growth and development of small, emerging contractors, especially dependent on subcontracting, to participate as prime contractors on City projects.

BOND REIMBURSEMENT PROGRAM

Proposition J would allow the City of San Diego to create a bond reimbursement program, as commended by a citizen's task force, to "level the playing field" for small emerging contractors doing business with the City.

Currently, a 10% bid bond, a 100% performance bond and a 50 -100% payment bond is required for City construction contracts valued at \$25,000 or more.

This program, limited to contracts between \$25,000 - \$200,000, would create a system to reimburse the difference between the average rate for these bonds (approx. 2 1/2% of the contract value) and the rate being charged, up to 4%.

Criteria will be established to ensure that every reimbursement granted furthers the goal of making prime contracting opportunities available to high-quality, emerging businesses.

We believe Proposition J will further this City's commitment to business development, and will mean jobs for San Diegans. We urge you to VOTE YES on J.

SUSAN GOLDING
Mayor, City of San Diego

GEORGE P. CHANDLER, JR.
Chairman, Small Business Advisory Board
City of San Diego

GEORGE STEVENS
San Diego City Councilman

BARBARA WARDEN
San Diego City Councilwoman

ARGUMENT AGAINST PROPOSITION J

No argument against the proposition was filed in the office of the City Clerk.

CITY OF SAN DIEGO

Proposition K

(This proposition will appear on the ballot in the following form.)

PROP K Shall the General Plan of The City of San Diego be amended to change the designation of 1,410 acres in Subarea I from "Future Urbanizing" to "Planned Urbanizing" to create a transit-oriented community, provided that 280 additional acres of habitat is permanently conserved for a total of 1,945 acres of open space in the Subarea, and substantial contributions are made by the developer for needed schools, fire stations, roadway improvements to Interstate 15, SR-56 and other regional roadways?

In 1985, the voters of the City of San Diego adopted the Managed Growth Initiative, known as "Proposition A," which amended the Guidelines for the Future Development Section of the Progress Guide and General Plan of the City of San Diego by requiring approval of the voters before changing the designation of lands from the "Future Urbanizing" designation.

After two years of study and community input the City of San Diego adopted the "Framework Plan" which sets forth land use rules and policies to guide development of Subarea I.

The Subarea I Plan complies with the Framework Plan requirement, including creation of pedestrian-friendly neighborhoods designed to reduce dependency on automobile travel by enabling transit, van pool and park/ride options.

The Subarea I Plan complies with the open space requirements of the City's Framework Plan and Multiple Species Conservation Program [MSCP].

This amendment to the General Plan will provide for 280 additional acres of habitat to be conserved, for a total of 1,945 acres of open space in Subarea I.

The 1,410 acres for which an amendment in designation is requested is part of the 5,098-acre property known as Subarea I of the North City Future Urbanizing Area. The entirety of Subarea I is designated as "Future Urbanizing" on the Official Phased Development Map in the City's Progress Guide and General Plan. An amendment to change the designation from "Future Urbanizing" to "Planned Urbanizing" is requested for only 1,410 acres of Subarea I.

A plan for the area, which includes that 1,410 acres, was prepared and adopted by The City of San Diego and is titled the "Subarea I Plan."

The Subarea I Plan will provide housing to allow residents to live closer to work avoiding the pressure of increased traffic from residents commuting to the City of San Diego from outlying areas, including from Riverside County, and will ensure that developers provide their fair share of the necessary infrastructure.

The Subarea I Plan requires the developer to provide substantial funds for improvements to Interstate 15 and State Route 56 as well as to make improvements to regional and local streets.

To reduce the dependency on the freeways, the project will incorporate a commuter-friendly design using mass-transit.

Subarea I is located approximately twenty miles north of downtown San Diego, seven miles inland from the Pacific Ocean, and is identified in Figure 1-3 in the Subarea I Plan on file in the office of the City Clerk as Document No. RR-290525, adopted by Resolution No. R-290525 of the City Council on July 28, 1998.

The City of San Diego has adopted a public facilities financing plan that requires the applicant to pay a fair share of the costs of necessary public facilities associated with development of the property.

Approval of this change of designation in no way permits any other portion of the North City Future Urbanizing Area to have a change of designation without a separate vote of the people.

The Subarea I Plan received a recommendation for adoption by Planning Commission of The City of San Diego on July 9, 1998, and was adopted by the Council of The City of San Diego on July 28, 1998, and was endorsed by the Community Planning Board of the neighboring community of Rancho Peñasquitos.

The Subarea I Plan would provide funding for construction of two elementary schools, one middle school, one high school, and two fire stations.

NOW, THEREFORE, the People of the City of San Diego do hereby resolve to amend the City's Progress Guide and General Plan by amending the Official Phased Development Map, on file in the office of the City Clerk as Document No. RR-267565-1 to change the designation of 1,410 acres of the property within that area known as the "Subarea I" from "Future Urbanizing" to "Planned Urbanizing" as provided for in accordance with Figure 1-3 in the Subarea I Plan on file in the office of the City Clerk as Document No. RR-290525, subject to the following condition:

Should there be any legal action challenging the City Council's adoption of the Subarea I Plan, including any challenge to environmental documents certified by the Council of The City of San Diego in connection with adoption of the Subarea I Plan, this amendment shall not become effective until such time that the legal challenge is resolved to a final conclusion by the courts and any required revisions are made to the Subarea I Plan and environmental document. While any such legal action is pending, the Council of The City of San Diego shall not approve any rezoning of property or subdivision of land within the portion of the Subarea I Plan affected by this ballot measure. This condition is intended to further the desire of the People to have the Subarea I Plan implemented, as approved and conditioned by the Council of The City of San Diego on July 28, 1998.

The People of the City of San Diego hereby further resolve that the maximum number of residential dwelling units which may be permitted within Subarea I shall not exceed the total number of residential units set forth in the Subarea I Plan approved on July 28, 1998.

ARGUMENT IN FAVOR OF PROPOSITION K

It takes a great project for all of us to agree - Sierra Club, business community, and neighbors.

We Support Proposition K because it ensures that development in Subarea I, located in the city north of Rancho Penasquitos, is sensitive to the environment, preserves open space, improves roads and freeways, and pays for itself. Voters demanded consistency with the City's General Plan in 1985 when they approved the Managed Growth Initiative. Proposition K accomplishes this.

- **Proposition K Will Cost Taxpayers Nothing.** The development will fund construction of all necessary new schools, parks, fire stations, and roadways.
- **Unprecedented Response to Traffic Congestion.** The development will provide \$25 million dollars towards the completion of SR-56 and improvements to I-15. New homes will be located near offices and shopping to reduce trips on the freeway. And, the development will provide vans and buses to reduce dependency on automobiles.
- **Huge Contribution of Open Space.** Within Subarea I, over 1900 acres (bigger than Balboa Park) will be provided for trails and recreation and to support threatened habitat and endangered species. This project will complete the largest single private dedication of open space to the public for the city's Multiple Habitat Planning Area.
- **Housing Opportunities for Everyone.** Apartments, starter homes and move-up housing . . . most within a walk or bike ride to school, grocery stores, and shops.

Traffic coming from Riverside County already jams I-15 and Riverside developers don't pay one cent to help solve our problems. We need good residential development like that proposed by Proposition K to allow people to live closer to where they work and to make sure developers pay their fair share.

That's why we came together to support Proposition K.

That's why we urge you to Join Us and Vote Yes on Proposition K.

CAROLYN D. CHASE
Chair
San Diego Sierra Club

RANDY "DUKE" CUNNINGHAM
United States Congressman and
Member, Citizens to Improve I-15

BENJAMIN A. HADDAD
President and CEO
Greater San Diego Chamber of Commerce

R. JEFFREY SMITH
Chair
Rancho Penasquitos Planning Board

PETER J. KANELOS
President
Responsible Voters for Lower Taxes

ARGUMENT AGAINST PROPOSITION K

RAMPANT GROWTH HAS CONSEQUENCES - PROTECT YOUR QUALITY OF LIFE
VOTE "NO" ON BLACK MOUNTAIN RANCH - PROPOSITION K

THE PROBLEMS WITH PROP K

EXCESSIVE GROWTH: Black Mountain Ranch allows ten times the houses permitted by current zoning - from fewer than 400 homes to over 4,000
Almost 15,000 dwelling units are proposed in the North City Future Urbanizing Area
Overcrowding and density that will add 35,000 people to the City
TRAFFIC: Black Mountain Ranch means over 84,000 additional daily auto trips on San Diego streets
MORE TRAFFIC: Over 235,000 total daily auto trips from the North City Future Urbanizing Area
EVEN MORE TRAFFIC: Prop K means I-15 and I-5 traffic will get even worse, in spite of minor promised freeway improvements

THE FACTS ABOUT PROP K

TOO LITTLE: Developer contributions **will not increase freeway capacity**
Will **dramatically increase traffic** on neighborhood streets
No identified solution or funding for real freeway relief
TOO LATE: Once approved by the voters the **politicians can change the**
TOO SUSPECT: **Black Mountain Ranch plan without voter authorization**
Open space is **already designated** and assured - this plan adds little

THERE ARE BETTER ALTERNATIVES

1. Develop **NOW** with the **CURRENT** zoning that allows 300 to 400 houses
2. Develop a scaled-back project
3. **WAIT FOR REAL HIGHWAY IMPROVEMENTS FIRST**

VOTE NO ON PROP K

Your "No" Vote tells politicians you will not tolerate:

**Excessive Growth
Clogged Freeways and Streets
Deteriorating Quality of Life**

Don't let East Coast land speculators reap huge profits at your expense and then be gone
Keep San Diego from becoming another Los Angeles

Vote "NO" on Proposition K

RICHARD BELZER
Chairman
Rancho Bernardo Community Planning Board
JOYCE TAVROW
Member
Plan Responsible Orderly Development (PROD)

KEN KING
Vice Chairman
San Dieguito Planning Group
DAVID KREITZER
Former Chair
San Diegans for Managed Growth

CITY OF SAN DIEGO

Proposition M

(This proposition will appear on the ballot in the following form.)

PROP M Shall the City of San Diego's General Plan be amended to change the designation of 2,102 acres in Subarea III from "Future Urbanizing" to "Planned Urbanizing" to allow development of a transit-oriented community, provided that 889 acres remains open space, and an additional 150 acres of extremely rare habitat on Carmel Mountain is dedicated to the City, and approximately 90 acres within Subarea III needed for completion of SR-56 is sold to the City at substantially below market value?

In 1985, the voters of the City adopted the Managed Growth Initiative, known as "Proposition A," which amended the Guidelines for the Future Development Section of the Progress Guide and General Plan of the City of San Diego by requiring approval of the voters before changing the designation of lands from "Future Urbanizing" to "Planned Urbanizing."

A 2,652 acre area is located in Subarea III of the North City Future Urbanizing Area and is currently designated as "Future Urbanizing" on the Official Phased Development Map in the City's Progress Guide and General Plan.

The Subarea III Plan for that 2,652 acres was prepared and is titled the "Pacific Highlands Ranch Subarea Plan."

Approximately 550 acres of the 2,652 acres in Subarea III has been approved for development at rural densities while preserving 384 of the 550 acres as natural open space.

The designation of the remaining 2,102 acres in Subarea III is proposed to be changed from "Future Urbanizing" to "Planned Urbanizing" while preserving an additional 889 of the 2,102 acres as natural open space.

In accordance with the Pacific Highlands Ranch Subarea Plan an additional 143 acres of the 2,102 acres is planned for State Route 56 right-of-way, approximately 90 acres of which will be conveyed by Pardee Construction Company to the City for a price substantially below market value.

The terms of the Transportation Phasing Plan for the Pacific Highlands Ranch Subarea Plan provides that no more than 1,900 dwelling units shall be permitted within the phase shifted area of Subarea III until such time that State Route 56 westbound/Interstate-5 northbound connection ramps are in place and operational.

The City Council strongly supports the construction of State Route 56 westbound/Interstate-5 northbound connection ramps and intends to aggressively lobby for this project to be a top priority in the year 2,000 State Transportation Improvement Plan (STIP).

The Pacific Highlands Ranch Subarea Plan provides for designation of at least 1,274 acres of open space, including a wildlife corridor connecting Gonzales and McGonigle Canyons within the regional open space system known as the Multiple Habitat Planning Area [MHPA].

In accordance with this ballot measure, the Pacific Highlands Ranch Subarea Plan, and a certain Development Agreement on file in the office of the City Clerk of the City of San Diego as Document OO-18571, title to additional property known as Parcels A and B within Neighborhood 8A of Carmel Valley will be conveyed to the City as a condition of changing the designation of 2,102 acres known as Pacific Highlands Ranch Subarea Plan from "Future Urbanizing" to "Planned Urbanizing."

As a condition of changing the designation of 2,102 acres known as Pacific Highlands Ranch Subarea Plan from "Future Urbanizing" to "Planned Urbanizing," absent voter approval the Council of The City of San Diego shall not permit residential or commercial development within Neighborhood 8C on open space dedicated to the City as shown on Figure 2-1 of the Neighborhood 8C Precise Plan-Option One, approved by the City Council by Resolution No. R-290506, on July 28, 1998.

Pacific Highlands Ranch is located on the eastern boundary of Carmel Valley and is identified on Exhibit 1-1 in the Pacific Highlands Ranch Subarea Plan on file in the office of the City Clerk as Document No. RR-290521, adopted by Resolution No. R-290521, of the City Council on July 8, 1998.

Implementation of the Pacific Highlands Ranch Subarea Plan requires that 2,102 acres within Pacific Highlands Ranch Subarea Plan, as depicted on Exhibit 1-1 of said Plan, be changed from "Future Urbanizing" to "Planned Urbanizing."

Approval of this change of designation in no way permits any other portion of the North City Future Urbanizing Area to have a change of designation without a separate vote of the people.

NOW, THEREFORE, the People of the City of San Diego do hereby resolve to conditionally amend the City's Progress Guide and General Plan, specifically by conditionally amending the Official Phased Development Map, on file in the office of the City Clerk as Document No. RR-267565-1, to change the designation of 2,102 acres within Pacific Highlands Ranch Subarea Plan as reflected on Exhibit 1-2 of said Plan from "Future Urbanizing" to "Planned Urbanizing," the amendment to become effective upon, but not until, the occurrence of the following events:

1. Pardee Construction Company offers to dedicate to the City fee title to 126 acres of land known as Parcels A and B within Neighborhood 8A of Carmel Valley and offers to dedicate a conservation easement for an additional 24 acres on Parcel A to establish a mitigation bank; and
2. Pardee Construction Company has made a legally binding offer to sell to the City approximately 90 acres of land currently under Pardee Construction Company ownership within Subarea III for use as State Route 56 right-of-way at a price which is substantially below market value.

The People of the City of San Diego do hereby further resolve that upon the occurrence of events described above, thereby triggering an amendment of the Official Phased Development Map, on file in the office of the City Clerk as Document No. RR-267565-1 to change the designation of 2,102 acres within Pacific Highlands Ranch Subarea Plan as reflected on Exhibit 1-2 of said Plan from "Future Urbanizing" to "Planned Urbanizing," the following development restrictions shall apply to the land which is the subject of this ballot measure:

1. Upon the 150 acres of land known as Parcels A and B within Neighborhood 8A of Carmel Valley, no fewer than 135 acres shall be maintained as natural open space (no residential or commercial development or improved roadways), and no more than 15 acres may be used for a community park site at the specific location shown upon Figure 2.11 of the Neighborhood 8A Specific Plan approved by the City Council by Ordinance No. OO-18572 on September 8, 1998; and
2. Absent voter approval, the Council of The City of San Diego shall not permit residential or commercial development within Neighborhood 8C on open space dedicated to the City as shown on Figure 2-1 of the Neighborhood 8C Precise Plan, approved by the City Council by Resolution No. R-290506 on July 28, 1998; and
3. Absent voter approval, the Council of The City of San Diego shall not amend the Pacific Highlands Ranch Subarea Plan to designate any fewer than 1,274 acres of open space or reduce or eliminate the wildlife corridor which connects Gonzales Canyon and McGonigle Canyon; and
4. Development within the phase shifted area of the Pacific Highlands Ranch Subarea Plan shall not exceed 1,900 dwelling units until such time that ramps for westbound SR-56 connecting with I-5 North and I-5 South connecting with eastbound SR-56 are constructed and operational; and
5. Within Pacific Highlands Ranch Subarea Plan, Del Mar Heights Road shall not be accessible to through traffic from east of Camino Santa Fe until that portion of State Route 56 (or a comparable roadway extension in the State Route 56 corridor) is in place from its present terminus at Carmel Valley Road to Camino Santa Fe.

ARGUMENT IN FAVOR OF PROPOSITION M

Proposition M is the result of a two year effort by San Diego's leading environmental, community planning, business and civic representatives to create an innovative managed growth plan for one of San Diego's last new neighborhoods: Pacific Highlands Ranch. These watchdog groups have helped shape a walkable village-styled neighborhood plan that adheres to strict growth management measures mandated by San Diego voters over the past 20 years to preserve our quality of life and protect our environment.

Proposition M has our endorsement because it:

- Contributes to completion of major highway connections
- Satisfies all voter-approved objectives for comprehensive planning, including the overwhelmingly approved 1985 Managed Growth Initiative (Prop. A)
- Contributes 1,274 acres - 50 percent of the area - to new recreational and natural open space
- **REQUIRES NO COST TO TAXPAYERS**

Proposition M assures that Pacific Highlands Ranch provides transportation solutions by:

- Contributing funding and discounted land for SR-56 connecting I-5 and I-15
- Imposing strict building limitations pegged to traffic improvements
- Creating viable alternatives to the automobile, including public transit, bicycling and walking

Proposition M permanently preserves open space, provides wildlife sanctuaries and supports habitat conservation:

- Restores and creates a vital wildlife corridor connecting important canyons with the regional open space system
- Enables creation of Carmel Mountain Reserve (within Neighborhood 8A), for inclusion as part of the Torrey Pines State Park system AT NO TAXPAYER COST
- Puts into place superior measures to prevent water pollution from urban runoff

Proposition M provides needed public facilities:

- A High School, Junior High and 4 elementary schools
- 2 neighborhood and 1 community recreational park
- Fire and police stations
- 15 miles of interconnected pedestrian, bicycle and horse trails
- Library

Endorsed by a broad spectrum of environmental, community and civic organizations, Proposition M is a model for how new neighborhoods should be planned.

PLEASE VOTE YES ON PROPOSITION M.

MICHAEL BECK
San Diego Director
Endangered Habitats League

CAROLYN CHASE
Chair
San Diego Sierra Club

JAN FUCHS
Chair
Carmel Valley Community Planning Board

R. JEFFREY SMITH
Chair
Rancho Penasquitos Planning Board

BENJAMIN A. HADDAD
President & CEO
Greater San Diego Chamber of Commerce

ARGUMENT AGAINST PROPOSITION M
STOP
FREEWAY GRIDLOCK AND OVER-DEVELOPMENT
VOTE "NO" ON "M"
HUGE DENSITY INCREASE NOT DISCLOSED IN BALLOT LANGUAGE

Ask Yourself Who Will Benefit From Proposition "M." Will You?
Consider the Following Facts

Ownership Facts

- **Los Angeles**-headquartered Pardee Construction, subsidiary of logging giant Weyerhaeuser, owns 76.3% of the land to be rezoned to **higher density** if this proposition passes.

Zoning and Density Facts

- Current zoning allows a maximum of **455** new units. Rezoning will **raise that density to 5,470** new units – an **increase of 1,200%**. Translation: **BIG MONEY FOR ONE BIG DEVELOPER**.
- This project, along with other proposed developments, will **ADD 15,000 UNITS** to this area, with **ALL** those new residents using I-5 or I-15 to get **ANYWHERE**.

Traffic Facts

- The City's own *Environmental Impact Report (EIR)* identifies this plan's impacts on traffic circulation as "**significant, NOT mitigated, and cumulative.**"
- The *EIR* states this project will result in "**direct and cumulative impacts on the I-5 and I-15 freeways.**" Translation: **TRAFFIC GRIDLOCK**.
- The *EIR* states this density will cause newly constructed **SR-56** to have "**unstable flow, heavy volumes, very limited freedom to maneuver.**" Cars will flood surface streets and destroy the relief **SR-56** was supposed to provide to **I-15 and I-5 commuters**.
- "San Diego ranks in the **top 10 most congested cities** nationwide." *San Diego Daily Transcript* (July 28, 1998).

Environmental Facts

- 46.3% of the land to be rezoned is already protected by the **Multiple Habitat Planning Area**. Why spoil the remaining land with an additional **density of 5,470 units**?
- The City's own *EIR* states this increased density would result in:

"reduction in wildlife habitat values"
"unavoidable significant cumulative air quality impacts"
"unavoidable significant cumulative impacts to wetlands and native grasslands"

VOTE 'NO' ON 'M'

LEIGH C. CRUEGER San Diegans For Responsible Freeway Planning	BEATRICE BECK SubArea III property owner-resident
THOMAS M. HOHMAN Carmel Valley Resident	ALEX LANDON Sierra Club Member

CITY OF SAN DIEGO

Proposition N

(This proposition will appear on the ballot in the following form.)

PROP N **RATIFICATION OF ORDINANCE NO. O-18569 (NEW SERIES)**. Shall Ordinance No. O-18569 be ratified?
This ordinance authorizes the transfer of approximately 30 acres of City-owned land in exchange for 47.7 acres of land within the planning area for the San Dieguito River Park.

AN ORDINANCE AUTHORIZING THE EXCHANGE OF PORTIONS OF PUEBLO LOTS 1304 AND 1306, CONSISTING OF APPROXIMATELY 30 ACRES, IN RETURN FOR 47.7 ACRES OF PROPERTY IN THE SAN DIEGUITO RIVER VALLEY.

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. The City of San Diego be and it is hereby authorized to exchange all or any portion of the unratified portions of Pueblo Lots 1304 and 1306, consisting of approximately thirty acres. The aforementioned Pueblo Lots are located generally in the University City area, west of Interstate 805 and north of Nobel Drive, as is more particularly shown in the plat map on file in the Office of the City Clerk as Document No. OO-18569-1.

Section 2. The exchange of the above-described Pueblo Lands is being made for the general purpose of accomodating scientific research activities, research and development activities, corporate headquarters, high technological manufacturing activities, and related or similar uses on the property.

Section 3. The property in the San Dieguito River Valley to be acquired by the City of San Diego in exchange for Pueblo Lots 1304 and 1306 consists of approximately 47.7 acres and is generally located east of Interstate 5, south of Via De La Valle, and east of El Camino Real, as is more particularly shown in the map on file in the Office of the City Clerk as Document No. OO-18569-2. The 47.7 acres to be acquired by the City of San Diego are located in the North City Future Urbanizing Area, and are presently designated in the North City Future Urbanizing Area Framework Plan for development of up to 47 single family residences. The property is also designated in the Open Space Element of the Progress Guide and General Plan as open space. It is anticipated that the open space designation will remain.

Section 4. This ordinance shall become effective only after: (a) it is ratified by a majority vote of the qualified electors of The City of San Diego voting at the Municipal Election to be held in this City on November 3, 1998; and, (b) a settlement agreement resulting in the dismissal of the case *San Dieguito Partnership v. City of San Diego*, San Diego Superior Court case numbers 707254, 711525 and 718166 is approved by the City Council.

ARGUMENT IN FAVOR OF PROPOSITION N

Vote "YES" on Proposition N for the environment, parks, and open space preservation.

A "YES" vote allows a trade of City of San Diego land for private land on a value for value basis to move development out of the sensitive San Dieguito River Valley which the City, public agencies and environmental groups are trying to preserve as permanent park and open space, and into an urban area where the property can be more appropriately developed.

If Proposition N does not pass the property owner has plans to develop the San Dieguito River Valley property. Please help us keep this 47.7 acres in permanent open space with your "YES" vote.

Your "YES" vote is an important step toward implementing the open space designations for this area set forth in the City General Plan, and aids the San Dieguito River Park in its continuing efforts to secure the permanent preservation of this beautiful river valley land for all to enjoy.

A "YES" vote brings a key part of river valley watershed now designated for residential development in the North City Framework Plan into public ownership.

A "YES" vote helps further the San Dieguito River Park and the City of San Diego's adopted goals of creating a natural greenbelt and open space park system in this important part of the river valley.

Your "YES" vote enables us to continue our work to protect and preserve this environmentally important property which the San Dieguito River Park has designated as a high priority for permanent preservation as open space and park land.

A "YES" vote is supported by the City of San Diego, the San Dieguito River Park, the Sierra Club, the League of Women Voters and private landowners. **Please join the undersigned organizations in letting the City of San Diego know that you want this beautiful river valley preserved in permanent open space/habitat. Vote "YES" on Proposition N.**

MARION B. DODSON
Chair, San Dieguito River Park J.P.A.

KATHLEEN McINTOSH
President, League of Women Voters

CAROLYN CHASE
Chair, San Diego Sierra Club

ARGUMENT AGAINST PROPOSITION N

No argument against the proposition was filed in the office of the City Clerk.