

**CITY HEIGHTS REDEVELOPMENT
PROJECT AREA COMMITTEE MEETING MINUTES
March 10, 2008**

The members of the City Heights Project Area Committee (PAC) held their meeting at the Metro Career Center Office Building.

The following members were present:

David Bowen	Tony LoPresti	Elizabeth Tate
Karen Bucey	Torr Melling	David Taylor
Astrid Cybulskis	David Nelson	Jim Varnadore
Valentina Hernandez	Juan Pablo Sanchez	
David Taylor	Joe Sciarretta	
Fred Lindahl	Michael Sprague	

The following members were absent: Rudy Burlin, Jay Levine, Aide Rodriguez and Patty Vaccariello.

Also Present: Melissa Garcia (Redevelopment), Kenia Rivera (Redevelopment).

- I. Call to Order:** The meeting was called to order at 6:02 p.m. Roll call was conducted. A quorum was established.
- II. Agenda:**

Jim Varnadore motioned to change item V. B from an Action item into an Information item seconded by Joe Sciarretta motion passed 10-2-0. Tony LoPresti motioned to approve the agenda as amended seconded by Andrea Zinko motion passed 12-0-1.
- III. Minutes:**

DJ Taylor motioned to approve minutes from February 11, 2008 seconded by Astrid Cybulskis. Motion passed 12-0-1.
- IV. Public Comment, PAC Members Comment and Staff Announcements**

Public Comment

The following members of the Public made comments:

Colin Matheson
Shara Fisler

PAC Member Comment

The following members of the PAC made public comments:

Valentina Hernandez
Jim Varnadore
Fred Lindahl
Astrid Cybulskis
David Nelson
David Bowen
Joe Sciarretta

Staff Announcement

Melissa Garcia reminded the members of the PAC that the form 700 must be submitted to the City Clerk by April 1st. Melissa also gave an update on the Redevelopment Agency Restructuring. Executive Director of the Agency, Janice Weinrick will be making a report to the Agency board on April 15, 2008. The report to the Agency board will be available on April 9th.

V. New Business

A. Potential Acquisition of Excess I-15-Possible Action Item-After construction of the I-15 through City Heights, Cal Trans turned over 7 excess parcels to the City of San Diego. Five of the seven parcels have been offered for sale to the Agency. The Metro Career Center parcel and the RTC parcel were among the parcels turned over to the City in 2001. Melissa Garcia presented each of the parcels proposed to be purchased by the Agency to the PAC (all parcels were noted on a map provided to the PAC). They included, a 19,100 sq ft lot located at the northwest corner of El Cajon Blvd & I-15 actually two parcels, a 13,200 sq ft parcel located at the northeast of El Cajon Blvd & Central Ave, a 12,100 sq ft lot located at the southwest corner of University & I-15 and a 25,000 sq ft lot at the northeast corner of University & I-15. Agency staff requested direction from the PAC as to which parcels should be purchased. Staff noted that the parcel at Central and El Cajon Blvd. would be difficult to develop due to its size and access issues. Agency and City appraisal amounts were shared with the PAC. David Nelson had concerns with the appraisals he does not believe any developer can afford to pay the proposed prices and make a profit from development. Jim Varnadore motioned to have the Agency purchase and hold the 19,100 sq ft lot (NW corner El Cajon Blvd.), the motion was seconded by David Nelson with a friendly amendment to reappraise the parcels prior to purchase. Motion passed 10-4-1. David Nelson motioned the Agency purchase the 13,200 sq ft lot (NE corner El Cajon Blvd/Central Ave.) after its market value is reanalyzed. Seconded by Michael Sprague, motion passed 9-5-1. Elizabeth Tate motioned that the Agency purchase the 12,100 sq ft lot (SW corner of University & I-15) seconded with an amendment by Astrid Cybulskis that the lot be reanalyzed. Due to his position on the board of Standard Plumbing, Joe Sciarretta recused himself from the discussion of this particular lot. Motion passed 9-3-2. Tony LoPresti motioned to purchase the 25,000 sq ft parcel (NE corner University & I-15) after the parcel is reappraised, seconded by Astrid Cybulskis. Michael Sprague amended the motion to make the lot available to Central School on an interim basis. Motion passed 15-0-0.

B. Storefront Improvement Program Guidelines-Information Item- City Heights currently has an Adopt-A-Block Program that works in conjunction with the City's Storefront Improvement Program (SIP) both programs are administered by the City. Currently the Adopt-A-Block program offers a 1/3 rebate of project costs up to \$5,000. In City Heights the \$5,000 rebate is comprised of tax increment dollars from the project area as well as City funds. Since Redevelopment dollars are placed in the rebate prevailing wages for the entire project are required to be paid. Additionally, Redevelopment dollars also require high levels of insurance requirements for the project; General liability, Auto and Workers Comp all require 1 Million policies with the Agency named as an additional insured. Agency staff proposes to create a separate program from the City's due to the guidelines associated with the use of Redevelopment funds. The proposed program will separate the use of City and Agency funds for the Storefront Improvement Program. Any projects with a total project cost under \$15,000 would use only City funds. Projects over \$15,000 would use Agency funds. Agency funds would trigger prevailing wage, increased insurance requirements, as well as be provided as a five-year forgivable loan. David Nelson doesn't think that this will work in all project areas, each project area is different would rather have City Heights have its own program. Fred Lindahl mentioned that City Heights has older structures and \$15,000 might not be enough. Joe Sciarretta feels that local businesses do not have time and do not want to bother with a cumbersome program. Joe feels the program is ill conceived and not defined clearly. Valentina Hernandez feels that this program is not working. Karen Bucey feels the BIA should speak to the PAC regarding this program. The PAC requested the BIA be included on next months agenda.

C. Fourth Five Year Implementation Plan-Goals and Objectives-Discussion Item-The Redevelopment Project Area Implementation Plan is a requirement for each project area. Agency staff will need the PAC's assistance on establishing the goals and objectives for the project area as well as establishing a work plan for the next five years. Staff would like to have the PAC's additions and changes by April's PAC meeting. Karen Bucey asked for volunteers to form a subcommittee Tony LoPresti, Astrid Cybulskis, Fred Lindahl, and Andrea Zinko all volunteered. Jim Varnadore asked staff to review the expiration date of the current Five Year Implementation Plan, 2008 or 2009. [Note: the Five Year Implementation Plan expires in June 2009, updates will not commence until 2009].

VI. Old Business

A. City Heights Paseo – Information Item- Melissa Garcia informed the PAC that Agency staff will not be bringing forward a 4th ENA. The project has been consistently scaled back and the latest design is not supported by Agency staff. Attendees of the City Heights Paseo design committee had various comments regarding the latest design. Fred Lindahl suggested that they move the building to the east (on the City owned site) to create a more friendly pedestrian area. DJ Taylor wants to stay involved with this project to make sure something happens on the site, thought the design meeting was productive. Melissa Garcia stated

that the Agency's assistance for new development (that is not affordable housing) can only be used for land and off-site improvements.

- B. El Cajon Blvd. Pilot Village Project RFP – Information Item-** Melissa Garcia gave an update on the El Cajon Blvd. Pilot Village RFP. Due to changing market conditions staff's economic consultants updated the analysis of the Pilot Village. The financial gap was found to be between \$19 million and \$29 million, in order to issue the RFP the project area would need to be able to fill the financial gap. Melissa stated that even though the project area collected \$12.6 million in gross tax increment in FY2007, after 20% is set aside for affordable housing and another 32.5% is provided to the tax sharing entities, and debt obligations and administrative costs are paid, the project area was left with approximately \$1.7M. If the Agency were allowed to bond, the bonding capacity of the City Heights project area would be about \$17M. Even if the pilot village were the only project in City Heights, \$17M wouldn't be enough to fill the economic gap the project would need. Without any way to close the gap on the project, the Agency will not issue the RFP for this project. Astrid Cybulskis asked if the property owners will be noticed, staff hopes to notice the property owners as soon as possible.

VII. Chair and Subcommittee Reports

- A. Chair's Report-**Karen would like a member from the PAC to form a facelift committee of 5 or 6 members from the PAC, Elizabeth Tate volunteered. The I-15 Bus rapid transit committee is still working on designs and hopes to have sketches in the next couple weeks.
- B. Housing Subcommittee-**David Nelson gave a report to the PAC regarding the March Housing Subcommittee meeting. The committee held elections for the chair and vice chair; David Nelson will continue to be the chair and Andrea Zinko the vice chair. The committee also looked at the Home in the Heights Program boundaries, the program includes the planning group boundaries as well as the redevelopment boundaries. The committee discussed the possibility of changing the boundary to include only the redevelopment project area. The committee decided to keep the current boundaries of the program.
- C. City Heights Paseo Design Committee-**Updates from the design committee were provided to the PAC in the item VI. A.

VIII. Next Meeting Agenda- PAC discussion on next meeting's agenda.

- A.** Storefront Improvement Program Guidelines
- B.** Redevelopment Agency Restructuring
- C.** Draft of project area budget

IX. Adjournment -The meeting adjourned at 8:21 p.m.