

**NORTH PARK REDEVELOPMENT  
PROJECT AREA COMMITTEE (PAC)  
MEETING MINUTES**

**Tuesday, May 10, 2011**

North Park Christian Church 2901 North Park Way, San Diego, CA 92104

Comments and PAC actions relating to items on today's agenda are noted herein.

**I. ROLL CALL & INTRODUCTIONS**

Chair Lewis, convened the meeting at 6:04 p.m.

<b>David Cohen</b>	Present	<b>Judi O'Boyle</b>	Present
<b>Patrick Edwards</b>	Present	<b>Lachlan Oliver</b>	Present
<b>Don Leichtling</b>	Present	<b>Robert Steppke</b>	Present
<b>Roger Lewis</b>	Present	<b>Jennifer Litwak</b>	Present
<b>Valerie Loy</b>	Absent	<b>James Tinsky</b>	Present
<b>Lucky Morrison</b>	Present	<b>Mary Wilkinson</b>	Present

**II. ADOPTION OF AGENDA**

**Motion** (Litwak/Cohen): *To adopt the meeting agenda as presented.*

**Passed** (11-0-0)

**III. APPROVAL OF MINUTES**

Corrections: Litwak name miss-spellings, 'MAD' instead of 'MADD', correct to 'AMPCO', and correctly spell Lengyl's name.

**Motion** (Litwak/Cohen): *To adopt the April minutes with the corrections noted.*

**Passed** (11-0-0)

**IV. ELECTED OFFICIALS REPORTS**

Anthony Bernal, CD3 district staff, expressed that SD City Council approved new medical marijuana dispensary criteria and noted Councilmember Gloria is the chair of the budget committee. He informed us there will be possible cut to hours of libraries and recreation facilities. NP post office will be closing as of now however Councilmember Gloria is drafting a letter showing the need of the post office to NP.

**V. PUBLIC COMMENT**

Mike Vargason, the Parking Operations Manager for the NP parking garage introduced himself, relaying that he is looking forward to an improved relationship. O'Boyle relayed her concern about meeting at the church and would like to hold meetings at another location, possibly one of Bud Fisher's buildings. Lewis stated he is not happy with having to move locations but is currently still looking for a more permanent location.

## **VI. CHAIR'S REPORT**

The chair reminded people of the NP festival this Sunday and noted the need still for volunteers for the PAC booth to help educate the public. Lewis passed the last year's of motion slips to Lengyel of the Agency. The community discussion on the NP Park has begun and the first design charrette will be on June 4<sup>th</sup> from 9am to 2 pm to be held at the Odd Fellows Hall (Sunset Room) on Kansas St at University. Morrison asked about looking into how to name the park. Edwards would like to see a memorandum for the park area including the requirement of the dumpsters and fire access. Lewis encouraged looking into that but wanted to make sure it was done as a part of the design process rather than threw an actual formal arrangement at this time to leave some leeway for design.

## **VII. ACTION/DISCUSSION ITEMS**

### **A. Presentation of Draft Fiscal Year 2012 NP PAC budget.**

Lengyl went through the current budget for the NP PAC after handing out the "current funding" spreadsheet to all PAC members and audience. Assuming redevelopment does not go away or the state does not take away any funds the balance for the next fiscal year is approximately \$1.036 M. Edwards asked to verify the mini-park was already encumbered. O'Boyle expressed concern about administration costs. Morrison asked about the block grant that was given to NP Main Street and how that works or is shown for the public. Cohen wanted clarification on the budget as far as the balance remaining for the fiscal year. Lengyl's noted the budget handout has the current cost already in the budget.

### **B. Quarterly presentations of applicants for agency assistance for rehabilitation of commercial properties.**

Lengyl introduced the two applicants and gave a brief background on the requested amounts for each proposal. The SD Art Department introduced their presentation and gave the history of the non-profit. A presentation packet was handed out to all PAC members. A description of the current space, the art students and the interaction with the NP community was given. The possible future design was expressed by improving the façade, indoor spatial areas, more lighting, repairing the flooring, installing solar power, a HVAC system, improve plumbing among other items. The SD Art Department requests \$250,000.

Morrison recused, explaining his son in law prepared the SD Art Department presentation. Edwards asked about a request of dollar amounts in the proposal listed in Section 6. SD Art Department explained that two contractor quotes were given and they took certain components from each quote to come up with the requested amount. Leichtling asked them to consider an electric parking station to be placed at their business and also to consider alternative parking arrangements for patrons. Wilkinson stated the presentation does not include a possible future floor plan and noted a concern for the historical preservation of the building. Steppke expressed concern about the parking situation. SD Art Department said possible garage parking validation could be a future item. Oliver recused due to both the proximity of his business and as he leases from the same landlord as the applicant.

Lewis introduced the next presentation of Zagrodnik + Thomas. Thomas representing the firm handed out copies of the proposal. A history of the company was given along with how the company has integrated with the NP community through such things as wall art, photography, providing community meeting space and being a "green" mentor for other people to see. Thomas would like to create a future "eco fair" for San Diego showing off the possibilities of a fully functional green building / business. Zagrodnik + Thomas is requesting \$295,000. Edwards asked about ownership of the building along with financial request amounts. Thomas replied that they owned the building and clarified the request amount of \$295,000. Morrison asked about the lead 2009

buildings point system and the evaluation process. Tinsky explained how there are some subjective items as well as objective ones and explained how the handout helps each member to rate each project. Steppke asked about a number for incentives or tax credits. Thomas relayed it is on the second page of the line item detail. Cohen asked what the top three items they would like to see funded were. Thomas said it would be the solar PV (\$130K), the digital dash board (\$20K) and the lead "EBOM" component.

**c. Recommendation by the Green Initiatives sub committee on Agency Assistance for two commercial projects. (San Diego Art Department at 3830 Ray Street and Zagrodnik + Thomas at 3956 30<sup>th</sup> Street)**

( Oliver excused himself from the PAC meeting at 7: 40 pm. Ms. Litwak took over taking notes.)

Lewis introduced the action discussion item as regarding the two projects covered under item "B" and asked Tinsky as chair of the the Green Initiatives Subcommittee (GIS) which was tasked with reviewing, assessing and recommending actions on the proposed projects.

Tinsky reported the GIS met on April 20, 2001, and discussed the proposals and determined what were appropriate expenditures which could legally qualify for public funding. The GIS determined that the two proposed projects are similar in a lot of ways. Ultimately, the GIS consensus was to not fund either project. Tinsky stated that the projects had the potential to contribute to the arts district, NP Business Community, and were approved as LEED Silver. However, ultimately, he stated that the GIS recommend the PAC to not fund either project because of the following considerations. One would be to consider allocations of smaller amounts of funding because the State may dissolve redevelopment and therefore, there are limited funds. The GIS felt that both projects in general were lacking some things demonstrating the public benefit: job creation, less public benefit in relations previous projects such as Queen Bee's or MACSD. He also noted the committee felt that neither building was really blighted, and that overall the PAC is not able to fund a number of certain elements of these projects. Lewis stated that the GIS looked in great specificity at line items. Furthermore, he stated that the PAC couldn't approve funding for floors, lighting, air conditioning. He would like to see a demonstration project that is actually utilizable or seen by the community for providing a public benefit, social services, or educational benefits that justifies the expenditure of public funds. He caution about setting precedent about funding portions/projects that are so limited/or do nothing for the community in the future. Lewis made a suggestion to the two presenters that they come back for another round in the next quarter and prepare an interactive proposal that better includes components such as education and public benefit. Cohen stated that the PAC only has a million dollar budget and these projects would take half of our budget and this is one of those times were we need to consider fully what and how much we spend over the next year. O'Boyle stated as well that there was a thorough discussion by the GIS. She stated that the primary objectives of redevelopment are to remove blight and for community benefit/education and neither of these projects do that.

*Public Comment:* A member of the public stated that both of these projects involved construction. Therefore, remember that construction will create job employment opportunities when these projects are created. A representative of SD Art Department shared a similar sentiment that the Art Department project will increase jobs because they currently have 18 teaching artists and with this funding they would be able to expand classes and that would allow them to hire 5 or 6 more teaching artists. Furthermore, he stated the Art Department had meet with our City Councilmember and that North Park is known for focusing on promoting the arts but they don't feel like anyone comes through to support them. The Art Department has played a major role

in supporting the development of membership organizations to collaborate between artists and businesses in order to align with City Council's statement of North Park supporting the arts. Additionally, in terms of providing a public benefit the Art Department is the largest business on Ray Street. Thomas, of Zagrodnik and Thomas, that they had included many elements for consideration and may be able to scale back to meet LEED Silver requirements allowing for reconsideration. He also noted they may open up a sort of 'green museum' to the community.

*PAC Discussion:* Edwards, not part of the GIS, noted he was surprised by the change in the tone of the PAC because, that a few weeks ago when we had a lot of money to throw around we arbitrarily encumbered it to projects that may or may not take that degree of funding but that now we have changed our approach. For the last few months, we were trying to encumber funds and even with the limitation of a million dollar budget for FY 2012 we have two qualified applicants. He stated the school (the Art Department) is a public benefit and that we should encumber the funds even if it is only \$99,000.00 and see if the applicants can work with that type of funding. O'Boyle stated every PAC is under the gun to encumber funds because redevelopment may be going away. The PAC supported the Mini-park and there is no bearing on the evaluation of classification of projects and willingness to fund certain projects. She suggested we need to determine as a PAC Board what community benefit means. LEED Silver is defined for us; however, we have made the rest of the priorities up to us. Leitchling agreed with Edwards that there is enough public benefit. He would support a motion by Edwards to scale back the funding to \$99,000.00 so that we can get the proposals on the table and approved because delaying for the future is silly because we are uncertain about the future of redevelopment. He stated that the Z & T Firm is education and benefiting North Park. Morrison noted his comments were regarding the Z & T Firm only. He stated that the total rejection of one qualified proposal from the Z & T Firm is being pennywise and pound-foolish. Morrison also stated that as they could have come to us a year ago and we may have supported this is contradictory. Wilkinson stated that the Art Department project is not defined structurally and whether the project will maintain the historical integrity is unclear. She likes the Z & T project proposal and would like to see them come back with a program with how they would better interact with the community. Additionally, she stated that the facades of either project are not blighted but then again she doesn't know if people that have blighted facades come to us for funding. Steppke supports the GIS's recommendation. He stated that the PAC should look at what is being asked of the benefits and us to the community in terms of jobs, etc. The presenters should come back with a smaller request that would be a proportional of one or the other that would have this leveraging component and he wouldn't arbitrarily put a funding of \$99,000.00 on the projects. Cohen had nothing further to say. Lewis noted a distinction between criteria for funding public facilities and commercial/private projects in regards to a earlier statement by Edwards. He stated that the PAC has a fiduciary responsibility to not use tax exempt money for commercial enterprises, and the allowable funding needs to demonstrate some public benefits and these projects do not have a nexus for commercial public benefit. Second, he stated that the GIS talked diligently of their understanding of the criteria of what they are trying to do and came to consensus of recommending against funding either project. Third, he stated support for Steppke's comment about leveraging the money in a commercial element for a public benefit. Tinsky stated that he does not believe the Art Department provides a public benefit because only affluent people are benefiting from the Art Department because they have the spare time to take advantage of the programs the Art Department offers. His belief is that redevelopment funds should go towards social services that were formally set up for public benefit but lost their funding during the downturn of the economy. Furthermore, he stated that the million dollars might go away if redevelopment ends but that the State may take it back. He stated that Leitchling specifically made good points about less commercial and more residential applications and for the potential to keep some of the FY 2012 monies aside for this. Lewis suggested making a motion to ask the participants to come back in the next quarter and address the GIS concerns

with their proposals. Or another option would be to have the proposals go back to the GIS.

Edwards suggested two motions given that Z & T Firm owns the building while the Art Department does not own the building. Additionally, Edwards prefaced the motion suggesting to formulate it so that each project proposal is given less than \$250,000 allowing them an opportunity to consider that funding level and that they always have the opportunity of returning to the PAC and turning that funding down.

**Motion** (Edwards/Leichtling): *\$99,000.00 to the Art Department because he was concerned with the non-ownership of building.*

*Discussion:* O'Boyle stated that there is no guarantee that the LEED Silver is going to be accomplished, that is her concern with approving the motion. Cohen stated that some of the issues identified in the proposal such as, trip hazards are the responsibility of the landlord to fix because it is the landlord's responsibility to ensure tenant safety. Lewis stated that because the proposed amount is less than \$100,000.00 it would not ensure LEED compliance. Roger recommended amending the proposed amount to \$99,000.00 thus allowing the Art Department an opportunity to identify how they would allocate the funding and provide further information as to the benefit to the North Park community. Edwards modified his Motion to \$99,000.00 to support elements of proposal as submitted and that the proposal would go back to GIS to make recommendations. Steppke stated that he believes the amount of \$99,000.00 is arbitrary and would like the proposal to go back to GIS.

**Failed** (4-5-1) For: Edwards, Leichtling, Litwak & Lewis Recusal: Morrison

**Second Motion** (Edwards /Leichtling): *\$150,000.00 for the Z & T Firm*

*Discussion:* Cohen stated that he was concerned because the proposal included \$130,000.00 for solar panels. As the Z& T Firm is a privately owned business Cohen stated a concern that other private business will come forward and want the same sort of funding for solar panels that will solely benefit a privately owned business and not the community at large. Steppke satirically stated that he loves solar and that everyone should have it especially if someone else is willing to buy it for them.

**Failed** (4-6-0) For: Edwards, Leichtling, Morrison & Litwak

Lewis commented to the proposal presenters that there were a lot of mitigating circumstances and there was a lot of support from some members of the PAC so he recommended they consider working on modifying their proposals and resubmit next quarter. O'Boyle made a comment to the Art Department to reapply and she stated that it would be in their best interest to bring in the owner of the building to show his support for you.

## **VIII. SUBCOMMITTEE/LIAISON REPORTS**

### **A. Maintenance Assessment District (MAD)**

Steppke reported on discussion of the potential North Park Clean and Safe project and thanked David Cohen for taking notes at that meeting.

### **B. Project Area Improvements**

Relating to signage of the Parking garage, Leichtling reported that construction documents have been distributed and they are working on a North Park native garden on Boundary Street. They will discuss this further at their next meeting, which is scheduled for May 20, 2011 at 3:00 p.m. at Boyle's house along with the theater parking signage

**C. North Park Community Plan Update**

Lewis noted it is currently in the draft stage so they are waiting.

**D. Green/Sustainability Initiatives**

Nothing further to report.

**E. Multi-Family Development**

Litwak reported she would schedule a meeting with Michael Lengyel to review the Multi-Family documents.

**IX. IX STAFF REPORTS/PROJECT UPDATES**

**A. Update on the Potential Effect of the Governor's Budget Proposal for Redevelopment**

Lengyel gave an update on the Potential Restructuring of Redevelopment. There are a couple compromises to reform to Governor's proposal to eliminate redevelopment. One reform would focus on increasing job creation and public infrastructure improvements. Additionally, an Ad Hoc Committee has been proposed for City Council if redevelopment services are restructured.

**X. REQUESTS FOR NEXT AGENDA**

- A.** Reviewing the Bylaws
- B.** Housing Recommendation
- C.** Update on the June Community Workshop of the Mini-Park
- D.** Parking Garage update

**XI. XI. ADJOURNMENT**

**Motion to adjourn:** (Tinsky/Litwak) 8:23 pm  
**Passed** (11-0-0)