

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
FOR THE REGULAR MEETING OF
TUESDAY, SEPTEMBER 20, 2016 AT 2:00 PM
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

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Pursuant to California Senate Bill 343 (Section 54957.5(b) of the Brown Act), late-arriving documents related to City Council meeting agenda items which are distributed to the legislative body prior to and during the Council meeting are available for public review in the Office of the City Clerk on the second floor of the City Administration Building, 202 C Street, San Diego, CA 92101. This relates to those documents received after the agenda is publicly noticed and during the 72 hours prior to the start of the meeting. Please note: Approximately one hour prior to the start of the Council Meeting, the documents will be available just outside Council Chambers in the lobby of the 12th floor of the City Administration Building in a binder labeled “SB 343.” Late-arriving materials received during the City Council meeting are available for review by making a verbal request of City Clerk staff located in Council Chambers.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
ORDINANCES TO BE INTRODUCED:

ITEM-S500: Approval of an Operating Agreement and Agency Agreement between the City of San Diego and Civic San Diego.

ITEM DESCRIPTION:

Approval of an Operating Agreement and Agency Agreement between the City of San Diego and Civic San Diego.

STAFF'S RECOMMENDATION:

Introduce the following ordinances:

Subitem-A: (O-2017-30 Cor. Copy)

Introduction of an Ordinance authorizing and directing the Mayor, or his designee, to execute, for and on behalf of the City, that certain Operating Agreement Between the City of San Diego and Civic San Diego (Operating Agreement), on the terms and conditions as set forth in the Operating Agreement, together with any reasonably necessary modifications or amendments thereto which do not materially change the terms and which the Mayor, or designee, shall deem necessary from time to time in order to carry out the purposes and intent of the Operating Agreement.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

Subitem-B: (O-2017-31 Cor. Copy)

Introduction of an Ordinance authorizing and directing the Mayor, or his designee, to execute, for and on behalf of the City, that certain Agency Agreement Between the City of San Diego and Civic San Diego to Administer Certain Legislative Enactments of the City of San Diego (Agency Agreement), on the terms and conditions as set forth in the Agency Agreement, together with any reasonably necessary modifications or amendments thereto which do not materially change the terms and which the Mayor, or designee, shall deem necessary from time to time in order to carry out the purposes and intent of the Agency Agreement.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

The proposed FY 2017 Budget for Civic San Diego is \$7.7 million. This action would replace the existing consultant contracts with an Operating Agreement and Agency Agreement. No new funding is required.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

This item was heard at the Economic Development and Intergovernmental Relations Committee meeting on June 4, 2015.

ACTION: Motion by Council President Lightner, second by Councilmember Cole, to forward the item to City Council without recommendation with the additional requests as follows:

- that the Policy be adjusted to reference the City's Small Local Business Enterprise (SLBE) Policy;
- that the Policy reference compliance with all City policies;
- for staff to explore opportunities to establish an affordable housing requirement within the Operating Agreement;
- to include all Exhibits/back-up material to the Operating Agreement as the item moves forward to Council.

VOTE: 2-2; Cole-yea, Lightner-yea, Kersey-nay, Cate-nay.

Caldwell/Graham

Primary Contact\Phone: David Graham\619-235-5880

City Attorney Contact: Townsley, Carrie G.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

RESOLUTIONS:

ITEM-S501: Disposition and Development Agreement with Cisterra 7th & Market, LLC, and Water Supply Assessment - 7th & Market Site (bounded by Market Street and Seventh, Eighth and Island Avenues). (East Village Neighborhood of the Downtown Centre City Community Plan Area. District 3.)

(Continued from the meeting of September 13, 2016, Item 330, at the request of Councilmember Gloria, for further review.)

NOTE: Hearing open. No testimony taken.

ITEM DESCRIPTION:

Disposition and Development Agreement between the City of San Diego and Cisterra 7th & Market LLC, for Developer's purchase of real property on an approximately 55,000 square-foot site owned by the City located at 580 Eighth Avenue located in the East Village Neighborhood. This item also includes the Water Supply Assessment for the Project.

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2017-69)

Approving the Water Supply Assessment for 7th and Market Project to fulfill the requirements of California State Water Code Section 10910.

Subitem-B: (R-2017-96)

Making certain findings, and approving the Disposition and Development Agreement (DDA), related to the Seventh & Market Affordable Housing Project within the Centre City Redevelopment Project Area.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

The proposed Disposition and Development Agreement (DDA) requires that the Developer submit a \$100,000 good faith deposit to CivicSD/City that would be credited toward the Purchase Price for the Property or returned to the Developer upon termination of the DDA if the Developer has negotiated diligently and in good faith. It also requires that the Developer submit a non-refundable, \$50,000 negotiation deposit related to negotiating and preparing and implementing the proposed DDA, less the balance remaining of the good faith negotiation payment made by the Developer under the Exclusive Negotiation Agreement (ENA). In accordance with the terms of the DDA, the purchase price for the Property is equal to the fair reuse value of \$20,000,000. The net proceeds of the sale of the Property will be deposited into the Low/Moderate Income Housing Asset Fund for the benefit of future affordable housing projects.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION: N/A

Jarrett/Graham

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City Attorney Contact: Palmucci, Raymond C.\Reisch, Kevin