



Required Posting Period
July 14, 2008 through July 29, 2008

**SUMMARY REPORT FOR
THE COOPERATION AGREEMENTS FOR JOINT PROJECTS,
THE NORTH EMBARCADERO PROJECT IMPROVEMENTS,
AND TRANSIT LINE IMPROVEMENTS,
PURSUANT TO SECTION 33679 OF THE
CALIFORNIA COMMUNITY REDEVELOPMENT LAW**

PREPARED BY AND FOR
THE REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO

JULY 14, 2008

**SUMMARY REPORT FOR THE COOPERATION AGREEMENTS FOR JOINT
PROJECTS, THE NORTH EMBARCADERO PROJECT IMPROVEMENTS, AND
TRANSIT LINE IMPROVEMENTS, PURSUANT TO SECTION 33679 OF THE
CALIFORNIA COMMUNITY REDEVELOPMENT LAW**

- I. INTRODUCTION
- II. PROJECT DESCRIPTION
- III. ESTIMATE OF TAX INCREMENT REVENUES TO BE USED
- IV. FACTS SUPPORTING SECTION 33445 FINDINGS
- V. REDEVELOPMENT PURPOSE FOR WHICH TAX INCREMENT IS BEING USED

I. INTRODUCTION

Pursuant to Section 33679 of the California Redevelopment Law (“CRL”), (Health and Safety Code Section 33000 et. seq.), before a redevelopment agency commits to use tax increment revenues for the purpose of paying the cost of installation and construction of any publicly owned building, the legislative body must hold a noticed, public hearing. At the time of the first publication of the notice of the public hearing, a Summary Report must be made available to the public for inspection and copying at least two weeks prior to the noticed public hearing, at a cost not to exceed the cost of duplication.

II. PROJECT DESCRIPTION

Separate cooperation agreements describe the (a) joint projects, (b) the North Embarcadero project improvements, and (c) the transit line improvements as follows:

a. Joint Projects:

This cooperation agreement provides for the identification, administration, and funding of the construction of joint projects (“Joint Projects”) proposed by the County of San Diego (the “County”) to the Agency for the benefit of the Grantville Redevelopment Project Area which is located within the County, in the eastern portion of the City of San Diego north of Interstate 8 and east of Interstate 15; a majority of the approximately 990-acre Grantville Redevelopment Project Area is located within the Navajo Community Planning Area, and generally includes the existing industrial and commercial areas along Friars Road, Mission Gorge Road, Fairmont Avenue and Waring Road (the “Grantville Redevelopment Project Area”). The Joint Projects will be used for purposes consistent with the Grantville Redevelopment Plan and eliminate and prevent the spread of blight and deterioration and redevelop the Grantville Redevelopment Project Area.

b. North Embarcadero Project Improvements:

This cooperation agreement provides for the administration and funding of certain improvements proposed by the County to the Agency for the benefit of the Grantville Redevelopment Project Area as well as the Centre City Redevelopment Project Area which area is located within the County and City of San Diego bounded by Laurel Street and Interstate 5 on the north; Interstate 5, Commercial Street, 16th Street, Sigsbee Street, Newton Avenue, Harbor Drive and the extension of Beardsley Street on the east and southeast; and San Diego Bay on the south and west and southwest (the “Centre City Redevelopment Project Area”). If applicable, said improvements are to be consistent with the County “Waterfront Park” Plan and North Embarcadero Visionary Plan. Said improvements may be located within the Centre City Redevelopment Project Area and may specifically include County-owned property at Cedar and Kettner Streets, Union and A Streets, and any other parcels outside of the Centre City and Grantville Redevelopment Project Areas which benefit the Centre City and Grantville Redevelopment Project Areas. The improvements may include, but are not limited to, parking improvements, traffic improvements, utility infrastructure, parks, open space improvements, transit improvements, pedestrian and bike improvements, lighting and landscape improvements; if applicable, public right-of-way improvements shall mean street improvements, as well as improvements to curbs, gutters, sidewalks, street trees and streetlights (collectively, the “North Embarcadero Project Improvements”). The North Embarcadero Project

Improvements will be used for purposes consistent with the Centre City and Grantville Redevelopment Plans and eliminate and prevent the spread of blight and deterioration and redevelop the Centre City and Grantville Redevelopment Project Areas.

c. Transit Line Improvements:

This cooperation agreement provides a procedural format for the funding by the Agency and administration by the City of San Diego (the “City”) of certain transit line improvements located in the Centre City Redevelopment Project Area on “C” Street between Kettner Boulevard and Park Boulevard, including, but not limited to, transit facilities, transportation facilities, public transportation and related public improvements consistent with the implementation of the Centre City and Grantville Redevelopment Plans and for the benefit of the Centre City and Grantville Redevelopment Project Areas (the “Transit Line Improvements”). The City agrees to use the Agency funds and work with the Centre City Development Corporation, acting on behalf of the Agency, and the Metropolitan Transit System, a California public entity (“MTS”) to carry out aspects of the Transit Line Improvements as more fully described in said cooperation agreement. The Transit Line Improvements effectuate the Grantville Redevelopment Plan and benefit the Centre City and Grantville Redevelopment Project Areas by improving the utilization of the transit station and related facilities within the Grantville Redevelopment Project Area and encouraging drivers in both project areas to use public transit systems and alleviate traffic and related congestion.

III. ESTIMATE OF TAX INCREMENT REVENUES TO BE USED

a. Joint Projects:

The Agency proposes to commit \$7,840,000 to fund a portion of the cost of the construction of the Joint Projects, to be funded in thirty-nine (39) annual payments commencing in the 2011-2012 fiscal year.

b. North Embarcadero Project Improvements:

The Agency, using the tax increment from the Centre City Redevelopment Project, will provide to the County an amount up to \$31,360,000 to fund a portion of the cost of the construction of the North Embarcadero Project Improvements in thirty-nine (39) annual payments commencing in the 2011-2012 fiscal year.

c. Transit Line Improvements:

The Agency, using land disposition proceeds and tax increment from the Grantville Redevelopment Project, will provide to the City an amount of up to \$31,360,000 to fund a portion of the cost of the construction of the Transit Line Improvements and related public improvements located within the Centre City Redevelopment Project Area on "C" Street between Kettner Boulevard and Park Boulevard in thirty-nine (39) annual payments commencing in the 2011-2012 fiscal year.

IV. FACTS SUPPORTING SECTION 33445 FINDINGS

Pursuant to Section 33445 of the CRL, a redevelopment agency may, with the consent of the legislative body, pay all or part of the cost of the installation and construction of any building, structure or other improvement, which is publicly-owned either within or without the project area, if the legislative body makes certain determinations. The facts related to the improvements supporting these determinations as follows:

a. Joint Projects:

The Joint Projects are of benefit to the Grantville Redevelopment Project Area or the immediate neighborhood in which they are located. No other reasonable means of financing the Joint Projects are available to the community. The payment of funds by the Agency for the costs related to the Joint Projects will assist in the elimination of one or more blighting conditions within the Grantville Redevelopment Project Area. The Joint Projects are consistent with the Grantville 2005-2010 Five-Year Implementation Plan and Grantville Redevelopment Plan.

b. North Embarcadero Project Improvements:

The North Embarcadero Project Improvements are of benefit to the Centre City and Grantville Redevelopment Project Areas or the immediate neighborhood in which they are located. No other reasonable means of financing the North Embarcadero Project Improvements are available to the community. The payment of funds by the Agency for the costs related to the North Embarcadero Project Improvements will assist in the elimination of one or more blighting conditions within the Centre City and Grantville Redevelopment Project Areas and the North Embarcadero Project Improvements are consistent with the Centre City 2004-2009 Five-Year Implementation Plan, the Centre City Redevelopment Plan, the Grantville 2005-2010 Five-Year Implementation Plan and Grantville Redevelopment Plan.

c. Transit Line Improvements:

The Transit Line Improvements are of benefit to the Centre City and Grantville Redevelopment Project Areas or the immediate neighborhood in which they are located. No other reasonable means of financing the Transit Line Improvements are available to the community. The payment of funds by the Agency for the costs related to the Transit Line Improvements will assist in the elimination of one or more blighting conditions within the Centre City and Grantville Redevelopment Project Areas.

V. REDEVELOPMENT PURPOSE FOR WHICH TAX INCREMENT IS BEING USED

The Centre City and Grantville Redevelopment Project Areas were adopted to improve transportation, circulation, parking, transit and related redevelopment activities within the Centre City and Grantville Redevelopment Project Areas. The Joint Projects, the North Embarcadero Project Improvements and Transit Line Improvements will, among other redevelopment purposes, improve the circulation network and provide for less congested access to the Mission Gorge corridor, Grantville industrial area and Centre City area, without adversely affecting surrounding communities. The purpose of these public improvements is to facilitate transit, traffic and pedestrian enhancements that adequately support land uses, while improving the safety and viability of the Centre City and Grantville Redevelopment Project Areas and the surrounding communities.

The uses of these tax increment funds are part of comprehensive coordinated effort of multiple municipal agencies that have responsibility for planning, land use and transit. Improving public infrastructure and facilities and undertaking these public improvements in, and of benefit to, the Centre City and Grantville Redevelopment Project Areas will assist in the elimination of one or more blighting conditions within the Centre City and Grantville Redevelopment Project Areas. By improving the traffic situation in the Centre City and Grantville Redevelopment Project Areas, Centre City and Grantville drivers are encouraged to use transit stations and lines instead of driving to their homes, workplaces or medical services located within the Centre City and Grantville Redevelopment Project Areas. The proposed public improvements and public facilities are consistent project objectives of the adopted Five-Year Implementation Plans and Redevelopment Plans for the Centre City and Grantville Redevelopment Project Areas.