

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

Tuesday, February 8, 2011

San Diego National Bank (Basement), 3180 University Avenue, San Diego, CA
92104

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

I. ROLL CALL & INTRODUCTIONS

The chair convened the meeting at 6:30 p.m. [Restroom codes: (M) 6820 (F) 8246]

Kirsten Clemons	Present	Judi O'Boyle	Present
Patrick Edwards	Present	Lachlan Oliver	Present
Don Leichtling	Present	Robert Steppke	Present
Roger Lewis	Present	Mark Stern	Present
Valerie Loy	Absent	James Tinsky	Present
Lucky Morrison	Present	Mary Wilkinson	Present

II. ADOPTION OF AGENDA

Lewis asked the PAC to consider adding an emergency agenda action item to discuss asking the agency to provide staff to work with community representatives on a National Endowment for the Arts (NEA) grant for arts within the Redevelopment area. The grant is for arts programs, project design, and art itself, all applicable to the theater park project, and could range from \$50K to \$250K. The deadline to file a notice of intention to apply is March 1st.

Motion (O'Boyle/Edwards): *To adopt the agenda with addition of Action Item "D" emergency addition.*

Passed (11-0-0)

III. APPROVAL OF MINUTES

Minutes of December Special Meeting

Motion (Leichtling/Edwards): *To adopt the minutes as presented.*

Passed (9-0-2) Abstaining: Lewis, Stern (not present at December Special Meeting)

Minutes of January regular meeting

Motion (Leichtling/Stern): *To adopt the January minutes as presented.*

Passed (9-0-2) Abstaining: Clemons, Wilkinson (not present at December Special Meeting)

IV. ELECTED OFFICIALS REPORTS

Anthony Bernal, representing Council District 3 reported the yearly legislative package moved forward with the Payday Lending Ordinance included and also

creating a commitment to devise a new ordinance for community gardens.
Representative Gloria to be at the February NPPC meeting and giving his State of the District speech Wednesday, Feb 23rd at the NP Theater at 6:30 pm.

V. PUBLIC COMMENT

Barbara Simmons, representing Arts Studio, noted her support of adding the discussion under emergency item D and the commitments stated by candidates to support the arts.

Lynn Elliot, NPCA, re-announced that the fundraising letter for the Bird Park concerts is going out and asked for band suggestions.

Luck Morrison noted he had opportunity to eat at Wang's in Palm Springs and noted he had a positive experience.

Patrick Edwards noted that Rachel Lang of Mayor Sanders office is asking for letters or e-mails supporting the continued existence of redevelopment and also request rlaing@sandiego.gov to be put on e-mail update .

Louie Rosas, NP Parking Garage manager reported that a sign displaying updated rates should be completed next week as well as additional signage on 30th st and NP way in place. He also noted an electrician had assessed lighting the panels and determined that all but the two long pieces have lighting wiring pulled through to the locations.

Rob Steppke announced the NPPC annual election will be held on Tuesday, March 15th at NP Church. The February meeting is the last chance to be eligible to vote is this year's election.

Don Leichtling asked people to contact him regarding a NPRID fundraiser.

VI. CHAIR'S REPORT

Clemons deferred to redevelopment agency issues to be discussed at later point in meeting.

VII. ACTION/DISCUSSION ITEMS

A. Recommendation on Entering Into an Exclusive Negotiation Agreement with 31st Street LLC for Development of 3067 University Ave.

Michael Lengyel, gave background on the property owned currently by agency with an RFP process being completed involving PAC representatives Morrison, Edwards and Wilkinson. Sarah Isker, development coordinator for 31st LLC, introduced property owner of the Urbn Restaurant site and partner applicants for the project. Leta Cohen, lead the Pac through a power point presentation detailing a concept is to rehabilitate the building. She noted they have finished projects in North Park including the Cadillac Building and Rancho currently under facade improvement. She noted they have additional private financing partners and have contracted with Allison Whitelaw, local green architect, to provide design as well as historical architectural consulting. Bejan Afra note they propose to provide 7000 sq. ft. of commercial space on the ground level and six 2br-2ba 'workforce' housing units on 2nd floor with open air access. He explained additional parking is to be provided on the lot behind the project across the alley available for all commercial buildings on their block. He continued to state they will pursue Silver LEED certification utilizing photovoltaic panels on roof and sustainable energy improvements. He also noted they are proposing new sidewalk improvements, street lights, street furniture, lighting and public art and potentially undergrounding electrical. They also do

not propose altering the buildings face. Also proposed is a large fully landscaped open air atrium through to the ground level along with new awnings, terracota tile and the original Woolworth symbol and marquee along with roll up doors for the commercial spaces on alley. Presenters then detailed the development team and spoke about selected projects the members of the team have been involved in (Cadillac Court, Urbn, Rancho's store front improvement). He provided the number of proposed parking spaces that are a part of the project which could not be garnered elsewhere. Iskar discussed revenue and project cost as well as profit margin noting the land value residual is \$0 and that they are asking for \$50k for infrastructure improvements in the nature of sidewalk and amenities noted earlier. She discussed the timeline involving the ENA and hoping to have the MOU in place soon.

Public Comment: There was public inquiry of what subsidies were being asked for. Iskar answered that their request is for the building at no cost and for \$50k for part of sidewalk improvement. Public question about talk of "temporary parking". Iskar noted a future plan involves residential development on North Park Way that would include underground parking for tenants and commercial as well. Al Koredian noted that 60 parking spaces are required which they will meet. PQ asked what the total of commercial space is currently vacant over concerns of adding additional unused space. Koredian stated that based upon their experience, price and a good developed product are held at a premium and they are moving forward on this concept.

PAC Discussion: Stern asked if there were any potential commercial tenants. Iskar noted there are a couple of potential restaurants for a space and some retailers. Wilkinson noted her support of the review panel process because of their attention to the historic component and the inclusion of rear of the building as a retail opening onto the alley of the building in the focus of their design. Iskar noted they are looking at historic tax credits and infrastructure both to catalyze the block. Edwards, panel member, noted his support based upon previously existing project portfolio and their intent to address sidewalk infrastructure. Lewis thanked the applicant for all being proposed as apart of the project but noted importance of the ENA and MOU to properly identify what is being proposed to avoid future problems and additional funding request and asked the agency to pay special attention to this aspect giving overruns on projects like the Renaissance that cost the public more money than previously allocated. O'Boyle asked if the LLC owned Ranchos and thanked the panel members on the PAC for their efforts. Koredian noted only one of the partners owns that property. Tinsky asked about ownership of the Cadillac Building and noted he had seen some issues and raised concern about the appearance of subverting the commercial green subsidy process. Tinsky also asked about the historic renovation being reliant on tax credits. Iskar noted the loss of tax credits will not hamper the project. Steppeke noted his concern with the infrastructure promised and the request for subsidy. Oliver noted his concern over the precedent that Tinsky and Lewis noted regarding subverting the commercial subsidy green criteria. Oliver asked question about prevailing wage and the need for real numbers to allow for true cost analysis and suggested the PAC should require a cost analysis. Lengyel noted the building was vacant for two years and not saleable at market rate. He noted the city outside consultant would review the validity of the requested subsidy. Leichtling asked that the final contract include a requirement for key person insurance.

Motion (Edwards/Leichtling): *Staff to enter into negotiation with 31st Street LLC to create MOU for transfer of property valued at \$1.950M to LLC directly and subsidy required for infrastructure starting at \$55,217.00.*

Discussion: O'Boyle noted her requirement that a limit on the cash grant to be at \$55K, equal to the amount being asked. Stern addressed the precedent issue raised earlier but his belief too that it had been out here prior to the enactment of the program. Tinsky noted his continued concern with precedent but feels leery about moving too soon. Clemons noted the urgency of the current state position as being a mitigating factor

against the concern of precedent. Lewis cautioned about moving too fast, too hastily in the face of worry and concern about changing policy. Oliver noted his concern again with precedent and adherence to the quarterly review process and again concern over the amount of time for review. Morrison asked how the fact they have agreed to LEED is not meeting the intent of the green.

Passed (8-3-0) Opposed: Lewis, O'Boyle, Oliver

B. Recommendation to Reduce Parking Rates at the North Park Parking Garage for Businesses.

Lengyel reviewed current parking rate structure noting that fees are a \$5 flat rate after 5pm, \$75 monthly rate for businesses, and the daily rate.

Public Comment: None.

PAC Discussion: Morrison suggested a \$25 monthly pass rate for businesses and their employees. Stern suggested a review of the impact be conducted 6 months after whatever we implement. O'Boyle stated she'd prefer the management selection process go forward and then the rate review after their selection. Lewis asked Morrison to clarify what group he was targeting for rate consideration and if he had spoken with business owners. Morrison replied specifically business owners and employees. Lewis asked a few business owners present their thoughts. David Cohen, West Coast, noted he pays for some of his employees monthly and would buy more if the price was less and asked for bike rack inclusion consideration. Oliver noted he has bought passes but his employees have been reticent to use because of past breakins. Shauna, Mosaic, would be interested in bulk rate since they are losing their parking lot.

Motion (Morrison/Edwards): *Continue agenda item B until April.*

Discussion: none.

Passed (10-1-0) Opposed: Liechtling

C. Consideration of Free Parking in the North Park Parking Garage for the Festival of the Arts on Sunday, May 15th and the Toyland Parade on Saturday December 3rd.

Michael Lengyel detailed the nature of the request, our historical actions in the past and the dates being requested.

Public Comment: None.

PAC Discussion: General consensus to move the item for motion.

Motion (Edwards/O'Boyle): *Provide Free Parking in the North Park Parking Garage for the Festival of the Arts on Sunday, May 15th and the Toyland Parade on Saturday December 3rd.*

Discussion: .

Passed (11-0-0)

D. PAC consideration of National Endowment of the Arts grant.

Lewis explained the specifics of the National Endowment of the Arts \$5M 'Our Town' grant for the promotion of the arts. Applicants would need to file a letter of intention with the NEA by March 1st and could apply for a grant ranging from \$25-250K. The grant

requires a 501-C3 non-profit paired with a governmental agency. Lewis spoke of the potential to utilize it for the arts design, consulting and/or art itself in the Mini-park project.

Public Discussion: None.

PAC Discussion: No specific questions and general consensus to move the item for action.

Motion (Lewis/Leichtling): *To request the agency/city to agree as partner as the governmental agency applying for the NEA Our Town grant and assist in preparation of the letter of intention to apply..*

Passed (11-0-0) Opposed:

VIII. SUBCOMMITTEE/LIAISON REPORTS

A. Maintenance Assessment District (MAD)

Steppeke reported the MAD did not meet.

B. Project Area Improvements

Lengyel noted RBF consulting subcontracts to KTU+a consulting and needs to be funded additionally to allow KTU+A to move ahead.

C. North Park Community Plan Update

Lewis reported the CPUAC met on January 19th at the War Memorial with the next meeting to be Feb 16th to finalize park and open space.

D. Green/Sustainability Initiatives

Tinsky noted PAC feedback on green criteria checklist was nominal. Stern asked if committee was willing to move ahead and answer was affirmative.

E. Multi-Family Development

Lengyel reported the contract has been sent out to a firm to consider but there has been no response yet.

IX. STAFF REPORTS/PROJECT UPDATES

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

Lengyel passed around general project updates spreadsheet along with a two page handout on current redevelopment state analysis. One piece was written by California Redevelopment Coalition and the other from the Legislative Analyst Office. He explained the proposal by the state is for agencies to continue to accrue increment to cover exiting debt with additional revenues to cover state programs first and then remainder to come back to the local communities. Another option talked about is for a local vote on project approval and debt. The state's current proposal would require the city to form a new agency to administer local incurred debt. Cities in their responses have gone forward to approve (encumber) projects to protect future increment money

before the Governor's June 1st deadline. Because of fast moving nature of the negotiation it may be impossible to come back to the PAC. Lewis asked for board to consider a special meeting if at all possible to review/consider a proposed encumbered project list.

X. REQUESTS FOR NEXT AGENDA

- A. Consider increase funding for MF-HELP and HELP projects.
- B. North Park Mini-park construction build out funding
- C. Lighting of the garage art
- D. Notice of sustainable commercial funding availability

XI. ADJOURNMENT

Motion (Olive/Stern): *To adjourn at 8:43 p.m.*

Passed (11-0-0)