

Exhibit A

Floor Area Ratio (FAR) Payment Bonus Program

1. PURPOSE

The Floor Area Ratio (FAR) Payment Bonus Program (“Program”) is established to serve the public interest by providing additional funds to be used in conjunction with Development Impact Fees (DIF) identified and contemplated in the San Diego Downtown Community Plan (DCP). This document outlines the standards and procedures for the establishment, ~~and payment, and use~~ of FAR Bonus Payments under the Program. The Program provides an opportunity for a developer to increase density of a Development Project in exchange for FAR Bonus Payments that will assist in implementing the parks, open space and public infrastructure goals of the DCP. ~~Program also establishes guidelines for the accounting of expenditure of funds collected under the program.~~

2. DEFINITIONS

“*Base Maximum FAR*” is the maximum floor area permitted to be built without bonuses or transfers.

“*Bonus FAR*” means the additional floor area that may be acquired under the FAR Bonus Payment Program.

~~“CCDC” is an abbreviation for the Centre City Development Corporation.~~

~~“Centre City Development Permit” means the permits which are required pursuant to San Diego Municipal Code Chapter 15, Article 6, Division 3.~~

“*Development Project*” means a building or structure or structural alteration or enlargement of an existing building or structure or structural alteration or enlargement of an existing building or structure within the Centre City ~~p~~Planned District.

“*FAR Bonus Payment*” means the monetary compensation paid by a developer of a Development Project in the Centre City Planned District in order to increase the maximum FAR (allowable above grade square footage) for a particular Development Project.

“*FAR Bonus Fund*” means the fund established by the City of San Diego for the collection of the FAR Bonus Payments.

“*FAR Bonus Payment Program*” means the program established by the City of San Diego for the payment by the developer of a project in the Centre City Planned District to increase the FAR Bonus Payments.

“*Floor Area*” means the total gross floor area (GFA), as defined in section 156.0305 of the San Diego Municipal Code, of all building(s) on a premise(s).

“*Floor Area Ratio*” (FAR) means the numerical value obtained by dividing the Floor Area by total land area of the premises on which the building(s) are located.

“Development Site” means that real property which is the subject of the proposed Development Project which includes a building or structure or structural alteration or enlargement of an existing building or structure within the Centre City Planned District.

“Public Parks” means parks, plazas, greenways, and/or open space open to the public and used for active and/or passive recreational purposes. These areas may be paved or landscaped, but in all cases offer an outdoor area for public use.

3. PROGRAM DESCRIPTION

Within the DCP area, the maximum allowable above grade square footage of a proposed Development Project is controlled by the Development Site’s Base Maximum FAR. The program is one of FAR Bonus Programs available under the Centre City Planned District Ordinance (CCPDO) that allow a developer to acquire additional building square footage, or bonus FAR, above the Base Maximum FAR established for a particular development site. Under the program, a developer can voluntarily purchase Bonus FAR up to a maximum amount established in Figure J of the CCPDO. ~~FAR~~ Bonus Payments made under the program are deposited into an FAR Bonus Fund and are used to provide for certain public benefits within the DCP Area. The FAR Bonus payment was initially set at \$15/square foot in 2007, however, this amount is adjusted annually for inflation on July 1st of each year based on the Consumer Price Index (CPI) for urban San Diego County. The FAR Bonus payment for a particular project is set at the time that ~~the Centre City Development Permit~~ a construction permit application is submitted to the Development Services Department for the Development Project is deemed complete. The FAR Bonus Payment is required to be paid upon issuance of any construction permit for a Development Project.

The FAR Bonus Payment collected through the Program shall be deposited into an FAR Bonus Fund, specifically established for the program and to be maintained and operated by ~~CCDC acting as the City of San Diego’s (“City’s”) designee~~ Development Services Department. FAR Bonus Payments shall be used for the acquisition, planning, design and development of Public Parks and enhanced public right-of-way improvements.

4. CONSULTATION

~~The developer shall consult with CCDC acting as the City’s designee early in the design and development stage of any Development Project requesting the acquisition of additional FAR and the prior of applying for the Development Permit. This consultation shall be used to identify any potential development issues and determine the applicable FAR Bonus Payment owed by the developer for the acquisition of additional square footage for the proposed Development Project.~~

~~5.~~ 4. FAR BONUS PAYMENT PROCEDURES

For developers requesting an increase above the Base Maximum FAR through the Program, the following procedures shall apply:

- a) The request for the acquisition of additional FAR shall be made as part of the ~~Centre City Development P~~development or construction permit application.
- b) The price-per-square-foot the FAR Bonus Payment was set at \$15 per-square-foot in 2007 and shall be adjusted annually for inflation on July 1st of each subsequent year based on the consumer Price Index (CPI) for urban San Diego County.
- e) The price-per-square-foot of the FAR Bonus Payment shall be set at the time that the construction ~~Development P~~permit application for the project is ~~deemed complete~~submitted. ~~The Development Permit application shall not be deemed complete until all the requisite information, including the additional amount of FAR requested, has been submitted by the developer to CCDC acting as the City's designee.~~
- d) The FAR Bonus Payment for a Development Project must be submitted prior to issuance of a construction permit for the Development Project (not including demolition permits for existing onsite structures.) No construction permit shall be issued to the developer for a proposed Development Project until FAR Bonus payment is received by ~~CCDC acting as the City's designee.~~
- e) ~~CCDC, acting as the City's designee, shall deposit all FAR Bonus Payments received in connection with the Program into the FAR Bonus Fund.~~

6. 5. FAR BONUS PAYMENT FUND

The FAR Bonus Payments ~~collected by CCDC acting as the City's designee under the Program~~ shall be deposited into a dedicated FAR Bonus Fund administered by the Development Services Department. ~~The Fund shall be operated and maintained by the CCDC as the City's designee.~~ The fund shall be used for the acquisition, planning, design and development of Public Parks and enhanced public right-of-way improvements within the DCP area.

7. GENERAL REQUIREMENTS

~~CCDC, acting as the City's designee, shall establish an accounting of all FAR Bonus Payments collected, and funds expended under the Program. CCDC, acting as the City's designee, shall maintain a record of the Bonus FAR obtained by each Development Project utilizing the Program, the FAR Bonus payments collected for each Development Project, and other records as may be necessary and desirable to provide an up-to-date Project accounting of the Bonus FAR within the DCP area. CCDC, acting as the City's designee, shall maintain an accounting of all expenditures of funds derived from the Program. All records shall be available for the public inspection.~~