

OVERSIGHT BOARD RESOLUTION NUMBER OB-2015-3

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE RIGHT OF ENTRY PERMIT WITH THE CITY OF SAN DIEGO FOR PRECONSTRUCTION AND CONSTRUCTION ACTIVITIES ASSOCIATED WITH THE FIRE STATION NO. 2 (BAYSIDE) PROJECT ON A SUCCESSOR AGENCY PROPERTY LOCATED IN THE CENTRE CITY REDEVELOPMENT PROJECT AREA

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City), including the Centre City Redevelopment Project Area; and

WHEREAS, among other things, in order to carry out and implement the Centre City Redevelopment Project, the Former RDA acquired the Fire Station No. 2 (Bayside) site, located at 1595 Pacific Highway (Property) for the purpose of constructing a new fire rescue facility on the west side of the downtown railroad tracks (Project); and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26), the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations, including the Property; and

WHEREAS, the Successor Agency is required to administer the winding down of the Former RDA's operations and to ensure compliance with the Former RDA's obligations in accordance with AB 26, as subsequently amended (collectively, Dissolution Laws); and

WHEREAS, the Dissolution Laws specify that the Oversight Board and the California Department of Finance (DOF) must review and approve certain actions and decisions of the Successor Agency; and

WHEREAS, on April 25, 2014, the Oversight Board adopted Resolution No. OB-2014-59, approving the Successor Agency's proposed long-range property management plan (PMP); and

WHEREAS, the PMP identified the Property, which is zoned PF (Public Facilities), as a "Future Development Property" to be transferred by the Successor Agency to the City for future redevelopment purposes; and

WHEREAS, Successor Agency staff estimates that the DOF's final approval of the PMP will occur by the end of 2015; and

WHEREAS, the City has asked the Successor Agency for permission to use the Property for preconstruction and construction activities associated with the Project until June 30, 2016, or such earlier date that the City acquires fee title to the Property in accordance with the PMP; and

WHEREAS, the construction of the Project will be financed by the City through a combination of two funding sources: (1) development impact fees previously collected by the City from the developers of downtown projects; and (2) excess non-housing redevelopment bond proceeds transferred by the Successor Agency to the City pursuant to the bond expenditure agreement approved by the Oversight Board and the DOF in line item 620 of ROPS 14-15B; and

WHEREAS, among other things, (i) building construction plans and permitting for the Project are now completed and the building permit was pulled on January 29, 2015 to avoid a costly redesign of the Project due to mandatory code changes effective beyond January 31, 2015, (ii) the public right of way and grading permits for the Project are now projected to be complete in March 2015, and (iii) staff has 180 days from January 29, 2015 to call for inspection on the building in order to avoid significant cost increases for the Project; and

WHEREAS, in light of the long-standing plans for development of the Property as a fire station and the Public Facilities zoning designation for the Property, the DOF's final approval of

the PMP is reasonably expected to result in the City acquiring fee title ownership of the Property;
and

WHEREAS, the Successor Agency and the City propose to enter into a Right of Entry Permit (Permit) to allow the Project to move forward until the DOF's final approval of the PMP;
and

WHEREAS, the Permit will provide various contractors and consultants, including Civic San Diego, access to the Project site to prepare for the bid and award of the construction contract in the summer of 2015 and the commencement of construction in the fall of 2015, and allow the City and the Successor Agency to avoid further delays in implementing the Project that could cause the total costs to increase significantly due to the recent trend of escalating costs in the construction industry; and

WHEREAS, the Permit contains standard provisions in the Successor Agency's favor, such as provisions related to indemnification and insurance.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board that the Permit, a copy of which is attached as Exhibit A to the Staff Report accompanying this item, is hereby approved.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on February 9, 2015.



Chair, Oversight Board