



**AGENDA OF A REGULAR MEETING - SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY  
REDEVELOPMENT AGENCY**

**COUNCIL CHAMBERS  
CIVIC CENTER  
1243 National City Blvd.  
National City, California  
SEPTEMBER 16, 2014 – 6:00 PM**

**RON MORRISON**  
*Chairman*

**LUIS NATIVIDAD**  
*Boardmember*

**JERRY CANO**  
*Boardmember*

**MONA RIOS**  
*Boardmember*

**ALEJANDRA SOTELO-SOLIS**  
*Boardmember*

**1243 National City Blvd.  
National City, CA 91950  
619-336-4300**

**Meeting agendas and  
minutes available on web**

**WWW.NATIONALCITYCA.GOV**

**ORDER OF BUSINESS:** Public sessions of all Regular Meetings of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency begin at 6:00 p.m. on the first and third Tuesday of each month. Public hearings begin at 6:00 p.m. unless otherwise noted. Closed Sessions begin at 5:00 p.m. or such other time as noted on the agenda. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda.

**REPORTS:** All regular meeting agenda items and reports as well as all documents and writings distributed to the Board less than 72 hours prior to the meeting, are available for review at the entry to the Council Chambers. Regular Meetings of the Board are webcast and archived on the City's website **WWW.NATIONALCITYCA.GOV**.

**PUBLIC COMMENTS:** Prior to the Business portion of the agenda, the Board will receive public comments regarding any matters within the jurisdiction of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency. Members of the public may also address any item on the agenda at the time the item is considered by the Board. Persons who wish to address the Board are requested to fill out a "Request to Speak" form available at the entrance to the City Council Chambers, and turn in the completed form to the City Clerk. The Chairperson will separately call for testimony of those persons who have turned in a "Request to Speak" form. If you wish to speak, please step to the podium at the appropriate time and state your name and address (optional) for the record. The time limit established for public testimony is three minutes per speaker unless a different time limit is announced. Speakers are encouraged to be brief. The Chairperson may limit the length of comments due to the number of persons wishing to speak or if comments become repetitious or irrelevant.

**WRITTEN AGENDA:** With limited exceptions, the Board may take action only upon items appearing on the written agenda. Items not appearing on the agenda must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature, and the need to take action on such items arose after the agenda was posted.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior

to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

*Spanish audio interpretation is provided during Board Meetings. Audio headphones are available in the lobby at the beginning of the meeting.*

*Audio interpretación en español se proporciona durante sesiones del Consejo Municipal. Los audiófonos están disponibles en el pasillo al principio de la junta.*

**THE BOARD REQUESTS THAT ALL CELL PHONES AND PAGERS BE TURNED OFF DURING BOARD MEETINGS.**

**OPEN TO THE PUBLIC**  
**SUCCESSOR AGENCY AGENDA**

**CALL TO ORDER**

**ROLL CALL**

**PUBLIC ORAL COMMUNICATIONS (THREE-MINUTE TIME LIMIT)**

**CONSENT CALENDAR**

1. Approval of the Minutes of the Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency of September 2, 2014. (City Clerk)
2. Successor Agency Warrant Register #7 for the period of 8/06/14 through 8/12/14 in the amount of \$12,405.47. (Finance)
3. Successor Agency Warrant Register #8 for the period of 8/13/14 through 8/19/14 in the amount of \$0.00. (Finance)

**PUBLIC HEARINGS**

**NON CONSENT RESOLUTIONS**

4. Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving the Recognized Obligations Payment Schedule (ROPS) for the period January 1, 2015 through June 30, 2015 (ROPS 14-15B), including a request to use 2011 bond proceeds pursuant to AB 2493. (Successor Agency)

**NEW BUSINESS**

**STAFF REPORTS**

**CLOSED SESSION REPORT**

**ADJOURNMENT**

Regular Successor Agency to the Community Development Commission as the National City Redevelopment Agency Meeting - Tuesday - October 7, 2014 - 6:00 p.m. - Council Chambers - National City, California.

Item # \_\_\_\_  
09/16/14

**APPROVAL OF THE MINUTES OF THE  
REGULAR MEETING OF THE SUCCESSOR AGENCY  
TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT  
AGENCY OF SEPTEMBER 2, 2014**

(City Clerk)



DRAFT      DRAFT      DRAFT

**MINUTES OF THE REGULAR MEETING OF THE  
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT  
COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY**

**September 2, 2014**

The Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency was called to order at 6:07 p.m. by Chairman Ron Morrison.

**ROLL CALL**

Board members present: Cano, Morrison, Natividad, Rios, Sotelo-Solis.  
Administrative Officials present: Dalla, Deese, Raulston, Silva.

**PUBLIC ORAL COMMUNICATIONS**

None.

**CONSENT CALENDAR**

**ADOPTION OF CONSENT CALENDAR.** Item No. 1 (Minutes), Item No. 2 (Report), Item Nos. 3 and 4 (Warrant Registers). Motion by Rios, seconded by Sotelo-Solis, to approve the Consent Calendar. Carried by unanimous vote.

**APPROVAL OF MINUTES**

1. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY OF AUGUST 19, 2014. (City Clerk)

**ACTION:** Approved. See above.

**SUCCESSOR AGENCY 2014 (406-10-12)**

2. Successor Agency Investment Report for the quarter ended June 30, 2014. (Finance)

**ACTION:** Approved. See above.

**SUCCESSOR AGENCY 2014 (406-10-12)**

3. Successor Agency Warrant Register #5 for the period of 07/23/14 through 07/29/14 in the amount of \$6,110,411.23. (Finance)

**ACTION:** Approved. See above.

**SUCCESSOR AGENCY 2014 (406-10-12)**

4. Successor Agency Warrant Register #6 for the period of 07/30/14 through 08/05/14 in the amount of \$0.00. (Finance)

**ACTION:** Approved. See above.

**NEW BUSINESS**

**SUCCESSOR AGENCY 2014 (406-10-12)**

5. Update on Redevelopment Dissolution Issues. (Community Development)  
a) Low and Moderate Income Housing Fund Due Diligence Review (DDR);  
b) Finding of Completion (FOC); c) Long Range Property Management Plan (PMP); d) 2011 Bond Legislation (AB 2493); e) Recognized Obligation Payment Schedule (ROPS) 14-15B  
Executive Director Brad Raulston gave a PowerPoint presentation. (Copy on file in the Office of the City Clerk)

**STAFF REPORTS**

None.

**CLOSED SESSION REPORT**

Agency Counsel Claudia Silva stated there was no Closed Session.

**ADJOURNMENT**

Motion by Natividad, seconded by Sotelo-Solis, to adjourn the meeting to the next Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to be held Tuesday, September 16, 2014, 6:00 p.m., Council Chambers, National City, California. Carried by unanimous vote.

The meeting closed at 6:29 p.m.

---

Secretary

The foregoing minutes were approved at the Regular Meeting of September 16, 2014.

---

Chairman

**SUCCESSOR AGENCY TO  
THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
AGENDA STATEMENT**

**MEETING DATE:** September 16, 2014

**AGENDA ITEM NO. |**

**ITEM TITLE:**

Successor Agency Warrant Register #7 for the period of 8/06/14 through 8/12/14 in the amount of \$12,405.47. (Finance)

**PREPARED BY:** K. Apalategui  
**PHONE:** 619-336-4572

**DEPARTMENT:** Finance

**APPROVED BY:** Mark Roberts

**EXPLANATION:**

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, the City pays all expenses of the Successor Agency. The Successor Agency then reimburses the City.

Attached is a detailed listing of all expenses totaling \$12,405.47 reimbursed by the Successor Agency for the period. Staff requests approval of reimbursement of the Successor Agency expenses.

**FINANCIAL STATEMENT:**

**APPROVED:** Mark Roberts Finance

**ACCOUNT NO.**

**APPROVED:** \_\_\_\_\_ MIS

Reimbursement total \$12,405.47.

**ENVIRONMENTAL REVIEW:**

This is not a project and, therefore, not subject to environmental review.

**ORDINANCE:**  **INTRODUCTION:**  **FINAL ADOPTION:**

**STAFF RECOMMENDATION:**

Ratification of reimbursement in the amount of \$12,405.47.

**BOARD / COMMISSION RECOMMENDATION:**

N/A

**ATTACHMENTS:**

Successor Agency Warrant Register #7.



**SUCCESSOR AGENCY  
WARRANT REGISTER #7  
8/12/2014**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
BEST BEST & KRIEGER ATTNY LAW	PROFESSIONAL SVCS	313725	8/12/14	10,297.20
CHRISTENSEN & SPATH LLP	LEGAL SERVICES	313726	8/12/14	951.25
KANE BALLMER & BERKMAN	LEGAL SERVICES	313727	8/12/14	90.00
SDG&E	GAS & ELECTRIC UTILITIES SERVICES	313728	8/12/14	192.54
SWEETWATER AUTHORITY	WATER UTILITIES	313729	8/12/14	874.48
			<b>A/P Total</b>	<b>\$ 12,405.47</b>
		<b>GRAND TOTAL</b>		<b>\$ 12,405.47</b>

**SUCCESSOR AGENCY TO  
THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
AGENDA STATEMENT**

**MEETING DATE:** September 16, 2014

**AGENDA ITEM NO. |**

**ITEM TITLE:**

Successor Agency Warrant Register #8 for the period of 8/13/14 through 8/19/14 in the amount of \$0.00. (Finance)

**PREPARED BY:** K. Apalategui  
**PHONE:** 619-336-4572

**DEPARTMENT:** Finance

**APPROVED BY:** 

**EXPLANATION:**

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, the City pays all expenses of the Successor Agency. The Successor Agency then reimburses the City.

No Successor Agency Warrants issued for the period of 8/13/14 – 8/19/2014.

**FINANCIAL STATEMENT:**

**ACCOUNT NO.**

Reimbursement total \$0.00.

**APPROVED:**  Finance

**APPROVED:** \_\_\_\_\_ MIS

**ENVIRONMENTAL REVIEW:**

This is not a project and, therefore, not subject to environmental review.

**ORDINANCE:** INTRODUCTION:  FINAL ADOPTION:

**STAFF RECOMMENDATION:**

Ratification of reimbursement in the amount of \$0.00.

**BOARD / COMMISSION RECOMMENDATION:**

N/A

**ATTACHMENTS:**

Successor Agency Warrant Register #8



**SUCCESSOR AGENCY  
WARRANT REGISTER #8  
8/19/2014**

**PAYEE**

**DESCRIPTION**

**CHK NO**

**DATE**

**AMOUNT**

NO CHARGES TO SUCCESSOR AGENCY FOR  
THE WEEK OF 8/13/14 - 8/19/2014

A/P Total \$           -

GRAND TOTAL \$           -



**THE SUCCESSOR AGENCY TO  
THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
AGENDA STATEMENT**

**MEETING DATE:** September 16, 2014

**AGENDA ITEM NO. 4**

**ITEM TITLE:**

Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving the Recognized Obligations Payment Schedule (ROPS) for the period January 1, 2015 through June 30, 2015 (ROPS 14-15B) Including a Request to Use 2011 Bond Proceeds Pursuant to AB 2493.

**PREPARED BY:** Brad Raulston, Executive Director

**DEPARTMENT:**

**PHONE:** (619) 336-4256

**APPROVED BY:**

**EXPLANATION:**

Effective February 1, 2012, all redevelopment agencies in California were dissolved and "Successor Agencies" were established to wind down the affairs of the former redevelopment agency in accordance with the direction of an oversight board. Health and Safety Code Section 34177 requires Successor Agencies to perform a number of functions in that regard, one of which is to prepare a Recognized Obligation Payment Schedule (ROPS) before each six-month fiscal period that details amounts required to be spent and the source of funds for those expenditures. Each ROPS must be submitted to the Oversight Board for approval after which it is forwarded for review and approval to the State Department of Finance, with copies to the County Auditor and Controller and State Controller's Office.

Before the Successor Agency today is the ROPS for the period January 1, 2015 through June 30, 2015, which is referred to as ROPS 14-15B. Staff recommends approval of this ROPS for submittal to the Oversight Board. Upon the Oversight Board's approval, it will be submitted to the State Department of Finance and other agencies noted above. ROPS 14-15B is due to the State Department of Finance by October 3, 2014. Please see attached staff report for further details regarding the proposed use of bond proceeds to meet certain obligations.

**FINANCIAL STATEMENT:**

**ACCOUNT NO.** Pursuant to AB 1X 26/ AB 1484/ AB 2493

**APPROVED:**

 Finance

**APPROVED:**

MIS

**ENVIRONMENTAL REVIEW:**

Pursuant to Title 15 of the California Code of Regulations, Section 15378(b)(4), this item is not subject to the California Environmental Quality Act review because the recommended approvals are not considered a project and are governmental funding mechanisms and fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant environmental impact.

**ORDINANCE:** INTRODUCTION:

FINAL ADOPTION:

**STAFF RECOMMENDATION:**

Adopt the resolution and submit the ROPS 14-15B to the Oversight Board for approval and submittal to the State and the County.

**BOARD / COMMISSION RECOMMENDATION:**

Not Applicable.

**ATTACHMENTS:**

1. Recognized Obligation Payment Schedule for the period January 1, 2015 through June 30, 2015 (ROPS 14-15B)
2. Staff Report
3. Proposed Resolution and supporting documents for the use of 2011 bond proceeds

Staff Report

September 16, 2014

ROPS 14-15B includes payments for debt service on bonds, a debt service reserve to be used towards bond payments due during ROPS 15-16A, payments for legal services, professional services and miscellaneous property maintenance expenses expected to be necessary during the period, and payments related to three capital projects: the WI-TOD low and moderate income housing project, 8<sup>th</sup> Street Smart Growth and the Aquatic Center. The funding sources for this ROPS include bond proceeds totaling \$25,057,000, the Redevelopment Property Tax Trust Fund (RPTTF) in the amount of \$7,166,847 and "Other Funding" (interest and loan repayments) of \$60,000. Of significance in this ROPS is the request for the use of 2011 bond proceeds as described below.

2011 Bond Proceeds (AB 2493 pending final approval)

In March 2011, the CDC-RDA issued bonds to finance several community projects. (See Exhibit "A" to the Resolution.) These projects had been in various stages of planning over the years leading up to the sale of the bonds as evidenced by adopted specific plans and the 2005 -2009 and 2010-2014 Redevelopment Implementation Plans (see Exhibits "B" and "C" to the Resolution, respectively). The redevelopment dissolution legislation put conditions on the use of bond proceeds from issuances prior to 2011, but was silent on the use of bonds issued in 2011. Legislation was introduced last year to clarify the matter, but no action was taken. Legislation was reintroduced this year (AB 2493) and as of this writing is awaiting the Governor's signature. The State Department of Finance has approved the use of 2011 bond proceeds in instances where contracts were executed on or before June 27, 2011. Significantly, Phase I of the WI-TOD project utilizing \$14,957,000 of the 2011 bond proceeds (Items 7 and 8 on the ROPS) met that requirement. Other street and park projects also had executed agreements, but primarily for design work. None of them had executed construction contracts. As a result, the Successor Agency has approximately \$15.8 million of "stranded" bond proceeds.

AB 2493 allows agencies that have received a finding of completion to use these stranded bond proceeds for projects that meet five criteria. The National City Successor Agency received a finding of completion by the State Department of Finance on September 9, 2014. For this ROPS cycle, pending the enactment of AB 2493, staff proposes to request the use of a portion of the outstanding bond proceeds for three projects, all of which were identified in the bond indenture. The five criteria are summarized as follows:

1. Project shall be consistent with regional sustainable communities strategy or regional transportation plan that includes programs and policies to reduce greenhouse gas emissions;
2. Two or more significant planning or implementation actions shall have occurred prior to December 31, 2010. These actions are defined as any of the following: a.) an action approved by the governing body of the city, the board of the redevelopment agency or the planning commission directly related to the planning or implementation of the project, b.) the project is included in an approved planning document, or c.) the expenditure by the city or project sponsor of more than \$25,000 in one year or \$50,000 in total over multiple years;



3. Documentation dated on or before December 31, 2010 of RDA plans to issue long-term debt to finance the project;
4. Requirement that each construction contract over \$100,000 include a provision that prevailing wage will be paid by the contractor and subcontractors; and
5. Requirement that for construction contracts over \$250,000, prospective contractors demonstrate the financial ability and experience to perform large construction projects.

AB 2493 also requires that the resolution adopting the ROPS detail how each project meets the five criteria. The supporting documentation must also be attached to the resolution.

The three projects and a description of how each one meets the specified criteria are detailed below:

**Item 8: WI-TOD Phase II**

Description of project: Phase I of this multi-family housing project is under way and will provide 109 units and related amenities. Phase II will provide an additional 92 units.

Amount of bond proceeds requested: \$5,000,000

**Requirement #1: Sustainable Communities**

The Comprehensive Land Use Update EIR included the analysis of impacts resulting from the implementation of the updates to the General Plan, specific plans, other adopted planning policies. (See Exhibit "D" to the Resolution.) The plan that is implemented by the WI-TOD project is consistent with the regional planning documents (including the Sustainable Communities Strategy (SCS) and Regional Transportation Plan (RTP)) and do not result in land use impacts. The projects are therefore consistent with the SCS and RTP.

**Requirement #2: Significant Planning or Implementation Actions**

- A. The Westside Specific Plan, the EIR for which was certified by the City Council in March 2010, includes project level approvals for the WI-TOD project. Chapter 3 of the Plan describes land use. On page 30, future development Goal 3.9 states: "Actively pursue partnerships to construct 200 affordable housing units throughout the plan area and to concentrate efforts towards meeting these affordable housing goals on parcels surrounding Paradise Creek." On page 37 the vision for a transit oriented development district within the plan area is described followed by a concept plan on page 38. (See Exhibit "E" to the Resolution.) Further, in the Findings of Fact and Statement of Overriding Considerations on pages 2-3 to 2-4 (see Exhibit "F" to the Resolution), the following statement is made: "The Westside Specific Plan also explores the effects of redeveloping the Public Works yard and surrounding area into a transit-oriented infill affordable housing project. The goals for this transit oriented development (TOD) are to (1) transform the proposed property into affordable housing with linkages to the 24th Street Metropolitan Transit System Trolley Station; (2) enhance Paradise Creek and ensure the expansion of the Paradise Creek Education Park; and (3) prepare and provide facilities and ongoing program management for an "incubator" that would provide training and services that assist project tenants in more effectively pursuing home ownership and higher paying jobs. The 14-acre TOD area would be located within the MCR-2 zone. The zone allows residential uses at a maximum density of 45

dwelling units per net acre and would seek to achieve a minimum of 30 employees per acre. At maximum build-out, the area would support 360 dwelling units, 295,000 to 450,000 gross square feet of office space, and 45,000 to 65,000 gross square feet of retail space (not including existing development). The project-specific development may include an adult educational center within the TOD area and relocation of the public works yard.”

- B. On March 3, 2009, the CDC-RDA authorized the Mayor to execute the Exclusive Negotiation Agreement with The Related Companies of California and Community Housing Works for a transit-oriented infill mixed-use and affordable housing project (CDC Resolution 2009-51) (see Exhibit “G” to the Resolution). Further, on March 17, 2009 (Resolution 2009-61) (see Exhibit “H” to the Resolution), the CDC-RDA authorized the submittal of an application to the California Department of Housing and Community Development for funding under the Infill Infrastructure and Transit Oriented Development Grant Programs (Proposition 1C of 2006).
- C. From July 1, 2008 through December 31, 2010, approximately \$80,000 was spent by the RDA on the WI-TOD project (see Exhibit “I” to the resolution).

#### Requirement #3: Plans to issue long-term debt

The redevelopment plans dated July 18, 1995 and July 17, 2007 contain methods for financing projects, including ongoing provisions for issuing bonds. (See Exhibits “J” and “K”, respectively to the Resolution.) In addition, staff met with its financial advisor in October of 2010 to determine the CDC-RDA’s capacity to issue additional debt and a timeline to accomplish a bond sale (See Exhibit “L” to the Resolution).

#### Requirement #4: Prevailing Wage

Each construction contract over one hundred thousand dollars (\$100,000) shall include a provision that prevailing wage will be paid by the contractor and all of that contractor’s subcontractors.

#### Requirement #5: Financial Ability and Experience of Contractors

For each construction contract over two hundred fifty thousand dollars (\$250,000), the successor agency shall require prospective contractors to submit a standardized questionnaire and financial statements as part of their bid package, to establish the contractor’s financial ability and experience in performing large construction projects.

#### **Item #23: 8<sup>th</sup> Street Smart Growth Revitalization**

Description of project: Public right-of-way improvements to eliminate factors hindering economically viable uses and inadequate public infrastructure. This project is underway utilizing other sources of funds originally programmed for three other projects. The bond proceeds are necessary to reimburse the other projects and to complete the 8<sup>th</sup> Street project as planned.

Amount of bond proceeds requested: \$1,800,000

#### Requirement #1: Sustainable Communities

The Comprehensive Land Use Update EIR included the analysis of impacts resulting from the implementation of the updates to the General Plan, specific plans, other adopted planning policies. (See Exhibit "D" to the Resolution.) The plan that is implemented by the 8<sup>th</sup> Street project is consistent with the regional planning documents (including the Sustainable Communities Strategy (SCS) and Regional Transportation Plan (RTP)) and do not result in land use impacts. The project is therefore consistent with the SCS and RTP.

**Requirement #2: Significant Planning or Implementation Actions**

- A. The desired improvements to 8<sup>th</sup> Street were designed and approved in the Downtown Specific Plan, adopted in February 2005 (see Exhibit "M" to the Resolution). The 8<sup>th</sup> Street project was included in the 5-year Capital Improvement Program that was a component of the Adopted Budget for the City of National City for Fiscal Year 2010-11 (See Exhibit "N" to the Resolution).
- B. The City received a grant of \$2.0 million from SANDAG for this project in May 2009 for which \$500,000 in tax increment revenue was pledged as matching funds (see Exhibit "O" to the Resolution).
- C. As of December 31, 2010, over \$213,000 in tax increment funds were spent on the project (see Exhibit "P" to the Resolution).

**Requirement #3: Plans to issue long-term debt**

The redevelopment plans dated July 18, 1995 and July 17, 2007 contain methods for financing projects, including ongoing provisions for issuing bonds. (See Exhibits "J" and K, respectively to the Resolution.) In addition, staff met with its financial advisor in October of 2010 to determine the CDC-RDA's capacity to issue additional debt and a timeline to accomplish a bond sale (See Exhibit "L" to the Resolution).

**Requirement #4: Prevailing Wage**

Each construction contract over one hundred thousand dollars (\$100,000) shall include a provision that prevailing wage will be paid by the contractor and all of that contractor's subcontractors.

**Requirement #5: Financial Ability and Experience of Contractors**

For each construction contract over two hundred fifty thousand dollars (\$250,000), the successor agency shall require prospective contractors to submit a standardized questionnaire and financial statements as part of their bid package, to establish the contractor's financial ability and experience in performing large construction projects.

**Item #65: Aquatic Center**

Description of project: Aquatic recreational center with boat and kayak access to the San Diego Bay. This project is near completion with financing made possible by reallocating San Diego Unified Port District grants from another National City project to this one. Release of these bond proceeds will enable the other planned project to go forward and enable the City to complete the Aquatic Center project.

Amount of bond proceeds requested: \$3,300,000

Requirement #1: Sustainable Communities

The Comprehensive Land Use Update EIR included the analysis of impacts resulting from the implementation of the updates to the General Plan, specific plans, other adopted planning policies. (See Exhibit "D" to the Resolution.) The plans that are implemented by the Aquatic Center project are consistent with the regional planning documents (including the Sustainable Communities Strategy (SCS) and Regional Transportation Plan (RTP)) and do not result in land use impacts. The projects are therefore consistent with the SCS and RTP.

Requirement #2: Significant Planning or Implementation Actions

- A. Since 2004, the City of National City and the San Diego Unified Port District (Port) have worked to develop the National City Aquatic Center on land owned by the Port. In May 2010 the CDC authorized the Chairman to execute a 30-year lease agreement with the Port for property in Pepper Park for the construction of the National City Aquatic and Education Center (Resolution 2010-105) (see Exhibit "Q" to the Resolution). Pursuant to that resolution, an agreement was executed on July 29, 2010 granting the lease on the condition that the CDC spend at least \$2,137,561 on project improvements. (See Exhibit "R" to the Resolution.) On June 8, 2010 the Port committed \$830,000 to the project with the remainder of the estimated total cost of \$3,318,364 to be provided by the CDC (see Exhibit "S" to the Resolution). In March 2011 the CDC issued bonds to fund various projects including the Aquatic Center (see Exhibit "A" to the Resolution). To date, the State Department of Finance has denied the use of bond proceeds for construction of this project. The City sought other means to complete the project and on July 16, 2013 the Port approved the allocation of \$3,080,000 to the Aquatic Center from a separate park project in National City (see Exhibit "T" to the Resolution). The Aquatic Center project was included in the 5-year Capital Improvement Program that was a component of the Adopted Budget for the City of National City for Fiscal Year 2010-11 (see Exhibit "N" to the Resolution). Reference to this project, including a general description of its amenities, is also included in the Port Master Plan for the San Diego Unified Port District dated January 2010 (see Exhibit "U" to the Resolution).
- B. From FY2008 through December 31, 2010, the CDC-RDA spent approximately \$80,000 on the Aquatic Center project (see Exhibit "V" to the Resolution).

Requirement #3: Plans to issue long-term debt

The redevelopment plans dated July 18, 1995 and July 17, 2007 contain methods for financing projects, including ongoing provisions for issuing bonds. (See Exhibits "J" and "K", respectively to the Resolution.) In addition, staff worked with its financial advisor and bond underwriters in 2010 to determine the CDC-RDA's capacity to issue additional debt and a timeline to accomplish a bond sale (See Exhibit "L" to the Resolution).

Requirement #4: Prevailing Wage

Each construction contract over one hundred thousand dollars (\$100,000) shall include a provision that prevailing wage will be paid by the contractor and all of that contractor's subcontractors.

**Requirement #5: Financial Ability and Experience of Contractors**

For each construction contract over two hundred fifty thousand dollars (\$250,000), the successor agency shall require prospective contractors to submit a standardized questionnaire and financial statements as part of their bid package, to establish the contractor's financial ability and experience in performing large construction projects.

RESOLUTION NO. 2014 –

RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY  
TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY ADOPTING  
THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR  
THE PERIOD JANUARY 1, 2015 THROUGH JUNE 30, 2015  
(ROPS 14-15B), INCLUDING THE USE OF 2011 BOND  
PROCEEDS CONSISTENT WITH AND PURSUANT TO AB 2493

WHEREAS, the City Council established the Redevelopment Agency of the City of National City (the “Redevelopment Agency”) by Ordinance No. 1164, dated April 11, 1967; and

WHEREAS, the City Council established the Housing Authority of the City of National City (the “Housing Authority”) by Ordinance No. 1484, dated October 14, 1975; and

WHEREAS, the City Council established the Community Development Commission of the City of National City (the “CDC”) by Ordinance No. 1484, dated October 14, 1975, and vested the CDC with all of the powers, duties and responsibilities of both the Redevelopment Agency and the Housing Authority, among other matters, for the purpose of enabling the CDC to operate and govern the Redevelopment Agency and the Housing Authority under a single board and as a single operating entity. The Community Development Commission of the City of National City acting in its capacity as the Redevelopment Agency of the City of National City is referred to herein as the “CDC-RDA”; and

WHEREAS, pursuant to Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) signed by the California Governor on June 28, 2011 (“AB 26”), as modified by the California Supreme Court on December 29, 2011 pursuant to its decision in *California Redevelopment Association v. Matosantos*, which amended, among other statutes, the California Community Redevelopment Law (Health & Safety Code §§ 33000 *et seq.*) (the “CRL”), all California redevelopment agencies, including the Redevelopment Agency and the CDC-RDA, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, pursuant to AB 26, the City Council of the City adopted Resolution No. 2012-15 on January 10, 2012, electing to be the Successor Agency to the CDC-RDA. The Successor Agency is a legal entity that exists separate and independent from the City. The Successor Agency formally named itself the “Successor Agency to the Community Development Commission as the National City Redevelopment Agency”; and

WHEREAS, on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings and equipment of the Redevelopment Agency and the CDC-RDA were transferred by operation of law to the control of the Successor Agency and all authority, rights, powers, duties, and obligations previously vested in the Redevelopment Agency and the CDC-RDA were vested in the Successor Agency, for administration pursuant to Part 1.85 of AB 26; and

WHEREAS, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”, Chapter 26, Statutes 2012). Although the primary purpose of AB 1484 is to make technical and

substantive amendments to AB 26 based on issues that have arisen in the implementation of AB 26, AB 1484 imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind down process of former redevelopment agencies; and

WHEREAS, the Successor Agency is required to undertake several actions pursuant to Part 1.85 of AB 26 as amended by AB 1484, including submitting additional information with the ROPS and in a changed format as set by the Department of Finance; and

WHEREAS, under AB 26 as amended by AB 1484, each successor agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to Health and Safety Code Section 34188; and

WHEREAS, the oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of AB 26 as amended by AB 1484; and

WHEREAS, pursuant to AB 26, the ROPS shall be forward looking to the next six months, thus a recognized obligation payment schedule for the period of January 1, 2015 through June 30, 2015 (ROPS 14-15B) was prepared for consideration and approval by the Successor Agency; and

WHEREAS, according to Health and Safety Code Section 34177(l)(1) of AB 26, for each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provision of Part 1.85 of AB 26, and (vi) and other revenue sources; and

WHEREAS, the CDC-RDA issued bonds in March 2011 to finance several community projects (See, Exhibit "A" attached hereto and incorporated by reference). These projects have been in various stages of planning over the years leading up to the sale of the bonds, as evidenced by adopted specific plans and the 2005-2009 and 2010-2014 Redevelopment Implementation Plans (See, Exhibit "B" and "C" attached hereto and incorporated by reference); and

WHEREAS, the redevelopment dissolution legislation (AB 26 and AB 1484) put conditions on the use of bond proceeds from issuances prior to 2011, but was silent on the use of bonds issued in 2011. Legislation was introduced last year to clarify the matter, but no action was taken. Legislation was reintroduced this year (AB 2493) and as of this writing is awaiting the Governor's signature; and

WHEREAS, the State Department of Finance has approved the use of 2011 bond proceeds in instances where contracts were executed on or before June 27, 2011.

Significantly, Phase I of the WI-TOD project utilizing \$14,957,000 of the 2011 bond proceeds (Items 7 and 8 on the ROPS) met that requirement. Other street and park projects had executed agreements primarily for design work, but did not have executed construction contracts. As a result, the Successor Agency has approximately \$15.8 million of “stranded” bond proceeds; and

WHEREAS, AB 2493 allows agencies that have received a finding of completion to use these stranded bond proceeds for projects that meet five criteria. The National City Successor Agency received a finding of completion by the State Department of Finance on September 9, 2014. For this ROPS cycle, pending the enactment of AB 2493, staff proposes to request the use of a portion of the outstanding bond proceeds for three projects, all of which were identified in the bond indenture. The five criteria set forth in AB 2493 are summarized as follows:

1. The project shall be consistent with regional sustainable communities strategy or alternative planning strategy adopted pursuant to Section 65080 of the Government Code that the State Air Resources Board has determined would, if implemented, achieve the greenhouse gas emission reduction targets established by the board or, if a sustainable communities strategy is not required for a region by law, a regional transportation plan that includes programs and policies to reduce greenhouse gas emissions;
2. Two or more significant planning or implementation actions shall have occurred on or before December 31, 2010. These actions are defined as any of the following: a) an action approved by the governing body of the city, the board of the former redevelopment agency, or the planning commission directly related to the planning or implementation of the project; b) the project is included in an approved planning document; or c) the expenditure by the city or project sponsor of more than \$25,000 in one year or \$50,000 in total over multiple years;
3. Documentation dated on or before December 31, 2010 indicating the intention to finance all or a portion of the project with the future issuance of long-term debt, or documentation showing that the issuance of long-term redevelopment agency debt was being planned on or before December 31, 2010;
4. Each construction contract over \$100,000 must include a provision that prevailing wage will be paid by the contractor and subcontractors; and
5. For each construction contract over \$250,000, prospective contractors must submit a standardized questionnaire and financial statements as part of their bid package, to establish the contractor’s financial ability and experience in performing large construction projects.

WHEREAS, AB 2493 also allows for projects, which meet the first three criteria listed above, which was funded by a city with funds other than redevelopment, between June 28, 2011 and the effective date of the act, shall be eligible to be reimbursed using 2011 bond proceeds, if the project meets the purpose for which the bonds were issued; and



WHEREAS, the Agency has placed three bond projects onto this ROPS because they meet the AB 2493 criteria above. The three bond projects are: 1) Item 8 - WI-TOD Phase II, 2) Item 23 - 8<sup>th</sup> Street Smart Growth Revitalization, and, 3) Item 65 – Aquatic Center. These three projects were all listed on the bond issuance and meet the above criteria based on the following:

**Item No. 8: WI-TOD Phase II**

Description of Project: Phase I of this multi-family housing project is under way and will provide 109 units and related amenities. Phase II will provide an additional 92 units.

Amount of bond proceeds requested: \$5,000,000

Requirement No. 1: Sustainable Communities.

The Comprehensive Land Use Update EIR included the analysis of impacts resulting from the updates to the General Plan, specific plans, other adopted planning policies, and analyzed the consistency with other adopted planning documents, including the Sustainable Communities Strategy adopted by the San Diego Association of Governments (SANDAG) (See Exhibit “D,” attached hereto and incorporated by reference). The plan that is implemented by the WI-TOD project was found to be consistent with the regional planning documents (including the Sustainable Communities Strategy (SCS) and Regional Transportation Plan (RTP)) and do not result in land use impacts. The projects are therefore consistent with the SCS and RTP.

Requirement No. 2: Two or More Significant Planning or Implementation Actions.

The Westside Specific Plan and the EIR for which was certified by the City Council in March 2010, includes project level approvals for the WI-TOD project. Chapter 3 of the Plan describes land use. On page 30, future development Goal 3.9 states: “Actively pursue partnerships to construct 200 affordable housing units throughout the plan area and to concentrate efforts towards meeting these affordable housing goals on parcels surrounding Paradise Creek.” On page 37 the vision for a transit oriented development district within the plan area is described followed by a concept plan on page 38. (See, Exhibit “E” attached hereto and incorporated by reference). Further, in the Findings of Fact and Statement of Overriding Considerations on pages 2-3 to 2-4 (see Exhibit “F” attached hereto and incorporated by reference), the following statement is made: “The Westside Specific Plan also explores the effects of redeveloping the Public Works yard and surrounding area into a transit-oriented infill affordable housing project. The goals for this transit oriented development (TOD) are to (1) transform the proposed property into affordable housing with linkages to the 24th Street Metropolitan Transit System Trolley Station; (2) enhance Paradise Creek and ensure the expansion of the Paradise Creek Education Park; and (3) prepare and provide facilities and ongoing program management for an “incubator” that would provide training and services that assist project tenants in more effectively pursuing home ownership and higher paying jobs. The 14-acre TOD area would be located within the MCR-2 zone. The zone allows residential uses at a maximum density of 45 dwelling units per net acre and would seek to achieve

a minimum of 30 employees per acre. At maximum build-out, the area would support 360 dwelling units, 295,000 to 450,000 gross square feet of office space, and 45,000 to 65,000 gross square feet of retail space (not including existing development). The project-specific development may include an adult educational center within the TOD area and relocation of the public works yard.”

- i. On March 3, 2009, the CDC-RDA authorized the Mayor to execute the Exclusive Negotiation Agreement with The Related Companies of California and Community Housing Works for a transit-oriented infill mixed-use and affordable housing project (CDC Resolution 2009-51) (see Exhibit “G” attached hereto and incorporated by reference). Further, on March 17, 2009 (Resolution 2009-61) (see Exhibit “H” attached hereto and incorporated by reference), the CDC-RDA authorized the submittal of an application to the California Department of Housing and Community Development for funding under the Infill Infrastructure and Transit Oriented Development Grant Programs (Proposition 1C of 2006).
- ii. From July 1, 2008 through December 31, 2010, approximately \$80,000 was spent by the RDA on the WI-TOD project (see Exhibit “I” attached hereto and incorporated by reference).

Requirement No. 3: Plans to issue long-term debt

The redevelopment plans dated July 18, 1995 and July 17, 2007 contain methods for financing projects, including ongoing provisions for issuing bonds. (See Exhibits “J” and “K”, respectively, attached hereto and incorporated by reference). In addition, staff worked with its financial advisor and bond underwriters in 2010 to determine the CDC-RDA’s capacity to issue additional debt and a timeline to accomplish a bond sale (See Exhibit “L” attached hereto and incorporated by reference).

Requirement No. 4: Prevailing Wage

Each construction contract over one hundred thousand dollars (\$100,000) shall include a provision that prevailing wage will be paid by the contractor and all of that contractor’s subcontractors.

Requirement No. 5: Financial Ability and Experience of Contractors

Each construction contract over two hundred fifty thousand dollars (\$250,000), shall require prospective contractors to submit a standardized questionnaire and financial statements as part of their bid package, to establish the contractor’s financial ability and experience in performing large construction projects

**Item No. 23: 8<sup>th</sup> Street Smart Growth Revitalization**

Description of project: Public right-of-way improvements to eliminate factors hindering economically viable uses and inadequate public infrastructure. This project is underway utilizing other sources of funds originally programmed for three other projects. The bond proceeds are necessary to reimburse the other projects and to complete the 8<sup>th</sup> Street project as planned.

Amount of bond proceeds requested: \$1,800,000

Requirement No. 1: Sustainable Communities

The Comprehensive Land Use Update EIR included the analysis of impacts resulting from the updates to the General Plan, specific plans, other adopted planning policies, and analyzed the consistency with other adopted planning documents, including the Sustainable Communities Strategy and Regional Transportation Plan adopted by the San Diego Association of Governments (SANDAG) (See Exhibit “D,” attached hereto and incorporated by reference). The plan that is implemented by the 8<sup>th</sup> Street Project was found to be consistent with the regional planning documents, including the Sustainable Communities Strategy (SCS) and Regional Transportation Plan (RTP) and do not result in land use impacts. The projects are therefore consistent with the SCS and RTP.

Requirement No. 2: Significant Planning or Implementation Actions

- i. The desired improvements to 8<sup>th</sup> Street were designed and approved in the Downtown Specific Plan, adopted in February 2005 (see Exhibit “M” attached hereto and incorporated by reference). The 8<sup>th</sup> Street project was included in the 5-year Capital Improvement Program that was a component of the Adopted Budget for the City of National City for Fiscal Year 2010-11 (See Exhibit “N” attached hereto and incorporated by reference).
- ii. The City received a grant of \$2.0 million from SANDAG for this project in May 2009 for which \$500,000 in tax increment revenue was pledged as matching funds (see Exhibit “O” attached hereto and incorporated by reference).
- iii. As of December 31, 2010, over \$213,000 in tax increment funds were spent on the project (see Exhibit “P” attached hereto and incorporated by reference).

Requirement No. 3: Plans to issue long-term debt

The redevelopment plans dated July 18, 1995 and July 17, 2007 contain methods for financing projects, including ongoing provisions for issuing bonds. (See Exhibits “J” and “K”, respectively, attached hereto and incorporated by reference). In addition, staff worked with its financial advisor and bond underwriters in 2010 to determine the CDC-RDA’s capacity to issue additional debt and a timeline to accomplish a bond sale (See Exhibit “L” attached hereto and incorporated by reference).

Requirement No. 4: Prevailing Wage

Each construction contract over one hundred thousand dollars (\$100,000) shall include a provision that prevailing wage will be paid by the contractor and all of that contractor’s subcontractors.

Requirement No. 5: Financial Ability and Experience of Contractors

Each construction contract over two hundred fifty thousand dollars (\$250,000), shall require prospective contractors to submit a standardized questionnaire and financial statements as part of their bid package, to establish the contractor's financial ability and experience in performing large construction projects.

**Item No. 65: Aquatic Center**

Description of project: Aquatic recreational center with boat and kayak access to the San Diego Bay. This project is near completion with financing made possible by reallocating San Diego Unified Port District grants from another National City project to this one. Release of these bond proceeds will enable the other planned project to go forward and enable the City to complete the Aquatic Center project.

Amount of bond proceeds requested: \$3,300,000

Requirement No. 1: Sustainable Communities.

The Comprehensive Land Use Update EIR included the analysis of impacts resulting from the updates to the General Plan, specific plans, other adopted planning policies, and analyzed the consistency with other adopted planning documents, including the Sustainable Communities Strategy and Regional Transportation Plan adopted by the San Diego Association of Governments (SANDAG) (See Exhibit "D," attached hereto and incorporated by reference). The plans that are implemented by the Aquatic Center were found to be consistent with the regional planning documents, including the Sustainable Communities Strategy (SCS) and Regional Transportation Plan (RTP) and do not result in land use impacts. The project is therefore consistent with the SCS and RTP.

Requirement No. 2: Significant Planning or Implementation Actions

- i. Since 2004, the City of National City and the San Diego Unified Port District (Port) have worked to develop the National City Aquatic Center on land owned by the Port. In May 2010 the CDC authorized the Chairman to execute a 30-year lease agreement with the Port for property in Pepper Park for the construction of the National City Aquatic and Education Center (Resolution 2010-105) (see Exhibit "Q" attached hereto and incorporated by reference). Pursuant to that resolution, an agreement was executed on July 29, 2010 granting the lease on the condition that the CDC spend at least \$2,137,561 on project improvements. (See Exhibit "R" attached hereto and incorporated by reference). On June 8, 2010 the Port committed \$830,000 to the project with the remainder of the estimated total cost of \$3,318,364 to be provided by the CDC (see Exhibit "S" attached hereto and incorporated by reference). In March 2011 the CDC issued bonds to fund various projects including the Aquatic Center (see Exhibit "A" attached hereto and incorporated by reference). To date, the State Department of Finance has denied the use of bond proceeds for construction of this project.

The City sought other means to complete the project and on July 16, 2013 the Port approved the allocation of \$3,080,000 to the Aquatic Center from a separate park project in National City (see Exhibit “T” attached hereto and incorporated by reference).

- ii. The Aquatic Center project was included in the 5-year Capital Improvement Program that was a component of the Adopted Budget for the City of National City for Fiscal Year 2010-11 (see Exhibit “N” attached hereto and incorporated by reference). Reference to this project, including a general description of its amenities, is also included in the Port Master Plan for the San Diego Unified Port District dated January 2010 (see Exhibit “U” attached hereto and incorporated by reference).
- iii. From FY2008 through December 31, 2010, the CDC-RDA spent approximately \$80,000 on the Aquatic Center project (see Exhibit “V” attached hereto and incorporated by reference).

Requirement No. 3: Plans to issue long-term debt

The redevelopment plans dated July 18, 1995 and July 17, 2007 contain methods for financing projects, including ongoing provisions for issuing bonds. (See Exhibits “J” and “K”, respectively, attached hereto and incorporated by reference). In addition, staff worked with its financial advisor and bond underwriters in 2010 to determine the CDC-RDA’s capacity to issue additional debt and a timeline to accomplish a bond sale (See Exhibit “L” attached hereto and incorporated by reference).

Requirement No. 4: Prevailing Wage

Each construction contract over one hundred thousand dollars (\$100,000) shall include a provision that prevailing wage will be paid by the contractor and all of that contractor’s subcontractors.

Requirement No. 5: Financial Ability and Experience of Contractors

Each construction contract over two hundred fifty thousand dollars (\$250,000), shall require prospective contractors to submit a standardized questionnaire and financial statements as part of their bid package, to establish the contractor’s financial ability and experience in performing large construction projects.

WHEREAS, the ROPS 14-15B shall hereafter be submitted for review and approval to the Oversight Board, and submitted to the County Auditor/Controller, State Department of Finance and State Controller; and

WHEREAS, it is the intent of AB 26 that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency’s bi-annual payment obligations by amount and source and, subsequent to the audit and approval of the ROPS as specified in AB 26, the County Auditor/Controller will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period; and

WHEREAS, the Successor Agency, now having considered ROPS 14-15B, desires to approve the ROPS 14-15B, subject to the contingencies and reservations set forth herein; and

WHEREAS, the Successor Agency's ROPS 14-15B, which is consistent with the requirements of the Health and Safety Code and other applicable law, is attached to this Resolution as Exhibit "A"; and

WHEREAS, the Department of Finance changes the format of reporting and the requirements, thus the Successor Agency staff may need to make changes to the ROPS 14-15B subsequent to the approval, to have it compliant with the changing Department of Finance requirements; and

WHEREAS, this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

WHEREAS, this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, as follows:

Section 1. The foregoing recitals are true and correct, and are a substantive part of this Resolution.

Section 2. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of AB 26 or AB 1484 through administrative or judicial proceedings.

Section 3. The criteria for the use of 2011 bond funds, as set forth in AB 2493, has been met for each of the three projects listed on ROPS 14-15B, specifically the WI-TOD Phase II Project (Item 8), the 8<sup>th</sup> Street Smart Growth Revitalization Project (Item 23), and the Aquatic Center Project (Item 65), based on the information provided in the recitals and supporting documentation attached, thus these projects are included in ROPS 14-15B.

Section 4. The Successor Agency's ROPS 14-15B, which is attached hereto as Exhibit "W", is approved and adopted.

Section 5. The Executive Director, or designee, is hereby authorized and directed to:

- (i) provide the ROPS 14-15B to the Oversight Board;
- (ii) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor Agency; and
- (iii) take such other actions and execute such other documents as are necessary to effectuate the intent of AB 26, AB 1484, and AB 2493 in regard to ROPS 14-15B, including modifying and/or amending the ROPS 14-15B administratively to reflect the most up to date prior period actual cost or cash data, or conform to the direction, guidance, and/or requirements related to ROPS 14-15B by of the Department of Finance.

Section 6. The Successor Agency determines that this Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines.

Section 7. This Resolution shall take effect upon the date of its adoption.

PASSED and ADOPTED this 16th day of September, 2014.

---

Ron Morrison, Chairman

ATTEST:

---

Michael R. Dalla, City Clerk as  
Secretary to the Successor Agency

APPROVED AS TO FORM:

---

Claudia Gacitua Silva  
Successor Agency Counsel

ROPS 14-15B

January 1 – June 30, 2015

### Exhibit Reference List

A	B4. Bond Certificate Use of Proceeds
B	Implementation Plan 2005-2009
C	Implementation Plan 2010-2014
D	EIR Pages from 4.9 Land Use Code
E	Chapter 3 - Land Use - Westside Specific Plan Pages 30-38
F	Westside Findings Statement SOC
G	WITOD CDC Resolution 2009-51
H	WITOD CDC Resolution 2009-61
I	WITOD Expense Report July 2008-Dec 2010
J	1995 RDA Plan Section VIII
K	2007 RDA Plan Amendment Section VIII
L	NC Financing - UFI Bond Advisor Presentation
M	Downtown Specific Plan Fed 2005 Ref. 8th Street
N	Final Budget 2011 Excerpt CIP Budget Pages
O	Reso 2010-13 8th Str Smart Growth
P	Expense Reports 8th Street Smart Growth
Q	Reso 2010-105 30-year Lease Aquatic Center
R	30-Year Lease with Port
S	SDUPD 486136 MOU Aquatic Center
T	Reso 2013-119 Port Reimburse
U	Port Master Plan - Aquatic Center
V	Aquatic Center FY 2009-Dec 2010 Expense Report
W	ROPS 14-15B



Exhibit "A"

**\$39,660,000**  
**COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF NATIONAL CITY**  
**(National City Redevelopment Project)**  
**2011 TAX ALLOCATION BONDS**

**CERTIFICATE REGARDING USE OF PROCEEDS**

The undersigned is the Executive Director of the Community Development Commission of the City of National City (the "Issuer"), is authorized to execute this certificate on behalf of the Issuer, is knowledgeable with respect to the matters set forth herein, and hereby states and certifies as follows:

(1) **Issuance of Bonds.** Pursuant to an Indenture of Trust, dated as of June 1, 2004, as amended and supplemented by a First Supplement to Indenture of Trust, dated as of January 1, 2005, and a Second Supplement to Indenture of Trust, dated as of January 1, 2005 and further supplemented by a Third Supplement to Indenture of Trust, dated as of March 1, 2011, each by and between the Commission and Deutsche Bank National Trust Company, as trustee (as amended and supplemented, the "Indenture"), the issuer is issuing the bonds captioned above (the "Bonds") on the date of this Certificate.

(2) **Project Fund Deposits.** Of the proceeds of the Bonds received on the Closing Date, a total of \$33,942,161.05 will be deposited in the following Redevelopment Fund (the "Project Fund"):

(3) **Description of Project.** The proceeds of the Bonds deposited in the Project Fund will be used to finance the capital improvements (collectively, the "Project") more particularly described in Part I of Exhibit A hereto attached and by this reference herein incorporated.

(4) **Private Uses of Project.** Part II of Exhibit A describes:

(A) each use to be made of the Project by any private person or entity (that is, any entity *other than* (i) the Issuer, (ii) other non-federal governmental entities, or (iii) members of the public generally), and

(B) all payments (if any) directly or indirectly in respect of any use to be made of the Project by any private person or entity, which are to be made after the Closing Date.

(5) **Expenditure of Project Funds.** Part III of Exhibit A contains a schedule of reasonably expected expenditures of proceeds of the Bonds from the Project Fund for costs of the Project.

(6) **No Private Loans.** No portion of the proceeds of the Bonds will be used, directly or indirectly, to make or finance a loan to any person (other than a State or local government unit).

(7) **Expectations Regarding Project Use for Life of Bonds.** The Issuer reasonably expects to use the Project for the purposes described in Exhibit A or for other governmental purposes of the Issuer during the entire term of the Bonds.

(8) Practices and Procedures for Accounting for and Monitoring of Bond Proceeds. The Issuer will, after the Closing Date, institute practices and procedures to assure that the proceeds of the Bonds are used in such a manner:

(A) so as not to violate the provisions of the Internal Revenue Code of 1986, as amended, under which interest on the Bonds is excluded from federal income taxation, and

(B) to comply with State and local legal requirements regarding the valid incurrence of debt and permitted uses of the proceeds of the Bonds.

These practices and procedures generally will account for and monitor (i) the expenditure and investment of Bond proceeds, (ii) the use of the Project financed with the proceeds of the Bonds, and (iii) any changes in the underlying structure of the Bond financing. These practices and procedures will include (but not be limited to) the items set forth in Exhibit B hereto.

The Issuer will retain its records of all accounting and monitoring it carries out with respect to the Bonds for at least 3 years after the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are redeemed and refunded, the Issuer will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the bonds which refunded the Bonds.

The Issuer acknowledges that the list in Exhibit B is not exclusive and covenants to comply with all tax limitations and requirements imposed with respect to the Bonds after the Closing Date. Unless otherwise set forth in the practices and procedures of the Issuer, Urban Futures, Inc., will initially undertake post-issuance compliance relating to the Bonds.

(9) Investment of Bond Proceeds. The proceeds of Bonds excluding amounts in the reserve account, shall be invested in tax exempt municipal bonds, which may include non-AMT money market bonds.

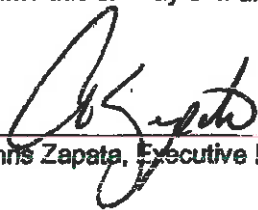
(10) Certifications.

(a) The above statements are made on the basis of the facts, estimates and circumstances in existence on the date hereof and the undersigned has exercised due diligence to assure that all material facts, estimates and circumstances relating to the above statements were made available to the undersigned and reviewed by the undersigned.

(b) To the best knowledge of the undersigned, the above statements are reasonable and there are no other facts, estimates or circumstances, other than those set forth herein, that would materially affect the statements made herein.

(c) The undersigned is aware that Jones Hall, A Professional Law Corporation, is rendering an opinion on the date hereof substantially to the effect that the interest on the Bonds is excluded from gross income for federal income tax purposes and in rendering such opinion is relying upon the statements made in this Certificates and in the Exhibits attached to this Certificate.

IN WITNESS WHEREOF, I have hereunto set my name this 3rd day of March, 2011

  
Chris Zapata, Executive Director

## EXHIBIT A

### PART I. Detailed Description of Project

The Bonds are being issued to finance redevelopment projects, primarily including the following.

#### **Westside Infill Transit Oriented Development**

*Estimated Cost:* \$21,000,000

*Architecture/Engineering/Design (A/E/D) Status:* 60%

*Construction Start - End:* 2012 Q1 – 2014 Q1

*Obligations:* CEQA, Exclusive Negotiating Agreement (ENA), Land Acquisition, DDA (proposed Council approval on March 8<sup>th</sup>)

The City has been working on this family affordable housing project for over five years. The project is scheduled to be built in two phases. There will be 98 units for Phase I and 103 units for Phase II. The project went through program and project level CEQA review as part of the Westside Specific Plan which was adopted by the City Council in 2010. After earning community support and environmental clearance the City issued a RFQ to recruit a development partner. Related Companies of California was selected and the City entered into an ENA. Related and the City applied for a Prop 1C grant through the State Department of Housing and Community Development as was awarded \$11.2 million. The project has continued design development and the City is currently in escrow to acquire the final parcel of land necessary to make site fully assembled. Escrow with the Illes Family Trust is scheduled to close March 17, 2011.

#### **8<sup>th</sup> Street Smart Growth Grant Match Phase I and II**

*Estimated Cost:* \$1,800,000

*Architecture/Engineering/Design (A/E/D) Status:* 90%

*Construction Start - End:* 2011 Q3 – 2012 Q3

*Obligations:* CEQA, Grant

The City adopted the Downtown Specific Plan in 2006. The plan proposed smart growth development in the historic downtown of National City centered at the intersection of National City Boulevard and 8th Street. To implement the plan the City applied to SANDAG for a smart growth grant and received the highest score and maximum distribution of \$2 million dollars. The city is required to match that grant with at least \$500k in tax increment. The improvements are fully entitled and 90% designed. All of that construction will start this year in September.

#### **Coolidge Corridor I**

*Estimated Cost:* \$200,000

*Architecture/Engineering/Design (A/E/D) Status:* 70%

*Construction Start - End:* 2011 Q4 – 2012 Q3

*Obligations:* CEQA, Grant

The City received a safe route to school grant for \$720k that required a city match of \$200k. Construction documents are being prepared for the project which will provide pedestrian and safety enhancements around Kimball Elementary.

#### **Gateway Project-Sudberry**

*Estimated Cost:* \$2,500,000

Exhibit A

**Architecture/Engineering/Design (A/E/D) Status: 100%**

**Construction Start - End: 2012 Q1 – 2013 Q1**

**Obligations: Site control, Co-op, DDA (proposed Council approval on March 8<sup>th</sup>)**

This project is a 20 acre regional commercial center that is anchored by a Lowe's home improvement store. The City is contributing land and providing \$2.5 million worth of off-site improvements for the project. DDA has been drafted. Permits and final approvals are pending funding.

**D Avenue Community Corridor :**

**Estimated Cost: \$125,000**

**Architecture/Engineering/Design (A/E/D) Status: 80%**

**Construction Start - End: 2012 Q3 – 2013 Q2**

**Obligations: CEQA, Grant**

D Ave has been identified as a community corridor which provides plans to improve the street with traffic, pedestrian, bicycle, and safety improvements. The city received a safe route to school grant of \$500k for the intersection of 12<sup>th</sup> and D Ave. The local match requirement is \$125k funded by tax increment.

**Aquatic Center**

**Estimated Cost: \$3,300,000**

**Architecture/Engineering/Design (A/E/D) Status: 100%**

**Construction Start - End: 2012 Q1 – 2013 Q2**

**Obligations: CEQA, Permits**

This project is fully entitled, designed, and permitted. Tax increment was identified as a funding source. The facility is intended to provide boat and kayak access to the San Diego Bay from a site adjacent to the National City boat launch. Currently the city is in partnership with the South Bay YMCA to operate a recreational program out of temporary facilities.

**Las Palmas Park Facilities Plan I**

**Estimated Cost: \$6,500,000**

**Architecture/Engineering/Design (A/E/D) Status: 30%**

**Construction Start - End: 2012 Q3 – 2013 Q4**

**Obligations: Facility Plan, General Plan Update**

Las Palmas Park is the location of the public swimming pool, Camacho Gymnasium, and additional recreational facilities. The pool was recently rebuilt with grant funds and impact fees. There wasn't enough funding to complete the facility and the locker room and other public facilities are in poor condition. There are conceptual plans to upgrade those facilities. The adjacent Camacho Gym is also in disrepair and has been on the City CIP list as a need without an identified funding source. Through the General Plan Update a concept plan was created for the entire park, including the golf course, that envisions new facilities and better access. Phase 1 of that plan would include all of the improvements that would occur on city controlled land. Phase 2 estimated costs assume the acquisition of the long term lease to American Golf for operating the municipal golf course.

**PART II. Description of Any Private Use of Project**

A. Describe each use to be made of the Project by any private person or entity (that is, any entity *other than* (i) the Issuer, (ii) other non-federal governmental entities, or (iii) members of the public generally). For this purpose, "use" includes, without limitation, sales, leases or other use agreements with respect to the Project with private, nongovernmental entities. "Use" of the Project *does not include* uses by members of the general public within the meaning of §1.141-3© of the Treasury Regulations (the "Regulations").

None.

B. Payments to be made on or after date hereof in respect of above uses.

None.

Exhibit A

**EXHIBIT A (continued)**

**PART III. Schedule of Expected Expenditures of Proceeds of the Bonds**

List all reasonably expected expenditures of the Bond proceeds deposited in the Project Fund (including earnings thereon to the extent those earnings remain on deposit in the Project Fund). Dates may be shown as monthly or quarterly dates.

All Bond proceeds should be expected to be spent within 3 years after the date the Bonds are issued.

<u>Expenditure Date</u>	<u>Expenditure Amount</u>
2011 Q2	\$150,000
2011 Q3	\$500,000
2011 Q4	\$850,000
2012 Q1	\$1,700,000
2012 Q2	\$2,250,000
2012 Q3	\$4,950,000
2012 Q4	\$5,525,000
2013 Q1	\$6,500,000
2013 Q2	\$5,000,000
2013 Q3	\$4,000,000
2013 Q4	\$3,000,000
2014 Q1	\$1,000,000
2014 Q2	
2014 Q3	
2014 Q4	
<b>Total:</b>	<b>\$35,425,000</b>

## EXHIBIT B

### POST ISSUANCE COMPLIANCE

#### General

The Issuer will take all appropriate action to assure that (i) no use of the proceeds of the Bonds, and no other event or action, will cause the Bonds to violate federal income tax limitations with respect to the exclusion of interest on the Bonds from federal income taxation, and (ii) all uses of proceeds of the Bonds comply with State and local legal requirements regarding the valid incurrence of debt and permitted uses of proceeds of the Bonds.

Without limiting the generality of the foregoing, the Issuer will take the following actions to account for and monitor (i) the expenditure and investment of Bond proceeds, (ii) the use of the Project financed with the proceeds of the Bonds, and (iii) any changes in the underlying structure of the Bond financing.

#### Non-governmental Uses of the Bond-Financed Facilities

1. Monitor and document sales, leases or other use agreements with respect to the Project with nongovernmental entities, not including uses by members of the general public within the meaning of §1.141-3(c) of the Regulations. Compute the percent of private business use or private payments or private security with respect to those nongovernmental uses.
2. Monitor and document management contracts (see e.g., Rev. Proc. 97-13) with nongovernmental entities.
3. Monitor and document other special legal entitlements with respect to the Bond-financed property (e.g., licenses, use agreements, easements, etc.).

#### Allocation of Bond Proceeds to Expenditures

1. Allocate proceeds of Bonds to expenditures subject to §1.148-6(d) and §1.141-6(a) of the Regulations by 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than the earlier of 5 years after the Bonds were issued or 60 days after the issue is retired. Document this allocation.
2. Monitor and document reimbursement of expenditures paid from non-Bond proceeds prior to the date of issue of the Bonds and verify compliance with §1.150-2 of the Regulations.

#### Arbitrage

1. Hire a rebate calculation agent or perform rebate calculations internally.
2. Rebate payments:

Exhibit B



- a. The first installment is due 60 days after the end of 5th bond year.
  - b. Succeeding installments are due 60 days after end of every 5th bond year thereafter.
  - c. The final installment is due 60 days after retirement of the last bond of the issue.
3. Monitor expenditures of Bond proceeds for qualification for rebate expenditure exceptions: 6-month exception, 18-month exception or 24-month exception.
  4. Monitor expenditures of Bond proceeds against date of issuance expectations regarding 3-year or 5-year temporary periods and 5-year hedge bond limitations.

#### **Record Retention**

1. Retain records of all accounting and monitoring the Issuer carries out with respect to the Bonds for at least 3 years after the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are redeemed and refunded, the Issuer will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the bonds which refunded the Bonds.
2. Maintain special records required by the safe harbor for investment contracts or defeasance escrows under §1.148-5 of the Regulations.
3. Maintain a record of the identification on the Issuer's books and records of any "qualified hedge" contract under §1.148-4(h)(2)(vii) and §1.148-11A(i)(3) of the Regulations.
4. Maintain a record of any election not to take depreciation on property required to be owned by a governmental unit which is leased to a nongovernmental entity as required by §1.103(n)-2T Q/A7 of the Regulations.
5. Maintain records of accounting for rebate for a period of at least 3 years after the earlier of the maturity or redemption of the Bonds.

#### **Reissuance**

A significant modification of the Bond documents may result in the Bonds being deemed refunded or "reissued". Such an event will require, among other things, the filing of new information returns with the federal government and the execution of a new arbitrage certificate. Qualified bond counsel should be consulted in the event of modification of the Bond documents.



ROPS 14-15B  
January 1 - June 30, 2015

Exhibit "B"

**FIVE YEAR IMPLEMENTATION PLAN**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**OF THE CITY OF NATIONAL CITY**

---

# NATIONAL CITY REDEVELOPMENT PROJECT AREA

Five Year Implementation Plan  
2004-05 through 2008-09

## ABOUT THIS IMPLEMENTATION PLAN

In fulfillment of Article 16.5 of California Community Redevelopment Law, the Community Development Commission of the City of National City ("Commission") has prepared this Implementation Plan for the National City Redevelopment Project Area ("Implementation Plan"). Included in this document are the Commission's anticipated redevelopment and affordable housing program for 2004-05 through 2013-14.

The Implementation Plan document conforms to the National City General Plan and has been prepared according to guidelines established in the programs and goals outlined in the Housing Element of the General Plan.

### Contents

<b>About this Implementation Plan .....</b>	<b>1</b>
Contents .....	1
<b>About the Project Area .....</b>	<b>2</b>
<b>Recent Accomplishments .....</b>	<b>3</b>
<b>Revenue Projections .....</b>	<b>3</b>
<b>Redevelopment Strategy .....</b>	<b>4</b>
<b>Redevelopment Plan Goals .....</b>	<b>5</b>
<b>Proposed Redevelopment Program .....</b>	<b>7</b>
Downtown District Programs .....	7
Filipino Village District Programs .....	9
Harbor District Programs .....	10
Highland Avenue District Programs .....	13
Other Project Area Programs .....	15
Housing Projects and Programs .....	16
<b>Housing Program Compliance Objectives .....</b>	<b>17</b>
Housing Production .....	17
Replacement Housing .....	20
Expenditures by Household Types .....	20

# NATIONAL CITY REDEVELOPMENT PROJECT AREA

Five Year Implementation Plan  
2004-05 through 2008-09

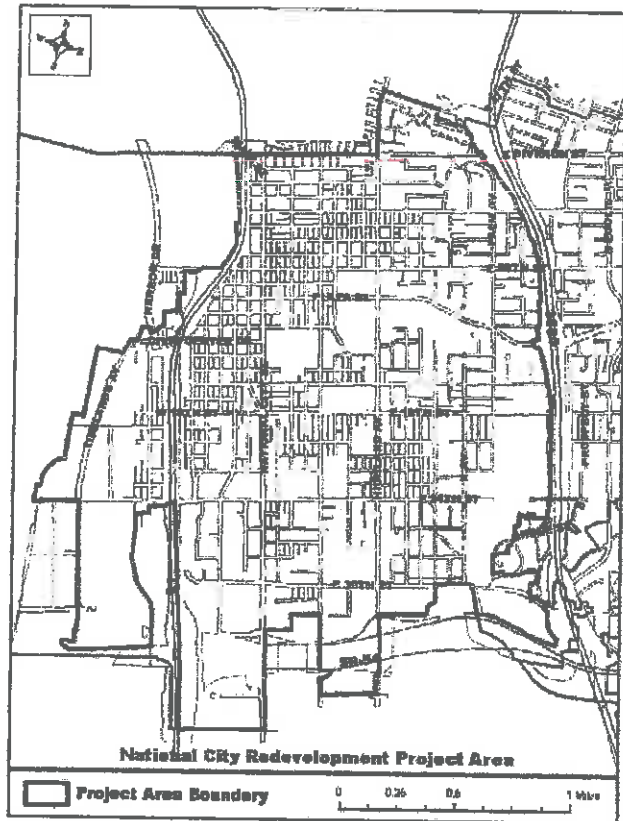
## ABOUT THE PROJECT AREA

The Community Development Commission of the City of National City was formed in 1969 to facilitate redevelopment activities in the city. Between November 1969 and December 1981, the Commission established redevelopment districts in several parts of the City.

In 1995, the Commission adopted the Harbor District redevelopment project area to expanded redevelopment activities predominantly in lands adjacent to the maritime facilities owned by the San Diego Unified Port District. As part of the Harbor District project area adoption, the Commission merged all six projects into one National City Redevelopment Project Area ("Project Area"). Combined, the component areas of the merged Project Area cover 2,080 acres, including most of City west of Interstate 805.

Over the past 35 years, the Commission has funded the following initiatives to improve conditions in the Project Area:

- **Public Improvements:** The elimination or amelioration of infrastructure deficiency through the implementation of Code Enforcement Programs, Highway Landscaping Projects, and Curb, Gutter, Sidewalk and ADA Accessibility Projects.
- **Economic Development:** The establishment of the National City Mile of Cars along with commercial center and industrial park development.
- **Community Revitalization:** The promotion and expansion of social capital through the development of the housing facilities.



Notable Timeframes		What is There?	Who is There?
Redevelopment Plan	Adopted 1995 Expires 2040	<b>2,080 Acres</b> <b>LAND USES</b> 	<b>36,362 Residents</b> <b>ETHNICITIES</b> 
Implementation Plan	<b>2004-05</b> to <b>2008-09</b>		
Housing Compliance Plan (For affordable housing program planning)	<b>2004-05</b> to <b>2013-14</b>		

## NATIONAL CITY REDEVELOPMENT PROJECT AREA

Five Year Implementation Plan  
2004-05 through 2008-09

### RECENT ACCOMPLISHMENTS

In the last five years, the Commission has championed many successful projects and programs in the Project Area:

- Completion of the National City Fire Station and Police Department;
- Completion of new City Library;
- Education Village;
- Downtown Specific Plan;
- Facilitating the creation of the Downtown Business Improvement District and Merchants Association;
- Harbor District Specific Area Plan;
- Highland Avenue Streetscape Master Plan;
- Filipino Village Master Plan;
- Dredging of National City Marina;
- Establishment of a State Enterprise Zone in the Harbor District;
- Completion of Wal-Mart retail store at Plaza Boulevard and Highland Avenue; and
- Streetscape Improvements along portions of Civic Center Drive and National City Boulevard.

### REVENUE PROJECTIONS

The Commission is using redevelopment along with other financing tools and partnerships to facilitate enhancement of the Project Area as a whole. Because most projects are in the pre-development and design phase, final costs to generate 5-year expense projections are unknown for most projects. The Commission has approximately \$9.4 million in cash assets on hand at the end of the 2003-2004 fiscal year. It is estimated the Commission will receive \$9.2 million in gross tax revenue, during the 2004-05 fiscal year, of which \$1.8 million is set-aside for affordable housing activities.

The total costs associated with implementation of the National City Redevelopment Plan are estimated to be \$19.3 million balanced against \$21.5 million in revenue and remaining bond proceeds for the 2004-2005 fiscal year.<sup>1</sup> Over the next 5-year planning cycle (2004-05 to 2008-09) it is estimated the Commission will received \$50.2 million in total property tax increment revenue for the Project Area of this at least \$10.5 million is projected to be set-aside for affordable housing activities.

---

<sup>1</sup> Revenue are subject to change, and completion of these projects may require future action by the Commission.

## **REDEVELOPMENT STRATEGY**

The redevelopment strategy for the Project Area is four-pronged: focus on keeping businesses and jobs to the area, creating and improving the public facilities in the area, and improving the community's supply of affordable, quality housing

- **Jobs and Options for the Area.** Capitalizing on the employment opportunities in the industrial portions of the area and the proximity and potential work force in the residential neighborhood. This strategy emphasizes business attraction, including office and retail, as well as assistance in the expansion and development of employment opportunities in the area. Public and private investments will be encouraged to promote new development in the area while helping enhance existing businesses.
- **Deliver "First-Rate" Public Facilities.** This strategy seeks to make public infrastructure and facility improvements in the area, which is critical towards attracting new development to the area and improving the quality of life for existing residents, businesses and property owners. Projects may include recreational facilities, landscape beautification, improved pedestrian, bicycle and vehicular circulation, and the installation of other needed improvements to help stimulate development.
- **Quality Infill Development.** The Agency will explore the opportunity for new mixed-use residential development along the commercial corridors. This will allow the Commission to provide additional affordable dwelling units while improving the residential consumer base that supports commercial development.
- **Improve Existing Housing Stock.** Rehabilitate and improve the existing housing stock for all income levels, and assist with the relocation of incompatible housing uses through innovative programs and neighborhood initiatives.

## REDEVELOPMENT PLAN GOALS

Adopted in 1995, the Redevelopment Plan establishes a variety of goals for redevelopment of the Project Area; these goals frame the near term redevelopment objectives for the Implementation Plan period. The Redevelopment Plan goals are listed below:



**Housing for All Families:** Increase, improve, and preserve the community's supply of housing affordable very low, low and moderate income households as well as promote the rehabilitation of existing housing stock where appropriate.



**Encourage Investment:** Remove impediments to land disposition and development through the assembly of property into reasonably sized and shaped parcels served by improved infrastructure and public facilities.



**Fulfill the Vision:** Unify portions of the Project Area to facilitate the reuse and redevelopment of these areas as envisioned by the by the Specific Plans for the Core Districts and the National City General Plan.



**Champion Participation in the Process:** Cooperation of residents, businesses, business persons, public agencies, and community organizations is essential in the redevelopment/revitalization of the Project Area. Implement design and use standards to assure high aesthetic and environmental quality, and provide unity and integrity to developments within the Project Area.



**Eliminate Deteriorating Conditions:** Elimination and prevention of blighting conditions within the Project Area including: underutilized properties and deteriorating buildings, incompatible and uneconomic land uses, deficient infrastructure and facilities, obsolete structures, and other economic deficiencies in order to create a more favorable environment for commercial, office, industrial, residential, and recreational development. Assembly of land within the Project Area in support of rehabilitation or modern, integrated development will be required to accomplish this. Recycle and/or develop underutilized parcels to accommodate higher and better economic uses while enhancing the City's financial resources. This includes addressing parcels of property that are: of irregular form and shape, are inadequately sized for proper usefulness and development, and/or are held in multiple ownership.



**Expand Commercial Base of Project Area:** The retention and expansion of as many existing businesses as feasible by means of redevelopment. This will facilitate increased sales tax revenue, business license revenue and other fee, tax, and miscellaneous revenues to National City.



## NATIONAL CITY REDEVELOPMENT PROJECT AREA

Five Year Implementation Plan  
2004-05 through 2008-09



**Provide First Class Infrastructure:** Improvement and, where appropriate, expansion of public facilities including, but not limited to: street, storm drainage, sewer, and utility systems in the Project Area.



**Promote Local Job Opportunities:** Creation and development of new business and employment opportunities as well as retention of existing businesses where feasible.

**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09

**PROPOSED REDEVELOPMENT PROGRAM**




The Project Area is comprised of four (4) core districts ("Districts") within the seven constituent areas:

- Downtown District
- Filipino Village District
- Harbor District
- Highland Avenue District

Over the next five years, the Commission plans to implement the following redevelopment projects and programs. The list below describes the projects proposed, what blighting conditions would be eliminated, approximate costs and the Redevelopment Plan goals that would be achieved.






**Downtown District Programs**

The Commission has completed a Downtown Specific Plan for the Downtown District in an effort to revitalize this area through the implementation of streetscape improvements and high density mixed-use zones creating a pedestrian mobile live/work environment. The Commission's proposed implementation projects for the Downtown District over the five-year planning period target these conditions and include the following projects and programs.

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>ARE Holdings</b> The Commission Board has approved an exclusive negotiating agreement ("ENA") with ARE Holdings, LLC to develop a mixed-use, ground floor retail project with over 200 for sale condominiums. This project is located across the street (11th Street) from the National City Partners site and will help establish the critical mass of residential needed to support local retailers.</p> <p>This project will eliminate factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$1,875,000</p>	<p align="center">      </p>

**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09








Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Trophy Lounge</b> Commission has entered into a DDA with owner of existing site to convert a night club into a quality restaurant venue. This project will serve local clientele as well as the estimated 5,000 students across the street (National City Blvd.) at the Education Village.</p> <p>This project will eliminate factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$400,000</p>	<p align="center">      </p>
<p><b>Business Opportunity Programs</b> Commission business opportunity programs include a variety of business development initiatives such as participation in the South County Economic Development Council, San Diego Revolving Loan Fund, and San Diego Capital Collaborative, as well as market analysis for business development.</p> <p>This project will eliminate: factors hindering economically viable uses.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$1,000,000</p>	<p align="center">    </p>
<p><b>Total Preliminary Cost Estimate</b></p>	<p align="center">\$3,275,000</p>	

**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09

**Filipino Village District Programs**

Filipino Village is a Commission effort to design a model ethnic District for the Filipino community along Plaza Blvd. The Commission seeks to improve the Plaza Blvd corridor with proper sidewalks, landscaping, architecture and artwork. The goal for Filipino Village is to provide an important cultural resource to the community and serve as a catalyst for business attraction and public/private investment. The Commission's proposed implementation projects for the Filipino Village District over the five-year planning period target these conditions and include the following projects and programs.

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Streetscape Improvements</b> Completion of improvements in the public right-of-way along Plaza Boulevard from Interstate 5 to Highland Avenue.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$300,000</p>	<p align="center">   <b>GROW</b>    <b>HELP</b> </p>
<p><b>Ha Penny Inn</b> This project will convert a hotel to affordable/senior residential uses.</p> <p>This project will eliminate factors hindering economically viable uses as well as unsafe and unhealthy buildings.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$2,700,000</p>	<p align="center">   <b>INVEST</b>    <b>CLEAN</b> </p>
<p><b>Business Improvement District</b> Establishment of a Filipino Business Improvement District along Plaza Boulevard.</p> <p>This project will eliminate factors hindering economically viable uses and incompatible uses.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$700,000</p>	<p align="center">   <b>GROW</b>    <b>INVEST</b> </p>
<p><b>Thrifty Oil Company</b> Redevelopment of the Day's Inn Motel property on Plaza Boulevard to include residential/retail mixed-use development.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings, incompatible uses and environmental remediation.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$4,000,000</p>	<p align="center">   <b>INVEST</b>    <b>CLEAN</b> </p>
<p><b>Total Preliminary Cost Estimate</b></p>	<p align="center">\$7,700,000</p>	







**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09

**Harbor District Programs**








The Commission is undertaking a multifaceted renovation of the Harbor District area to develop the marina area and surrounding properties, while performing environmental remediation.

The Commission's proposed implementation projects for the Harbor District over the five-year planning period target these conditions and include the following projects and programs.

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Marina Gateway – Ace Metals</b> The Commission is in negotiations with Marina Gateway Development Company for a commercial project on the former Ace Metals site on West 23rd Street.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings and incompatible uses.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$275,000</p>	<p align="center">    </p>
<p><b>Harbor District Master Plan</b> This plan will guide development and public improvements from 22nd Street to Civic Center.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings, incompatible uses and environmental remediation.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$125,000</p>	<p align="center">    </p>
<p><b>Harbor District Brownfield Project</b> The Brownfield Project seeks to address environmental issues, while protecting business and job retention in the Harbor District. Specific Brownfield Projects includes demolishing and performing remediation on 2501 Cleveland Avenue, and performing remediation and marketing 720 and 830 W. 23rd Street, 835 and 839 Bay Marina Drive as well as 2300 Cleveland Avenue for Commercial development.</p> <p>These projects will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings and environmental remediation.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$140,000</p>	<p align="center">    </p>






**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Marina Gateway Hotel</b> Development of the Sycuan Indian Tribe for a commercial/tourist development for Commission owned property located at 2500 block of Cleveland Avenue;</p> <p>This project will eliminate factors hindering economically viable uses.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$100,000</p>	<p align="center">    </p>
<p><b>Olson Company</b> A development agreement has been reached for the re-use of 40 live/work townhomes. This project will involved the remediation of toxins in the soil.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings and environmental remediation.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$300,000</p>	<p align="center">    </p>
<p><b>Train Depot</b> Built in 1882 the train depot is a historic building that will need to be incorporated into future commercial development around the marina.</p> <p>This project will eliminate factors hindering economically viable uses.</p> <p>Year(s): ..... 2004-05 through 2006-07</p>	<p align="center">\$100,000</p>	<p align="center">  </p>
<p><b>YMCA - Aquatic Center</b> A project in conjunction with the YMCA, Port District of San Diego, and the County of San Diego to develop an aquatic recreational facility.</p> <p>This project will eliminate factors hindering inadequate public infrastructure.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$1,500,000</p>	<p align="center">    </p>

**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>PSI/BNSF Property Acquisition</b> The Commission intends to acquire adjoining Pacific Steel, Inc. and Burlington Northern Santa Fe properties to facilitate the relocation of the National City Public Works Yard from Hoover Avenue and 22nd Street.</p> <p>This project will eliminate factors hindering inadequate public infrastructure.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$9,000,000</p>	<p align="center">             CLEAN              WORK         </p>
<p><b>Other Harbor District Projects</b> The CDC will pursue additional projects in the Harbor District, including:</p> <ul style="list-style-type: none"> <li>• Complete Bay Marina Drive (formerly 24th Street) road widening project enhancing the gateway entrance into the Harbor District;</li> <li>• Re-vegetate the North fill bank of Paradise Marsh, part of the Sweetwater Marsh Wildlife Refuge;</li> <li>• Complete Marina developments, which includes: 175 room hotel rooms, 250 boat slips and the Pier 31 area.</li> </ul> <p>These projects will eliminate factors hindering inadequate public infrastructure and environmental remediation.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$1,500,000</p>	<p align="center">             ACCESS              INVEST              CLEAN         </p>
<p><b>Total Preliminary Cost Estimate</b></p>	<p align="center">\$13,040,000</p>	







**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09

**Highland Avenue District Programs**

To lead revitalization efforts along Highland Avenue the Commission has prepared the Highland Avenue Master Plan to facilitate streetscape improvements such as medians, widening of sidewalks, traffic calming measures and brand identification for sections of the district.





The Commission's proposed implementation projects for the Highland District over the five-year planning period target these conditions and includes the following project:

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Purple Cow</b> The Commission Board has approved a DDA for the development of 16 single-family homes of which, 2 will be made available to moderate-income households using Commission shared-equity loans for these 2 units.</p> <p>This project will eliminate: factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$400,000</p>	<p align="center">  LIVE   HELP                 </p>
<p><b>Highland Avenue Master Plan and Improvement District</b> This plan will guide streetscape improvements along Highland Avenue. A Public Improvement District will be evaluated for the maintenance of streetscape improvements.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$2,500,000</p>	<p align="center">  INVEST   CLEAN                 </p>
<p><b>Senior Village Project</b> Commission has retained a consultant to prepare a concept plan for the development of a mixed-use senior housing project adjacent to Kimble and Morgan Towers. A portion of the nearly 600 units will be income restricted.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings and inadequate public infrastructure.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$200,000</p>	<p align="center">  LIVE   SHOP                 </p>



**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09








Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Mixed-Use Infill Opportunities</b> Commission participation may be necessary to facilitate mixed-use development along Highland Avenue.</p> <p>This project will eliminate factors hindering economically viable uses and incompatible uses.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$2,000,000</p>	<p align="center">    </p>
<p><b>Bay Canyon Development</b> Initiate owner participation process to develop 47 condominiums at the northeast corner of 30th Street and A Avenue. 8 of the units will be set-aside for moderate income households and financed with a Commission loan that is convertible to shared equity for owners of the 8 units.</p> <p>This project will eliminate: factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$1,100,000</p>	<p align="center">    </p>
<p><b>Total Preliminary Cost Estimate</b></p>	<p align="center">\$6,200,000</p>	

**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09

**Other Project Area Programs**


The following is a list projects outside of the four core Districts, but within the Project Area:

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Commission Arts Center</b> The Commission intends for the Arts Center to promote cultural awareness in the South Bay region through the support of art programs.</p> <p>This project will eliminate factors hindering inadequate public infrastructure.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$1,600,000</p>	<p align="center">   <b>INVEST</b>     <b>GROW</b> </p>
<p><b>Westside Specific Plan</b> The Westside Specific Plan will promote residential development activities in this former industrial area.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings and incompatible industrial uses.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$100,000</p>	<p align="center">   <b>LIVE</b>     <b>ACCESS</b> </p>
<p><b>State Route 54 Commercial Corridor</b> Commission is preparing an feasibility analysis for the development of additional commercial development on the northside of the highway 54.</p> <p>This project will eliminate: factors hindering economically viable uses and incompatible industrial uses.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$75,000</p>	<p align="center">   <b>SHOP</b>     <b>LIVE</b> </p>
<p><b>Façade Improvement Program</b> Provide financial assistance to owners/tenants for exterior improvements to commercial buildings (Project Area wide), including storefronts, awnings, lighting, signage, code violations and handicapped accessibility.</p> <p>Completion of this project will improve unsafe or unhealthy buildings and eliminate factors that hinder economically viable use.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$2,500,000</p>	<p align="center">   <b>INVEST</b> </p>
<p><b>Total Preliminary Cost Estimate</b></p>	<p align="center">\$4,275,000</p>	

**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09

**Housing Projects and Programs**

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Residential Façade Program</b> The Commission will administer a program that provides up to \$20,000 per residential property to improve residential neighborhoods.</p> <p>This project will eliminate: factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Year(s): ..... 2004-05 through 2007-08</p>	<p align="center">\$500,000</p>	<p align="center">                       LIVE                 </p>
<p><b>Total Preliminary Cost Estimate</b></p>	<p align="center">\$500,000</p>	

## HOUSING PROGRAM COMPLIANCE OBJECTIVES

This section addresses specific requirements in state law with respect to prior affordable housing activities and the anticipated housing program in the future. Redevelopment agencies use implementation plans to establish 10-year objectives to achieve compliance with state law regarding their affordable housing programs. These housing objectives generally fall into three categories:

- Housing Production – based on the number of housing units constructed or substantially rehabilitated over a 10-year period, a redevelopment agency is to ensure that a percentage of these units are affordable to very-low, low- and moderate- income households. These requirements only apply to project areas established on or after January 1, 1976, so two component areas of the Project Area (E.J. Christman 1 Area and the South Bay Town and Country Area) are exempt from these requirements.
- Replacement Housing – redevelopment agencies must ensure that any housing units destroyed or removed as a result of redevelopment project are replaced within four years. With respect to the pre-1976 component areas (E.J. Christman 1 Area and South Bay Town and Country Area), these requirements took effect after January 1 1996.
- Targeting Household Types – identify the amount of housing set-aside funds the redevelopment agency will allocate during the 10-year period on increasing and improving the supply of housing affordable to very low income households and low income households, and housing for residents under the age of 65.

The housing program objectives the Commission will implement during the next ten years are described below.

### Housing Production

To estimate the number of housing units that need to be affordable to low- and moderate-households, the Commission estimated the total number units to be constructed or substantially rehabilitated in the Project Area and applied mandates established by the Redevelopment Law.

The chart on the following page summarizes the production goals over various time periods as required by Redevelopment Law. The number of required affordable housing units is based upon statutory thresholds, and the Commission is responsible for ensuring that the appropriate number of affordable units is created during the 10-year planning period. The Commission will also be exploring additional inclusionary housing opportunities for achieving balanced residential communities when the City's housing element is updated.

## NATIONAL CITY REDEVELOPMENT PROJECT AREA

Five Year Implementation Plan  
2004-05 through 2008-09

<b>Actual and Projected Housing Production Needs by Time Period</b>			
Time Period	Actual/Assumed Housing Units Constructed and Substantially Rehabilitated in Project Area /1	Required Affordable Units /2	
		Total	Very Low
Prior to 2004-05	1,588	238	95
<b>10 Year Forecast</b>	<b>800</b>	<b>120</b>	<b>48</b>
2004-05 to 2008-09	511	77	31
2009-10 to 2013-14	289	43	17
Redevelopment Plan Duration (1976 to 2040)	2,388	358	143
<b>Notes:</b>			
1/ Exclusive of E.J. Christman 1 Area and South Bay Town and Country Area, which are exempt from production housing needs.			
2/ All required units based on 15 percent of actual/assumed units developed by entities other than Agency. (Production requirement for units developed by Agency is 30 percent).			

As shown in the above table, the Agency anticipates a need for 120 affordable units (including 48 very low-income units) to fulfill its production goals for the ten year period, and 358 affordable units (including 143 very low-income units) over the duration of the Redevelopment Plan. Fulfillment of these productions goals is shown on the table below.

**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09

Fulfillment of Affordable Housing Production Requirements by Time Period								
Time Period	Units Required (see previous table)		Units Produced /1		Additional Units Required		Net Surplus Units Produced	
	Total	VL	Total	VL	Total	VL	Total	VL
Prior to 2004-05	238	88	75	75	163	13	0	0
South Bay Manor			75	75				
Covenants Expiring:			954	453				
Park Villa Point			268	27				
McKinley Apartments			160	56				
Kimball Senior Park			149	149				
Paseo del Sol			132	0				
Various Subst. Rehab /1			245	221				
<b>10 Year Forecast</b>	<b>120</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>283</b>	<b>61</b>	<b>0</b>	<b>0</b>
Redevelopment Plan Duration (1976 to 2040)	358	143	75	75	283	61	0	0
1/ Only the South Bay Manor project features affordability covenants that extend to the duration of the Redevelopment Plan. All other covenants expire during planning period, leaving the Commission a shortfall of production units by the end of fiscal year 2013-14. Taking into account the 75 very low income units at South Bay Manor, the Commission would need another 163 low and moderate income units, including 13 very low income units.								

As shown in the table above, the Commission has produced a substantial amount of affordable housing and currently exceeds requirements for affordable housing production. Unfortunately, the covenants that protect the income status of all nearly all of these (except for 75 very low income units at the South Bay Manor project) units will expire at some time prior to the end of the current planning period on June 30, 2013.

Therefore, the Commission is looking for purchase opportunities to re-secure these covenants including the possibly of extending covenants on existing income protected units. In addition, the Commission is partnering in the development of another 10 affordable for sale units during the upcoming 10-year planning period.

## NATIONAL CITY REDEVELOPMENT PROJECT AREA

Five Year Implementation Plan  
2004-05 through 2008-09

### Replacement Housing

During the Implementation Plan period, the Commission does not anticipate that any Commission-assisted projects will result in the displacement or removal of housing units. Consequently, the Commission does not anticipate that any housing will need to be replaced at this time.

### Expenditures by Household Types

As the beginning of the Implementation Plan period (on July 1, 2004), the Agency's low and moderate income housing fund had a balance of \$4,060,964<sup>2</sup> available. Over the five year period ending on June 30, 2009, staff conservatively estimates that the Project Area will generate approximately \$10.5 million<sup>3</sup> in 20 percent housing set-aside revenue.

At a minimum, the Commission's low- and moderate- income housing set-aside revenue is to be expended in proportion to the community's need for very low- and low- income housing, as well as the proportion of the population under the age of 65.

Based on statistics from the Regional Housing Needs Assessment, used by local government to meet state requirement for affordable housing by category, and 2000 Census statistics, the following minimum thresholds for housing program expenditures would be required over the term of the Implementation Plan.

Household Type	Minimum Percentage of Housing Set-Aside Expenditures over Implementation Plan
Very Low Income Households	15%
Low Income Households	31%
Households Under Age 65	89%

**Notes:**  
Percentage of very low and low income household expenditures based upon City of National City's Regional Housing Needs Assessment in which 18 (15 percent) of the 318 affordable units in the City's housing needs are applicable for very low-income households and 38 units (31 percent) are applicable for low income households.  
Percentage of expenditures for housing to households under the age of 65 based on 2000 Census population for the City, wherein 48,271 residents (89 percent) of the total population of 54,260 are under the age of 65. No more than 11 percent of Project Area housing set-aside funds may be expended on housing for households age 65 and older.

<sup>2</sup> Source: 2003-04 Annual Report to State Department of Housing and Community Development

<sup>3</sup> Source: RSG

**NATIONAL CITY REDEVELOPMENT PROJECT AREA**

Five Year Implementation Plan  
2004-05 through 2008-09

- **Housing Set-Aside Expenditures since January 2002.** These proportionality requirements affect expenditures over a ten-year period, although the law permits the compliance initially for a period beginning in January 2002 and ending in December 2014. The chart below documents the amount of low- and moderate- income housing fund revenue used since January 2002 for these income categories:

<b>Housing Expenditures and Proportionality Since 2002-02</b>				
<b>Income Category</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Period to Date</b>
Very Low Income	\$250	\$0	\$0	\$250 (1%)
Low Income	\$0	\$0	\$23,733	\$23,733 (84%)
Moderate Income	\$0	\$628	\$3,490	\$4,118 (15%)
<b>Total Expenditures</b>	<b>\$250</b>	<b>\$628</b>	<b>\$27,223</b>	<b>\$28,101 (100%)</b>

- **Family Units Assisted by Housing Set-Aside Fund.** State law also requires a recap of the number of the projects assisted by the housing set-aside fund over the past Implementation Plan period divided by family projects (open to all age groups) and senior projects (restricted to residents age 65 and older). The chart below summarizes these statistics by project from 2001-02 (the fiscal year during which proportionality requirements took effect) through 2003-04.

<b>Project/Location</b>	<b>Housing Set-Aside Expenditures</b>	<b>Units Assisted by Housing Set-Aside Fund (2001-02 through 2003-04)</b>				
		<b>Ext. Low</b>	<b>Very Low</b>	<b>Low</b>	<b>Mod.</b>	<b>Tot.</b>
<b>Family Projects</b>	<b>\$27,851 (99%)</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>7</b>
Purple Cow	\$4,118	0	0	0	2	2
Fig Court	\$23,733	0	0	5	0	5
<b>Senior Projects</b>	<b>\$250 (1%)</b>	<b>0</b>	<b>149</b>	<b>0</b>	<b>0</b>	<b>149</b>
Kimball	\$250	0	149	0	0	149
<b>Totals</b>	<b>\$28,101 (100%)</b>	<b>0</b>	<b>149</b>	<b>5</b>	<b>2</b>	<b>156</b>



## NATIONAL CITY REDEVELOPMENT PROJECT AREA

Five Year Implementation Plan  
2004-05 through 2008-09

- **Housing Units Constructed During Prior Implementation Plan Without Housing Set-Aside Funds.** Since January 2000, no other funding source was used by the Commission to construct affordable units featuring long term covenant restricted units (affordable units with covenants of at least 45 years for ownership housing or 55 years for rental housing).



**Community Development  
Commission of National City**

Community Development Commission of the City of National City  
140 East 12th, Suite B  
National City, California 91950-3312  
(619) 336-4250

Adopted: \_\_\_\_\_

Exhibit "C"

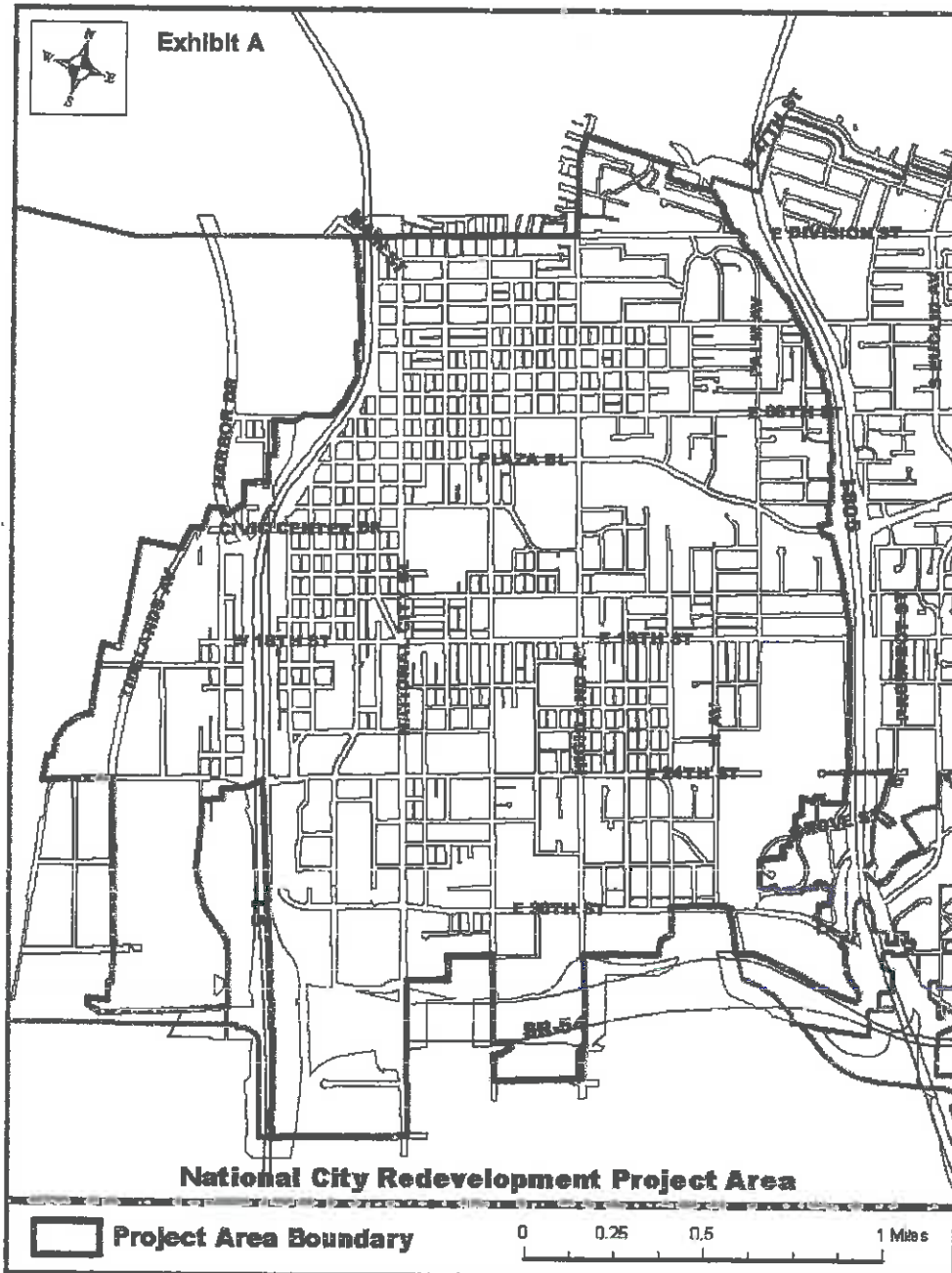
# FIVE YEAR IMPLEMENTATION PLAN

2010-2014

NATIONAL CITY REDEVELOPMENT PROJECT

COMMUNITY DEVELOPMENT COMMISSION

CITY OF NATIONAL CITY



## **ABOUT THIS IMPLEMENTATION PLAN**

In fulfillment of Article 16.5 of California Community Redevelopment Law, the Community Development Commission of the City of National City ("Commission") has prepared this Implementation Plan for the National City Redevelopment Project Area ("Implementation Plan"). Included in this document are the Commission's anticipated redevelopment and affordable housing program.

The Implementation Plan conforms to the National City General Plan and has been prepared according to guidelines established in the programs and goals outlined in the Housing Element of the General Plan.

### **Contents**

- About this Implementation Plan ..... 1**
- the Project Area..... 2**
- Recent Accomplishments ..... 2**
- Revenue Projections..... 3**
- Redevelopment Strategy ..... 3**
- Redevelopment Plan Goals ..... 4**
- Proposed Redevelopment Program..... 5**
  - Tier 1 Projects/Programs..... 5
  - Tier 2 and Tier 3 Projects/Programs ..... 8
- Housing Program Compliance Objectives ..... 10**
  - Housing Production ..... 10
  - Replacement Housing ..... 12
  - Expenditures by Household Types..... 12

## THE PROJECT AREA

The Community Development Commission of the City of National City was formed in 1969 to facilitate redevelopment activities in the City. Between November 1969 and December 1981, the Commission established redevelopment districts in several parts of the City.

In 1995, the Commission adopted the Harbor District redevelopment project area to expanded redevelopment activities predominantly in lands adjacent to the maritime facilities owned by the San Diego Unified Port District. As part of the Harbor District project area adoption, the Commission merged all six projects into one Redevelopment Project Area ("Project Area") as illustrated in Exhibit A. Combined, the component areas of the merged Project Area cover 2,080 acres, including most of the City west of Interstate 805. The Redevelopment Plan expires in 2040.

Over the past 42 years, the Commission has funded the following initiatives to improve conditions in the Project Area:

- **Public Improvements:** The elimination or amelioration of infrastructure deficiency through the implementation of Code Enforcement Programs, Highway Landscaping Projects, and Curb, Gutter, Sidewalk and ADA Accessibility Projects.
- **Economic Development:** The establishment of the National City Mile of Cars along with commercial center and industrial park development.
- **Community Revitalization:** The promotion and expansion of social capital through the development of the housing facilities.

## RECENT ACCOMPLISHMENTS

In the last five years, the Commission has championed many successful projects and programs in the Project Area, including:

- Completion of Fire Station No. 34;
- Completion of the new City Library;
- Completion of the Cultural Arts Center;
- Completion of Education Village;
- Adoption of the Downtown Specific Plan;
- Adoption of the Westside Specific Plan;
- Completion of Pier 32 Marina;
- Completion of Marina Gateway hotel and restaurant;
- Establishment of the San Diego Regional Enterprise Zone;

- Completed an 80–unit senior complex, known as Plaza City Apartments;
- Completed three single family “For Sale” units on Sheryl Lane;
- Completed National City Boulevard streetscape improvements from Division Street to 16<sup>th</sup> Street;
- Completed Morgan Square public plaza at National City Boulevard and 9<sup>th</sup> Street.

## REVENUE PROJECTIONS

The Commission is using redevelopment along with other financing tools and partnerships to facilitate enhancement of the Project Area as a whole. Because most projects are in the pre-development and design phase, final costs to generate 5-year expense projections are unknown for most projects. The Commission had approximately \$15,645,135 in cash assets on hand at the end of the 2009-2010 fiscal year. It is estimated that the Commission will receive approximately \$14,303,754 in gross tax revenue, during the 2010-11 fiscal year, of which \$3,027,542 will be set-aside for affordable housing activities. The total costs associated with the Implementation Plan (Tier I) are estimated to be \$46.4 million balanced against \$55.4 million in revenue and remaining bond proceeds for the 2010-2011 fiscal year. Over the next five-year planning cycle (2009-10 to 2013-14) approximately twenty percent of total property tax increment revenue for the Project Area will be set-aside for affordable housing activities.

## REDEVELOPMENT STRATEGY

The redevelopment strategy for the Project Area is four-pronged: retain and attract businesses and jobs, improve public facilities; encourage infill development, and increase the supply of affordable housing.

- **Businesses and Jobs.** Capitalize on employment opportunities in the industrial areas and the potential work force in the community. This strategy emphasizes business retention, growth, and attraction as well as the expansion and development of employment opportunities. Public and private investments will be encouraged to promote new development and enhance existing businesses.
- **Public Facilities.** This strategy seeks to improve public infrastructure and facilities, which is critical to attract development and investment while improving the community's quality of life. Projects may include recreational facilities, landscape beautification, mobility and circulation, and other needed improvements to enhance the existing community and to stimulate new development.
- **Infill Development.** Infill development will be encouraged and facilitated, including new mixed-use residential development along commercial corridors. This will assist in the development of additional affordable dwelling units while improving the residential consumer base to support existing businesses and new commercial development.
- **Affordable Housing.** Rehabilitate and improve the existing housing stock for all income levels and assist with the relocation of incompatible uses through innovative programs and neighborhood initiatives.

## **REDEVELOPMENT PLAN GOALS**

The 1995 Redevelopment Plan establishes goals for the redevelopment of the Project Area. These goals frame the redevelopment projects and programs of the Implementation Plan. The Redevelopment Plan goals are listed below:

- I. Eliminate and prevent the spread of conditions of blight including: underutilized properties and deteriorating buildings, incompatible and uneconomic land uses, deficient infrastructure and facilities, obsolete structures, and other economic deficiencies in order to create a more favorable environment for commercial, office, industrial, residential, and recreational development.
- II. Unify City's Harbor District with the downtown area through enhanced employment, commercial, and maritime development opportunities.
- III. Expand the commercial base of the Project Area.
- IV. Improve public facilities and public infrastructure.
- V. Improve inadequate drainage infrastructure.
- VI. Improve and/or provide electric, gas, telephone, and wastewater infrastructure to both developed and undeveloped properties within the Project Area.
- VII. Promote local job opportunities.
- VIII. Encourage the cooperation and participation of residents, businesses, business persons, public agencies, and community organizations in the redevelopment/revitalization of the Project Area.
- IX. Implement design and use standards to assure high aesthetic and environmental quality, and provide unity and integrity to developments within the Project Area.
- X. Address parcels of property that are: of irregular form and shape, are inadequately sized for proper usefulness and development, and/or are held in multiple ownership.
- XI. Remove impediments to land disposition and development through the assembly of property into reasonably sized and shaped parcels served by improved infrastructure and public facilities.
- XII. Recycle and/or develop underutilized parcels to accommodate higher and better economic uses while enhancing the City's financial resources.
- XIII. Promote the rehabilitation of existing housing stock.
- XIV. Increase, improve, and preserve the community's supply of housing affordable very low, low and moderate income households.

## PROPOSED REDEVELOPMENT PROGRAM

The Implementation Plan consists of redevelopment projects and programs that are described below along with the blighting conditions that would be eliminated, the approximate costs to implement, and the Redevelopment Plan goals achieved. The projects and programs are categorized into three tiers in order of priority (1, 2, and 3).

### Tier 1 Projects/Programs

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Westside Infill Transit Oriented Development (WI-TOD)</b></p> <p>201-unit family affordable housing project along Paradise Creek, park, and trail.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2014</p>	\$21,000,000	I, IV, V, VI, VIII, IX, X, XI, XII, XIV
<p><b>8<sup>th</sup> Street Smart Growth Phase I and II</b></p> <p>Public right-of-way improvements include reduction in travel lanes, diagonal parking, widened sidewalks, pedestrian amenities, landscape medians, street trees, and other enhancements.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2012</p>	\$1,800,000	I, IV, VIII
<p><b>Coolidge Corridor I</b></p> <p>Complete streets project with traffic calming, safe routes to schools, and pedestrian and bicycle enhancements.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2012</p>	\$200,000	I, IV, VIII



Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Gateway to the Mile Project (Sudberry)</b></p> <p>25-acre regional commercial center anchored by Lowe's home improvement.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2013</p>	\$2,500,000	I, III, IV, V, VI, VII, VIII, IX, X, XI, XII
<p><b>D Avenue Community Corridor I</b></p> <p>Complete streets project with traffic calming, safe routes to schools, and pedestrian and bicycle enhancements.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2013</p>	\$125,000	I, IV, VIII
<p><b>Aquatic Center</b></p> <p>Aquatic recreational center with boat and kayak access to the San Diego Bay with programming through a partnership with the South Bay YMCA.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2013</p>	\$3,300,000	I, IV, IX
<p><b>Las Palmas Park Facilities Plan I</b></p> <p>Upgrade and improvement of existing park and recreational facilities including the gym, locker rooms, and other public facilities in advance of phase II, which would expand the park to the adjacent municipal golf course.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2013</p>	\$6,500,000	I, IV, VII

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Senior Village Expansion Project</b></p> <p>Commission has entered into an Exclusive Negotiations Agreement with a developer to rehabilitate the existing 303 unit Kimball and Morgan Towers and to construct 200 new senior units adjacent to Kimble and Morgan Towers. The majority of units will be income restricted.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings and inadequate public infrastructure.</p> <p>Completion: 2014</p>	\$7,000,000	I, IV, VIII, IX, XIII, XIV
<p><b>Residential Rehabilitation Program</b></p> <p>The Commission will administer a program that provides financing to residential properties to improve residential neighborhoods and to educate residents on health dangers of lead; require testing and lead hazard reduction in conjunction with rehabilitation.</p> <p>This program will eliminate: factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Completion: 2014</p>	\$1,000,000	I, XIII, XIV
<p><b>First-Time Homebuyer Program</b></p> <p>The Commission will administer a program that will provide up to \$40,000 to help low- and moderate-income residents become first-time homebuyers through deferred loans, and mortgage credit certificates.</p> <p>The program will eliminate: factors hindering economically viable uses.</p> <p>Completion: 2014</p>	\$1,000,000	XIV
<p><b>Housing Inspection Program</b></p> <p>The Commission will provide Housing and Safety Code inspections of rental units and technical assistance to property owners with regards to code violations and solutions thereof.</p> <p>This program will eliminate: factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Completion: 2014</p>	\$500,000	I, XIII, XIV

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Housing Acquisition-Rehabilitation Program</b></p> <p>The Commission will work with for-profit and non-profit housing developers to acquire, rehabilitate, and construct new affordable housing units.</p> <p>This program will eliminate factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Completion: 2014</p>	\$1,500,000	I, XIII, XIV
<b>Total Preliminary Cost Estimate</b>	\$46,425,000.00	

### Tier 2 and Tier 3 Projects/Programs

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Plaza Boulevard Streetscape Improvements Project</b></p> <p>Widening and improvements in the public right-of-way along Plaza Boulevard from Interstate 5 to Highland Avenue.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: TBD</p>	\$300,000	I, IV
<p><b>Plaza Boulevard Business Improvement District</b></p> <p>Establishment of a Business Improvement District along Plaza Boulevard.</p> <p>This project will eliminate factors hindering economically viable uses and incompatible uses.</p> <p>Completion: TBD</p>	\$700,000	III, VIII

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p><b>Marina Gateway – Two blocks between McKinley and Harrison Avenues, 23rd and 24th Streets</b></p> <p>The Commission is in negotiations with Marina Gateway Development Company for a commercial project on the former Ace Metals site on West 23rd Street.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings and incompatible uses and will create jobs.</p> <p>Completion: TBD</p>	\$50,000	I, II, III, IV, VII, IX, X, XI, XII
<p><b>Harbor District Master Plan</b></p> <p>This plan will guide development and public improvements from 22nd Street to Civic Center.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings, incompatible uses and environmental remediation.</p> <p>Completion: TBD</p>	\$125,000	I, II, III, IV, VII, VIII, IX
<p><b>Harbor District Joint Planning</b></p> <p>The CDC and Port are entering into an agreement to plan redevelopment of approximately 20 acres south of 24<sup>th</sup> Street and east of Tidelands Avenue to compliment the award-winning Marina Gateway improvements already completed. Included will be public recreational spaces and commercial spaces to provide jobs.</p> <p>These projects will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings and environmental remediation.</p> <p>Completion: TBD</p>	\$140,000	I, II, III, IV, VII, VIII, IX, XII
<p><b>Purple Cow</b></p> <p>The land held for resale is anticipated to be developed for either affordable housing or commercial purposes.</p> <p>This project will eliminate: factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Completion: TBD</p>	\$400,000	I, III, VII, IX, X, XI, XII, XIV

## HOUSING PROGRAM COMPLIANCE OBJECTIVES

This section addresses specific requirements in state law with respect to prior affordable housing activities and the anticipated housing program in the future. Redevelopment agencies use implementation plans to establish 10-year objectives to achieve compliance with state law regarding their affordable housing programs. These housing objectives generally fall into three categories:

- **Housing Production** – based on the number of housing units constructed or substantially rehabilitated over a 10-year period, a redevelopment agency is to ensure that a percentage of these units are affordable to very-low, low- and moderate- income households. These requirements only apply to project areas established on or after January 1, 1976; consequently, two component areas of the Project Area (E.J. Christman 1 Area and the South Bay Town and Country Area) are exempt from these requirements.
- **Replacement Housing** – redevelopment agencies must ensure that any housing units destroyed or removed as a result of redevelopment project are replaced within four years. With respect to the pre-1976 component areas (E.J. Christman 1 Area and South Bay Town and Country Area), these requirements took effect after January 1 1996.
- **Targeting Household Types** – identify the amount of housing set-aside funds the redevelopment agency will allocate during the 10-year period on increasing and improving the supply of housing affordable to very low income households and low income households, and housing for residents under the age of 65.

### Housing Production

To estimate the number of housing units that need to be affordable to low- and moderate- households, the Commission estimated the total number units to be constructed or substantially rehabilitated in the Project Area and applied mandates established by the Redevelopment Law. The number of required affordable housing units is based upon statutory thresholds, and the Commission is responsible for ensuring that the appropriate number of affordable units is created during the 10-year planning period. The following table summarizes the production goals.

Actual and Projected Housing Production Needs by Time Period			
Time Period	Actual/Assumed Housing Units Constructed and Substantially Rehabilitated in Project Area /1	Required Affordable Units /2	
		Total	Very Low
Prior to 2004-05	1,588	238	95
10 Year Forecast	800	120	48
2004-05 to 2008-09	511	77	31
2009-10 to 2013-14	289	43	17
Redevelopment Plan Duration (1976 to 2040)	2,388	358	143

- 1/ Exclusive of E.J. Christman 1 Area and South Bay Town and Country Area, which are exempt from production housing needs.  
 2/ All required units based on 15 percent of actual/assumed units developed by entities other than Agency. (Production requirement for units developed by Agency is 30 percent).

The Commission estimated a need for 120 affordable units (including 48 very low-income units) to fulfill its production goals for the ten year Housing Production period, and 358 affordable units (including 143 very low-income units) over the duration of the Redevelopment Plan. Based on housing production during the past Implementation Plan period, the current forecast need for very low income units has been achieved with an excess production surplus of four units. The current forecast need for total units is 156. Fulfillment of these productions goals is shown in the following table.

Housing Production								
Time Period	Units Required (from previous table)		Units Produced*		Remaining Units Required		Net Surplus Units Produced	
	Total	VL	Total	VL	Total	VL	Total	VL
Prior to 2004-05	238	95			163	20	0	0
South Bay Manor			75	75				
Covenants Expiring*:								
Park Villa Point			268	27				
McKinley Apartments			160	56				
Kimball Senior Park			151	151				
Paseo del Sol/Copper Hills			132	0				
Various Subst. Rehab			245	221				
10 Year Forecast 2004-05 to 2013-14	120	48			283	61		
Production 2005-06 to present								
Habitat – Harding Avenue			3	0				
Habitat – G Avenue			8	0				
Casa Familiar – D & E			17	5				
Casa Familiar – Quinta			9	2				
Pacific View – Fig Court			5	0				
Plaza City Apartment			80	60				
Redevelopment Plan Duration (1976 to 2040)	358	143	202	147	156	0	0	4

\*Units produced with covenants that expire during the Redevelopment Plan duration are not counted towards the production totals.

## Replacement Housing

During the Implementation Plan period, the Commission does not anticipate that any Commission-assisted projects will result in the displacement or removal of housing units. Consequently, the Commission does not anticipate that any housing will need to be replaced at this time.

## Expenditures by Household Types

At the beginning of the Implementation Plan period (July 1, 2010), the low and moderate income housing fund had a balance of approximately \$12,874,593. Over the five-year planning cycle (2009-10 to 2013-14) approximately twenty percent of total property tax increment revenue for the Project Area will be set-aside for affordable housing activities.

The low- and moderate- income housing set-aside revenue is to be expended in proportion to the community's need for very low- and low- income housing and the proportion of the population under the age of 65. Based on the Regional Housing Needs Assessment and 2000 Census, the following minimum thresholds for expenditures would be required over the term of the Implementation Plan.

Household Type	Minimum Percentage of Expenditures
Very Low Income Households	15%
Low Income Households	31%
Households Under Age 65	89%

**Housing Set-Aside Expenditures.** These proportionality requirements affect expenditures over a ten-year period, although the law permits the compliance initially for a period beginning in January 2002 and ending in December 2014. The chart below documents the amount of low- and moderate- income housing fund revenue used since January 2002 for these income categories:

Income Category	Housing Expenditures by Year									Proportion
	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	
Very Low	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$3,039,197	\$0	73%
Low	\$0	\$0	\$23,733	\$0	\$0	\$0	\$0	\$1,109,703	\$0	27%
Moderate	\$0	\$628	\$3,490	\$0	\$0	\$0	\$0	\$0	\$0	<1%
Totals	\$250	\$628	\$27,223	\$0	\$0	\$0	\$0	\$4,148,900	\$0	100%

**Units Assisted by Housing Set-Aside Fund.** State law requires a recap of the projects assisted over the past Implementation Plan period, including family projects (open to all age groups) and senior projects (restricted to residents age 65 and older). The following table summarizes expenditures by project.

Project	Expenditure	Units Assisted 2004-05 to 2008-09				
		Ext. Low	Very Low	Low	Moderate	Total
Family Projects:						
Casa Familiar D & E	\$669,653		5	12		17
Habitat G Avenue	\$57,247			8		8
Senior Projects:						
Plaza City Apartments	\$3,422,000		60	20		80
Totals			67	50		117

**Units Constructed During Prior Implementation Plan Without Set-Aside Funds.** During the prior Implementation Plan period, the following projects received other state and or federal funding sources other than or in addition to set aside funds to construct affordable units featuring long term covenant restricted units (affordable units with covenants of at least 45 years for ownership housing or 55 years for rental housing).

- Habitat – Harding Avenue
- Habitat – G Avenue
- Casa Familiar – D & E
- Casa Familiar – Quinta
- Pacific View – Fig Court



## Exhibit "D"

trict. The proposed General Plan update has policies to ensure effective inter-agency communication regarding land use planning, policy development and implementation (Goal LU-6). Specifically, Policy LU-6.4 calls for the City to work with and understand the planning efforts of state agencies when implementing the General Plan. Further, Policy LU-13.5 calls for the City to review and amend the LCP as necessary to ensure consistency with the General Plan. In ensuring consistency between the LCP and General Plan there conflict with State plans would be avoided. Therefore, as a result of the proposed General Plan update policies, Land Use Code update, and LCP amendments, impacts related to conflicts with State plans associated with implementation of the General Plan, Land Use Code, and LCP amendments would be *less than significant*.

The CAP and Downtown Specific Plan amendments do not include measures related to State plans. Therefore, implementation of the CAP and Downtown Specific Plan amendments would have *no impact* in relation to conflicts with State plans.

### c) Regional Plans

As described in Section A.3 above, National City also falls under several regional plans: the RCP, the MSCP, San Diego County Regional Authority Board ALUCPs, the County of San Diego General Plan, and the Port Master Plan.

- ◆ RCP. The Regulatory Changes would not conflict with the RCP, as both the RCP and the Regulatory Changes are aimed toward sustainability. The Conservation and Sustainability Element of the proposed General Plan update contains a goal and policy to direct National City toward a more sustainable model. Goal CS-1 calls for the City to aim toward a reduced carbon footprint. To that end, Policy CS-1.1 calls for the City to develop and adopt new or amended regulations or programs that address sustainable and efficient land use patterns to reduce vehicular trips and preserve open space. In addition, the Land Use and Community Character Element contains several goals and policies that would help achieve the RCP's sustainability goals. For example, Goal LU-1

calls for the City to promote Smart growth that is consistent with State-wide and regional transportation and planning goals and policies. To that end, Policy LU-1.1 calls for the City to use Smart growth that is consistent with statewide and regional transportation and planning goals and policies. Policy LU-1.3 directly calls for the City to use SANDAG's Regional Transportation Plan, RCP, and Sustainable Communities Strategy as the basis for land use and transportation planning and policy development. Policy LU-6.3 calls upon the City to maintain involvement in SANDAG's planning programs and activities. Policy LU-6.4 calls for the City to coordinate implementation of the General Plan with the planning efforts of regional agencies. Policy LU-6.5 calls for the City to work with SANDAG to achieve consensus regarding housing and non-residential growth projections. Therefore, as a result of the proposed General Plan update policies and Land Use Code update, impacts related to conflicts with the RCP associated with implementation of the General Plan and Land Use Code would be *less than significant*.

The CAP, Downtown Specific Plan amendments, and LCP amendments do not include measures related to the RCP. Therefore, implementation of the CAP, Downtown Specific Plan amendments, and LCP amendments would have *no impact* in relation to conflicts with the RCP.

- ◆ **MSCP.** The Regulatory Changes would not conflict with the MSCP, as the Regulatory Changes include Goals and Policies in the General Plan update aimed toward conserving biological and natural resources that are compatible with the MSCP. The proposed General Plan update's Open Space and Agricultural Element Goal OS-1 would protect open space areas that enhance the natural character of the community and protect sensitive resources. Policy OS-1.1 calls for protection and conservation of core biological areas, wildlife linkages, and wetland habitats. Policy OS-1.2 calls upon the City to minimize or avoid impacts to environmentally sensitive lands by minimizing construction of infrastructure or access roads into these areas. Policy OS-1.3 encourages the removal of plant species and planting native plants in and near open space preserves to maintain biological integrity. Policy OS-1.4 calls for the City to apply the appropriate land use and development regulations to limit development

amendments would have *no impact* in relation to conflicts with the ALUCP.

- ◆ **County of San Diego General Plan.** The County of San Diego General Plan regulates development in Lincoln Acres, which is unincorporated but within the southeastern part of National City. Policy LU-6.2 calls for consultation with San Diego County regarding land uses for areas outside of the incorporated City but within National City's sphere of influence. Policy LU-6.4 calls for the City to coordinate implementation of the General Plan with the planning efforts of San Diego County. Policy LU-6.5 calls for the City to work with San Diego County to achieve consensus regarding housing and nonresidential growth projections. Policy LU-6.6 calls for the City to consider the preferences of San Diego County when reviewing future annexation proposals. Therefore, these policies would apply to Lincoln Acres and would assure that the impact related to conflicts with the County of San Diego General Plan associated with the proposed General Plan and Land Use Code would be *less than significant*.

The Downtown Specific Plan and LCP amendments do not include measures related to the County of San Diego General Plan. The CAP contains measures to reduce greenhouse gas emissions which would be consistent with the County's policies to reduce greenhouse gas emissions. Therefore, implementation of the CAP, Downtown Specific Plan amendments, and LCP amendments would have *no impact* in relation to conflicts with the RCP.

- ◆ **Port Master Plan.** The Regulatory Changes would not conflict with the Port Master Plan because Policy LU-5.7 calls for coordination with the Port District regarding land use changes within the National City Bay-front area of the Port Master Plan. Policy C-6-5 calls for the City to work with the Port District on land use and transportation planning efforts to mitigate impacts and improve goods movement related to the marine terminal. Policy LU-6.4 calls for the City to work with the planning efforts of adjacent cities, special districts regional agencies. Therefore, as a result of the proposed General Plan update policies, impacts re-

CITY OF NATIONAL CITY  
COMPREHENSIVE LAND USE UPDATE  
DRAFT EIR  
LAND USE

lated to conflicts with the Port Master Plan associated with implementation of the proposed General Plan and Land Use Code would be *less than significant*.

The CAP, Downtown Specific Plan amendments, and LCP amendments do not include measures related to the Port Master Plan. Therefore, implementation of the CAP, Downtown Specific Plan amendments, and LCP amendments would have *no impact* in relation to conflicts with the Port Master Plan.

*d)* National City Plans, Policies, and Regulations

As described in Section A.4 above, land within National City also falls under several local plans: the National City General Plan, the Land Use Code, approved specific plans, the LCP, and the Redevelopment Plan.

- ◆ **National City General Plan.** Amendments to the Downtown Specific Plan as necessary to ensure consistency with the proposed General Plan update, are part of the Regulatory Changes. Generally, land uses in the City would remain similar to the existing uses. Per State law, the General Plan is the primary planning document for National City. Once adopted, the proposed General Plan update would replace the existing National City General Plan which was last updated in 1996. Therefore, the impact on the National City General Plan from the Regulatory Changes would be *less than significant*.
- ◆ **Land Use Code.** Revisions to the Land Use Code section of the National City Municipal Code are part of this proposed Regulatory Changes. These revisions to the Municipal Code will implement the General Plan along with other actions which require consistency with the General Plan. These revisions would supersede portions of the current Municipal Code. In addition, Policy LU-13.4 in the proposed General Plan update calls for the City to ensure that the land use code is consistent with the General Plan. Therefore, the impact on the existing Land Use Code from the Regulatory Changes would be *less than significant*.
- ◆ **Approved Specific Plans.** State law requires consistency between specific plans and the general plan per Government Code §§65454. Further,

CITY OF NATIONAL CITY  
COMPREHENSIVE LAND USE UPDATE  
DRAFT EIR  
LAND USE

lated to conflicts with the Port Master Plan associated with implementation of the proposed General Plan and Land Use Code would be *less than significant*.

The CAP, Downtown Specific Plan amendments, and LCP amendments do not include measures related to the Port Master Plan. Therefore, implementation of the CAP, Downtown Specific Plan amendments, and LCP amendments would have *no impact* in relation to conflicts with the Port Master Plan.

d) National City Plans, Policies, and Regulations

As described in Section A.4 above, land within National City also falls under several local plans: the National City General Plan, the Land Use Code, approved specific plans, the LCP, and the Redevelopment Plan.

- ◆ **National City General Plan.** Amendments to the Downtown Specific Plan as necessary to ensure consistency with the proposed General Plan update, are part of the Regulatory Changes. Generally, land uses in the City would remain similar to the existing uses. Per State law, the General Plan is the primary planning document for National City. Once adopted, the proposed General Plan update would replace the existing National City General Plan which was last updated in 1996. Therefore, the impact on the National City General Plan from the Regulatory Changes would be *less than significant*.
- ◆ **Land Use Code.** Revisions to the Land Use Code section of the National City Municipal Code are part of this proposed Regulatory Changes. These revisions to the Municipal Code will implement the General Plan along with other actions which require consistency with the General Plan. These revisions would supersede portions of the current Municipal Code. In addition, Policy LU-13.4 in the proposed General Plan update calls for the City to ensure that the land use code is consistent with the General Plan. Therefore, the impact on the existing Land Use Code from the Regulatory Changes would be *less than significant*.
- ◆ **Approved Specific Plans.** State law requires consistency between specific plans and the general plan per Government Code §§65454. Further,

Government Code §65400 also requires that an annual report on the status of the General Plan and progress in its implementation. The annual report will ensure that consistency is maintained between the Plan and future development projects. As mentioned in Section B.3 above, the Harbor District Specific Plan and the Westside Specific Plan would both be consistent with the proposed General Plan update through the overlay land use designation. In addition, the Downtown Specific Plan would be amended as part of the proposed Regulatory Changes to ensure consistency with the updated General Plan. Further, Policy LU-13.5 of the proposed General Plan update calls for the City to review and amend existing specific plans as necessary to ensure consistency with the General Plan. Therefore, the impact on the approved specific plans associated with the Regulatory Changes would be *less than significant*.

- ◆ **LCP.** State law requires consistency between the coastal land use plan of the LCP and the General Plan per Public Resources Code §30513; Government Code §65300.5. As mentioned in Section A.4.d above, National City's LCP was originally certified in 1990 and was amended in 1997. The existing LCP would be required to be consistent with the General Plan per Policy LU-13.5, which states that the City should review and amend the LCP to ensure consistency with the General Plan. Further, the proposed Regulatory Changes include changes to the LCP, as described in Chapter 3.0, Project Description, to maintain consistency with the General Plan and Land Use Code updates. The CAP and Downtown Specific Plan amendments do not contain measures pertaining to the LCP. Therefore, the impact on the LCP associated with the Regulatory Changes would be *less than significant*.
- ◆ **Redevelopment Plan.** As discussed in Section A.4.e above, National City's Redevelopment Plan was adopted in 1995 and most recently updated in 2007. The Redevelopment Plan would be required to be consistent with the General Plan per Policy LU-13.5, which states that the City should review and amend the Redevelopment Plan to ensure consistency with the General Plan. No amendments to the Redevelopment Plan are required to maintain consistency with the proposed General Plan update, Land Use Code update, CAP, or Downtown Specific Plan and LCP

c. San Diego Regional Transportation Plan and Sustainable Communities Strategy

The San Diego Regional Transportation Plan (RTP) is the primary transportation element of the RCP, and is intended to position the region to achieve smarter, more sustainable growth that meets the transportation needs of the region. Updates to the RTP are necessary to ensure that local governments have opportunities to implement smart growth and that the design and implementation of regional transportation facilities support local smart growth. The 2030 RTP was adopted in 2007 and the 2050 RTP, which is currently underway, will be adopted in 2011.<sup>5</sup>

As required by SB 375, SANDAG is including a Sustainable Communities Strategy (SCS) in the 2050 RTP. This element will demonstrate how the land use patterns and transportation network, policies, and programs can work together to achieve the GHG emission reduction targets for cars and light trucks that will be established by CARB. The adopted SANDAG Smart Growth Concept Map along with regional habitat conservation areas will serve as a basis for the SCS.

The SCS will include four building blocks:

- ◆ Land use component that accommodates the Regional Housing Needs Assessment (RHNA) and includes the protection of sensitive resource areas, including areas protected under habitat conservation plans;
- ◆ Transportation networks including highways, transit, and local streets and roads;
- ◆ Transportation demand management strategies; and
- ◆ Transportation system management programs and policies.

---

<sup>5</sup> SANDAG, 2010, *Climate Action Strategy*, ([http://www.sandag.org/uploads/publicationid/publicationid\\_1481\\_10940.pdf](http://www.sandag.org/uploads/publicationid/publicationid_1481_10940.pdf)), page 4.

SB 375 also encourages transit priority projects by exempting them from CEQA if projects are consistent with the SCS. The SANDAG 2050 RTP will be the first in the State to implement SB 375 by including the SCS.<sup>6</sup>

d. SANDAG Climate Action Strategy

SANDAG has developed a Climate Action Strategy (CAS) as part of a multi-year partnership with the California Energy Commission. The strategy identifies a near-term goal of reducing GHG emissions to the 1990 level by 2020 and a long-term goal of reducing GHG emissions to 80 percent below the 1990 level by 2050, consistent with AB 32 and Executive Order S-3-05. It also encourages local governments to adopt reduction targets for the year 2020 that are consistent with AB 32.<sup>7</sup>

A major focus of the strategy is to identify policy measures that could help SANDAG reduce GHG emissions from passenger cars and light trucks and comply with SB 375 in the 2050 RTP update (to be adopted in 2011). According to targets set by CARB on September 23, 2010, the San Diego region will be required to reduce GHG emissions from cars and light trucks 7 percent per capita by 2020 and 13 percent by 2035.<sup>8</sup> The CAS also identifies available policy measures to help the region integrate climate change considerations into existing planning processes affecting our transportation system, land use patterns, building stock, and energy infrastructure.<sup>9</sup>

---

<sup>6</sup> SANDAG, *Comprehensive Land Use and Regional Growth Projects: Sustainable Communities Strategy*, <http://www.sandag.org/index.asp?projectid=360&fuseaction=projects.detail>, accessed on April 8, 2010.

<sup>7</sup> SANDAG, 2010, *Climate Action Strategy*, ([http://www.sandag.org/uploads/publicationid/publicationid\\_1481\\_10940.pdf](http://www.sandag.org/uploads/publicationid/publicationid_1481_10940.pdf)).

<sup>8</sup> SANDAG, 2010, "Greenhouse Gas Targets Set", <http://www.sandag.org/index.asp?newsid=666&fuseaction=news.detail>, accessed October 28, 2010.

<sup>9</sup> SANDAG, 2010, *Climate Action Strategy*, ([http://www.sandag.org/uploads/publicationid/publicationid\\_1481\\_10940.pdf](http://www.sandag.org/uploads/publicationid/publicationid_1481_10940.pdf)), page 11.



## Exhibit “E”

# Chapter 3 Land Use

## 3.1 Introduction

This Chapter sets forth the types of land uses to be accommodated within the plan area and outlines a combination of strategies that will be used to help achieve the community's goals. The current zoning for this area is Light Manufacturing/Residential which permits low intensity, industrial activities, along with office and single-family residences and Open Space Reserve which encompass Kimball School, the public works yard, unimproved roadways, Paradise Creek and Paradise Creek Educational Park.

As the area has a variety of transportation opportunities (trolley, transit and freeway access) within ¼ mile of the residences and businesses, the area is ideal for mixed-use development, as well as preservation of existing single-family residences and low-scale multi-family development. These areas offer both employment and residential opportunities such as a “transit-oriented development” or “smart growth development.”

The Plan allows for the retention and preservation of existing single-family residences, the enhancement of uses considered appropriate for the neighborhood, and also provides specific land uses for future development. The land uses reflect the input and guidance offered by the community during public workshops, the Code Compliance Committee, as well as other comments received during development of the Specific Plan. This chapter sets forth the types, locations, and intensities of land uses permitted within the Westside. It outlines strategies that will be used to help achieve the community's goals and vision for the Plan area.

In recognition of the benefits of commercial uses for creating jobs and supporting the City's fiscal stability, substantial amounts of property in the Westside neighborhood are dedicated to commercial, office, and retail businesses. The Specific Plan strategically locates businesses in areas with the greatest market potential and access in addition to limiting impacts on residential life. Commercial and office development paralleling I-5 will benefit from freeway accessibility and visibility while also buffering the residential areas from freeway-generated pollutants and noise.

Redevelopment is expected to occur within the 20-year horizon of the plan. Typically, changes may occur as follows:

- Developers acquire several parcels and remove existing uses to develop larger mixed-use type developments.
- Uses considered nonconforming when the Plan is adopted are slowly phased out since those uses would be subject to the provisions of Section 18.108, Nonconforming uses.
- Incompatible land uses may be subject to the amortization process (Section 18.108.230).
- Existing housing stock is demolished due to disrepair or inability to upgrade to current standards and then replaced.

## 3.2 Community Character Goals

The Vision and Guiding Principles from Chapter 1 set eight goals for future development in the Westside:

- Goal 3.1** Preserve and enhance residential characteristics of Westside.
- Goal 3.2** Encourage single-family residential development that is compatible with the neighborhood's traditional architecture, scale, and massing.
- Goal 3.3** Limit new building heights to two and three stories within the residential, mixed-commercial residential and mixed-use commercial office land uses, while limiting the height of the Transit Oriented Development to five stories.
- Goal 3.4** Encourage retail and commercial uses that increase neighborhood activity and engagement as well as create a living environment where people can walk for goods, services, recreation, and transit.
- Goal 3.5** Reduce co-location of housing and businesses that use, store, or generate hazardous materials through amortization of those businesses.
- Goal 3.6** Buffer new residential development from freeway emissions and noise.
- Goal 3.7** Reduce impacts to Paradise Creek through development that is sensitive to the habitat.
- Goal 3.8** Encourage new businesses and the conversion of existing non-conforming business to non-impactive uses that are compatible with the environment and community goals.
- Goal 3.9** Actively pursue partnerships to construct 200 affordable housing units throughout the plan area and to concentrate efforts towards meeting these affordable housing goals on parcels surrounding Paradise Creek.
- Goal 3.10** Ensure that the open space near the creek is preserved within an open space easement and passive and active park amenities are installed adjacent to the natural areas of open space.

## 3.3 Implementing Strategies

The following programs will implement the goals for planning for land use:

- Strategy 3.1** All existing and future land use and development in the Specific Plan Area shall conform to land use designations, zoning, design guidelines, and programs reflected in this Specific Plan.
- Strategy 3.2** Preserve, restore, or reuse potentially eligible historic property(ies), if feasible, prior to renovation or demolition.

- Strategy 3.3** Relocate above ground utilities to below ground for new development pursuant to Chapter 18.64 of the National City Land Use Code. The City may consider adopting an in-lieu fee for future under grounding to allow for a systematic approach to under grounding upon completion of a cost analysis.
- Strategy 3.4** Efforts shall be made to cease nonconforming and impactive, harmful and/or toxic uses within the Westside utilizing the amortization process. Removal of automotive body and paint businesses shall be prioritized, with special considerations given to the most sensitive receptors (e.g. schools), and a schedule for amortization prepared.
- Strategy 3.5** Implement land uses contained in Appendix A by encouraging non-conforming uses to substitute other non-conforming uses consistent with Appendix A which would be allowed to expand.
- Strategy 3.6** Provide a mechanism to allow industrial uses that are considered acceptable to continue to expand within their existing parcel boundaries by no more than 20% of gross leased area.
- Strategy 3.7** All existing business owners and all new business owners who store, generate, transport, and/or dispose of hazardous materials/and/or waste shall provide copies of appropriate Hazardous Materials Business Plans, Risk Management and Prevention Plans, and regulatory agency permits/approvals on an annual basis prior to the issuance of a business license or at the time of business license renewal. An update of the status of compliance for all businesses within the plan area will be provided on an annual basis to the City Council.
- Strategy 3.8** Phase I Environmental Site Assessments (ESAs) shall be conducted in accordance with the Dept. of Environmental Health and the Regional Water Quality Control Board, prior to development activity when there is the potential for hazardous materials contamination based on historic and existing land use activity, adjacent land use activity, and information contained in the Hazardous Materials Assessment form (Appendix C).
- Strategy 3.9** Require dedication of open space easements for parkland adjacent to Paradise Creek, including passive and active recreation, trails, and habitat restoration.

### 3.4 Land Use Plan

One of the primary concerns voiced by the community during public workshops is the impact of auto body shops and other industrial uses on air quality, traffic, and noise. As part of this plan, auto paint and body shops would no longer be permitted uses and would become non-conforming uses, potentially subject to National City Municipal Code Section 18.108 (Ordinance 2286).

Within the Westside Specific Plan Area, there are existing industrial uses that are non-impactive, sometimes not typically considered industrial that may be compatible with the

Westside vision. It may be desirable that these uses continue as non-conforming uses. For those industrial uses that are impactful or less compatible, this plan seeks to encourage such non-conforming uses to substitute other uses per Appendix A and consistent with NC Municipal Code Section 18.108.100 (Substitution of Non-conforming Uses).

At the direction of the City Council and as part of the Westside planning effort, a Code Compliance Committee was formed in 2008 to address issues related to noncompliant businesses within the Westside; specifically those businesses that do not have the appropriate licenses and permits to operate. As part of that effort, the Code Compliance Committee embarked on an effort to develop criteria for businesses that would be acceptable to remain as good neighbors or acceptable substitution of non-conforming uses.

In order to determine those uses identified in Appendix A, the specific issues of the community needed to be identified. At a workshop of the Code Compliance Committee conducted on December 2, 2008, the committee recognized key issues associated with industrial uses and the residential community. Those issues or concerns are grouped together as air pollution, hazardous materials, parking, outside storage, and security with razor wire. The following lists those concerns and provides specific resolution for future development and expansion as the plan is implemented.

- Air Pollution - Chemical spray in the air generated by paint spraying conducted by auto paint body shops, use of hazardous chemicals, and commercial trucks idling for long periods of time. New businesses shall be limited to those businesses that do not require a permit by the Air Pollution Control District for noxious odors or toxic air contaminants.
- Hazardous Materials – Concern over large quantities of hazardous materials stored and/or accumulated near or adjacent to residential properties. In order to reduce accumulation of hazardous materials within the project area, new businesses shall be limited to those uses that do not require a permit by the Department of Environmental Health or the Environmental Protection Agency for storage of hazardous materials.
- Parking – Lack of available parking and double parking due to lack of on-site parking by auto repair shops and other industrial and commercial uses. New development and expansion of the structure shall provide and maintain adequate parking on site for employees and customers as determined by this Plan.
- Outside Storage - Large quantities of material, equipment, or debris and trash stored outside, visible to the residential community and from streets and alleyways. All storage shall not be visible to adjacent residentially zoned or residentially used parcels or from a public street or alleyway. All storage shall be covered, either with a permanent cover or stored within an enclosed building. Storage shall not displace required parking. All on street parking is limited to day use only. No work for the use shall be conducted in the street or within or on publicly owned property.

- **Noise** – Frequent loud or continuous noise adjacent or near residential properties associated with auto body shops, auto repair shops, construction companies and other industrial noise; also including idling of commercial trucks. Operation of these businesses shall adhere to Chapter 12, Noise Control of the Municipal Code and Section 11.34 related to Truck Idling and Parking Maneuvers.
- **Security** – Security of industrial uses with razor wire. Industrial uses shall be secured by a fence, a maximum height of eight (8) feet and/or surveillance equipment rather than the use of razor wire on fences and walls. No razor wire shall be permitted on top of fences along property lines within the plan area. New construction or expansion of a structure shall incorporate solid walls and/or decorative fencing with dense planting to secure the site and reduce visibility.

These issues were used to identify non-conforming uses that could be substituted for less desirable non-conforming uses in the Westside. Those uses not listed in Appendix A would not be acceptable non-conforming uses for substitution, but would remain subject to the nonconforming use requirements, Land Use Code Section 18.108 and Section 3.6 of this plan.

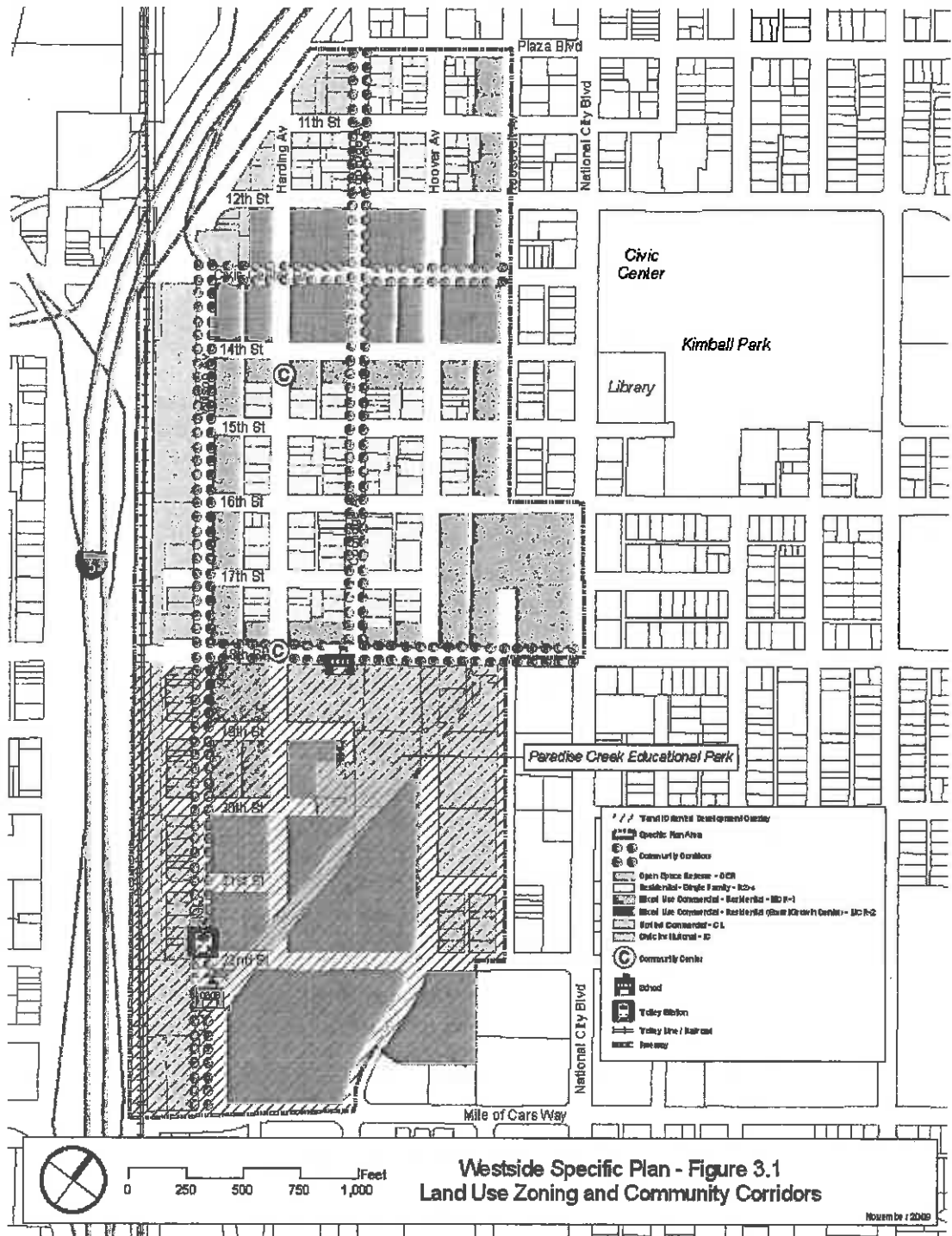
### 3.5 Land Use Zones

The Central Vision and Guiding Principles of the Westside Specific Plan, as established by the community over a five year process, direct the future land uses of Westside with the goal to “reestablish the Westside as a safe, healthy, and vibrant neighborhood where people engage in community life.” In order to accomplish this vision, the area will be rezoned from Light Manufacturing/Residential (ML/R) to a variety of zones that will allow a mixture of residential, office, and retail uses as well as open space and institutional uses. (See Figure 3.1 Land Use - Zoning)

The Land Use Plan establishes various uses that will be permitted within Westside. In contrast to the ML/R zone, where industrial uses were permitted, adoption of the Westside Specific Plan will prohibit new industrial uses, including auto body repair which are uses not compatible with the Vision and Guiding Principles within the plan boundary. Mixed-uses of residential, commercial and offices will create transitions and buffers conducive to a pleasant and healthy living environment. The plan reflected in Figure 3.1, Land Use and Zoning, establishes the following six zones within the Westside. Land uses permitted, or permitted under approval of a Conditional Use Permit, or prohibited are listed in Appendix A, Land Use Table.

Adoption of the Westside plan would include rezoning from ML/R and OSR to the following zones:

1. Residential – Single Family Westside 4 (RS-4)
2. Mixed Use Commercial – Residential – 1 (MCR-1)
3. Mixed Use Commercial – Residential – 2 (MCR-2)
4. Limited Commercial (CL)
5. Civic Institutional (IC)
6. Open Space Reserve (OSR)



### **3.5.1 Single Family Residential Westside 4 (RS-4)**

This zone provides for areas of single-family residences and neighborhood servicing commercial uses as indicated in Appendix A. Single-family residences may be constructed to a zero lot line and subdivided to a minimum lot size of 2,500 square foot parcels with a minimum lot width of twenty-five feet. New single-family residence may be constructed to a maximum height of 35 feet and three stories. The maximum density that would be permitted within the RS-4 zone is 17.4 dwelling units per acre.

The intent of the zone is to encourage new development and to create a traditional urban neighborhood.. Building heights should be varied to reflect the diversity of the existing residential character.

Existing private institutional uses such as churches would continue to be permitted within the zone and elsewhere in the Westside. New institutional uses and would be permitted subject to a Conditional Use Permit and design guidelines established in the Specific Plan. Small neighborhood-oriented markets and retail services that primarily serve the neighborhood are permitted to remain and expand with approval of a Conditional Use Permit.

### **3.5.2 Limited Commercial (CL)**

This zone provides for a small scale, limited convenience retail shopping facilities at the neighborhood level, typically including food and convenience stores, small retail and service shops, professional offices and retention of existing residences as well as compatible residential development in accordance with the uses established in Appendix A.

The Limited Commercial zone is applied along I-5, west of Harding and Wilson Avenues to provide retail and office uses. This zone allows artisan activities (including studios, production space, galleries, and small performance venues) as well as neighborhood-serving retail, commercial, and existing residential uses. Building heights are limited to three stories and fifty feet. New development in this zone will serve to block the noise and views of the freeway. Existing single-family residential uses would be permitted and allowed to be reconstructed; however, the primary purpose of this zone is to provide opportunities for new development for retail, offices, and artist live-work studios. A maximum height of fifty feet and three stories would be permitted

### **3.5.3 Multi-use Commercial-Residential 1 and 2 (MCR-1, MCR-2)**

This zone provides for a either commercial or residential use, or a combination of commercial and residential uses or structures, designed to be built on a single lot or parcel, or as components of a single development in accordance with the uses established in Appendix A. This zone permits live-work loft uses.

The Mixed Use zone combines a variety of uses – retail, office, and residential - to create a highly livable district for residents, employees, and shoppers, improving



convenience through walkability and transit availability. The benefits of mixed-use development are:

- Activates urban areas during more hours of the day.
- Increases housing options for diverse household types.
- Reduces auto dependence.
- Increases travel options.
- Creates a local sense of place.

The Mixed Commercial-Residential Zones are applied to areas generally bordering the RS-4 zone to transition to multi-family residential to the downtown commercial area. Since new multi-family development would not be permitted within the RS-4 zone, the MCR zones provide for multi-family development either as rental stock or home-ownership condominiums. A mix of residential, commercial, and office uses are allowed within this zone. Mixed-uses are not required except for those properties fronting Civic Center Drive where commercial uses are required on the ground floor fronting Civic Center Drive and residential and/or offices are required on the upper floors. Parking may be accommodated on the ground floor behind the retail use or within a parking structure for shared parking for the variety of uses or for combination of developments.



#### **Mixed-use Commercial-Residential 2 (MCR-1) -**

This designation includes those areas east of Roosevelt Avenue from 18<sup>th</sup> Street to 16<sup>th</sup> Street, along the south side of 14<sup>th</sup> Street, on the east side of Hoover Avenue from 10<sup>th</sup> Street to 14<sup>th</sup> Street and for two blocks between Hoover and Harding Avenues from 20<sup>th</sup> Street to 18<sup>th</sup> Street. A maximum height of fifty feet and three stories would be permitted, including any ground level parking, with a maximum density of twenty-four (24) units per acre.

St. Anthony's Church and Manuel Portillo Youth Center, also known as Casa de Salud, are located within the MCR-1 zone. Both offer community and education activities. These uses would continue to be encouraged; however expansions would require approval of a Conditional Use Permit.

#### **Mixed-use Commercial-Residential 2 (MCR-2) -Civic Center Drive District**

A mixed-use development will create a gateway to the neighborhood, serve as a new activity center, and tie into the mixed-use environment planned for within the Downtown Specific Plan area of National City. As envisioned, buildings will have retail and parking at the ground level and residential and/or offices on the upper floors. A maximum height of five stories and 65 feet would be permitted, including any ground level parking. The zone allows residential uses at a maximum density of forty-five (45) dwelling units per net acre with the intent of providing opportunities for housing and live/work or artisan loft arrangements.



**Mixed-use Commercial-Residential 2 (MCR-2) - Transit-oriented Development District (TOD):**

This area comprises the MCR-2 designated areas south of 19<sup>th</sup> Street and east of Hoover Avenue. The intent of this district is to encourage transit-oriented development due to its proximity to the 24<sup>th</sup> Street Trolley Station. Redevelopment of these underutilized lands – consisting of larger lots relative to areas to the north – will provide opportunities for increased use of public transit in addition to accomplishing neighborhood revitalization goals. The intent is to allow but not require a mix of uses within each development, but allow flexibility for individual project needs. Educational facilities would be permitted within the zone as students would benefit by the proximity to the trolley station, bus routes, and commercial services within the Westside and downtown National City. A maximum height of five stories and sixty-five feet would be permitted, including any ground level parking. A maximum density of 60-units per acre would be permitted. Development of the area immediately surrounding Paradise Creek, north of 22<sup>nd</sup> Street and south of Kimball School will be primarily used for developing affordable housing and supportive services. A concept plan has been developed that reflects multi-family housing for this area (Figure 3.2).

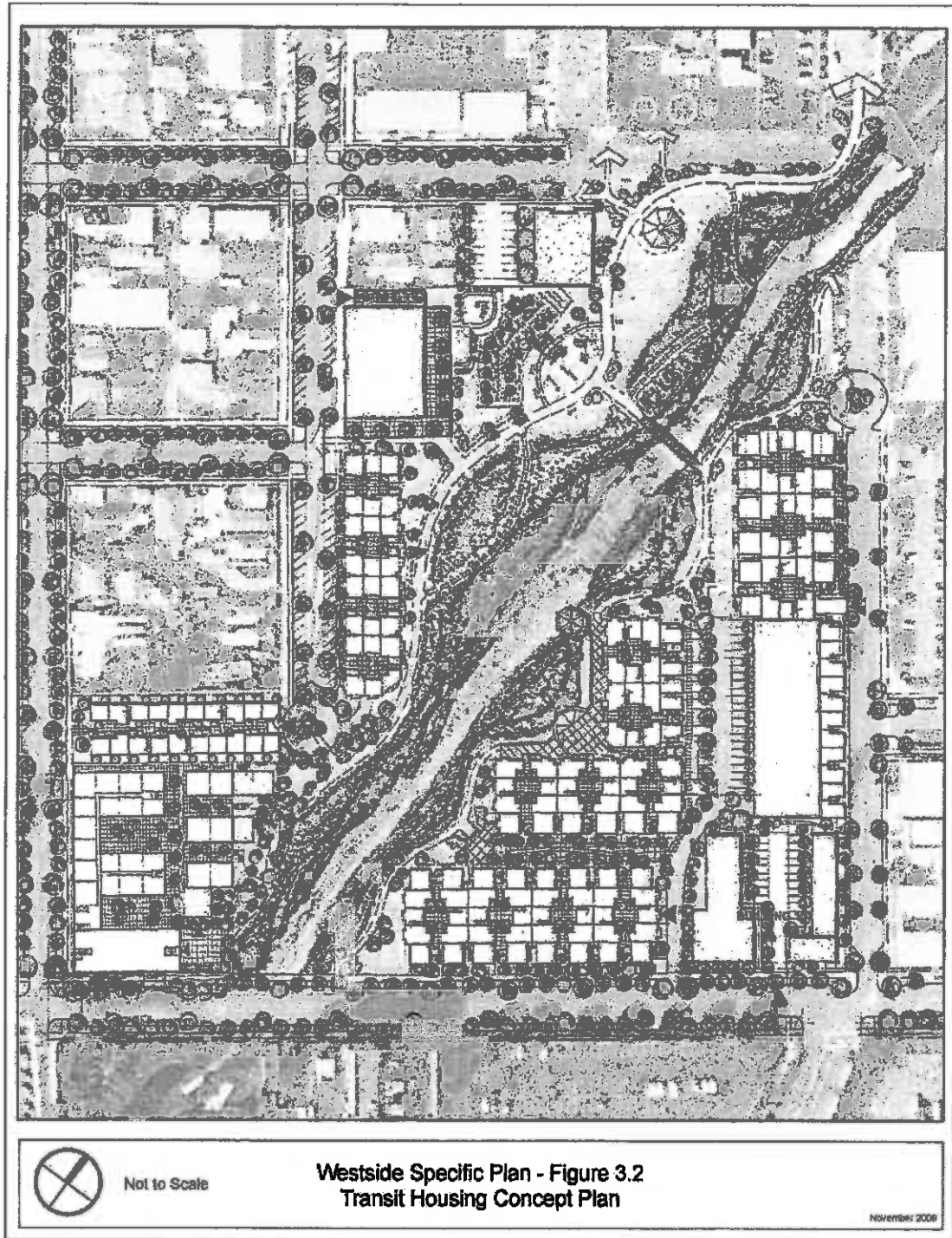
**Open Space Reserve (OSR)**

This zone provides for public and private lands, playgrounds salt marsh and coastal wetlands, water areas, recreational lands, and other scenic open space areas in accordance with the uses established in Appendix A. This zone provides for open space areas for active and passive recreational uses near Paradise Creek.

Parks and community centers for recreation, environmental and cultural interface, and community interaction are essential to the renewal of the community. Paradise Creek Educational Park, adjacent to the south side of Kimball School, offers trails, an amphitheatre, picnic area, play structure, and enhanced wetland area. Extending the open space area along the west side of the creek and providing a meandering trail for pedestrians and bicyclists would enhance the open space. Expanding Paradise Creek to the east of Kimball School at the Hoover Avenue would further enhance the open space area providing an area for active recreational uses.

Currently, the area designated as Open Space Reserve does not represent areas truly set aside for open space since the current OSR zone includes Kimball School, the Public Works Yard, and unimproved roadways as well as Paradise Creek and the Paradise Creek Educational Park. Paradise Creek and the Educational Park creek will be retained within an Open Space Reserve zone. Additional areas adjacent to the creek will be restored as part of the Transit Oriented Development and/or through open space grant efforts. These areas will be preserved within an open space easement or through a rezone to Open Space Reserve as a component of the development. A concept plan has been developed that reflects a concept design for Paradise Creek in conjunction with the TOD development (Figure 3.2).

Additional open space areas for passive and active recreation may be identified during review of development projects or as land becomes available. These areas would be held in open space through the recordation of an open space easement or designated as Open Space Reserve with an amendment to the Specific Plan.



### 3.5.4 Civic Institutional (IC)

This zone provides for the preservation of existing public and private institutional uses within the plan area in accordance with the uses established in Appendix A.

The Civic Institutional zone provides areas for public and private facilities that serve the community. Located along the south side of West 18<sup>th</sup> Street, adjacent to the north side of the Paradise Creek Educational Park, Kimball School is located within the IC zone. Other areas may be rezoned for CI through an amendment to the Specific Plan. The purpose of the CI zone is to offer community services that respond to the needs of the health, safety, education, cultural, and welfare needs of the community as identified in Appendix A. A maximum height of 35-feet would be permitted.

### 3.6 Nonconforming Uses and Amortization Program

All nonconforming uses are subject to the City's regulations and requirements contained in Chapter 18.108 of the National City Land Use Code. Within the zones established by this Specific Plan, the Land Use Code, or amendments to either document that may later be adopted, there exist uses, structures, and lots that were lawful before these two documents were adopted or amended, but are now prohibited. It is the intent of Chapter 18.108 of the Land Use Code to generally permit nonconforming uses to continue until they are terminated, but not to encourage their enlargement, expansion, or extension. This Specific Plan does allow for enlargement and/or expansion of certain nonconforming uses within the existing parcel, listed in Appendix A, up to 20% of their gross leased area (building footprint), because they are not impactive to the community or not typical industrial uses, and provide an avenue of progressive change in the Westside.

The intent of the Specific Plan is (1) to significantly reduce potential public health threats (such as increased incidence of cancer and respiratory diseases) associated with residents' exposure to hazardous materials and (2) to address the current community conflicts between residential and industrial land uses.



**Exhibit "F"**

**Findings of Fact and  
Statement of Overriding Considerations**

**Westside Specific Plan  
Environmental Impact Report  
(SCH #2008071092)**

*Prepared for:*

City of National City  
1243 National City Boulevard  
National City, CA 91950  
Contact: Peggy Chapin

*Prepared by:*

ICF Jones & Stokes  
9775 Businesspark Avenue, Suite 200  
San Diego, CA 92131  
Contact: Bob Stark

February 2010

ICF Jones & Stokes. 2010. Westside Specific Plan EIR Findings of Fact and Statement of Overriding Considerations. February. (ICF J&S 440.08.) San Diego, CA. Prepared for: City of National City, 1243 National City Boulevard, National City, CA 91950.

# Table of Contents

<b>Chapter 1</b>	<b>Introduction.....</b>	<b>1-1</b>
<b>Chapter 2</b>	<b>Project Description.....</b>	<b>2-1</b>
	Overview.....	2-1
	Land Use Plan.....	2-1
	Zoning Districts.....	2-2
	Single-Family Residential Zone.....	2-3
	Mixed-Use Commercial-Residential Zones.....	2-3
	Limited Commercial Zone.....	2-4
	Civic Institutional Zone.....	2-4
	Open Space Reserve.....	2-4
	Floodway Overlay.....	2-5
	Additional Plan Components.....	2-5
	Required Approvals.....	2-6
<b>Chapter 3</b>	<b>Findings Regarding Significant Environmental Effects.....</b>	<b>3-1</b>
	Overview.....	3-1
	Findings on Significant Environmental Effects.....	3-2
	Air Quality.....	3-2
	Noise.....	3-16
	Traffic and Circulation.....	3-23
	Biological Resources.....	3-25
	Cultural Resources.....	3-32
	Hazards and Hazardous Materials.....	3-38
<b>Chapter 4</b>	<b>Findings on Project Alternatives.....</b>	<b>4-1</b>
	Overview.....	4-1
	CEQA Project Objectives and Section Criteria.....	4-2
	Alternative 1—No Project Alternative.....	4-2
	Finding.....	4-3
	Facts in Support of Finding.....	4-3
	Alternative 2—No Mixed-Use Alternative.....	4-3
	Finding.....	4-3
	Facts in Support of the Finding.....	4-3
	Alternative 3—Reduced Buildout Alternative.....	4-4
	Finding.....	4-4
	Facts in Support of the Finding.....	4-4

	Alternative 4—Retain and Expand Industrial Uses	
	Alternative.....	4-5
	Finding.....	4-5
	Facts in Support of the Finding.....	4-5
	Environmentally Superior Alternative.....	4-5
	Summary Finding.....	4-6
<b>Chapter 5</b>	<b>Statement of Overriding Considerations.....</b>	<b>5-1</b>

## Tables

Table		Page
2-4	Acreage by Land Use/Zoning Districts and 20-Year New Development (Projected).....	2-2
4-1	Comparison of Project Alternative Impacts to Significant Proposed Project Impacts.....	4-6



---

## Acronyms

DPR	Department of Parks and Recreation
ESA	Environmental Site Assessment
HEPA	high efficiency particulate air
HVAC	heating, ventilation, and air conditioning
ML-PD	Light Manufacturing Planned Development
MLR	Light Manufacturing Residential
MTS	Metropolitan Transit System's
TOD	transit oriented development

# Chapter 1 Introduction

This Findings of Fact and Statement of Overriding Considerations document comprises five chapters. Chapter 1, *Introduction*, provides background information as to the purpose of the document. Chapter 2, *Project Description*, provides a description of the proposed project. Chapter 3, *Findings Regarding Significant Environmental Effects*, presents the significant effects associated with the project. Chapter 4, *Project Alternatives*, provides a brief discussion of other alternatives that were evaluated in the environmental impact report (EIR). Finally, Chapter 5, *Statement of Overriding Considerations*, is provided for those adverse effects that cannot be feasibly mitigated or avoided, even with the adopted mitigation measures.

Mitigation measures are referenced in the mitigation monitoring and reporting program (MMRP) adopted concurrently with these findings and will be effectuated through the process of constructing and implementing the project.

Except as otherwise noted, the findings reported in the following pages incorporate the facts and discussions of environmental impacts that are found in the final environmental impact report (final EIR) for the Westside Specific Plan, February 2010, as fully set forth therein. These findings constitute the decision-makers' rationale and support for their decision under the requirements of the California Environmental Quality Act (CEQA).

For each of the significant project or cumulative impacts associated with the project, the following information is provided:

- **Description of Significant Effect**—A specific description of each significant environmental impact identified in the final EIR (e.g. Impact AQ-1a);
- **Proposed Mitigation**—Mitigation measures or actions that are proposed for implementation as part of the project (e.g. MM AQ-1a);
- **Finding**—The findings made are those allowed by Section 21081 of the California Public Resources Code (PRC). For impacts found to be significant, one of three specific findings is made, in accordance with the statement of acceptable findings provided in Section 15091 of the State CEQA Guidelines; and

- **Rationale for Finding**—A summary of the reasons for the decision.

Pursuant to Section 21081.6 of the California PRC and Section 15097 of the State CEQA Guidelines, a MMRP must be adopted to ensure the efficacy of proposed mitigation measures. The MMRP for the Westside Specific Plan is appended to the final EIR, presented for adoption together with these Findings of Fact and Statement of Overriding Considerations.

The Record of Proceedings for the City of National City's decision on the proposed project consists of the following documents, at a minimum:

- The Notice of Preparation (NOP) and all other public notices issued by the City of National City;
- A public scoping meeting held on July 30, 2008;
- Comment letters received on the NOP and public scoping meeting included as Appendix A of the draft EIR;
- The draft EIR for the Westside Specific Plan and all technical appendices (November 2009);
- All comments submitted by agencies or members of the public during the 48-day comment period on the draft EIR;
- All comments and correspondence submitted to the City of National City with respect to the project, in addition to timely comments on the draft EIR;
- The final EIR for the Westside Specific Plan, including comments received on the draft EIR, responses to those comments, errata, and technical appendices;
- The MMRP for the project;
- All findings and resolutions adopted by the City in connection with the Westside Specific Plan and all documents cited or referred to therein;
- All reports, studies, memoranda, maps, staff reports, or other planning documents relating to the project prepared by the City, consultants to the City, or responsible or trustee agencies with respect to the City's compliance with the requirements of CEQA and with respect to the City's action on the Westside Specific Plan;
- All documents submitted to the City by other public agencies or members of the public in connection with the Westside Specific Plan, up through the completion of the final EIR;
- Matters of common knowledge to the City, including, but not limited to, federal, state, and local laws and regulations;
- Any other materials required for the record of proceedings by Public Resources Code Section 21167.6, subdivision (e).

## Chapter 2 Project Description

### Overview

The City of National City proposes a General Plan Amendment, Rezone, and Specific Plan to guide the future development of the Westside neighborhood in response to conflicts between the neighborhood's current land uses. Because many of the existing industrial uses are incompatible with the existing residential uses, there has been a growing concern related to air quality emissions, traffic and parking congestion, noise levels, and the release of hazardous materials. In an attempt to minimize these adverse effects as the community grows, the proposed Westside Specific Plan includes strategies for amortizing uses that would no longer be permitted with the proposed land use changes, primarily auto body shops and auto repair shops. Details of the Westside Specific Plan are provided below.

### Land Use Plan

One of the primary functions of the proposed project is to change the existing land use designations to focus on the residential character of the community and develop mixed-uses that promote walkability and transit use. The land use and zoning map illustrated in Figure 2-4 of the draft EIR depicts the proposed land uses, with the types and locations of various land uses that would be allowed on site. Lower-density residential uses composed largely of single homes on individual lots would occupy the majority of land in the neighborhood in recognition of historic development patterns and in keeping with goals that reinforce the residential neighborhood character of the Westside. Smaller scale housing would be focused in the central portion of the plan area, and surrounding mixed uses would function as commercial-residential buffers by providing a gradual transition to full commercial or industrial uses outside the plan area, thereby contributing to a pleasant and healthy living environment. In this inner area, building heights reflective of existing one- and two-story homes would help to retain the Westside neighborhood's historic character. In contrast to prior land use policy and zoning, new industrial uses (including auto body repair and auto services) would not be permissible within the residential area (RS-4 zone), and existing industrial uses would be non-conforming uses and subject to Municipal

Code Section 18.108 and 18.108.100 (Substitution of Non-Conforming Uses) unless the use is included in the acceptable, nonimpactive uses listed within the Westside Specific Plan. Table 2-4 below gives the proposed acreage of each land use/zoning district and a 20-year new development projection achieving 75% of the maximum buildout. The Westside Specific Plan uses a 75% buildout calculation based on historic and projected growth rates for National City.

**Table 2-4. Acreage by Land Use/Zoning Districts and 20-Year New Development (Projected)**

Land Use	20-Year New Development with 75% Buildout (Projected)			
	Acres within Project Site	Residential (dwelling units)	Retail (square feet)	Office (square feet)
Single-Family Residential	19	204	N/A	N/A
Mixed-Use Commercial- Residential (MCR-1)	26	704	140,659	281,318
Mixed-Use Commercial- Residential (Smart Growth Center) (MCR-2)	23	938	375,442	375,443
Limited Commercial	23	N/A	376,086	752,171
Civic Institutional	4	N/A	N/A	N/A
Open Space Reserve	5	N/A	N/A	N/A
<b>TOTAL</b>	<b>100</b>	<b>1,846</b>	<b>892,187</b>	<b>1,408,932</b>

## Zoning Districts

Figure 2-4 of the draft EIR also depicts the zoning districts regulating land use and development within the plan area. Three new zones are proposed in the Westside Specific Plan:

- Residential Single Family-4 (RS-4)
- Multi-Use Commercial-Residential (MCR-1)
- Multi-Use Commercial-Residential (Smart Growth Center) (MCR-2)

The Westside Specific Plan would also utilize three citywide zoning districts established in the City's Land Use Code:

- Limited Commercial (CL)
- Civic Institutional (IC)
- Open Space Reserve (OSR)

---

Use regulations and development standards for the proposed and citywide zones are discussed in Section 3.7, “Land Use and Planning,” of the draft EIR. Descriptions of the purpose and intent of the proposed and citywide zones for the Specific Plan Area are provided below.

## Single-Family Residential Zone

The proposed project would potentially develop up to 204 new single-family homes that would contribute an additional estimated population of 6,384 residents by 2030. This component would be included in the new single-family zoning designation, Residential Single-Family-4 (RS-4), which would permit lot sizes at a minimum of 2,500 square feet with a 35-foot height limitation. Similar to the existing development pattern within the Westside neighborhood, housing would be oriented to the street. In addition, building setbacks and the shape and form of new development would reflect existing residential development patterns in the plan area.

## Mixed-Use Commercial-Residential Zones

The Westside Specific Plan proposes two types of mixed-use commercial residential zones: MCR-1 and MCR-2 (Smart-Growth Center). These zones would be applied generally to areas bordering the RS-4 residential zone, to allow for transitions to downtown and commercial areas, and would facilitate a neighborhood retail and service district focused around Civic Center Drive. Building heights would be limited to three stories for the MCR-1 zone, and five stories for the MCR-2 zone. A mix of residential, commercial, and office uses would be allowed within these zones; however, mixed uses would not be required within individual buildings and/or projects, with the exception of the blocks fronting Civic Center Drive where retail and neighborhood services would be required on the ground floor, and offices and/or housing would be required on the upper floors.

## Transit Oriented Development (TOD)

The Westside Specific Plan also explores the effects of redeveloping the Public Works yard and surrounding area into a transit-oriented infill affordable housing project. The goals for this transit oriented development (TOD) are to (1) transform the proposed property into affordable housing with linkages to the 24<sup>th</sup> Street Metropolitan Transit System Trolley Station; (2) enhance Paradise Creek and ensure the expansion of the Paradise Creek Education Park; and (3) prepare and provide facilities and ongoing program management for an “incubator” that would provide training and services that assist project tenants in more effectively pursuing home ownership and higher paying jobs. The 14-acre TOD area would be located

within the MCR-2 zone. The zone allows residential uses at a maximum density of 45 dwelling units per net acre and would seek to achieve a minimum of 30 employees per acre. At maximum buildout, the area would support 360 dwelling units, 295,000 to 450,000 gross square feet of office space, and 45,000 to 65,000 gross square feet of retail space (not including existing development). The project-specific development may include an adult educational center within the TOD area and relocation of the public works yard.

## Limited Commercial Zone

As defined in the City's General Plan, the Limited Commercial Zone (CL) provides for small-scale, limited convenience retail shopping at the neighborhood level. This designation also provides for compatible residential development, limited to no more than 1 unit per 1,900 square feet of lot area. This zone is included in the Westside Specific Plan to provide an area of office and commercial space designed to buffer the residential uses from the freeway.

## Civic Institutional Zone

The Civic Institutional Zone (IC) designates property accommodating public facilities such as schools, parks, and municipal buildings such as the community center. The Westside Specific Plan includes this zone to recognize and accommodate the assembly of nonprofit quasi-public and private facilities into efficient, functionally compatible, and attractively planned administrative centers, medical and retirement centers, cultural centers, educational institutions, multi-family housing, and similar uses.

## Open Space Reserve

The Open Space Reserve (OSR) is intended primarily to preserve open space wetland areas and allows passive use of the land for nature study, trails, and picnicking purposes, as well as active recreation. The Westside Specific Plan includes this zone to help preserve Paradise Creek, located in the southeastern portion of the plan area, and to enhance the Paradise Creek Educational Park. Additionally, areas may be designated as OSR as part of the TOD development around the park or as park sites are identified or become available.

The existing Public Works Yard currently zoned in the OSR zone would be converted to MCR-2 as described under the Transit Oriented Development subheading above.

---

## Floodway Overlay

The National City General Plan and Land Use Code establish the Floodway Overlay to avoid creation of new or increased flooding risks associated with Paradise Creek (Figure 2-4 of the draft EIR). Per these regulations, proposed development cannot be approved without demonstration that the new buildings will neither be subject to flooding nor create new flooding hazards.

## Additional Plan Components

### Paradise Creek Educational Park

Paradise Creek, located in the southeastern portion of the plan area, is recognized as a valuable wetland resource and would be preserved within an open space easement. The creek serves as a valuable resource from water quality, wildlife habitat, and aesthetic perspectives. The Westside Specific Plan encourages expanding Paradise Creek Educational Park with additional public amenities such as trails, benches, and both passive and active recreational uses, and restoring native vegetation.

### Circulation and Parking

The circulation and parking plan for the Westside neighborhood would build on the established street grid, freeway access, and transit facilities of the area. The existing street grid of the neighborhood is ideal for safe walking due to small block size, multiple routes to single locations, and legibility from the regular north-south and east-west orientation of intersecting streets. Section 3.1, "Traffic, Circulation, and Parking," details the circulation and parking upgrades that would be required for the proposed project.

### Community Corridors

To encourage multi-modal transit, bikeways would be constructed as part of development, with improvements to roadways designated as Community Corridors, and/or with Capital Improvement Projects. Streetscape improvements would include decorative lighting, benches, enhanced crosswalks, and traffic calming amenities to encourage walking within the community to the transit station, parks, school, library, and downtown.



---

## Infrastructure and Public Services

The Westside Specific Plan would coordinate infrastructure and public service planning with the proposed land use changes in the Westside neighborhood to ensure there is adequate capacity to meet the demands of planned development. An initial assessment of water, sewer, and stormwater infrastructure was completed as part of the proposed project. Availability of public services such as schools and fire and police services was also examined. Results from these assessments are clearly defined in Section 3.10, "Utilities and Public Services," of the draft EIR.

## Required Approvals

Project approval will require the following actions by the City of National City:

- Approval of a General Plan Amendment
- Approval to rezone from Light Manufacturing Residential (ML-R) to the Residential Single-Family Zone (RS-4)
- Approval to adopt the Mixed Use Commercial-Residential (MCR-1) zone designation and rezone from ML-R to MCR-1
- Approval to adopt the Mixed Use Commercial-Residential (Smart Growth Center) (MCR-2) zone designation and rezone from ML-R to MCR-1
- Approval to rezone from ML-R to the Limited Commercial (CL) zone along the major roadways
- Approval to rezone from ML-R to the Open Space Reserve (OSR) zone near Paradise Creek
- Approval to rezone from ML-R to the Civic Institutional (IC) zone to preserve the existing Kimball School
- Approval of West Avenue Closure between W 16<sup>th</sup> Street and W 18<sup>th</sup> Street
- Approval of the Westside Specific Plan

# Chapter 3

## Findings Regarding Significant Environmental Effects

### Overview

The final EIR identified several significant environmental effects that could indirectly result from the implementation of the Westside Specific Plan. Indirect and cumulative significant unavoidable adverse impacts would occur in the following resource areas:

- Air Quality (Indirect and Cumulative);
- Noise (Indirect and Cumulative); and
- Traffic and Circulation (Cumulative only).

Indirect impacts in the following resource areas can be reduced to less-than-significant levels through the implementation of feasible mitigation measures:

- Biological Resources;
- Cultural Resources; and
- Hazards and Hazardous Materials.

Implementation of the project would have less-than-significant impacts or no impacts on the following resources (without mitigation):

- Aesthetics;
- Agriculture;
- Geology and Soils;
- Land Use and Planning;
- Mineral Resources;
- Population and Housing;
- Recreation;

- Utilities and Public Services; and
- Water Quality and Hydrology.

These impacts are outweighed by overriding considerations, as set forth in Chapter 5, below.

## Findings on Significant Environmental Effects

### Air Quality

For a full discussion of air quality impacts, see Chapter 3.2 of the Westside Specific Plan Draft EIR and any revisions contained in Chapter 3 of the final EIR.

#### Impact AQ-1a: Construction Impacts

Despite the potential variability in construction emissions and schedules, there are a number of feasible control measures that can be reasonably implemented to reduce ozone and PM10/PM2.5 emissions during construction; these measures are summarized in Mitigation Measure MM AQ-1a. However, given the lack of specifics regarding construction activities, construction-related emissions related to Impact AQ-1a would be significant and mitigation is required.

#### Proposed Mitigation

**MM AQ-1a: Fugitive Dust and Exhaust Control Measures.** The SDAPCD has recently adopted a rule (Rule 55) that requires fugitive dust control measures for construction and demolition projects. Future development proposed within the Westside neighborhood shall be required to employ fugitive dust control measures to reduce the amount of fugitive dust. The selection of specific measures is left to the discretion of the project operator. Additional measures to reduce NO<sub>x</sub> and ROG emissions may be needed if construction-related emissions exceed the screening level emission thresholds (Table 3.2-9). For any future development, the applicant shall employ measures that may include, but are not limited to, the following:

- Inactive Construction Areas. Apply non-toxic soil stabilizers according to manufacturers' specification to all inactive construction areas.
- Exposed Stockpiles. Enclose, cover, water twice daily, or apply non-toxic soil binders according to manufacturers' specification to exposed piles.
- Active Site Areas. Water active site areas twice daily.

- Hauling. Cover all haul trucks hauling dirt, sand, soil, or other loose materials or maintain two feet of freeboard.
- Adjacent Roadways. Install wheel washers where vehicles enter and exit unpaved roads onto paved roads, or wash off trucks and any equipment leaving the project site.
- Adjacent Roadways. Sweep streets at the end of the day if visible soil material is carried onto adjacent public paved roads.
- Unpaved Roads and Parking/Staging Areas. Apply water three times daily or non-toxic soil stabilizers according to manufacturers' specification to all unpaved roads and parking or staging areas.
- Speed Limit. Limit traffic speeds on unpaved areas to 10 miles per hour.
- Disturbed Areas. When active construction ceases on the site, replace ground cover as quickly as possible.
- Equipment maintenance. Install emission controls (cooled exhaust recirculation, lean-NO<sub>x</sub> catalysts), tune equipment and reduce idling time.
- Equipment age. Require models newer than 1996.
- Coatings. Use VOC-free or low-VOC coatings, limit the amount of coating and paints applied daily, or rent or purchase VOC Emission Reduction Credits.

## Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (X) **Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

## Rationale for Finding

The mitigation measures shown in MM AQ-1a are required for any construction activity. However, given the lack of specifics regarding future construction

activities, construction-related emissions related to **Impact AQ-1a** would potentially remain significant and unavoidable. Additionally, mitigation may be required at the project level, but without having specific construction information (i.e. location, equipment, project design, etc), specific mitigation cannot be applied. For this reason, impacts related to ozone and PM10/PM2.5 during construction would be significant.

## Impact AQ-1b: Operational Impacts

Implementation of the proposed project would result in emissions that exceed the level of significance for criteria pollutants with which San Diego County is currently in non-attainment status (ROG, PM10, and PM2.5). The project would increase the density of development, replacing incompatible commercial and industrial land uses with a more dense and compatible mix of retail, office, and residential land uses. The amount of residents within the plan area is expected to increase from 1,457 to 6,384 assuming 75% buildout in 2030. This would add a considerable amount of vehicle trips and miles traveled to the project area. Increased residents would also lead to an increase in emissions from area sources, as a result of fossil fuel combustion for heating and cooking, consumer products, architectural coatings, and landscape fuel combustion.

### Proposed Mitigation

**MM AQ-1b: Mitigation Measures to Reduce Project Operational Emissions.** Operational emissions could be reduced by incorporating various mitigation measures. For any future development, the applicant shall employ the following mitigation measures to reduce operational emissions:

- Increased Energy Efficiency (20%) beyond Title 24.
- Use of electric landscaping equipment with access to outside electrical outlets (20% of total landscaping equipment)
- Use of low- or no-ROG/VOC paints (a minimum of 40% below typical paints).

### Finding

The City Council of the City of National City hereby finds that:

- Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such

changes have been adopted by such other agency or can and should be adopted by such other agency.

- (X) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

### Rationale for Finding

The project would increase the density of development, replacing incompatible commercial and industrial land uses with a more dense and compatible mix of retail, office, and residential land uses. However, the potential growth associated with the proposed Westside Specific Plan would result in greater vehicular trips and vehicle miles traveled (VMTs) and would result in greater use of fossil fuel combustion for heating and cooking, consumer products, architectural coatings, and landscape fuel combustion. While specific development projects proposed at some future date may identify additional mitigation measures to reduce potentially significant impacts, at the plan level, mitigation measures consist of improving energy efficiency beyond Title 24, reducing fuel use for landscaping, and using less-polluting building exterior and interior paints. However, project-generated vehicular trips and VMTs, while arguably fewer than under traditional development patterns, would still increase indirectly over the baseline condition. No feasible mitigation, beyond the objectives of the Westside Specific Plan, is available to significantly reduce air emissions from an increase in vehicular trips and VMTs. With implementation of mitigation measure **MM-AQ-1b**, operational-related impacts related to **Impact AQ-1b** would be reduced but would remain significant and unavoidable.

### Impact AQ-2: Increase in Criteria Pollutants

Buildout of the proposed project would result in a net increase in emissions of criteria pollutants that the San Diego Air Basin is currently in nonattainment or maintenance status. The net changes in the emissions from project buildout would exceed project-level emission thresholds established by the SDAPCD for ROG, CO, PM10, and PM2.5. The project would intensify development which will increase vehicle trips and energy consumption within the plan area. Therefore, both area and mobile source emissions would increase.

### Proposed Mitigation

**MM AQ-1a: Fugitive Dust and Exhaust Control Measures.**

**MM AQ-1b: Mitigation Measures to Reduce Project Operational Emissions.**

## Finding

The City Council of the City of National City hereby finds that:

- (X) Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( )** Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (X) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

## Rationale for Finding

The project would intensify development, which would increase vehicle trips and energy consumption within the plan area. Therefore, both area and mobile source emissions would increase. Mitigation would be applied to reduce ROG, CO, PM10, and PM2.5. However, because the plan would anticipate a population increase from 1,457 to 6,384 and an accompanying increase in vehicle trips and VMTs, even with implementation of MM AQ-1a and MM AQ-1b, long-term impacts related to Impact AQ-2 would be significant and unavoidable.

## Impact AQ-3: Heath Risk from Proximity to I-5

Residents within the Westside area would have a risk of approximately 188 per 1 million as that level of risk corresponding to the highest predicted risk at 400 feet from the edge of the nearest travel lane to the nearest receptor for the highest peak traffic volume (i.e., 16,000 vehicle per hour) considered downwind (east) of I-5. This highest risk of 188 per 1 million represents a significant health risk impact when compared to the SDAPCD threshold of 10 per 1 million.

Given the lack of specifics in terms of future development within the plan area, it is impossible to perform a site-specific analysis at this point. Future projects within the plan area would be required to perform an analysis to determine the health risk associated with placing sensitive receptors near the freeway. Thus, the proposed project would be required to perform a screening-level health risk analysis. If it was determined that potential exists to exceed the 10 in 1 million threshold, then a site-specific HRA would be required.

## Proposed Mitigation

**MM AQ-3: Building Design Measures to Reduce Exposure of Residents to Pollutant Emissions.** Mitigation measures to reduce pollutant emissions for any proposed new development in close proximity (i.e., within 500 feet) of I-5 shall include:

- providing the facility with individual heating, ventilation, and air conditioning (HVAC) systems in order to allow adequate ventilation with windows closed;
- locating air intake systems for HVAC systems as far away from the existing air pollution sources as possible;
- using high efficiency particulate air (HEPA) air filters in the HVAC system and developing a maintenance plan to ensure the filtering system is properly maintained; and
- utilizing only fixed windows next to any existing sources of pollution;
- explore the use of vegetated berms and walls along I-5 to help reduce residential land use exposure to emissions from I-5. Consult with Caltrans to determine the feasibility of installing vegetated berms/walls.

## Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (X) **Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

## Rationale for Finding

Implementation of the above mitigation measures for each future development projects within the plan area would help to reduce the health risk associated with proximity to the roadway. However, the screening level analysis shows that the potential exists for a significant impact due to proximity to I-5. Given the lack of



specifics in terms of future development within the plan area, it is impossible to perform a site-specific analysis at this point. Future projects within the plan area would be required to perform an analysis to determine the health risk associated with placing sensitive receptors near the freeway. Mitigation measure MM AQ-3 would substantially reduce the health risk to sensitive receptors, but without specific project level information, the analysis cannot determine if it would be below the SDAPCD threshold. Therefore, **Impact AQ-3** is considered to be significant and unavoidable.

## Impact AQ-4: Greenhouse Gas Emissions

Implementation of the proposed project would result in a net increase in local GHG emissions from within the Westside area over existing conditions as more residents and commercial and office space would result in more vehicle trips and energy consumption within the plan area. Assuming 75% buildout in 2030, the proposed project would result in approximate 115,760 metric tons of CO<sub>2</sub>e per year. This would represent an approximately 49,718 metric ton per year increase over Business As Usual (BAU) conditions. This would result in a significant impact and mitigation measure MM AQ-4 is required.

### Proposed Mitigation

**MM AQ-4: Project Design Features to Reduce Project Contribution to Climate Change.** There are a number of project design features that could be included in the proposed project that will help to reduce future GHG emissions. Below is a list of potential design features that should be incorporated, as feasible, into future projects to ensure consistency with adopted State-wide plans and programs. The measures outlined below are not meant to be exhaustive, but are meant to provide a sample list of measures that could be incorporated into future project design.

#### Energy Efficiency

- Design buildings to be energy efficient.
- Install efficient lighting and lighting control systems. Site and design building to take advantage of daylight.
- Use trees, landscaping and sun screens on west and south exterior building walls to reduce energy use.
- Install light colored “cool” roofs and cool pavements.
- Provide information on energy management services for large energy users.
- Install energy efficient heating and cooling systems, appliances and equipment, and control systems.

- Install light emitting diodes (LEDs) for traffic, street and other outdoor lighting.
- Limit the hours of operation of outdoor lighting.
- Use solar heating, automatic covers, and efficient pumps and motors for pools and spas.

#### Renewable Energy

- Install solar or wind power systems and solar hot water heaters. Educate consumers about existing incentives.
- Install solar panels on carports and over parking areas.
- Use combined heat and power in appropriate applications.

#### Water Conservation and Efficiency

- Create water-efficient landscapes in accordance with City Land Use Code Chapter 18.54.
- Install water-efficient irrigation systems and devices, such as soil moisture-based irrigation controls.
- When available, use reclaimed water for landscape irrigation in new developments and on public property.
- Design buildings to be water-efficient. Install water-efficient fixtures and appliances.
- Use of graywater (or untreated household waste water from bathtubs, showers, bathroom wash basins, and water from clothes washing machines). For example, install dual plumbing in all new development allowing graywater to be used for landscape irrigation.
- Restrict watering methods (*e.g.*, prohibit systems that apply water to non-vegetated surfaces) and control runoff.
- Restrict the use of water for cleaning outdoor surfaces and vehicles.
- Implement low-impact development practices that maintain the existing hydrologic character of the site to manage storm water and protect the environment. (Retaining storm water runoff on-site can drastically reduce the need for energy-intensive imported water at the site).
- Devise a comprehensive water conservation strategy appropriate for the project and location. The strategy may include many of the specific items listed above, plus other innovative measures that are appropriate to the specific project.
- Provide education about water conservation and available programs and incentives.

Solid Waste Measures

- Reuse and recycle construction and demolition waste (including, but not limited to, soil, vegetation, concrete, lumber, metal, and cardboard) in accordance with City Municipal Code 15.80.
- Provide interior and exterior storage areas for recyclables and green waste and adequate recycling containers located in public areas.

Transportation and Motor Vehicles

- Limit idling time for commercial vehicles, including delivery and construction vehicles in accordance with City Municipal Code 11.34.

City Strategies: Implementation of the Westside Specific Plan and through the General Plan update, the city may do the following:

- Incorporate low or zero-emission vehicles, including construction vehicles.
- Promote ride sharing programs *e.g.*, by designating a certain percentage of parking spaces for ride sharing vehicles, designating adequate passenger loading and unloading and waiting areas for ride sharing vehicles, and providing a web site or message board for coordinating rides.
- Create car sharing programs. Accommodations for such programs include providing parking spaces for the car share vehicles at convenient locations accessible by public transportation.
- Create local “light vehicle” networks, such as neighborhood electric vehicle (NEV) systems.
- Provide the necessary facilities and infrastructure to encourage the use of low or zero-emission vehicles (*e.g.*, electric vehicle charging facilities and conveniently located alternative fueling stations).
- Increase the cost of driving and parking private vehicles by, *e.g.*, imposing tolls and parking fees.
- Institute a low-carbon fuel vehicle incentive program.
- Work with MTS or other transit agency to provide shuttle service to public transit.
- Work with MTS or other transit agency to provide public transit incentives such as free or low-cost monthly transit passes.
- Partner with SANDAG to promote “least polluting” ways to connect people and goods to their destinations.
- Incorporate bicycle lanes and routes into street systems, new subdivisions, and large developments.
- Incorporate bicycle-friendly intersections into street design.
- Work with new commercial and multi-family projects; provide adequate bicycle parking near building entrances to promote cyclist safety, security,

and convenience. For large employers, provide facilities that encourage bicycle commuting, including, *e.g.*, locked bicycle storage or covered or indoor bicycle parking.

- Create bicycle lanes and walking paths directed to the location of schools, parks and other destination points.
- Work with the school district to restore or expand school bus services.
- Encourage businesses to telecommute and/or offer flexible work hours program, provide information, training, and incentives to encourage participation, and provide incentives for equipment purchases to allow high-quality teleconferences.
- Provide information on all options for individuals and businesses to reduce transportation-related emissions. Provide education and information about public transportation.

Further, the Attorney General's Office has identified a non-exhaustive list of measures to reduce GHG emissions at the general plan level. Through the development of the General Plan update, the City may include such measures that would be utilized in the Westside area that would include, but are not limited to, the following:

- Work with new development applicants to use a higher level of efficiency through design.
- Require that all new government buildings, and all major renovations and additions, meet identified green building standards.
- Ensure availability of funds to support enforcement of code and permitting requirements.
- Adopt a "Green Building Program" to require or encourage green building practices and materials. The program could be implemented through, *e.g.*, a set of green building ordinances.
- Require orientation of buildings to maximize passive solar heating during cool seasons, avoid solar heat gain during hot periods, enhance natural ventilation, and promote effective use of daylight. Building orientation, wiring, and plumbing should optimize and facilitate opportunities for on-site solar generation and heating.
- Provide permitting-related and other incentives for energy efficient building projects, *e.g.*, by giving green projects priority in plan review, processing and field inspection services.
- Conduct energy efficiency audits of existing buildings by checking, repairing, and readjusting heating, ventilation, air conditioning, lighting, water heating equipment, insulation and weatherization. Offer financial incentives for adoption of identified efficiency measures.

- Partner with community services agencies to fund energy efficiency projects, including heating, ventilation, air conditioning, lighting, water heating equipment, insulation and weatherization, for low income residents.
- Target local funds, including redevelopment and Community Development Block Grant resources, to assist affordable housing developers in incorporating energy efficient designs and features.
- Provide innovative, low-interest financing for energy efficiency and alternative energy projects. For example, allow property owners to pay for energy efficiency improvements and solar system installation through long-term assessments on individual property tax bills.
- Fund incentives to encourage the use of energy efficient vehicles, equipment and lighting. Provide financial incentives for adoption of identified efficiency measures.
- Require environmentally responsible government purchasing. Require or give preference to products that reduce or eliminate indirect greenhouse gas emissions, *e.g.*, by giving preference to recycled products over those made from virgin materials.
- Require that government contractors take action to minimize greenhouse gas emissions, *e.g.*, by using low or zero-emission vehicles and equipment.
- Adopt a “heat island” mitigation plan that requires cool roofs, cool pavements, and strategically placed shade trees. (Darker colored roofs, pavement, and lack of trees may cause temperatures in urban environments to increase by as much as 6-8 degrees Fahrenheit as compared to surrounding areas.) Adopt a program of building permit enforcement for re-roofing to ensure compliance with existing state building requirements for cool roofs on non-residential buildings.
- Adopt a comprehensive water conservation strategy. The strategy may include, but not be limited to, imposing restrictions on the time of watering, requiring water-efficient irrigation equipment, and requiring new construction to offset demand so that there is no net increase in water use. Include enforcement strategies, such as citations for wasting water.
- Encourage Sweetwater Authority to adopt water conservation pricing, *e.g.*, tiered rate structures, to encourage efficient water use.
- Ensure compliance with the City’s adopted water-efficient landscape ordinance, Chapter 18.54 of the Land Use Code.
- Strengthen local building codes for new construction and implement a program to renovate existing buildings to require a higher level of water efficiency.
- Adopt ordinances requiring energy and water efficiency upgrades as a condition of issuing permits for renovations or additions, and on the sale of residences and buildings.

- Work with Sweetwater Authority to continue to provide individualized water audits to identify conservation opportunities. Provide financial incentives for adopting identified efficiency measures.
- Work with Sweetwater Authority to provide water audits for large landscape accounts. Provide financial incentives for efficient irrigation controls and other efficiency measures.
- Encourage water efficiency training and certification for irrigation designers and installers, and property managers.
- Implement or expand city recycling and composting programs for residents and businesses. Require commercial and industrial recycling.
- Work with the trash collector (EDCO) to extend the types of recycling services offered (*e.g.*, to include food and green waste recycling).
- Implement Community Choice Aggregation (CCA) for renewable electricity generation. (CCA allows cities and counties, or groups of them, to aggregate the electric loads of customers within their jurisdictions for purposes of procuring electrical services. CCA allows the community to choose what resources will serve their loads and can significantly increase renewable energy.)
- Preserve existing conservation areas (*e.g.*, forested areas, agricultural lands, wildlife habitat and corridors, wetlands, watersheds, and groundwater recharge areas) that provide carbon sequestration benefits.
- Establish a mitigation program for development of conservation areas. Impose mitigation fees on development of such lands and use funds generated to protect existing, or create replacement, conservation areas.
- Provide public education and information about options for reducing greenhouse gas emissions through responsible purchasing, conservation, and recycling.

In addition, it is recommended that the City develop a Climate Action Plan or Policy. A Climate Action Plan or Policy includes a comprehensive climate change action plan that includes: a baseline inventory of greenhouse gas emissions from all sources; greenhouse gas emissions reduction targets and deadlines; and enforceable greenhouse gas emissions reduction measures.

Adoption of the measures cited above when fully incorporated into the Westside Specific Plan area will lessen GHG emissions from within the project area and potentially achieve a reduction target of 29% below BAU, as stated in AB32. Of particular efficacy, the requirements for energy-efficient buildings are likely to be the largest source of GHG emissions reductions of all the measures described above. It is also important to note that future state actions taken pursuant to AB 32 including requirements for lower carbon-content in motor vehicle fuels, improved vehicle mileage standards (provided California is not barred due to federal action), and an increased share of renewable energy in electricity

generation will also serve, in time, to further reduce GHG emissions related to this project.

## Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- ( ) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.

## Rationale for Finding

As future development projects are proposed, the Westside Specific Plan would require new development to implement measures listed in MM AQ-4 to reduce GHG emissions from individual projects. As future projects implement these measures, overall GHG emissions through the life of the plan would be cut by a substantial amount. Project-related impacts related to **Impact AQ-4** would be less than significant.

## Cumulative Impact AQ-2: Cumulative Increase in Criteria Pollutants

Buildout of the proposed project would result in a cumulatively considerable net increase in emissions of criteria pollutants ROG, CO, PM10, and PM2.5 for which the SDAB is currently in nonattainment or maintenance

## Proposed Mitigation

**MM AQ-1a: Fugitive Dust and Exhaust Control Measures.**

**MM AQ-1b: Mitigation Measures to Reduce Project Operational Emissions.**

## Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (X) **Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

## Rationale for Finding

The project would intensify development, which would increase vehicle trips and energy consumption within the plan area. Therefore, both area and mobile source emissions would increase. Mitigation would be applied to reduce ROG, CO, PM10, and PM2.5. However, because the plan would anticipate a population increase from 1,457 to 6,384 and an accompanying increase in vehicle trips and VMTs, even with implementation of MM AQ-1a and MM AQ-1b, long-term impacts related to **Cumulative Impact AQ-2** would be significant and unavoidable. No other feasible mitigation has been identified to reduce emissions from these sources.

## Cumulative Impact AQ-4: Cumulative Greenhouse Gas Emissions

Implementation of the proposed project would result in a net increase in local GHG emissions from within the Westside area over existing conditions, as more residents and commercial and office space would result in more vehicle trips and energy consumption within the plan area. Assuming 75% buildout in 2030, the proposed project would result in approximate 115,760 metric tons of CO<sub>2</sub>e per year. This would represent an approximately 49,718 metric ton per year increase over Business As Usual (BAU) conditions. This would result in a significant impact and mitigation measure MM AQ-3 is required. The proposed project would contribute 43,242 metric tons of CO<sub>2</sub>e per year at buildout. While mitigation is proposed to reduce the GHG emissions within the Westside Specific Plan area, the project's overall contribution to this cumulative impact would be cumulatively considerable and significant.



## Proposed Mitigation

### **MM AQ-4: Project Design Features to Reduce Project Contribution to Climate Change.**

## Finding

The City Council of the City of National City hereby finds that:

- (X) Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.**
- (X) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

## Rationale for Finding

As future development projects are proposed, the Westside Specific Plan would require new development to implement measures listed in MM AQ-4 to reduce GHG emissions from individual projects. As future projects implement these measures, overall GHG emissions through the life of the plan will be cut by a substantial amount. However, even with the project's reduced GHG emissions, when combined with the cumulative GHG emissions in the region and ultimately at the global level, the project's contribution would be considered cumulatively considerable and significant. Project-related impacts related to **Cumulative Impact AQ-4** would remain significant and unavoidable.

## Noise

For a full discussion of noise impacts, see Chapter 3.3 of the Westside Specific Plan Draft EIR and any revisions contained in Chapter 3 of the final EIR.

---

## Impact NOI-1: Exceed a Noise Standard and Result in a Substantial Temporary Increase in Noise Levels (Construction)

The proposed project would not directly result in new construction within the plan area. However, construction associated with future projects proposed under the project would create noise from activities such as ground clearing, grading, hauling materials to the site, constructing foundations and structures, and finishing work. The magnitude of the increases would depend on the type of construction activity, the noise level generated by various pieces of construction equipment, site geometry (i.e., shielding from intervening terrain or other structures), and the distance between the noise source and receiver.

Noise levels of this magnitude would be temporary in nature and would cease once construction was completed. The City's noise ordinance exempts construction activities from the noise standard (providing that such activities take place between the hours of 7:00 a.m. and 7:00 p.m. Monday through Friday) but limits construction noise to no more than 75 dBA at type 1 residential properties and 85 dBA at type 2 residential/commercial properties. Construction noise dependent on location from the closest sensitive receptor could exceed these noise levels and would require mitigation measures to reduce noise levels to the greatest extent practicable (mitigation measures are presented below). However, even with the inclusion of mitigation measures, construction noise could still exceed the City's construction thresholds.

Individual projects could occur as an indirect result of the proposed project within the plan area, which in some cases may require demolition or construction of new structures that would potentially result in a temporary increase in noise levels. Dependent on location, projects could exceed the City's noise thresholds presented in the City's Municipal Code Chapter 12.10.160 and would require mitigation measures to reduce noise levels to the greatest extent practicable. However, even with the inclusion of mitigation measures, construction noise could still exceed the City's noise ordinance. Therefore, impacts are considered potentially significant and unavoidable.

### Proposed Mitigation

**MM NOI-1: Implement Construction Noise Reduction Measures.** Mitigation measures MM NOI-1.1 through MM NOI-1.8 shall be implemented as applicable to future projects proposed within the Westside Specific Plan area.

**MM NOI-1.1: Equipment Sound Attenuation.** All noise-producing construction equipment and vehicles using internal combustion engines shall be equipped with mufflers, air-inlet silencers where appropriate, and any other shrouds, shields, or other noise-reducing features in good operating condition that meet or exceed original factory specification.

Mobile or fixed “package” equipment (e.g., arc-welders, air compressors) shall be equipped with shrouds and noise control features that are readily available for that type of equipment.

**MM NOI-1.2. Use of Electrical Equipment.** Electrically powered equipment shall be used instead of pneumatic or internal combustion powered equipment, where feasible.

**MM NOI-1.3. Distance from Sensitive Receptors.** Material stockpiles and mobile equipment staging, parking, and maintenance areas shall be located as far as practicable from noise-sensitive receptors.

**MM NOI-1.4. Construction Traffic Speeds.** Construction site and access road speed limits shall be established and enforced during the construction period.

**MM NOI-1.5. Hours of Construction.** Construction operations shall not occur between 7:00 p.m. and 7:00 a.m. Monday through Friday, or at any time on weekends or holidays. The hours of construction, including noisy maintenance activities and all spoils and material transport, shall be restricted to the periods and days permitted by the local noise or other applicable ordinance. Noise-producing construction activity shall comply with, or in special circumstances obtain exemptions from, local noise control regulations affecting construction activity.

**MM NOI-1.6. Use of Noise-Producing Signals.** The use of noise-producing signals, including horns, whistles, alarms, and bells, shall be for safety warning purposes only.

**MM NOI-1.7. Use of Public Address or Music Systems.** No project-related public address or music system shall be audible at any adjacent sensitive receptor.

**MM NOI-1.8. Noise Complaint Process.** The onsite construction supervisor shall have the responsibility and authority to receive and resolve noise complaints. A clear appeal process to the owner shall be established prior to construction commencement that will allow for resolution of noise problems that cannot be immediately solved by the site supervisor.

## Finding

The City Council of the City of National City hereby finds that:

- (X) Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**

- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (X) **Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

### Rationale for Finding

Construction noise dependent on location from the closest sensitive receptor could exceed these noise levels and would require mitigation measures to reduce noise levels to the greatest extent practicable. However, even with the inclusion of mitigation measures MM NOI-1.1 through MM NOI-1.8, construction noise could still exceed the City's construction thresholds. Therefore, **Impact NOI-1** would be considered significant and unavoidable.

### Impact NOI-2: Exceed a Noise Standard (Operation)

Rail noise was calculated using the FTA's Rail Noise Model using existing schedules for the San Diego Metropolitan Transit System's (MTS) Blue line Trolley schedule (San Diego MTS 2007). Based on this modeling, new residential developments within approximately 150 feet of the rail line experience an exterior noise level of 55 dBA  $L_{eq}$  or higher. This noise level would exceed the City's thresholds for exterior noise levels. Therefore, impacts would be potentially significant and unavoidable, and mitigation measures would have to be included to reduce noise levels at sensitive receptors.

### Proposed Mitigation

**MM NOI-2: Trolley Line Noise Study.** Prior to approval of final site design, any project located within 300 feet of or with direct line of sight to the existing MTS Trolley Line shall perform a noise study conducted by a qualified noise consultant to determine potential impacts on noise-sensitive land uses.

### Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (X) **Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

### Rationale for Finding

While MM NOI-2 would require the preparation of a noise study if a project is within 150 feet of the rail line, there is no assurance that feasible mitigation will be identified at the project level. Therefore, **Impact NOI-2** would remain significant and unavoidable.

### Impact NOI-3: Excessive Groundborne Vibrations or Groundborne Noise

Individual projects could occur as an indirect result of the proposed project within the plan area, which in some cases may require demolition or construction of new structures that would potentially result in a temporary increase in vibration and noise levels. The City's Municipal Code Title 12 Chapter 12.10.180 sets vibration thresholds that could be exceeded as a result of future construction or future projects.

### Proposed Mitigation

**MM NOI-3: Vibration Study.** Prior to approval of final site design, any project proponent that would propose driving pilings or performing an action that could cause substantial vibrations shall perform a vibration study conducted by a qualified vibration consultant to determine potential impacts on surrounding vibration-sensitive land uses and identify mitigation measures as appropriate.

### Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (X) **Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

### Rationale for Finding

While MM NOI-3 would require the preparation of a vibration study if a project proposes construction with substantial vibration, there is no assurance that feasible mitigation will be identified at the project level. Therefore, **Impact NOI-3** would remain significant and unavoidable.

### Impact NOI-4: Permanent Increase in Ambient Noise

The proposed project would result in an increase to the future 65 dBA CNEL contour on the local roadway network. Although future project design would ensure interior noise levels do not exceed interior noise standards, portions of sites that abut major roadways would experience significant noise at locations adjacent to major streets. For projects that may experience substantial noise where the project abuts streets, mitigation may be proposed at the project level. However, at the program level, no mitigation is feasible. With the proposed project, traffic noise would result in a substantial permanent increase in ambient noise levels within the project vicinity and this increase would be significant.

### Proposed Mitigation

**MM NOI-4: Traffic Noise Study.** For noise sensitive projects within 100 feet of the centerline of Civic Center Drive and Wilson Drive, within 150 feet of the centerline of Plaza Boulevard, within 250 feet of the centerline of National City Boulevard, within 350 feet of Mile of Cars Way/24<sup>th</sup> Street, or within 1,200 feet of Interstate 5, a noise study shall be prepared to determine the estimated noise levels on-site and to identify any feasible project-level mitigation measures to reduce noise impacts to a level less than significant.

## Finding

The City Council of the City of National City hereby finds that:

- (X) Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.**
- (X) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

## Rationale for Finding

While MM NOI-4 would require the preparation of a traffic noise study if a project is within a certain distance from a major roadway, there is no assurance that feasible mitigation will be identified at the project level. Therefore, **Impact NOI-4** would remain significant and unavoidable.

## Cumulative Impact NOI-1: Cumulative Construction Noise

Construction of other related projects concurrently with nearby development projects could cumulatively increase noise levels and adversely affect nearby noise-sensitive uses. The proposed projects contribution to cumulative noise impacts would be significant.

## Proposed Mitigation

**MM NOI-1: Implement Construction Noise Reduction Measures.**

**MM NOI-3: Vibration Study.**

## Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (X) **Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

### Rationale for Finding

While MM NOI-1 would require several noise attenuation measures to reduce construction noise and MM NOI-3 would require the preparation of a vibration study if a project is proposing pile driving or other actions that would cause strong vibrations, there is no assurance that MM NOI-1 would reduce all construction noise to less than significant or that MM NOI-3 would reduce vibration noise to less than significant. Consequently, when construction projects within the Westside Specific Plan are combined with cumulative projects in the area, a cumulatively considerable impact could occur. Therefore, **Cumulative Impact NOI-1** would remain significant and unavoidable.

## Traffic and Circulation

For a full discussion of traffic impacts, see Chapter 3.1 of the Westside Specific Plan Draft EIR and any revisions contained in Chapter 3 of the final EIR.

### Cumulative Impact TR-1: I-5 Freeway Segments

A Freeway Mainline Analysis was conducted to determine if the proposed project would contribute to a cumulatively considerable impact on I-5. Table 3.1-15 in Section 3.1 of the draft EIR contrasts the freeway segment delays in 2030 without and with the project. The analysis determined that the project would contribute to a significant cumulative impact at the following segments:

- **I-5 north of Civic Center Drive (LOS F(2) during the AM peak hour and E during the PM peak hour in the northbound direction and LOS F(3) in the southbound direction during the PM peak hour).**



- **I-5 between Civic Center Drive and 24th Street** (LOS F(0) northbound direction during the AM peak hour and LOS F(1) in the southbound direction during the PM peak hour).
- **I-5 between 24th Street and SR 54** (LOS F(0) northbound direction during the AM peak hour and LOS F(1) in the southbound direction during the PM peak hour).

### Proposed Mitigation

No feasible mitigation was identified during the environmental analysis or in subsequent comments on the draft EIR.

### Finding

The City Council of the City of National City hereby finds that:

- ( ) Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (X) **Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.**

### Rationale for Finding

No feasible mitigation is available for the I-5 freeway cumulative impacts North of Civic Center Drive, Civic Center Drive to 24<sup>th</sup> Street, and 24<sup>th</sup> Street to SR-54. Caltrans does not have an existing impact fee program to mitigate cumulative impacts along the I-5 South Corridor. The City is planning to participate in a multi-jurisdictional effort to identify options to address this cumulative impact. However, without an existing work plan in place and a corresponding impact fee program, fair share mitigation is not a feasible mitigation measure at this time. The project's incremental contribution (**Cumulative Impact TR-1**) would be cumulatively significant and unavoidable.

## Biological Resources

For a full discussion of biological impacts, see Chapter 3.5 of the Westside Specific Plan Draft EIR and any revisions contained in Chapter 3 of the final EIR.

### Impact BIO-1: Special-Status Species

Although no special-status species were observed during the wetland delineation and habitat assessment, potentially suitable riparian habitat is present within the plan area for the following special-status species: Belding's savannah sparrow, light-footed clapper rail, California least tern (foraging), and salt marsh bird's beak.

### Proposed Mitigation

**MM BIO-1: Focused Surveys.** Prior to the issuance of any grading, building, or other construction permit within the proposed plan area, a habitat assessment shall be conducted for the parcel to determine whether the potential exists for special-status species to occur. If the habitat assessment identifies potentially suitable habitat for special-status species, a focused survey shall be conducted by a qualified biologist to determine whether special-status species occur within the plan area. If no species are observed or detected during focused surveys, additional mitigation shall not be required. However, if special-status species are observed/detected, project-specific mitigation measures shall be formulated and required to mitigate impacts on special-status species to below a level of significance. Coordination/consultation with the USFWS under ESA and the CDFG under CESA shall be required for any proposed impacts on federally listed and/or state listed species, respectively.

**MM BIO-3: Resource Agency Permits/Approvals.** If restoration/revegetation efforts are proposed that would result in impacts on riparian vegetation, permits/approvals would be required from one or more of the following agencies: USACE, CDFG, and RWQCB. Prior to implementation of individual restoration/revegetation projects, permits/approvals shall be obtained from the resource agencies, or documentation shall be obtained from these agencies indicating that permits/approvals are not required.

### Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- ( ) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.

### Rationale for Finding

Implementation of mitigation measures **MM BIO-1** through **MM BIO-3** would reduce impacts on special-status species to a less-than-significant level by requiring focused surveys to determine the presence of special status species and then by requiring consultation with the wildlife agencies to determine how best to avoid impacts on sensitive species. These measures, combined with the Westside Specific Plan's goal of preserving Paradise Creek, would ensure a significant impact would not occur on special status species (**Impact BIO-1**).

### Impact BIO-2: Nesting Bird/Raptor Habitat

The plan area provides suitable nesting habitat for birds and raptors protected under the MBTA. Direct impacts (through loss of habitat) and indirect impacts (through increased noise and dust during construction) on nesting birds/raptors resulting from the implementation of specific development projects within the proposed plan area would be considered significant.

### Proposed Mitigation

**MM BIO-2: Preconstruction Nesting Bird Surveys.** If construction activities occur between January 15 and August 31, a preconstruction survey (within three days prior to construction activities) shall be conducted by a qualified biologist to determine if active nests are present within or adjacent to the plan area proposed for development in order to avoid the nesting activities of breeding birds/raptors.

If nesting activities within 200 feet of the proposed work area are not detected, construction activities may proceed. If nesting activities are confirmed, construction activities shall be delayed within an appropriate buffer from the active nest until the young birds have fledged and left the nest or until the nest is no longer active as determined by a qualified biologist. The size of the

appropriate buffer shall be determined by a qualified biologist, but shall be at least 25 feet.

## Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- ( ) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.

## Rationale for Finding

Implementation of the mitigation measures **MM BIO-2** will reduce impacts on nesting birds (**Impact BIO-2**) to a less-than-significant level by ensuring nests are identified prior to any construction activity and then by ensuring a buffer is established to avoid disturbing a nest.

## Impact BIO-3: Natural Habitat

The plan area is primarily developed but supports some undeveloped areas, most notably Paradise Creek, which supports southern coastal salt marsh (a riparian habitat). The Specific Plan includes requirements that all new development be set back from Paradise Creek in coordination with CDFG to protect against impacts on the Creek and its associated riparian habitat. Once specific development is proposed, the provided buffers would be reviewed by the City and CDFG to ensure a significant impact does not occur to Paradise Creek. Similarly, the Specific Plan also allows for restoration/revegetation efforts within and adjacent to Paradise Creek, which have the potential to result in significant impacts on riparian habitat. In addition, specific development projects within other undeveloped areas of the Plan area could result in impacts on sensitive natural communities.

---

## Proposed Mitigation

### **MM BIO-1: Focused Surveys.**

### **MM BIO-2: Preconstruction Nesting Bird Surveys.**

### **MM BIO-3: Resource Agency Permits/Approvals.**

**MM BIO-4: Habitat Assessment/Biology Report.** During the application process of future development projects within the Plan area, a habitat assessment shall be conducted when warranted in areas undisturbed by prior development to determine whether sensitive natural communities (including riparian vegetation) are present. If the habitat assessment identifies sensitive natural communities, a biological report shall be prepared to address impacts on sensitive natural communities resulting from the proposed project. The report shall identify mitigation measures to reduce all significant impacts to below a level of significance to the greatest extent feasible. If no sensitive natural communities are observed during the habitat assessment, additional mitigation shall not be required.

**MM BIO-5: Trail Restrictions.** Trails shall be kept out of the jurisdictional wetland areas and in areas of biological sensitivity. Biological sensitivity shall be determined by a qualified biologist in consultation with the wildlife agencies as appropriate. Trails shall be sensitively placed to consider biological and/or cultural resources areas along Paradise Creek and aligned roughly perpendicular to the length of the creek (i.e. spur trails). There interpretive areas and spur trails shall avoid biologically sensitive areas or areas with strong potential for effective habitat restoration and enhancement of species diversity.

**MM BIO-6: Install Fencing and Signage.** Permanent fencing shall be installed at the outside edge of the riparian area. The type, placement, and height of such fencing shall be determined in consultation with the project biologist and the wildlife agencies. The fencing shall be designed to restrict human and domestic animals encroachment in the adjacent habitat (including not permitting picnic areas within sensitive resource areas). The signage shall inform people that sensitive habitat lie beyond the fencing and entering the area is prohibited by law.

**MM BIO-7: Placement of Post Construction BMPs and Discharge of Water Runoff.** All post construction structural BMPs shall be located outside the wetland and the riparian corridor. Furthermore, all filtration and attenuation of surface flows provided by the proposed BMPs shall occur prior to the discharge of the flows into the riparian areas.

**MM BIO-8: Lighting Restrictions.** No additional lighting shall be provided within the vicinity of both upland and wetland sensitive habitats, and where feasible, any existing lighting within such areas shall be removed. The definition of "vicinity" shall be determined by a qualified biologist and the determination supported with substantial evidence.

**MM BIO-9: Attenuation of Construction Noise.** In addition to implementing MM NOI-1, future construction activities, including construction staging areas, shall employ methods to reduce construction noise and operational noise levels at the edge of sensitive resources that may include temporary noise attenuation barriers and other measures that would reduce noise levels to an acceptable level as determined by the project biologist in consultation with CDFG.

**MM BIO-10: Attenuation of Operational Noise.** Excessive noise generating sources shall be located away from the Paradise Creek riparian areas to maintain existing ambient noise levels. "Excessive" noise sources shall be defined as sources which exhibit noise levels in excess of 65 dBA CNEL (or 65 dBA 1-hour Leq) at or beyond the edge of the environmentally sensitive area. Possible examples of such sources include but are not limited to cargo delivery and pick-up areas, HVAC systems, sirens or other warning systems, and communication systems. If noise levels at the environmentally sensitive area are suspected of being greater than 65 dBA Leq, a noise study shall be prepared and measures recommended demonstrating how construction noise can be reduced.

**MM BIO-11: Landscape Requirements.** In areas of sensitive habitat, proposed landscaping palettes shall consist of native and drought-tolerant plants and vegetation. Exotic and invasive plants, as identified on the California Invasive Plant Council's (Cal-IPC) Invasive Plant Inventory shall not be used. Landscaping adjacent to the Paradise Creek riparian area shall be drought-tolerant and use minimal fertilizers and pesticides. As required by MM BIO-7, water runoff shall be directed away from the buffer area and contained and/or treated with the development footprint. All new development shall comply with the City's Water Efficient Landscape Ordinance, Chapter 18.54 of the Land Use Code.

**MM BIO-12: Use of Non-Reflective Glass.** Development adjacent facing Paradise Creek shall incorporate the use of non-reflective glass for window design.

**MM BIO-13: Limit on Building Heights Adjacent to Paradise Creek.** Building heights within 175 feet of the outside edge of the jurisdictional riparian habitat shall be limited to a maximum of 50 feet with stepping back of the upper units or stories, or angling buildings to reduce the potential for excessive shading. Measures shall be incorporated into the building design to prevent predator perching. Buildings or components of buildings proposed more than 175 feet from the creek shall not be restricted to this height condition, but would meet the height limits for the zone of 60-feet identified in the Westside Specific Plan.

**MM BIO-14: Low Impact Development Water Quality and Hydrology Measures.** All subsequent development along Paradise Creek shall adhere to low impact development (LID) criteria as defined by current storm water best management practices which emphasize retention of rain on or near the site and consideration of use of pervious surface treatments.

## Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- ( ) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.

## Rationale for Finding

Implementation of the mitigation measures would reduce impacts on natural habitat to a less-than-significant level by avoiding and minimizing impacts on sensitive habitat. Implementing MM BIO-1 through MM BIO-14 would help avoid indirect and direct impacts from future development projects. These measures, combined with the Westside Specific Plan's goal of preserving Paradise Creek and other habitat areas, would ensure a significant impact would not occur on natural habitat (Impact BIO-3).

## Impact BIO-4: Jurisdictional Waters

The plan area is primarily developed but supports some undeveloped areas, most notably Paradise Creek. Any potential impacts on the Creek would be regulated by USACE, CDFG, and RWQCB. The Specific Plan also allows for restoration/revegetation efforts within and adjacent to Paradise Creek, which have the potential to result in significant impacts on jurisdictional wetlands/waters. Prior to any efforts to restore or revegetate Paradise Creek, consultation with USACE, CDFG, and RWQCB would be required.

## Proposed Mitigation

**MM BIO-1: Focused Surveys.**

**MM BIO-2: Preconstruction Nesting Bird Surveys.**

**MM BIO-3: Resource Agency Permits/Approvals.**

**MM BIO-4: Habitat Assessment/Biology Report.**

**MM BIO-5: Trail Restrictions.**

**MM BIO-6: Install Fencing and Signage.**

**MM BIO-7: Placement of Post Construction BMPs and Discharge of Water Runoff.**

**MM BIO-8: Lighting Restrictions.**

**MM BIO-9: Attenuation of Construction Noise.**

**MM BIO-10: Attenuation of Operational Noise.**

**MM BIO-11: Landscape Requirements.**

**MM BIO-12: Use of Non-Reflective Glass.**

**MM BIO-13: Limit on Building Heights Adjacent to Paradise Creek.**

**MM BIO-14: Low Impact Development Water Quality and Hydrology Measures.**

## **Finding**

The City Council of the City of National City hereby finds that:

- (X) Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- ( ) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.



---

## Rationale for Finding

Implementation of the mitigation measures would reduce impacts on jurisdictional waters to a less-than-significant level. Implementing MM BIO-1 through MM BIO-14 would help avoid indirect and direct impacts on jurisdictional waters from future development projects. These measures, combined with the Westside Specific Plan's goal of preserving Paradise Creek and the jurisdictional wetland, would ensure a significant impact would not occur on jurisdictional waters. Impact BIO-4 would be reduced to less than significant.

## Cultural Resources

For a full discussion of cultural resource impacts, see Chapter 3.4 of the Westside Specific Plan Draft EIR and any revisions contained in Chapter 3 of the final EIR.

### Impact CUL-1: Historic Buildings

There are potentially historic buildings and structures within the plan area. Future development, as permitted under the development standards proposed in Westside Specific Plan, would significantly impact potentially historic buildings and structures.

#### Proposed Mitigation

**MM CUL-1: Historic Building/Structure Evaluation.** Prior to future project approval and the issuance of any construction permit within the Westside Specific Plan area, including but not limited to a demolition or building permit, if research indicates that the onsite building(s) or structure(s) is 45 years or older, the applicant shall be required to conduct an evaluation of the onsite building(s) or structure(s) to determine if it is eligible for inclusion in the state or local historical registers. The evaluation shall be performed by a historian or architectural historian who meets the Secretary of Interior's Professional Qualification Standards for Historic Preservation Professionals. The historian/architectural historian shall consult with knowledgeable local groups (e.g. Save Our Heritage Organisation, National City Historical Society, San Diego Historical Society, and others) and individuals, appropriate archives, and appropriate repositories in an effort to identify the original and subsequent owners as well as the architect and the builder to establish whether any of these individuals played important roles in local or regional history (criterion B). Additionally the physical characteristics and condition of the building or structure shall be evaluated under criterion (C), and those judged to possess "the

distinctive characteristics of a type, period, region, or method of construction” shall be further assessed for integrity and context.

The results of the archival research and field assessment shall be documented in an evaluation report. This report will explicitly state whether the resource is eligible for either state or local historical registers and shall also make specific recommendations as appropriate. The historian/architectural historian shall complete the necessary California Department of Parks and Recreation (DPR) site forms (minimally Primary Record and Building/Structure/Object Record; others as required) and include as an attachment to the report. Copies of the DPR site forms shall be submitted to the California Historical Resource Information System via the SCIC, an auxiliary of San Diego State University.

## Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- ( ) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.

## Rationale for Finding

Prior to disturbing a potentially historic structure, an evaluation would be conducted to determine if the structure is historical. Specifically, the report would explicitly state whether the resource is eligible for either state or local historical registers and would make specific recommendations, as appropriate, to ensure a significant impact does not occur. Therefore, implementation of MM CUL-1 would ensure **Impact CUL-1** is less than significant.

## Impact CUL-2: Archaeological Resources

No *prehistoric* archaeological sites have been recorded at SCIC within the plan area. The most extensively studied areas are in the southern and southeastern

portions along the Sweetwater River channel and in the northwestern sector within the 32<sup>nd</sup> Street Naval Base.

However, the presence of the freshwater Paradise Creek would have been attractive to prehistoric populations, and temporary campsites and/or resource extraction sites would be expected near this water course. The virtual absence of Phase I or II archaeological studies within the plan area is due to the fact that relatively few of the parcels have undergone substantive development since the implementation of CEQA. However, the absence of recorded prehistoric or historic sites does not mean that cultural resources are not present within the plan area.

There are no known *historic* archaeological resources on site; however, building dates are unavailable for 184 parcels, and it is likely that most or all of these pre-date 1909 (the earliest year for which a building date is given). While it is unlikely that all 184 parcels had dwellings built on them prior to 1909, those that did must have relied on wells or cisterns for their water supply. There were also limited waste disposal options in the late 1800s and early 1900s; these included privy pits and septic systems as well as trash pits or simply discarding trash in vacant lots or canyons. When piped water and sewerage systems were brought into these neighborhoods, the abandoned wells and cisterns were frequently used as convenient places for trash disposal.

Current research was unable to determine exactly when municipal water and sewer systems became available within the plan area, but it may have been as late as the 1920s. Based on this analysis, many of the parcels within the plan area may contain potentially significant subsurface archaeological resources.

### Proposed Mitigation

**MM CUL-2: Archaeological Letter Report.** Prior to future project approvals and the issuance of any construction permits including but not limited to a grading permit, future construction projects within the Westside Specific Plan area shall obtain a qualified archaeologist to conduct a pedestrian survey and records search to determine the potential for the plan area containing significant archaeological resources. A qualified archaeologist shall be a registered professional archaeologist and possess an advanced degree in archaeology, history, or a related discipline. The findings from the pedestrian survey and records search shall be included in a brief archaeological letter report. The report shall conclude if the site has a low, moderate, or high potential to contain prehistoric and historic archaeological resources. Sites characterized with a low potential shall not be required to perform any additional investigative work nor implement any mitigation related to archaeological resources. Sites with a moderate to high potential shall undergo test and evaluation to determine if potentially significant archaeological resources are on site. If a resource is discovered on site and is determined significant based on the evaluation, the site shall be avoided or the qualified archaeologist shall prepare a data recovery plan

and require archaeological monitoring during excavation activities, as determined necessary. The details of the data recovery plan or mitigation monitoring shall be tailored to the specific circumstances at the site and shall be designed to reduce project-level impacts on archaeological resources to a level less than significant.

## Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- ( ) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.

## Rationale for Finding

Prior to future project approvals and the issuance of any construction permits including but not limited to a grading permit, an evaluation would be conducted to determine if the project site has a low, moderate, or high potential for containing archaeological resources. If the evaluation concludes that there is a moderate or high potential, additional study and mitigation would be required. Therefore, mitigation measure MM CUL-2 would reduce **Impact CUL-2** to less than significant.

## Impact CUL-3: Paleontological Resources

The study area is mapped as primarily underlain by Pleistocene-age nearshore marine deposits of the Bay Point Formation. Exceptions include the area along Paradise Creek drainage and the low-lying area west of Coolidge Avenue and generally north of West 17<sup>th</sup> Street. These two areas are mapped as underlain by modern alluvial and colluvial deposits (Kennedy and Tan 1977). Based on previous paleontological work in the Barrio Logan and Logan Heights areas of the City of San Diego, as well as the Las Palmas area of National City, the Bay Point Formation in this portion of the coastal plain is considered to have a moderate to high potential for yielding significant paleontological resources. Specific projects that would excavate more than 10 feet deep or disturb more

than 1,000 cubic yards of matrix would be considered to have a potentially significant adverse impact on paleontological resources.

### Proposed Mitigation

**MM CUL-3: Paleontological Letter Report.** Prior to future project approvals and the issuance of any construction permits including but not limited to a grading permit, future construction projects within the Westside Specific Plan area proposing a cut depth greater than 10 feet and 1,000 cubic yards shall obtain a qualified paleontologist to review the proposed construction and grading information to determine if the project would have a moderate to high potential of encountering paleontological resources. A qualified paleontologist shall possess an advanced degree in geology, paleontology, or a related discipline, and shall state his/her professional opinion in a brief paleontological letter report. The report shall include a recommendation as to whether paleontological mitigation monitoring shall be required and provide feasible mitigation at the project level to ensure a significant impact on paleontological resources would not result from future development projects proposed under the Westside Specific Plan.

### Finding

The City Council of the City of National City hereby finds that:

- (X) Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- ( ) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.

### Rationale for Finding

Prior to future project approvals and the issuance of any construction permits including but not limited to a grading permit for projects that would excavate more than 10 feet deep or disturb more than 1,000 cubic yards of soil, a qualified paleontologist shall state his/her professional opinion in a brief paleontological letter report. The recommendations of the report will be required as mitigation

for the project. Therefore, mitigation measure MM CUL-3 would reduce **Impact CUL-3** to less than significant.

## Impact CUL-4: Human Remains

The lack of information combined with appropriate prehistoric conditions means the possibility of unexpected human remains being present within the plan area cannot be categorically excluded. A significant impact would occur without mitigation.

### Proposed Mitigation

**MM CUL-2: Archaeological Letter Report.**

### Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- ( ) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.

### Rationale for Finding

Prior to future project approvals and the issuance of any construction permits including but not limited to a grading permit, an evaluation would be conducted to determine if the project site has a low, moderate, or high potential for containing archaeological resources. If the evaluation concludes that there is a moderate or high potential, additional study and mitigation would be required. Therefore, mitigation measure MM CUL-2 would reduce **Impact CUL-4** to less than significant.

---

## Hazards and Hazardous Materials

For a full discussion of hazards and hazardous materials impacts, see Chapter 3.9 of the Westside Specific Plan Draft EIR and any revisions contained in Chapter 3 of the final EIR.

### Impact HAZ-1: Create a Significant Hazard

The hazardous materials record search confirmed that historical industrial and commercial uses in the plan area have resulted in soil and groundwater contamination. Although existing industrial uses would be removed from the Westside Specific Plan area over time, and new industrial uses would not be permitted if the proposed project is approved, redevelopment of existing contaminated sites would potentially pose a significant hazard to the public or environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

Therefore, because the project would promote the redevelopment of parcels within the plan area, several of which have been subject to contamination, impacts from the redevelopment of such parcels would potentially result in a significant impact during grading, trenching, and general construction.

### Proposed Mitigation

**MM HAZ-1: Phase I Environmental Site Assessment.** Prior to future project approvals and when there has been identified prior use of hazardous material on site or in close proximity or other factors are present which indicate contaminated soils exist a Phase I Environmental Site Assessment (ESA) shall be completed for the project site proposed for development or redevelopment within the Westside Specific Plan boundaries. The Phase I ESA shall include a comprehensive records search, consideration of historical information, onsite evidence of hazardous material use, storage, or disposal, and a recommendation as to whether a Phase II soil testing and chemical analysis is required. In addition, the Phase I ESA will review the permit status of nearby businesses to ensure they are in compliance and would not pose a potentially significant impact on proposed new development.

**MM HAZ-2: Phase II Environmental Site Assessment.** If mitigation measure MM HAZ-1 requires a Phase II ESA, the Phase II ESA shall include, but not be limited to the following:

- A work plan that includes the number and locations of proposed soil/monitoring wells, sampling intervals, drilling and sampling methods, analytical methods, sampling rationale, site geohydrology, field screening methods, quality control/quality assurance, and reporting methods. Where

appropriate, the work plan is approved by a regulatory agency such as the DTSC, RWQCB, or County HMD.

- A site-specific health and safety plan signed by a Certified Industrial Hygienist.
- Necessary permits for encroachment, boring completion, and well installation.
- Sampling program (fieldwork) in accordance with the work plan and health and safety plan. Fieldwork is completed under the supervision of a State of California registered geologist.
- Hazardous materials testing through a state-certified laboratory.
- Documentation including a description of filed procedures, boring logs/well construction diagrams, tabulations of analytical results, cross-sections, an evaluation of the levels and extent of contaminants found, and conclusions and recommendations regarding the environmental condition of the site and the need for further assessment. A remedial action plan will be developed as determined necessary by the Principal Investigator. Contaminated groundwater will generally be handled through the NPDES/dewatering process.
- Disposal process including transport by a state-certified hazardous material hauler to a state-certified disposal or recycling facility licensed to accept and treat the identified type of waste.

**MM HAZ-3: Compliance with Local, State, and Federal Laws and Regulations (Phase III).** In the event hazardous materials are determined to be present, the property owner, developer, or responsible party shall be required to contact the local CUPA or applicable regulatory agency to oversee the remediation of the property in compliance with all applicable local, county, state, and federal laws. The property owner, developer, or responsible party shall be responsible for funding or securing funding for the site remediation and shall provide proof to the City that the site contaminants have been properly removed in compliance with all applicable laws and regulations prior to project development.

## Finding

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such



changes have been adopted by such other agency or can and should be adopted by such other agency.

- ( ) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.

**Rationale for Finding**

Implementation of mitigation measures MM HAZ-1 through MM HAZ-3 would ensure that any impacts from the existing presence of hazardous materials would be avoided by remediating the site prior to construction. Therefore, Impact HAZ-1 would be less than significant.

**Impact HAZ-2: Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school**

Proposed land uses, including the implementation of new uses that comply with the acceptable land uses or acceptable substitution of non-conforming land uses (Municipal Code Section 18.108 and 18.108.100) would not permit new industrial uses that might emit or handle hazardous or acutely hazardous materials. However, new development allowed by the proposed project could occur on currently contaminated sites and trigger further release of hazardous materials by causing the lateral spread of contaminated soils or groundwater during ground disturbance. Such spreading could impact existing schools within the plan area.

**Proposed Mitigation**

**MM HAZ-1: Phase I Environmental Site Assessment.**

**MM HAZ-2: Phase II Environmental Site Assessment.**

**MM HAZ-3: Compliance with Local, State, and Federal Laws and Regulations (Phase III).**

**Finding**

The City Council of the City of National City hereby finds that:

- (X) **Changes or alterations have been required in, or incorporated into, the project to avoid or substantially lessen the significant environmental effect as identified in the final EIR.**
- ( ) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- ( ) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or project alternatives identified in the final EIR.

### Rationale for Finding

Implementation of mitigation measures **MM HAZ-1** through **MM HAZ-3** would ensure that any impacts from the existing presence of hazardous materials would be avoided by remediating the site prior to construction. Therefore, **Impact HAZ-2** would be less than significant.

# Chapter 4

## Findings on Project Alternatives

### Overview

Chapter 7 of the draft EIR (with revisions in Chapter 3 of the final EIR) discusses a reasonable range of alternatives to satisfy Section 15126.6 of the CEQA Guidelines, which states that an “EIR shall describe a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project.” As such, the alternatives discussed within Chapter 7 meet most of the proposed project objectives and would either avoid or reduce some of the significant effects of the proposed project. In addition, as required by CEQA, the No Project Alternative is included in the analysis. All four alternatives have been qualitatively analyzed at a level that provides sufficient information about the environmental effects of each alternative for comparative purposes and to allow for informed decision-making. The alternatives identified for the Westside Specific Plan are:

- Alternative 1—No Project Alternative
- Alternative 2—No Mixed-Use Alternative
- Alternative 3—Reduced Buildout Alternative
- Alternative 4—Retain and Expand Industrial Uses Alternative

Alternatives considered and rejected from further comparison because they did not meet several of the main project objectives, did not reduce a significant environmental impact, or were infeasible, include the following:

- Transfer of Development Rights Alternative
- Multi-family Residential Only (No Single-Family Residential) Alternative
- Cluster Development and Increased Open Space Alternative
- Alternative Site Selection Alternative

---

## CEQA Project Objectives and Section Criteria

The proposed project's objectives were developed based on the community planning process described in Chapter 2, "Project Description." Objectives are numbered 1 through 8 for ease of reference within this chapter.

1. Preserve and enhance the residential characteristics of the Westside.
2. Allow new residential development that is compatible with the neighborhood's traditional architecture, scale, and massing.
3. Allow new building heights up to five stories in the MCR-2 zone.
4. Allow mixed uses that increase neighborhood activity and engagement as well as create a living environment where people can walk for goods, services, recreation, and transit.
5. Reduce co-location of housing with businesses that use, store, or generate hazardous materials.
6. Buffer housing from freeway emissions and noise.
7. Reduce environmental impacts on Paradise Creek.
8. Actively enforce the City's Municipal Code Section 18.108 and 18.108.100 (Substitution of Non-Conforming Uses) as part of the development review process for existing projects requiring permit renewals and for future proposed projects within the Westside Specific Plan area.

## Alternative 1—No Project Alternative

Evaluation of the CEQA-required No Project Alternative compares the impacts of the proposed project against the impacts of not approving the project. Under this alternative, any future projects within the 100-acre Westside neighborhood would be evaluated based on the existing land uses and zones applied to the neighborhood. As such, future development and land use improvements for the No Project Alternative would be evaluated according to the existing Light Manufacturing Residential (MLR), Light Manufacturing Planned Development (ML-PD), Civic Institutional Open Space (IC-OS), and Heavy Commercial (CH) land uses. The Open Space Reserve (OSR), Limited Commercial (CL), Civic Institutional (IC); and three new zones not currently used by the City—Residential Single-Family (RS-4), Mixed Use Commercial-Residential (MCR-1), and Mixed Use Commercial-Residential (Smart Growth Center, MCR-2)—would not be implemented.

## Finding

The National City City Council hereby finds that specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make the No Project Alternative infeasible.

## Facts in Support of Finding

When compared against the proposed project, the No Project Alternative would result in greater environmental impacts on air quality, biological resources, and hazards and hazardous materials. In addition, the No Project Alternative would not meet most of the project objectives (1, 2, 3, 4, 5, 7, and 8), which include reducing the co-location of housing with businesses that use, store, or generate hazardous materials. For these reasons, the proposed project is preferred to the No Project Alternative.

## Alternative 2—No Mixed-Use Alternative

The No Mixed-Use Alternative considers replacing the Mixed-Use Commercial-Residential (MCR-1) and Mixed Use Commercial-Residential (Smart Growth Center, MCR-2) zones with Residential Single-Family (RS-4) to reduce significant project impacts associated with air quality and traffic. The City's non-conforming use ordinance and Paradise Creek Restoration Plan would still apply to the plan area; and the proposed Limited Commercial (CL), Civic Institutional (IC), and Open Space Reserve (OSR) land uses would remain unchanged from the proposed project.

## Finding

The National City City Council hereby finds that specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make the No Mixed-Use Alternative infeasible.

## Facts in Support of the Finding

Although the No Mixed-Use Alternative would reduce impacts on air quality and traffic, this alternative does not achieve objectives 3 or 4, which are targeted to encourage smart growth opportunities within the Westside neighborhood by

allowing building heights up to five stories in the mixed-use (MCR-2) zone; encouraging a mix of land uses, including office and commercial, to support neighborhood activities and walkability; and encouraging density near mass transit. For these reasons, the proposed project is preferred to the No Mixed-Use Alternative.

## Alternative 3—Reduced Buildout Alternative

The Reduced Buildout Alternative evaluates impacts of the proposed Westside Specific Plan using a similar land use plan, but with half the density/intensity of development. The Reduced Buildout Alternative considers a buildout of approximately 829 single- and multi-family residential units and 2,869 new residents. Office and commercial development also would be reduced by half, resulting in 334,570 square feet of office and 446,094 square feet of retail. This alternative would reduce impacts associated with traffic, circulation, and parking; air quality; and noise.

### Finding

The National City City Council hereby finds that specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make the Reduced Buildout Alternative infeasible.

### Facts in Support of the Finding

Although the Reduced Buildout Alternative would reduce impacts on air quality, noise, and traffic, this alternative does not achieve objectives 3 or 4, which are targeted to encourage smart growth opportunities within the Westside neighborhood by allowing building heights up to five stories in the mixed-use (MCR-2) zone; encouraging a mix of land uses, including office and commercial, at an intensity that would support a jobs-housing balance and promote walkability; and encouraging density near mass transit to offer alternatives to automobile use. For these reasons, the proposed project is preferred to the No Mixed-Use Alternative.

## Alternative 4—Retain and Expand Industrial Uses Alternative

The Retain and Expand Industrial Uses Alternative would involve a land use plan that (1) encouraged removal of the Residential Single-Family land use designation and RS-4 zone and (2) did not propose mixed-use residential land use designations and the MCR-1 and MCR-2 zones. Instead, these zones would be replaced with land uses that permit and encourage light-industrial uses, similar to the light-industrial and automobile-related uses currently within the Westside neighborhood. The purpose for this alternative is to avoid any co-location issues from a neighborhood mix of residential and light-industrial uses by removing the residential uses and replacing them with other light-industrial uses, thereby eliminating negative impacts on residential uses caused by the light-industrial uses and zones within the Westside neighborhood.

### Finding

The National City City Council hereby finds that specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make the Retain and Expand Industrial Uses Alternative infeasible.

### Facts in Support of the Finding

The Retain and Expand Industrial Uses Alternative would not reduce any impacts identified for the proposed project. Moreover, this alternative does not achieve objectives 1, 2, 3, or 4, all which emphasize residential characteristics and smart growth. For these reasons, the proposed project is preferred over the Retain and Expand Industrial Uses Alternative.

## Environmentally Superior Alternative

The Reduced Buildout Alternative evaluates impacts of the proposed Westside Specific Plan using a similar land use plan, but with half the density/intensity of development. The Reduced Buildout Alternative considers a buildout of approximately 829 single- and multi-family residential units and 2,869 new residents. Office and commercial development also would be reduced by half, resulting in 334,570 square feet of office and 446,094 square feet of retail. This alternative is considered the Environmentally Superior Alternative, and would reduce impacts associated with traffic, circulation, and parking; air quality; and

noise. Table 4-1 provides a comparison matrix of the proposed projects impacts in comparison to the project alternatives.

**Table 4-1. Comparison of Project Alternative Impacts to Significant Proposed Project Impacts**

<b>Environmental Analysis Issue Area</b>	<b>No Project Alternative (Alternative 1)</b>	<b>No Mixed-Use Alternative (Alternative 2)</b>	<b>Reduced Buildout Alternative-Environmentally Superior Alternative (Alternative 3)</b>	<b>Retain and Expand Industrial Uses Alternative (Alternative 4)</b>
Traffic, Circulation, and Parking	Reduced	Reduced	Reduced	Greater
Air Quality	Greater	Reduced	Reduced	Greater
Noise	Mixed	Similar	Reduced	Greater
Cultural Resources	Similar	Similar	Similar	Similar
Biological Resources	Greater	Similar	Similar	Greater
Hazards and Hazardous Materials	Greater	Similar	Similar	Greater
Effects Not Significant	Mixed	Similar	Similar	Greater

## Summary Finding

Based on the alternatives discussion provided in the EIR and the information above, the City Council determines that the proposed project is the only feasible alternative that meets the project objectives listed in draft EIR (included above). The proposed project will seek to preserve and enhance the residential characteristics of the Westside; allow new residential development that is compatible with the neighborhood’s traditional architecture, scale, and massing; allow new building heights up to five stories in the MCR-2 zone; allow mixed uses that increase neighborhood activity and engagement as well as create a living environment where people can walk for goods, services, recreation, and transit; reduce co-location of housing with businesses that use, store, or generate hazardous materials; buffer housing from freeway emissions and noise; and reduce environmental impacts on Paradise Creek.



## Chapter 5 Statement of Overriding Considerations

Development under the proposed project would result in significant and unavoidable adverse impacts on air quality and noise. Significant and unavoidable adverse cumulative impacts would occur on air quality and climate change; noise; and traffic and circulation. There are no feasible mitigation measures within the responsibilities and jurisdiction of the City that would reduce these impacts to a level of less than significant.

The final EIR has identified unavoidable significant impacts. Section 15093(b) of the State CEQA Guidelines specifies that when the decision of the public agency approves a project that will result in the occurrence of significant impacts that are identified in the EIR but are not avoided or substantially lessened, the agency must state in writing the reasons to support its action based on the completed EIR and/or other information in the record. Accordingly, the City adopts the following Statement of Overriding Considerations.

The City recognizes that significant and unavoidable impacts would result from the implementation of the proposed project. Having (1) adopted all feasible mitigation measures; (2) rejected the alternatives to the project discussed above; (3) recognized all significant, unavoidable impacts; and (4) balanced the benefits of the proposed project against the significant and unavoidable effects, the City finds that the benefits outweigh and override the significant unavoidable effects for the reasons stated below.

Any one of the reasons for approval is sufficient to justify approval of the proposed project. These reasons summarize the benefits, goals, and objectives of the proposed project. The substantial evidence supporting the various benefits can be found in the preceding findings and elsewhere in the Record of Proceedings. These overriding considerations of economic, social, environmental, and other benefits outweigh environmental costs and justify approval of the proposed project and certification of the EIR. Implementation of the Westside Specific Plan would further benefit the City of National City, as follows:

### Social

1. The project would result in reestablishing the Westside as a safe, healthy, and vibrant neighborhood where people engage in community life.

2. The project would encourage single-family homes and small residential development with supporting retail services. This would achieve the vision of returning residential-turned-industrial properties to homes.
3. The project would allow for the future development of up to an additional 1,425 residential dwelling units.
4. The project would implement Paradise Creek as an important source of neighborhood pride and enjoyment by restoring habitat and zoning for compatible land uses on adjacent properties.
5. The project would further enhance neighborhood reestablishment by reducing the number of incompatible land uses by providing guidelines for amortization.
6. The project would allow for transforming the current Public Works Center into a transit-oriented infill affordable housing project.

#### Economic

1. The project would allow for an increase in retail, commercial, and office space, which would provide opportunities to increase sales tax revenue and offer services to residents not currently available.
2. The project's proposed transit-oriented infill affordable housing project would contain an "incubator" component that would provide training and services that assist tenants in pursuing home ownership and higher paying jobs.
3. The project would result in job creation during construction phases, such as the construction of the transit-oriented infill affordable housing project.
4. The project would result in an increase in property taxes through redevelopment of underutilized and vacant parcels and through lot consolidation that would allow for compact residential and commercial development.

#### Environmental

1. The project would result in minimizing adverse effects as the community grows by providing strategies for amortizing uses that would no longer be permitted with the land uses, which would be primarily auto body shops and auto repair shops.
2. The project would establish the planning framework to improve traffic and pedestrian circulation to enhance mobility.
3. The project would enhance Paradise Creek as a public amenity and natural resource.
4. The project would improve air quality through the discontinuance and amortization of polluting land uses.

Other Benefits

1. The project would improve the quality of life for the residents by providing accessible services, removing toxic uses, and enhancing the streetscape for pedestrians.

Implementation of the Westside Specific Plan would help fulfill the goals of the project:

1. Preserve and enhance residential characteristics of Westside.
2. Encourage single-family residential development that is compatible with the neighborhood's traditional architecture, scale, and massing.
3. Limit new building heights to two and three stories within the residential, mixed-commercial residential (MCR-1) and Limited Commercial, while limiting the height of the mixed-use commercial (MCR-2) and the proposed Transit Oriented Development to five stories.
4. Encourage retail and commercial uses that increase neighborhood activity and engagement as well as create a living environment where people can walk for goods, services, recreation, and transit.
5. Reduce co-location of housing and businesses that use, store, or generate hazardous materials through amortization of those businesses.
6. Buffer new residential development from freeway emissions and noise.
7. Reduce impacts to Paradise Creek through development that is sensitive to the habitat.
8. Encourage new businesses and the conversion of existing non-conforming business to non-impactive uses that are compatible with the environment and community goals.
9. Actively pursue partnerships to construct 200 affordable housing units throughout the plan area and to concentrate efforts towards meeting these affordable housing goals on parcels surrounding Paradise Creek.
10. Ensure that the open space near the creek is preserved within an open space easement and passive and active park amenities are installed adjacent to the natural areas of open space.

Implementation of this project would help fulfill objectives of the plan:

1. Significantly reduce potential public health threats, such as increased incidence of cancer and respiratory diseases, associated with residents' exposure to hazardous materials, such as those found in auto body and auto repair shops.
2. Address the current community conflicts between residential and industrial land uses.

For the reasons described above, the benefits of the proposed Westside Specific Plan, General Plan Amendment, and Rezone outweigh its unavoidable adverse environmental effects, and consequently, the adverse environmental effects are considered "acceptable" in accordance with Section 15093(c) of the State CEQA Guidelines.

**Exhibit "G"**

---

**RESOLUTION NO. 2009 – 51**

**RESOLUTION OF THE COMMUNITY DEVELOPMENT  
COMMISSION OF THE CITY OF NATIONAL CITY  
AUTHORIZING THE MAYOR TO EXECUTE AN  
EXCLUSIVE NEGOTIATION AGREEMENT WITH  
THE RELATED COMPANIES OF CALIFORNIA AND  
COMMUNITY HOUSING WORKS FOR A  
TRANSIT-ORIENTED INFILL MIXED-USE AND  
AFFORDABLE HOUSING PROJECT**

WHEREAS, the City of National City ("City") owns approximately 10.6 acres at 2200 Hoover Avenue, commonly referred to as the Public Works site (Assessor Parcel Numbers 560-396-06, 560-391-08, 560-206-03, and 559-124-05, plus public right of ways) ("CDC Site"); and

WHEREAS, the City is considering transferring title of these properties to the Community Development Commission of the City of National City ("CDC") for the purposes of redeveloping the site; and

WHEREAS, the CDC is interested in having the CDC Site developed into a transit-oriented mixed-use development consisting of affordable housing units, retail sites, and enhancement to Paradise Creek, (the "PROJECT") all of which was part of a Request for Qualifications previously issued; and

WHEREAS, the City is undertaking a planning process for the Westside area of National City known as the Westside Specific Plan, and an accompanying Environmental Impact Report ("EIR"), which are currently being prepared and are anticipated to be brought before the City Council for a public hearing and decision in approximately June, 2009; and

WHEREAS, the Westside Specific Plan includes a transit-oriented development, consistent with what was called out in the Request for Proposal, and which is part of the EIR analysis; and

WHEREAS, the CDC issued a Request for Qualifications seeking qualifications from experienced non-profit or for-profit developers to: 1) enter into an Exclusive Negotiation Agreement to complete due diligence and design, followed by a Disposition and Development Agreement to transform this property into affordable housing with linkages to the 24<sup>th</sup> Street Metropolitan Transit System Trolley Station, to enhance Paradise Creek, expand the Paradise Creek Education Park; and, 2) prepare and provide a mechanism for ongoing program management for a home ownership "incubator" to provide training and services to empower tenants within the project to more effectively pursue home ownership; and

WHEREAS, The Related Companies of California and Community Housing Works (collectively, "DEVELOPER") responded jointly to the RFQ to partner in development and ownership of all affordable housing, to prepare and provide educational and community building programs and resident services for all affordable housing in the PROJECT, and provide a mechanism for ongoing program management for a home ownership "incubator" to provide training and services to empower tenants within the project to more effectively pursue home ownership; and

Resolution No. 2009 –  
March 3, 2009  
Page 2

WHEREAS, DEVELOPER is interested in assembling this site, plus adjacent lands within the City of National City to develop a mixed-use retail and affordable housing development, consisting of approximately 300-360 affordable residential units, retail floor area to provide support services and a personal finance incubator for the project, and enhancement of the Paradise Creek, consistent with the transit-oriented development proposed in the Westside Specific Plan currently being drafted; and

WHEREAS, DEVELOPER is interested in preparing and providing a mechanism for ongoing program management for a home ownership "incubator" to provide training and services to empower tenants with the project to more effectively pursue home ownership; and,

WHEREAS, the CDC, and DEVELOPER, desire to enter into an Exclusive Negotiating Agreement to initiate exclusive negotiations for up to three hundred and sixty-five (365) days (hereafter referred to as "EXCLUSIVE NEGOTIATION PERIOD") to allow DEVELOPER to (i) undertake due diligence activities regarding the PROJECT; (ii) develop the conceptual development plan of the PROJECT; (iii) establish the responsibilities, schedule, and financial parameters for developing the PROJECT; (iv) negotiate the purchase price of the CDC site; (v) negotiate a Disposition and Development Agreement; and (vi) develop conceptual program for providing financial fitness and home ownership training and for resident services for residents of the project; (vii) assure that the site and design plans include community space facilities needed to effectively accommodate resident services including financial fitness and ownership training; and, (viii) prepare a conceptual business plan and budget for ongoing incubator programming, including identifying sources of funding for program components and likely staffing needs.

NOW, THEREFORE, BE IT RESOLVED that the Community Development Commission of the City of National City authorizes the Mayor to execute the Exclusive Negotiation Agreement with The Related Companies of California and Community Housing Works for a transit-oriented infill mixed-use and affordable housing project. Said Exclusive Negotiation Agreement in on file in the office of the City Clerk.


PASSED and ADOPTED this 3rd day of March, 2009.

  
Ron Morrison, Chairman

ATTEST:

  
Brad Raulston, Secretary

APPROVED AS TO FORM:

  
George H. Eiser, III  
City Attorney

Passed and adopted by the Community Development Commission of the City of National City, California, on March 3, 2009, by the following vote, to-wit:


Ayes: Commissioners Morrison, Parra, Sotelo-Solis, Van Deventer, Zarate.

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: RON MORRISON  
Chairman, Community Development Commission

  
Secretary, Community Development Commission

By: \_\_\_\_\_  
Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2009-51 of the Community Development Commission of the City of National City, California, passed and adopted on March 3, 2009.

\_\_\_\_\_  
Secretary, Community Development Commission

By: \_\_\_\_\_  
Deputy





Exhibit "H"

RESOLUTION NO. 2009 – 61

RESOLUTION OF THE COMMUNITY DEVELOPMENT  
 COMMISSION OF THE CITY OF NATIONAL CITY  
 AUTHORIZING THE SUBMITTAL OF AN APPLICATION  
 TO THE CALIFORNIA DEPARTMENT OF HOUSING  
 AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER  
 THE INFILL INFRASTRUCTURE AND TRANSIT ORIENTED  
 DEVELOPMENT GRANT PROGRAMS, AND IF SELECTED FOR  
 SUCH FUNDING, AUTHORIZING MATCHING COMMITMENTS OF  
 \$2 -\$4.2 MILLION IN LOW-MODERATE HOUSING TAX INCREMENT  
 FUNDS AND/OR HOME GRANT FUNDS TO PARTICIPATE IN  
 THE INFILL INFRASTRUCTURE GRANT PROGRAM AND  
 \$2 - \$3.5 MILLION IN THESE SAME FUNDS TO PARTICIPATE IN  
 THE TRANSIT ORIENTED DEVELOPMENT GRANT PROGRAM

WHEREAS, the California Department of Housing and Community Development ("HCD") has issued a Notice of Funding Availability ("NOFA") for the Infill Infrastructure Grant and Transit Oriented Development Programs established under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C); and

WHEREAS, pursuant to statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature, subject to terms and conditions, for the Infill Infrastructure Grant and Transit Oriented Development Grant Guidelines; and

WHEREAS, the Community Development Commission of the City of National City ("CDC") wishes to apply for and receive an allocation of funds through the Infill Infrastructure and Transit Oriented Development Grant Programs; and

WHEREAS, the CDC intends to request \$12 million for the Infill Infrastructure program and \$10 million from the Transit Oriented Development ("TOD") program to pursue potential development of the National City Westside Infill TOD resulting from a community design process conducted by Pyatok Architects, Inc., in 2008 in the designated Transit Oriented Development area for the 24th Avenue Trolley Station; and

WHEREAS, in response to matching requirements of the HCD Infill Infrastructure Program the CDC will consider committing \$2 - \$4.2 million in its 20-percent set aside of low moderate housing funds and/or federal HOME funds allocation to the National City Westside Infill Transit Oriented Development should the project be deemed feasible and receive an award of funds from the State of California; and

~~WHEREAS, in response to matching requirements of the HCD Transit Oriented Development Program the CDC will consider committing \$2 - \$3.5 million in its 20-percent set aside of low moderate housing funds and/or federal HOME funds allocation to the National City Westside Infill Transit Oriented development should the project be deemed feasible and receive an award of funds from the State of California.~~

NOW, THEREFORE, BE IT RESOLVED that the Community Development Commission of the City of National City hereby authorizes the submittal of an application to HCD requesting a grant of \$12 million to the Infill Infrastructure Grant Program which will include a statement of commitment of \$2 - \$4.2 Million in matching funds from local low-moderate

Resolution No. 2009 – 61  
March 17, 2009  
Page 2

housing tax increment funds of federal HOME funds for the National City Westside Infill Transit Oriented Development located in the designated Transit Oriented Development area for the 24th Avenue Trolley Station.

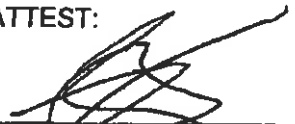
BE IT FURTHER RESOLVED by the Community Development Commission of the City of National City that the CDC shall submit to HCD an application requesting a grant of \$10 million to the Transit Oriented Development Grant Program which will include a statement of commitment of \$2 - \$3.5 Million in matching funds from local low-moderate housing tax increment funds of federal HOME funds for the National City Westside Infill Transit Oriented Development located in the designated Transit Oriented Development area for the 24th Avenue Trolley Station.

BE IT FURTHER RESOLVED that the CDC authorizes the Chairman to execute in the name of the CDC the Letter of Funding Commitment required by HCD in order to make applications to the Infill Infrastructure and Transit Oriented Development Grant Programs.

PASSED and ADOPTED this 17<sup>th</sup> day of March, 2009.

  
\_\_\_\_\_  
Ron Morrison, Chairman

ATTEST:

  
\_\_\_\_\_  
Brad Raulston, Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
George H. Elser, III  
City Attorney

Passed and adopted by the Community Development Commission of the City of National City, California, on March 17, 2009, by the following vote, to-wit:

Ayes: Commissioners Morrison, Parra, Sotelo-Solis, Van Deventer, Zarate.

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: RON MORRISON  
Chairman, Community Development Commission



Secretary, Community Development Commission

By: \_\_\_\_\_  
Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2009-61 of the Community Development Commission of the City of National City, California, passed and adopted on March 17, 2009.

\_\_\_\_\_  
Secretary, Community Development Commission

By: \_\_\_\_\_  
Deputy



**Expenditure Status Report**  
CITY OF NATIONAL CITY  
7/1/2008 through 6/30/2009

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
511						
409						
500						
500-500						
500-598-3934	50,000.00	21,799.35	21,799.35	0.00	28,200.65	43.60
	50,000.00	21,799.35	21,799.35	0.00	28,200.65	43.60
<b>Grand Total</b>	50,000.00	21,799.35	21,799.35	0.00	28,200.65	43.60

**Expenditure Status Report**

CITY OF NATIONAL CITY  
 7/1/2009 through 6/30/2010

**522 LOW/MODERATE HOUSING FUND**

**409 NON-DEPARTMENTAL**

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
500 CAPITAL IMPROVEMENT PROGRAM						
500-500 Capital Outlay						
500-598-3934 NATIONAL CITY WESTSIDE INFILL T.O.D.	41,783.15	41,480.54	41,480.54	0.00	302.61	99.28
<b>Total LOW/MODERATE HOUSING FUND</b>	41,783.15	41,480.54	41,480.54	0.00	302.61	99.28
<b>Grand Total</b>	41,783.15	41,480.54	41,480.54	0.00	302.61	99.28

**Expenditure Status Report**  
 CITY OF NATIONAL CITY  
 7/1/2010 through 12/31/2010

522 LOW/MODERATE HOUSING FUND

409 NON-DEPARTMENTAL

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
500 CAPITAL IMPROVEMENT PROGRAM						
500-500 Capital Outlay						
500-588-3934 NATIONAL CITY WESTSIDE INFILL T.O.D.	1,500,302.61	16,696.05	16,696.05	44,252.67	1,439,353.89	4.06
<b>Total LOW/MODERATE HOUSING FUND</b>	<b>1,500,302.61</b>	<b>16,696.05</b>	<b>16,696.05</b>	<b>44,252.67</b>	<b>1,439,353.89</b>	<b>4.06</b>
<b>Grand Total</b>	<b>1,500,302.61</b>	<b>16,696.05</b>	<b>16,696.05</b>	<b>44,252.67</b>	<b>1,439,353.89</b>	<b>4.06</b>





Exhibit "J"

**REDEVELOPMENT PLAN  
FOR THE  
NATIONAL CITY REDEVELOPMENT PROJECT**

**Prepared:**

**May 8, 1995**

**Adopted:**

**July 18, 1995**

**Prepared for:**

**Community Development Commission  
of the City of National City  
140 E. 12th Street, Suite B  
National City, California 91950-3312  
619-336-4250**

**Prepared by:**

**Rosenow Spevacek Group, Inc.  
540 North Golden Circle, Suite 305  
Santa Ana, California 92705  
714/541-4585  
619/967-6462**

and pleasant environment in the Project Area. Therefore, such plans shall give consideration to good design, open space and other amenities to enhance the aesthetic quality of the Project Area. The CDC shall not approve any plans that do not comply with this Plan except as permitted by Section 719 of this Plan.

J. (721) Building Permits

Any building permit that is issued for the rehabilitation or construction of any new building or any addition, construction, moving, conversion or alteration to an existing building in the Project Area from the date of adoption of this Plan must be in conformance with the provisions of this Plan, any design for development adopted by the CDC, any restrictions or controls established by resolution of the CDC, and any applicable participation or other agreements.

The CDC is authorized to establish permit procedures and approvals required for purposes of this Plan. A building permit shall be issued only after the applicant for same has been granted all approvals required by the City and the CDC at the time of application.

**SECTION VIII. (800) METHODS FOR FINANCING THE PROJECT**

A. (801) General Description of the Proposed Financing Methods

Upon adoption of this Plan by the City Council, the CDC is authorized to finance implementation of this Plan with assistance from local sources, the State and/or the federal government, property tax increment, interest income, CDC bonds, donations, loans from private financial institutions or any other legally available source.

The CDC is also authorized to obtain advances, borrow funds, issue bonds or other obligations, and create indebtedness in carrying out this Plan. The principal and interest on such indebtedness may be paid from tax increment revenue or any other funds available to the CDC. Advances and loans for survey and planning and for the operating capital for administration of this Plan may be provided by the City until adequate tax increment revenue or other funds are available to repay the advances and loans. The City or other public agency, as it is able, may also supply additional assistance through issuance of bonds, loans and grants and in-kind assistance. Any assistance shall be subject to terms established by an agreement between the CDC, City and/or other public agency providing such assistance.

As available, gas tax funds from the State and sales tax funds from the County may be used for the street system.

The CDC may issue bonds or other obligations and expend their proceeds to carry out this Plan. The CDC is authorized to issue bonds or other obligations as appropriate and feasible in an amount sufficient to finance all or any part of Plan implementation activities. The CDC shall pay the principal and interest on bonds or other obligations of the CDC as they become due and payable.

B. (802) Tax Increment Revenue

All taxes levied upon taxable property within the Project Area each year by or for the benefit of the State, County, City or other public corporation (hereinafter called "Taxing Agency" or "Taxing Agencies") after the effective date of the ordinance, shall be divided as follows:

1. That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of said Taxing Agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such Taxing Agency, last equalized prior to the effective date of the Ordinance, shall be allocated to and when collected shall be paid to the respective Taxing Agencies as taxes by or for said Taxing Agencies on all other property are paid (for the purpose of allocating taxes levied by or for any Taxing Agency or Agencies which did not include the territory in the Project Area on the effective date of the Ordinance but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the County last equalized on the effective date of the Ordinance shall be used in determining the assessed valuation of the taxable property in the Project Area on said effective date).
2. That portion of said levied taxes each year in excess of such amount shall be allocated to, and when collected shall be paid into, a special fund of the CDC to pay the principal of and interest on loans, monies advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the CDC to finance or refinance in whole or in part, the Project and this Plan. Unless and until the total assessed valuation of the taxable property in the Project Area exceeds the total assessed value of the taxable property in the Project Area as shown by the last equalized assessment roll referred to in paragraph (1.) hereof, all of the taxes levied and collected upon the taxable property in the Project Area shall be paid to the respective Taxing Agencies. When said loans, advances, and indebtedness, if any, and interest thereon, have been paid, all monies thereafter received from taxes upon the taxable property in the Project Area shall be paid to the respective Taxing Agencies as taxes on all other property are paid.

3. That portion of the taxes in excess of the amount identified in paragraph (1.) above which is attributable to a tax rate levied by a Taxing Agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of and interest on any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that Taxing Agency. This paragraph (3.) shall only apply to taxes levied to repay bonded indebtedness approved by the voters on or after January 1, 1989.
  
4. This Plan applies to redevelopment projects adopted by the CDC from 1969 through 1985. As such, the last equalized assessment rolls used to calculate taxes to be allocated to the Agency pursuant to Section 802, paragraphs (1) and (2) herein, will be those in effect when the following ordinances creating these redevelopment project areas were adopted:
  - E.J. Christman<sup>1</sup> Area adopted by Ordinance No. 1233 on November 18, 1969.
  - South Bay Town and Country Area adopted by Ordinance No. 1471 on June 24, 1975.
  - Center City Area adopted by Ordinance No. 1505 on April 13, 1976.
  - E.J. Christman<sup>2</sup> Area adopted by Ordinance No. 1610 on December 13, 1977.
  - Downtown Original Area adopted by Ordinance No. 1762 on December 1, 1981.
  - Downtown 1985 Amendment Area adopted by Ordinance No. 1851 on April 16, 1985.

The CDC is authorized to make pledges as to specific advances, loans and indebtedness as appropriate in carrying out the Project. The portion of taxes allocated and paid to the CDC pursuant to subparagraph (2.) above is irrevocably pledged to pay the principal of and interest on loans, monies advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the CDC to finance or refinance, in whole or in part, the redevelopment program for the Project Area.

The number of dollars of taxes which may be divided and allocated to the CDC pursuant to Section 33670 of the Redevelopment Law, inclusive of payments to taxing agencies, shall not exceed \$300 million, adjusted annually in accordance with the San Diego County Consumer Price Index for all urban consumers (CPI-U) or a comparable inflationary index should the CPI-U cease to exist, except by amendment of this Plan.

With respect to the E.J. Christman I Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after November 18, 2019. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the South Bay Town and Country Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after June 24, 2025. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the Center City Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after April 13, 2026. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other

obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the E.J. Christman<sup>2</sup> Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after December 13, 2027. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the Downtown Original Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after December 1, 2031. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the Downtown 1985 Amendment Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code

Section 33670 after April 16, 2035. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the Added Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33332(a), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after 45 years following approval of the ordinance adopting this Plan. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413.

With respect to the E.J. Christman<sup>1</sup> Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part the Redevelopment Project shall be established or incurred after January 1, 2004. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after January 1, 2004, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the data on which the indebtedness would have been paid.

With respect to the South Bay Town and Country Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law; no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part the Redevelopment Project shall be established or incurred after January 1, 2004. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in



order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after January 1, 2004, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the data on which the indebtedness would have been paid.

With respect to the Center City Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part the Redevelopment Project shall be established or incurred after January 1, 2004. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after January 1, 2004, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the data on which the indebtedness would have been paid.

With respect to the E.J. Christman<sup>2</sup> Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part the Redevelopment Project shall be established or incurred after January 1, 2004. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after January 1, 2004, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the data on which the indebtedness would have been paid.

With respect to the Downtown Original Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part the Redevelopment Project shall be established or incurred after January 1, 2004. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in



order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after January 1, 2004, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the data on which the indebtedness would have been paid.

With respect to the Downtown 1985 Amendment Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part the Redevelopment Project shall be established or incurred after April 16, 2005. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after April 16, 2005, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the data on which the indebtedness would have been paid.

With respect to the Added Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.2(a), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part activities authorized under this Plan shall be established or incurred after 20 years following approval of the ordinance adopting this Plan. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after 20 years following approval of the ordinance adopting this Plan, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the date on which the indebtedness would have been paid.

C. (803) CDC Bonds

The CDC is authorized to issue bonds and other obligations from time to time, if it deems it appropriate to do so, in order to finance all or any part of Plan implementation activities.

Neither the members of the CDC nor any persons executing the bonds are liable personally on the bonds or other obligations by reason of their issuance.

The bonds and other obligations of the CDC are not a debt of the City or the State; nor are any of its political subdivisions liable for them; nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the CDC; and such bonds and other obligations shall so state on their face. The bonds and other obligations do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The amount of bonded indebtedness, to be repaid in whole or in part from the allocation of taxes pursuant to Section 33670 of the Redevelopment Law, which can be outstanding at one time shall not exceed \$100.0 million, except by amendment to this Plan.

D. (804) Other Loans and Grants

Any other loans, grants, guarantees or financial assistance from the federal government, the State, or any other public or private source will be utilized, if available, as appropriate in carrying out this Plan. In addition, the CDC may make loans as permitted by law to public or private entities for any of its redevelopment purposes.

E. (805) Rehabilitation Loans, Grants, and Rebates

The CDC and the City may commit funds from any source to rehabilitation programs for the purposes of loans, grants, or rebate payments for self-financed rehabilitation work. The rules and regulations for such programs shall be those which may already exist or which may be developed in the future. The CDC and the City shall seek to acquire grant funds and direct loan allocations from State and federal sources, as they may be available from time to time, for the carrying out of such programs.

## SECTION IX: (900) ACTIONS BY THE CITY

The City shall aid and cooperate with the CDC in carrying out this Plan and shall take all reasonable actions necessary to ensure the continued fulfillment of the purposes of this Plan and to prevent the recurrence or spread in the Project Area of conditions of blight. Actions by the City may include, but shall not be limited to, the following:

1. Institution and completion of proceedings for opening, closing, vacating, widening, or changing the grades of streets, alleys, and other public rights-of-way, and for other necessary modifications of the streets, the street layout, and other public rights-of-way in the Project Area. Such action by the City shall include the requirement of abandonment and relocation by the public utility companies of their operations in public rights-of-way as appropriate to carry out this Plan, provided that nothing in this Plan shall be deemed to require the cost of such abandonment, removal, and relocation to be borne by others than those legally required to bear such costs.

**REDEVELOPMENT PLAN  
FOR THE  
NATIONAL CITY REDEVELOPMENT PROJECT**

**Exhibit "K"**

**Prepared:**

**May 8, 1995**

**Adopted:**

**July 18, 1995**

**Amended:**

**December 1, 1981**

**May 22, 1984**

**April 16, 1985**

**June 18, 1991**

**July 18, 1995**

**June 19, 2001**

**July 17, 2007**

**Prepared for:**

**Community Development Commission  
of the City of National City  
140 E. 12th Street, Suite B  
National City, California 91950-3312  
619-336-4250**

**Prepared by:**

**Rosenow Spevacek Group, Inc.  
309 West 4<sup>th</sup> Street  
Santa Ana, California 92701  
714/541-4585**

**EXHIBIT "A"**

and pleasant environment in the Project Area. Therefore, such plans shall give consideration to good design, open space and other amenities to enhance the aesthetic quality of the Project Area. The CDC shall not approve any plans that do not comply with this Plan except as permitted by Section 719 of this Plan.

J. (721) Building Permits

Any building permit that is issued for the rehabilitation or construction of any new building or any addition, construction, moving, conversion or alteration to an existing building in the Project Area from the date of adoption of this Plan must be in conformance with the provisions of this Plan, any design for development adopted by the CDC, any restrictions or controls established by resolution of the CDC, and any applicable participation or other agreements.

The CDC is authorized to establish permit procedures and approvals required for purposes of this Plan. A building permit shall be issued only after the applicant for same has been granted all approvals required by the City and the CDC at the time of application.

**SECTION VIII. (800) METHODS FOR FINANCING THE PROJECT**

A. (801) General Description of the Proposed Financing Methods

Upon adoption of this Plan by the City Council, the CDC is authorized to finance implementation of this Plan with assistance from local sources, the State and/or the federal government, property tax increment, interest income, CDC bonds, donations, loans from private financial institutions or any other legally available source.

The CDC is also authorized to obtain advances, borrow funds, issue bonds or other obligations, and create indebtedness in carrying out this Plan. The principal and interest on such indebtedness may be paid from tax increment revenue or any other funds available to the CDC. Advances and loans for survey and planning and for the operating capital for administration of this Plan may be provided by the City until adequate tax increment revenue or other funds are available to repay the advances and loans. The City or other public agency, as it is able, may also supply additional assistance through issuance of bonds, loans and grants and in-kind assistance. Any assistance shall be subject to terms established by an agreement between the CDC, City and/or other public agency providing such assistance.

As available, gas tax funds from the State and sales tax funds from the County may be used for the street system.

The CDC may issue bonds or other obligations and expend their proceeds to carry out this Plan. The CDC is authorized to issue bonds or other obligations as appropriate and feasible in an amount sufficient to finance all or any part of Plan implementation

activities. The CDC shall pay the principal and interest on bonds or other obligations of the CDC as they become due and payable.

B. (802) Tax Increment Revenue

All taxes levied upon taxable property within the Project Area each year by or for the benefit of the State, County, City or other public corporation (hereinafter called "Taxing Agency" or "Taxing Agencies") after the effective date of the ordinance, shall be divided as follows:

1. That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of said Taxing Agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such Taxing Agency, last equalized prior to the effective date of the Ordinance, shall be allocated to and when collected shall be paid to the respective Taxing Agencies as taxes by or for said Taxing Agencies on all other property are paid (for the purpose of allocating taxes levied by or for any Taxing Agency or Agencies which did not include the territory in the Project Area on the effective date of the Ordinance but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the County last equalized on the effective date of the Ordinance shall be used in determining the assessed valuation of the taxable property in the Project Area on said effective date).
2. That portion of said levied taxes each year in excess of such amount shall be allocated to, and when collected shall be paid into, a special fund of the CDC to pay the principal of and interest on loans, monies advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the CDC to finance or refinance in whole or in part, the Project and this Plan. Unless and until the total assessed valuation of the taxable property in the Project Area exceeds the total assessed value of the taxable property in the Project Area as shown by the last equalized assessment roll referred to in paragraph (1.) hereof, all of the taxes levied and collected upon the taxable property in the Project Area shall be paid to the respective Taxing Agencies. When said loans, advances, and indebtedness, if any, and interest thereon, have been paid, all monies thereafter received from taxes upon the taxable property in the Project Area shall be paid to the respective Taxing Agencies as taxes on all other property are paid.
3. That portion of the taxes in excess of the amount identified in paragraph (1.) above which is attributable to a tax rate levied by a Taxing Agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of and interest on any bonded indebtedness for

the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that Taxing Agency. This paragraph (3.) shall only apply to taxes levied to repay bonded indebtedness approved by the voters on or after January 1, 1989.

4. This Plan applies to redevelopment projects adopted by the CDC from 1969 through 1985. As such, the last equalized assessment rolls used to calculate taxes to be allocated to the Agency pursuant to Section 802, paragraphs (1) and (2) herein, will be those in effect when the following ordinances creating these redevelopment project areas were adopted:
- E.J. Christman1 Area adopted by Ordinance No. 1233 on November 18, 1969.
  - South Bay Town and Country Area adopted by Ordinance No. 1471 on June 24, 1975.
  - Center City Area adopted by Ordinance No. 1505 on April 13, 1976.
  - E.J. Christman2 Area adopted by Ordinance No. 1610 on December 13, 1977.
  - Downtown Original Area adopted by Ordinance No. 1762 on December 1, 1981.
  - Downtown 1985 Amendment Area adopted by Ordinance No. 1851 on April 16, 1985.

The CDC is authorized to make pledges as to specific advances, loans and indebtedness as appropriate in carrying out the Project. The portion of taxes allocated and paid to the CDC pursuant to subparagraph (2.) above is irrevocably pledged to pay the principal of and interest on loans, monies advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the CDC to finance or refinance, in whole or in part, the redevelopment program for the Project Area.

The number of dollars of taxes which may be divided and allocated to the CDC pursuant to Section 33670 of the Redevelopment Law, inclusive of payments to taxing agencies, shall not exceed \$300 million, adjusted annually in accordance with the San Diego County Consumer Price Index for all urban consumers (CPI-U) or a comparable inflationary index should the CPI-U cease to exist, except by amendment of this Plan.

With respect to the E.J. Christman1 Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after November 18, 2019. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent

required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the South Bay Town and Country Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after June 24, 2025. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the Center City Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after April 13, 2026. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the E.J. Christman2 Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay

indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after December 13, 2027. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the Downtown Original Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after December 1, 2031. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the Downtown 1985 Amendment Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety code Section 33333.6(a), (c), (g), and (h), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after April 16, 2035. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to eliminate project deficits created under subdivision (g) of Health and Safety Code Section 33334.6 in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413. In addition, these limitations shall not affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Health and Safety Code Section 33401, authorized by the City Council, or the CDC pursuant to the Redevelopment Law, prior to January 1, 1994, or the right of the



CDC to receive property taxes, pursuant to Health and Safety Code Section 33670 to pay the bonds, indebtedness, or other obligation.

With respect to the Added Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33332(a), or as otherwise permitted by law, the CDC shall not pay indebtedness with the proceeds of property taxes received pursuant to Health and Safety Code Section 33670 or receive property taxes pursuant to Health and Safety Code Section 33670 after 45 years following approval of the ordinance adopting this Plan. These limitations shall not be applied to limit the allocation of taxes to the CDC to the extent required to implement a replacement housing program pursuant to Health and Safety Code Section 33413.

With respect to the E.J. Christman1 Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part the Redevelopment Project shall be established or incurred after January 1, 2004. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after January 1, 2004, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the data on which the indebtedness would have been paid.

With respect to the South Bay Town and Country Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part the Redevelopment Project shall be established or incurred after January 1, 2004. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after January 1, 2004, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the data on which the indebtedness would have been paid.

With respect to the Center City Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in

whole or in part the Redevelopment Project shall be established or incurred after January 1, 2004. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after January 1, 2004, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the data on which the indebtedness would have been paid.

With respect to the E.J. Christman<sup>2</sup> Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part the Redevelopment Project shall be established or incurred after January 1, 2004. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after January 1, 2004, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the data on which the indebtedness would have been paid.

With respect to the Downtown Original Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part the Redevelopment Project shall be established or incurred after January 1, 2004. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after January 1, 2004, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the data on which the indebtedness would have been paid.

With respect to the Downtown 1985 Amendment Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.6(a), (g), and (h), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the

CDC to finance in whole or in part the Redevelopment Project shall be established or incurred after April 16, 2005. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after April 16, 2005, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the date on which the indebtedness would have been paid.

With respect to the Added Area, notwithstanding any other provision of this Plan, and except as provided in this Section and Health and Safety Code Section 33333.2(a), or as otherwise permitted by law, no loan, advance or indebtedness to be repaid from such allocations of taxes established or incurred by the CDC to finance in whole or in part activities authorized under this Plan shall be established or incurred after 20 years following approval of the ordinance adopting this Plan. Such loan, advance or indebtedness may be repaid over a period of time longer than such time limit. Such time limitation may be extended only by amendment of this Plan. This limit shall not prevent the CDC from incurring debt to be repaid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the CDC's housing obligations under Health and Safety Code Section 33413. In addition, this limit shall not prevent the CDC from refinancing, refunding, or restructuring indebtedness after 20 years following approval of the ordinance adopting this Plan, if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the date on which the indebtedness would have been paid.

C. (803) CDC Bonds

The CDC is authorized to issue bonds and other obligations from time to time, if it deems it appropriate to do so, in order to finance all or any part of Plan implementation activities.

Neither the members of the CDC nor any persons executing the bonds are liable personally on the bonds or other obligations by reason of their issuance.

The bonds and other obligations of the CDC are not a debt of the City or the State; nor are any of its political subdivisions liable for them; nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the CDC; and such bonds and other obligations shall so state on their face. The bonds and other obligations do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The amount of bonded indebtedness, to be repaid in whole or in part from the allocation of taxes pursuant to Section 33670 of the Redevelopment Law, which can be outstanding at one time shall not exceed \$100.0 million, except by amendment to this Plan.

D. (804) Other Loans and Grants

Any other loans, grants, guarantees or financial assistance from the federal government, the State, or any other public or private source will be utilized, if available, as appropriate in carrying out this Plan. In addition, the CDC may make loans as permitted by law to public or private entities for any of its redevelopment purposes.

E. (805) Rehabilitation Loans, Grants, and Rebates

The CDC and the City may commit funds from any source to rehabilitation programs for the purposes of loans, grants, or rebate payments for self-financed rehabilitation work. The rules and regulations for such programs shall be those which may already exist or which may be developed in the future. The CDC and the City shall seek to acquire grant funds and direct loan allocations from State and federal sources, as they may be available from time to time, for the carrying out of such programs.

**SECTION IX. (900) ACTIONS BY THE CITY**

The City shall aid and cooperate with the CDC in carrying out this Plan and shall take all reasonable actions necessary to ensure the continued fulfillment of the purposes of this Plan and to prevent the recurrence or spread in the Project Area of conditions of blight. Actions by the City may include, but shall not be limited to, the following:

1. Institution and completion of proceedings for opening, closing, vacating, widening, or changing the grades of streets, alleys, and other public rights-of-way, and for other necessary modifications of the streets, the street layout, and other public rights-of-way in the Project Area. Such action by the City shall include the requirement of abandonment and relocation by the public utility companies of their operations in public rights-of-way as appropriate to carry out this Plan, provided that nothing in this Plan shall be deemed to require the cost of such abandonment, removal, and relocation to be borne by others than those legally required to bear such costs.
2. Institution and completion of proceedings necessary for changes and improvements to publicly-owned parcels and utilities in the Project Area.
3. Performance of the above, and of all other functions and services relating to public health, safety, and physical development normally rendered in accordance with a schedule which will permit the redevelopment of the

# Community Development Commission Of the City of National City

---

## Guidelines for the Issuance of Tax Allocation Bonds

Prepared by Urban Futures, Inc.



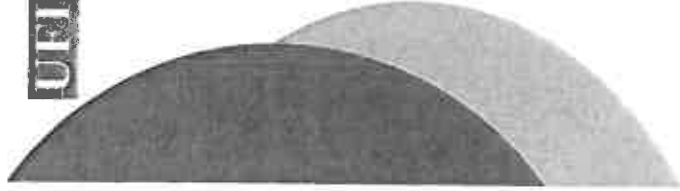
October 2010

# Table of Contents

---

- **Section One: Role of the Financial Advisor**
- **Section Two: Current Municipal Bond Market**
- **Section Three: Issuing Tax Allocation Bonds in the Current Market**
- **Section Four: CDC Bonding Capacity**
- **Section Five: Selection of the Finance Team & Bond Sale Logistics**
- **Section Six: Finance Schedule**





## Section One:

# Role of the Financial Advisor



## **Roles of Urban Futures, Inc. as Financial Advisor**

---

1. Evaluation of Redevelopment Project Areas
  - Study of Project Area Time Limits and Amendments
  - Preparation of Tax Increment Model for all 7 Project Areas
  - Confirmation of accurate pass through payments made to affected taxing entities (Statutory and Negotiated)
  
2. Preparation of Fiscal Consultant Report
  - Tax Increment Projections
  - Analysis of Foreclosures and Assessment Appeals in the Project Area, Top Taxpayers, and Tax Rates
  - Evaluate the affect of the SB211 Amendment currently in process on tax increment and bonding capacity
  - Provide revenue assumptions to the Underwriter to form the basis for bond sizing
  - Prepare financial tables for the Official Statement





## **Roles of Urban Futures, Inc. as Financial Advisor**

---

3. Transaction Manager
  - Assist the City with the selection of the Finance Team
  - Perform feasibility analysis to determine the most cost effective financing plan. Includes the use of Private Placement Capital, and Negotiated vs. Competitive Bond Sale
  - Review and assist in the drafting of bond documents
  - Coordinate with the Finance Team to manage the transaction and ensure that all financing objectives are met successfully
4. Preparation of the Credit Presentation
  - Prepare credit presentation for ratings agencies
  - Coordinate and participate in all calls to ratings agencies
  - Present to ratings agencies on behalf of the Commission
5. Pricing Consultant
  - Participate in pricing calls and evaluate bids from underwriters
  - Consult on the timing of issuance and evaluate market comparables to ensure the lowest possible pricing of the Bonds



## **Roles of Urban Futures, Inc. as Financial Advisor**

---

6. Manage the bid process for the receipt of Bond Insurance
  - Coordinate all calls and manage the process for receiving insurance bids from Assured Guaranty
7. Prepare Closing Book for the Transaction
8. Investment Advisory
  - Evaluate various options for the investment of bond proceeds to maximize the return on project and reserve funds



---

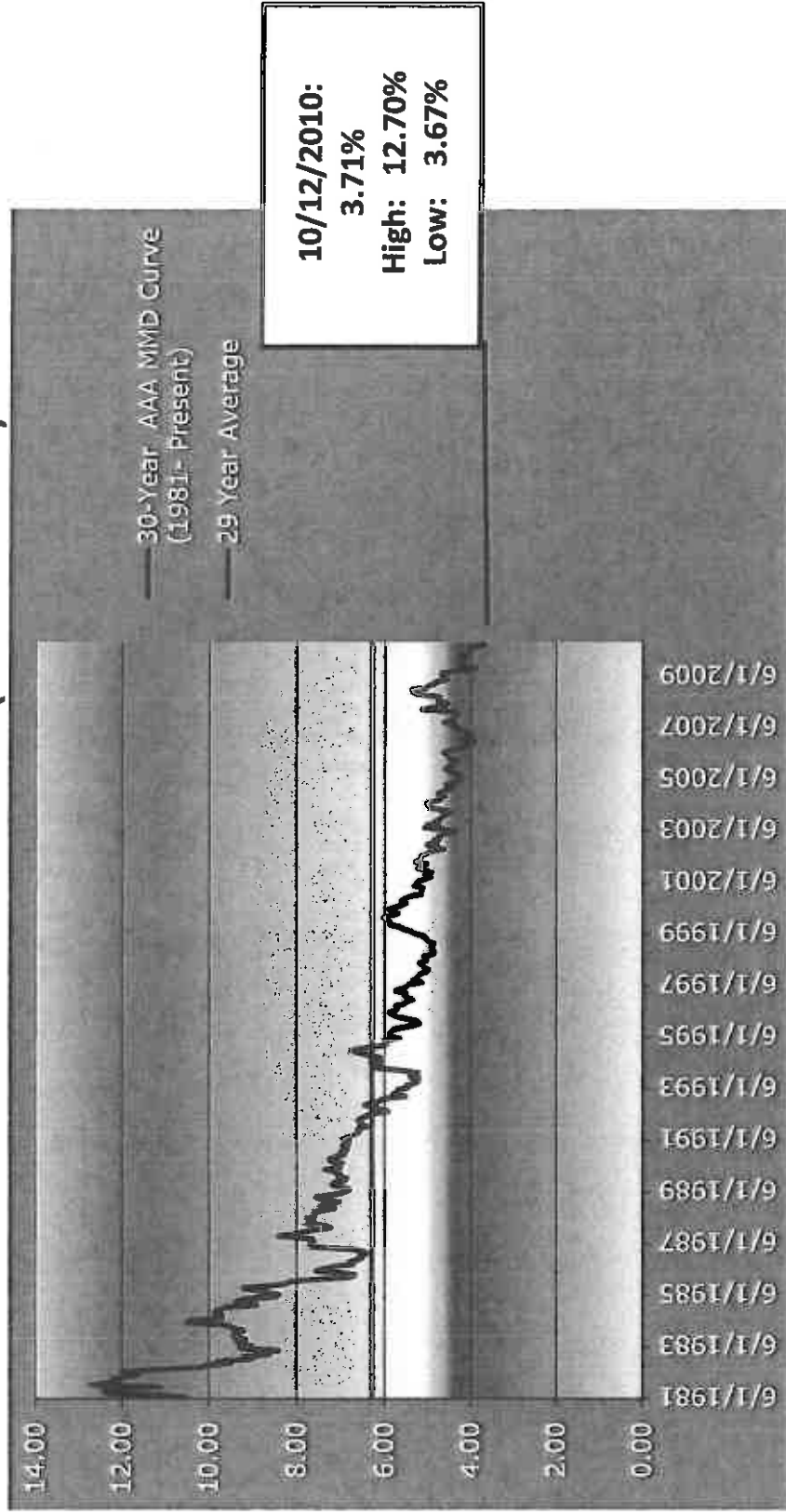
## Section Two:

# The Current Municipal Bond Market



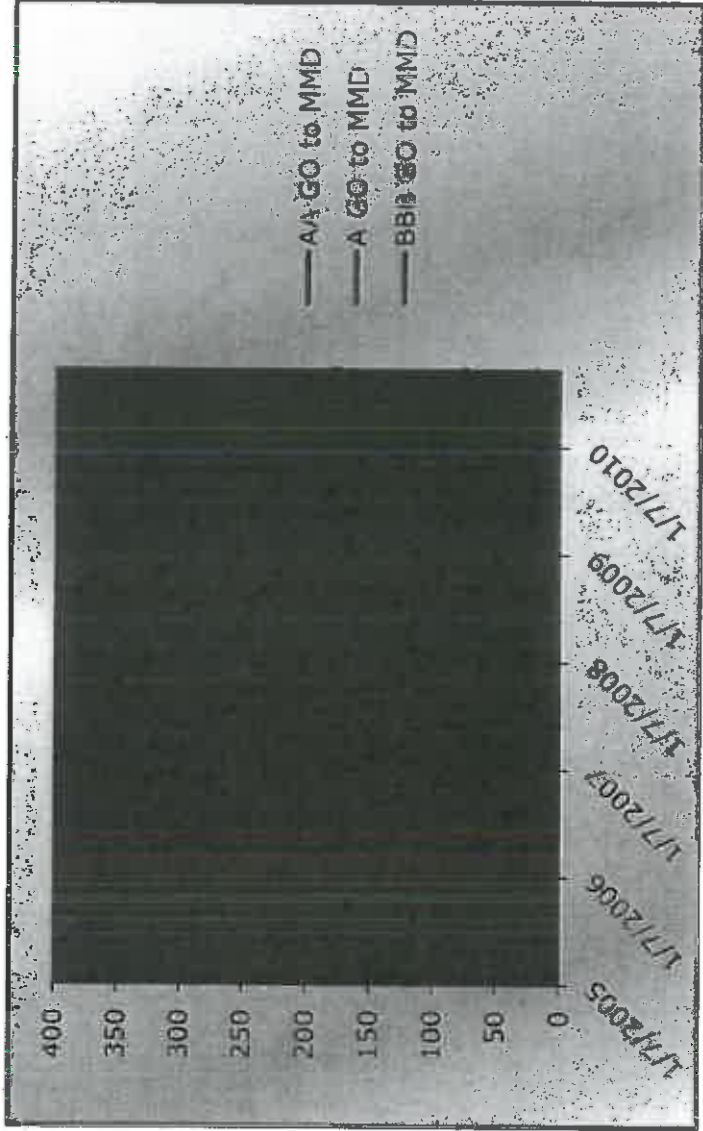
# Record Low Tax Exempt Interest Rates

30-Year "AAA" MMD (1981 - Present)



- The 29-Year average "AAA" MMD is 6.27%
- Interest Rates are very close to 30 Year Lows

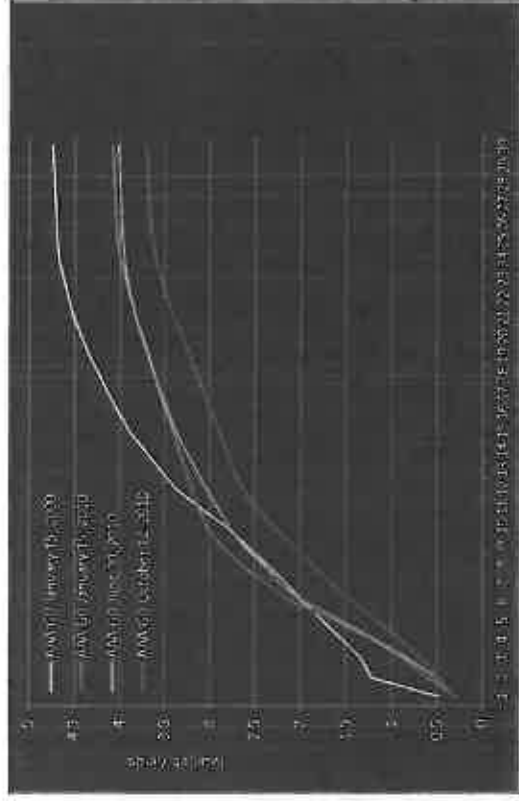
# 10 Year Maturities: Credit Spreads to AAA MMD



- Impact of the Credit Crunch is visible in credit spreads during 2009, but 2010 has seen increased liquidity in the market, causing spreads to decline.



## Changes in Market Conditions Over Time



- The MMD Curve Represents Interest Rate and Market Risk in the Tax Exempt Market
- The steepest part of the curve is in the 10-15 year range. These maturities are typically sold to retail investors that require a return that is commensurate with their prospects for inflation (market risk). This segment is currently the toughest to sell to investors.
- A relatively flat MMD curve reflects strong liquidity in the market, irrespective of interest rates

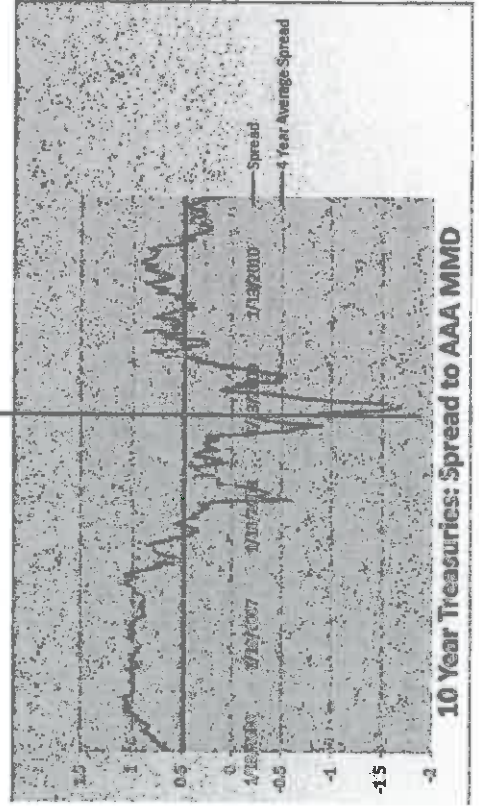
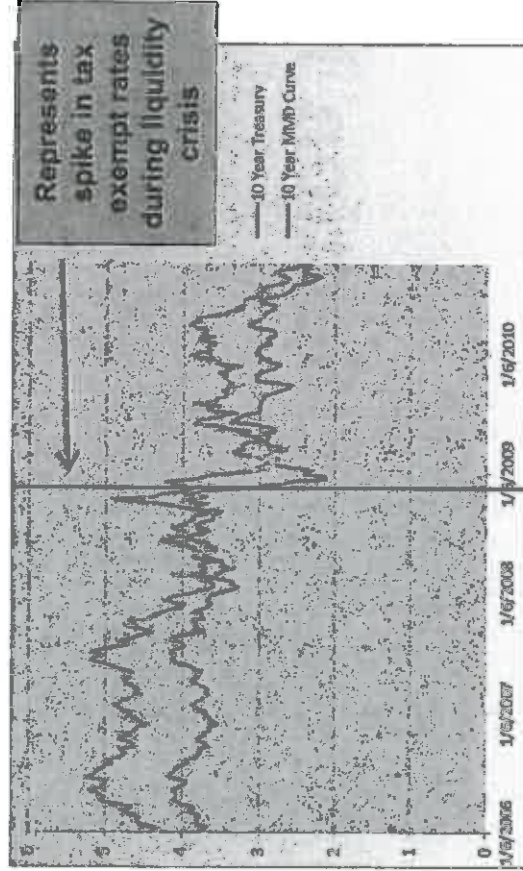
- Back end of the curve has improved the most since the credit crisis hit, with yields dropping by approximately 200 basis points
- Reduced rates across all maturities means lower costs of borrowing for issuers.



## The Municipal Market: US Treasuries vs. AAA MMD

### 10 Year Taxable Treasuries vs. AAA MMD

- Historically, tax-exempt rates represent approximately 80% of taxable US Treasuries; today, they are closer to 100%
  - Treasuries are a risk-free, taxable security, whereas municipals are tax-exempt, riskier securities
- The average spread over the last 4 years has been approximately 50%, brought down due to huge reductions in Treasury yields as investors flocked to the safety of Treasury Bonds



### What does this mean for tax-exempt issuers?

- The rates for Treasuries at some point must either rise (they cannot get much lower), or the AAA MMD Curve must adjust: downward
- This relationship shows that economic improvement may lead to increasing rates in the tax-exempt market.



# Section Three: Issuing Tax Allocation Bonds in the Current Market





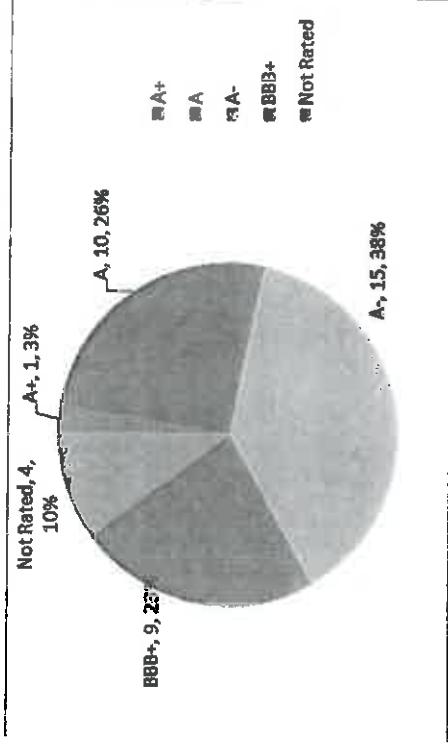
# Issuing Tax Allocation Bonds

## Fundamentals for a Successful Bond Sale

- **Rating:** Quality Credit Ratings are King. To enhance marketability and take advantage of current market interest rates, issuers must have at least an underlying S&P rating (or equivalent) of A-
- Between January and October of 2010, 90% of successfully issued tax allocation bonds had a rating of at least A-

- The minimum underlying rating necessary to get bond insurance is an "A"
- During 2009, Urban Futures was one of the only Financial Advisors able to secure insurance for an Agency Issuer (Lawndale RDA)

Ratings Summary of Tax Allocation Bonds Issued During 2010



# Fundamentals of a Successful Bond Sale

## Characteristics of a Strong Credit

- Concentration of Top Ten Taxpayers that constitutes less than 30% of Total Project Area Assessed Valuation
- Low Volatility Ratio (Base Year AV/Current Year AV)
- Debt Service Coverage of at least 1.40x
- Stable Project Area Assessed Values
- Demonstrated ability to pay 2009-10 SERAF Payments

## Characteristics of noteworthy “A” rated tax allocation bonds issued in 2010

Issuer	Par Amount	Underlying S&P Rating	Type of Financing	Concentration of Top Taxpayers	2010-11 Debt Service Coverage	Insurance
San Jose RDA	\$67.405 M	A	Housing Set-Aside	33.03%	161%	
Indian Wells RDA	\$10.89 M	A	Non-Housing	7.11%	120%	
Richmond RDA	\$33.74 M	A	Non-Housing	22.78%	140%	
La Mirada RDA	\$7 M	A	Housing Set-Aside	14.50%	137%	Assured Guaranty
Penis RDA	\$7.18 M	A	Housing Set-Aside	36.80%	150%	

\*Urban Futures serves as the Financial Advisor to the Norco Redevelopment Agency



## The Commission's Rating

---

- The Commission Currently Possesses an A- Credit Rating on its Debt from Standard and Poor's
- Current Statistics of the Commission:
  - 2010-11 Debt Service Coverage: 2.41
  - Concentration of Top Ten Taxpayers (2009-10): 12.56%
  - Relatively Low Volatility Ratio of .24
- The Commission's statistics compare well with those of other A rated issues in 2010
- It is estimated that the Commission can expect a credit rating of between an A- and A



## **Section Four:**

# **Community Development Commission Bonding Capacity**



# Outstanding Debt

## Summary of Outstanding Debt and Future Debt Service Payments

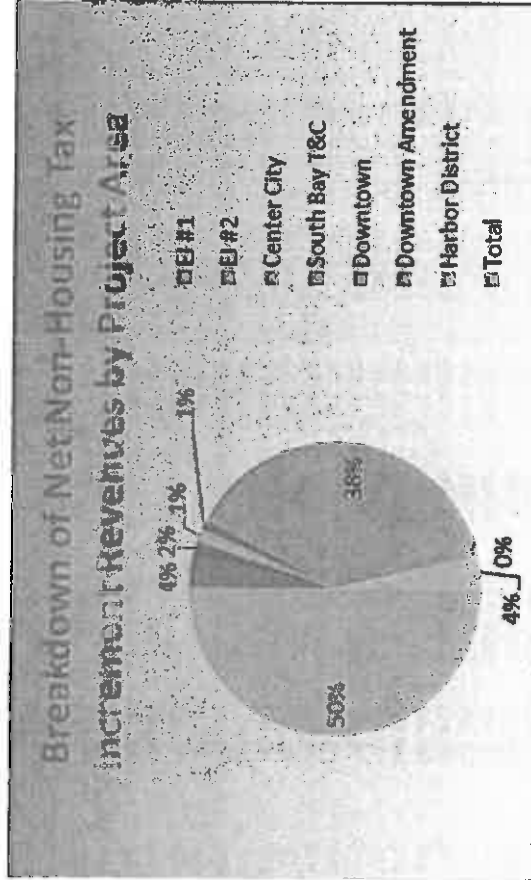
Outstanding Bond Issue	Outstanding Amount, June 30, 2010
1999 Housing Tax Allocation Bonds	\$4,090,000
2004 Tax Allocation Bonds	\$4,620,000
2005 Series A Tax Allocation Bonds	\$18,905,000
2005 Series B Tax Allocation Bonds	\$9,840,000
<b>Total Tax Allocation Bonds Outstanding</b>	<b>\$37,455,000</b>
<b>Other Bonds:</b>	
HUD 108 Bonds (2003 A)	\$5,750,000

FY	2004 Series A Non-Housing		2005 Series Non-Housing		Total Housing Debt Service	Total Debt Service
	Housing	Non-Housing	Housing	Non-Housing		
2010-11	\$488,880	\$328,258	\$444,693	\$3,160,768	\$661,564	\$4,222,660
2011-12	488,880	328,176	444,693	4,033,763	\$1,006,486	5,042,248
2012-13	488,145	328,550	444,693	4,031,019	\$1,006,419	5,037,438
2013-14	487,440	328,550	444,693	4,023,436	\$1,006,122	5,031,525
2014-15	484,883	327,175	444,693	4,018,909	\$1,005,289	5,023,665
2015-16	488,413	324,550	444,693	4,013,463	\$1,001,170	5,014,663
2016-17	148,400	328,550	1,190,253	1,398,653	\$328,550	1,866,203
2017-18	148,400	328,050	1,190,408	1,398,606	\$328,050	1,867,658
2018-19	148,400	324,175	1,193,303	1,342,903	\$324,175	1,867,078
2019-20	148,400	324,925	1,188,903	1,338,303	\$324,925	1,864,228
2020-21	148,400	328,050	1,187,778	1,337,178	\$328,050	1,862,228
2021-22	148,400	324,544	836,640	985,040	\$324,544	1,308,664
2022-23	148,400	323,625	835,736	985,135	\$323,625	1,308,666
2023-24	148,400	328,866	890,878	1,140,378	\$328,866	1,467,243
2024-25	148,400	324,566	968,638	1,136,038	\$324,566	1,462,603
2025-26	148,400	328,825	968,888	1,136,238	\$328,825	1,462,613
2026-27	485,775	323,044	990,944	1,136,719	\$323,044	1,462,763
2027-28	483,150	323,822	504,958	968,106	\$323,822	1,311,928
2028-29	484,650	323,831	301,976	766,625	\$323,831	1,110,456
2029-30	484,150	323,072	240,163	724,313	\$323,072	1,067,364
2030-31	481,900		238,400	721,000		1,067,364
2031-32	482,813		238,113	720,925		1,067,364
2032-33	\$477,788		\$241,169	\$718,958		\$718,958



# Bonding Capacity

- Fiscal Year 2011 Projected Revenues:
  - Net-Non Housing: \$8,072,000
  - Housing Set-Aside: \$2,656,000



Non-Housing Redevelopment Expenditures (Budgeted 2011)	
General Administration	\$1,245,428
Advance Planning/Econ. Dev.	\$592,273
Abandoned Vehicle Program	\$133,277
Misc (may be 1 time exp.)	\$1,000,000
<b>Total Budgeted Non-Housing Operations Exp.</b>	<b>\$2,970,978</b>

Housing Redevelopment Expenditures (Budgeted 2011)	
General Administration	\$466,665
Owner Rehab Program	\$54,143
Other Housing Programs	\$25,403
<b>Total Housing Operations Exp.</b>	<b>\$546,211</b>

**Other Housing Capital/Project Expenditures\*** \$487,918

\*Includes \$200,000 For Old Town Demo Project  
Numbers exclude CDBG and Section 8 Funds

Current Estimated Non-Housing Debt Capacity (Based on 2011 Budget)	
Non-Housing Net Revenues	\$8,071,707
Less:	
Non-Housing Operations Expense	\$2,970,978
<b>Non-Housing Maximum Annual Debt Service</b>	<b>\$4,033,000</b>
<b>Net Revenues Available for New Debt</b>	<b>\$1,067,729</b>

Current Estimated Housing Debt Capacity (Based on 2011 Budget)	
Housing Revenues	\$2,656,405
Less:	
Housing Operations Expense	\$546,211
<b>Housing Maximum Annual Debt Service</b>	<b>\$1,008,485</b>
<b>Net Revenues for New Debt</b>	<b>\$1,101,709</b>



## *Pass-Through Analysis*

---

- Total Estimated Pass-Through Payments for Fiscal Year Ended 2011: \$2,500,000
- Includes Statutory and Negotiated Pass-Through Payments
- The Agreement with San Diego County
  - County's share increases from 30% to 100% in FY 2015-16
  - County calculates its share of Tax Increment from the Harbor District on a statutory basis (Post AB1290 Plan), despite having adopted a resolution to structure a negotiated agreement.

### How does the County Agreement affect Debt Capacity?

- Current Debt is “wrapped” around the increase in the County Pass-Through.
- Reduced Non-Housing Bonding Capacity



# Non- Housing Bonding Capacity

	Gross Tax Increment	Net Non-Housing Revenues	Fixed Admin Cost	Current Debt Service	2011 Bonds Debt Service (Estimated)	Total Estimated Debt Service	Estimated New Debt Service Coverage
10-11	\$13,282,023	\$8,089,618	\$3,000,000	\$3,360,788	\$330,000	\$3,690,788	2.19
11-12	\$13,630,660	\$8,275,869	\$3,000,000	\$4,033,763	\$1,000,000	\$5,033,763	1.64
12-13	\$13,986,269	\$8,465,846	\$3,000,000	\$4,031,019	\$1,000,000	\$5,031,019	1.68
13-14	\$14,348,990	\$8,659,622	\$3,000,000	\$4,023,403	\$1,500,000	\$5,523,403	1.57
14-15	\$14,718,966	\$8,819,422	\$3,000,000	\$4,018,609	\$1,500,000	\$5,518,609	1.60
15-16	\$15,096,341	\$6,511,767	\$3,000,000	\$4,013,483	\$1,500,000	\$5,513,483	1.18
16-17	\$15,481,264	\$6,617,241	\$3,000,000	\$1,339,653	\$1,500,000	\$2,839,653	2.33
17-18	\$15,873,886	\$6,724,824	\$3,000,000	\$1,339,808	\$1,500,000	\$2,839,808	2.37
18-19	\$16,274,359	\$6,834,559	\$3,000,000	\$1,342,903	\$1,500,000	\$2,842,903	2.40
19-20	\$16,682,843	\$6,946,489	\$3,000,000	\$1,339,303	\$1,500,000	\$2,839,303	2.45
20-21	\$16,021,753	\$6,561,934	\$3,000,000	\$1,337,178	\$1,500,000	\$2,837,178	2.31
21-22	\$16,424,684	\$6,672,746	\$3,000,000	\$985,040	\$2,000,000	\$2,985,040	2.24
22-23	\$16,835,673	\$6,785,774	\$3,000,000	\$985,135	\$2,000,000	\$2,985,135	2.27
23-24	\$17,254,883	\$6,901,062	\$3,000,000	\$1,140,378	\$2,000,000	\$3,140,378	2.20
24-25	\$17,682,476	\$7,018,657	\$3,000,000	\$1,138,038	\$2,000,000	\$3,138,038	2.24
25-26	\$17,620,159	\$6,932,732	\$3,000,000	\$1,136,288	\$2,000,000	\$3,136,288	2.21
26-27	\$17,655,202	\$6,880,043	\$3,000,000	\$1,136,719	\$1,500,000	\$2,636,719	2.61
27-28	\$18,088,762	\$6,999,668	\$3,000,000	\$988,106	\$1,500,000	\$2,488,106	2.81
28-29	\$17,920,988	\$6,880,560	\$3,000,000	\$786,625	\$1,500,000	\$2,286,625	3.01
29-30	\$18,358,477	\$7,001,543	\$3,000,000	\$724,313	\$1,500,000	\$2,224,313	3.15
30-31	\$18,804,716	\$7,124,947	\$3,000,000	\$721,000	\$1,500,000	\$2,221,000	3.21
31-32	\$19,259,880	\$7,244,574	\$3,000,000	\$720,925	\$1,500,000	\$2,220,925	3.26
32-33	\$2,152,794	\$1,044,558	\$500,000	\$718,956	\$500,000	\$1,218,956	0.86
33-34	\$2,214,660	\$1,063,709	\$500,000		\$500,000	\$500,000	2.13
34-35	\$2,277,764	\$1,083,243	\$500,000		\$500,000	\$500,000	2.17
35-36	\$2,342,129	\$1,103,168	\$500,000		\$500,000	\$500,000	2.21
36-37	\$2,208,563	\$1,066,003	\$500,000		\$500,000	\$500,000	2.13
37-38	\$2,271,349	\$1,085,881	\$500,000		\$500,000	\$500,000	2.17
38-39	\$2,335,390	\$1,106,157	\$500,000		\$500,000	\$500,000	2.21
39-40	\$2,400,713	\$1,126,838	\$500,000		\$500,000	\$500,000	2.25





# Housing Bonding Capacity



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Estimated New Housing Debt Service Coverage		
10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	38-39	39-40				
LM Housing Revenues	\$2,656,405	\$2,726,132	\$2,797,254	\$2,869,798	\$2,943,793	\$3,019,268	\$3,096,253	\$3,174,777	\$3,254,872	\$3,336,569	\$3,420,351	\$3,507,135	\$3,596,977	\$3,689,995	\$3,787,082	\$3,888,140	\$3,993,172	\$4,102,198	\$4,215,225	\$4,332,252	\$4,453,279	\$4,578,306	\$4,707,333	\$4,840,360	\$4,977,387	\$5,118,414	\$5,263,441	\$5,412,468	\$5,565,495	\$5,722,522			
Housing Fund Operating Expenditures	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000		
Current Debt Service	\$861,864	\$1,008,485	\$1,006,419	\$1,008,122	\$1,005,256	\$1,001,170	\$926,550	\$828,050	\$732,175	\$638,925	\$548,544	\$463,525	\$388,866	\$324,566	\$266,625	\$212,044	\$161,822	\$115,831	\$73,831	\$35,072	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2011 Housing Bonds Debt Service (Est)	\$360,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000		
Total Estimated Housing Debt Service	\$1,221,864	\$2,108,485	\$2,106,419	\$2,108,122	\$2,105,256	\$2,101,170	\$1,426,550	\$2,528,050	\$2,524,175	\$2,524,925	\$2,525,050	\$2,524,544	\$2,523,525	\$2,526,866	\$2,824,566	\$2,826,625	\$2,823,822	\$2,823,831	\$2,823,072	\$2,823,072	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000		
	2.17	1.29	1.33	1.36	1.40	1.44	2.17	1.26	1.29	1.32	1.27	1.30	1.33	1.37	1.25	1.25	1.25	1.28	1.27	1.30	1.25	1.25	1.28	1.27	1.30	1.25	1.25	1.28	1.27	1.30	1.25	1.28	

Not Sufficient Capacity  
in Later Years to Extend  
Debt Service, due to the  
expiration of Project  
Areas

## ***Summary of Bonding Capacity***

---

- Capacity Reduced as a result of the Following:
  - Assuming the current status of the redevelopment plan
  - Substantial Increase in County Pass-Through Payments in Fiscal Year 2015-16
  - Accounting for Administrative Costs outside of the traditional “Additional Bonds Test” Calculation
  - Gradual drop in Tax Increment in Later Years resulting from Expired Project Areas

Based on Current Revenue and Cost Assumptions, it is estimated that the Agency can borrow the following:

- Non-Housing Projects: \$20-23 Million
- Housing Project: \$21-25 Million



## Section Five:

# Selection of the Finance Team & Bond Sale Logistics



## *Anticipated Cost of Issuance*

---

- Underwriter's Discount: The cost per Bond for financings between \$25-50 Million should range between \$6- \$10
  - Depending on market conditions, underwriters may have to underwrite a portion of the transaction on their own, or work harder to sell the bonds
    - Sometimes the case with "Land Secured Transactions", such as CFD's, Assessment District, and Tax Allocation Bonds
- On Average, the Total Cost of Issuance is approximately 2% of the Par Amount of the Bonds.
  - **FINANCING GOAL:** Keep issuance costs within 2% of the Par Amount
- Urban Futures will work to keep the cost of issuance as low as possible, while maintaining consistency with industry standards.
- Multiple series of bonds spread over a period of time may increase the cost of issuance, especially when dealing with housing and non-housing, taxable, and tax-exempt series of bonds



## *Finance Team Summary*

---

- Urban Futures will work with the Commission to assemble the most appropriate Finance Team, given the nature of the transaction and the preferences of Commission Staff
- Urban Futures has worked with all major Legal Firms in the realm of Public Finance, including Stradling Yocca Carlson & Rauth, Richards Watson & Gershon, Jones Hall, and Orrick Herrington & Sutcliffe
- Urban Futures is experienced in Competitive and Negotiated Bond Sales, and is familiar with the specialties of various underwriting firms in California

### BUILD AMERICA BONDS

- Build America Bonds: Urban Futures is capable with the structuring of Build America Bonds, but the nature of the financing (tax increment), uncertainty regarding the extension of the program beyond 2010, and certain constraints on debt coverage make BABs an unlikely option for the proposed financing



## ***Negotiated Sale in the Current Market***

---

- **Negotiated sale** = favored in current market for this type of transaction (negotiated issues represent 37 out of 39 Tax Allocation Bonds Issues from Jan-October 2010)
  - **Pre-marketing Ability** = generate investor interest weeks prior to the sale – necessary with liquidity/credit crunch
  - **Timing Flexibility** = ability to change sale date and time of sale in case of adverse market changes
  - **Structuring Flexibility**
    - Flexibility to offer a variety of bond structures to optimize retail and institutional demands (e.g. special couponing structures, bifurcating maturities)
    - Ability to re-price maturities based on oversubscription

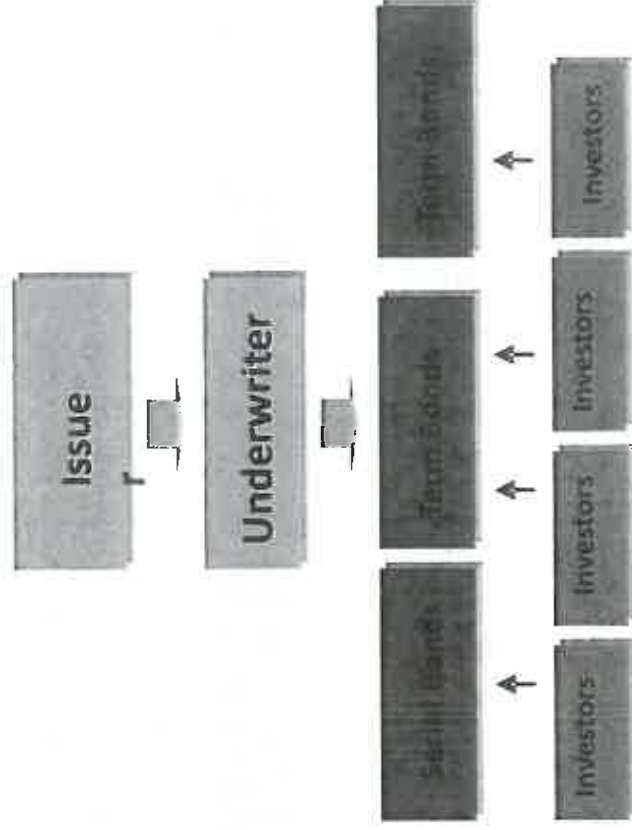


# Logistics of Negotiated Bond Sales

---

## Negotiated Sale

- Bonds are pre-marketed to investors prior to the sale
- Retail order period may be held
- Underwriter conducts auction among investors for each maturity of the bond issue
- Final purchase price is awarded based on lowest interest rate orders submitted by investors



# Pricing Factors to Be Considered By the City

## Structure of the bonds

- Tax-Exempt or Taxable
  - Taxable is an option, depending on the purpose of the bond proceeds
- A- through A Underlying
- 10 Year Call
- Premium or Discount
- Flexibility in Pricing
- Spreads From MMD
- Lowest Possible Total Interest Cost

## General Economy

- Timing of Economic Indicators Which May Affect Rates
- State Rating Downgrades
- Strength and Stability of The Economy Within the City And Surrounding Areas

## Bond Sales and Marketing Plan

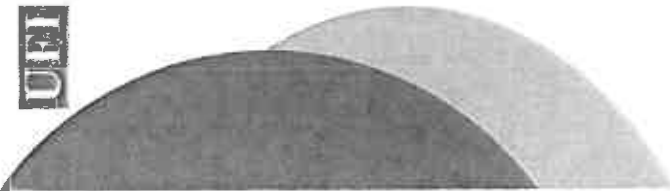
- Individual Sale or Use of a Selling Group
- Retail vs. Institutional Sales
- Market Surveys
- Use of Comps (few insured tax allocation bonds were issued in 2010)
- Review of Activity in The Secondary Market

## Financial Profile

- Financial Performance/Outstanding Debt
- Debt Service Coverage
- Current Assessed Values
- Projections for future AV Growth







# Section Six: Financing Schedule



## *Financing Schedule*

---

- The Financing Process will take approximately 60-90 days from start to finish

The Primary Steps in the Process Include:

- 1) Council Approval of the Finance Team
- 2) Completion of the Fiscal Consultant Report
- 3) Drafting of All Bond Documents
- 4) Approval of Bond Documents by Council
- 5) Credit Presentation to ratings agencies and receipt of the rating
- 6) Presentation to insurance provider and receipt of insurance bids(if applicable)
- 7) Pre- Pricing and Pricing Call
- 8) Pre-Closing and Closing of Bond Issue
- 9) Delivery of Funds to the Trustee



## Exhibit "M"

entire length of 7th Street. Village style parking will provide additional parking spaces over parallel parking. The diagonal parking pattern also has a tendency to slow moving vehicles along streets as drivers look of vehicles backing out.

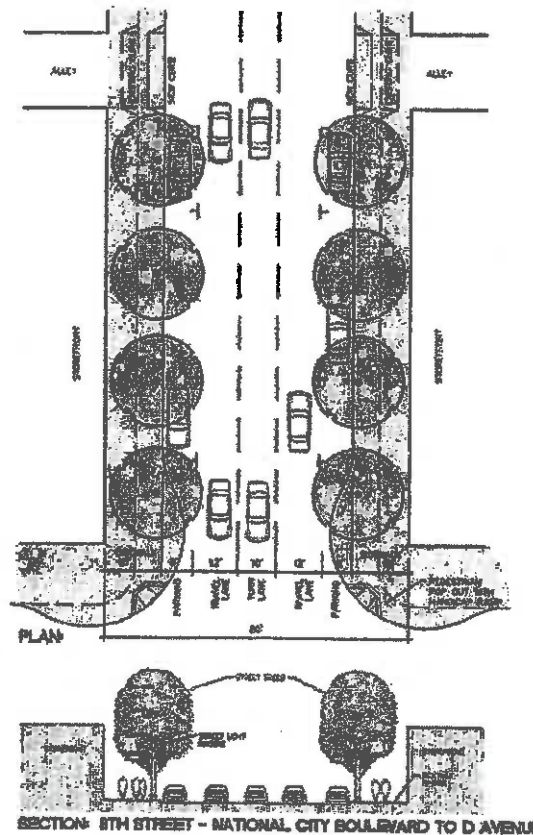
### 8th Street Promenade

8th Street is the district's current retail street. Unlike the other streets in Downtown 8th Street attracts pedestrians because of the nature of businesses along the street. Unfortunately, next to National City Boulevard, 8th street is also the busiest street in Downtown relative to traffic volumes. The volume of traffic coupled with the speed of cars makes crossing 8th Street on foot difficult. 8th street, like Plaza Boulevard, is also burdened with narrow eight (8) foot sidewalks. The narrow sidewalk space coupled with the lack of street trees, lighting and street furnishings creates the image of a "pedestrian unfriendly street".

Several studies were completed reviewing optional vehicular circulation patterns along 8th Street between National City Boulevard and D Street. The goal of the study is to increase the sidewalk dimension by removing space within the vehicular travel area. The recommended solution is to remove a single travel lane and modify the remaining travel lane widths in order to capture additional space for sidewalks.

Downtown and the associated businesses along 8th Street will benefit

from wider sidewalks with attractive paving finishes, better lighting and coordinated landscape improvements. The under grounding of the overhead electrical lines is also required to improve the street's visual quality.



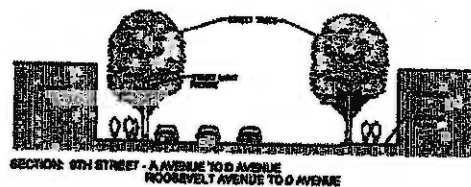
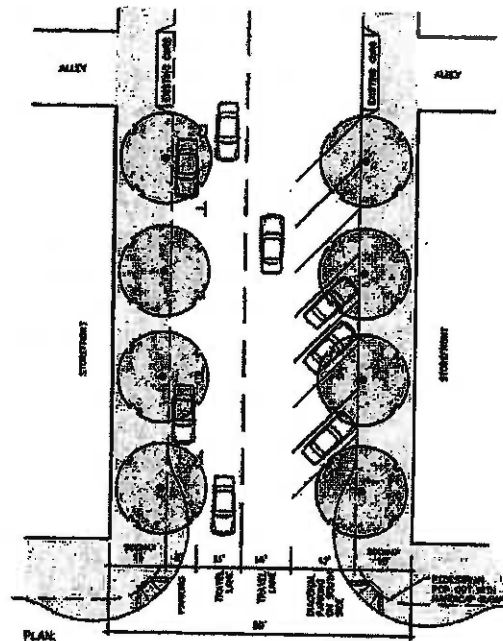
### Special Crossings and Pedestrian Pop Outs

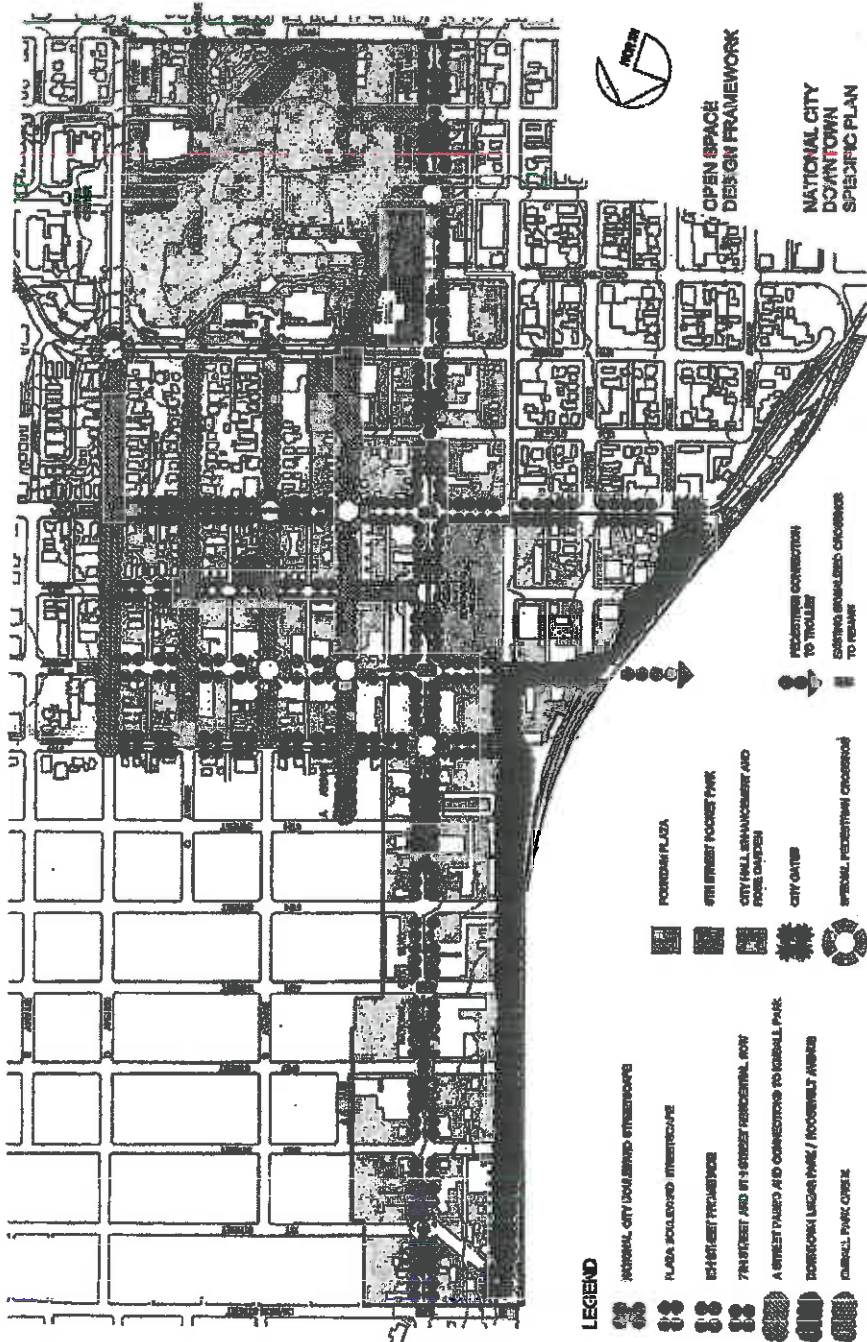
The previous discussion concerning 8<sup>th</sup> Street highlighted the difficult and at times unsafe nature associated with crossing Downtown streets. 8<sup>th</sup> Street, National City Boulevard and Plaza Boulevard are the more obvious streets that present a challenge to pedestrians. Signalized intersections and four way stops afford some degree of comfort to pedestrians crossing Downtown streets. Unfortunately the streets in question currently have limited intersections with controlled stops for vehicles. Eight locations have been identified as opportunities for "special crossings". The special crossings are designed to provide potentially safer access for pedestrians across streets at key locations within Downtown. The crossing will operate independent of the adjacent traffic signal system and will be activated by a waiting pedestrian.

### Street Right-of-Way as Open Space

Street right-of-way, the paved dimension encompassing sidewalks and A.C. roadway, are unique spaces in the city. The right-of-way's primary function is a public thoroughfare for motor vehicles, utilities and pedestrians. The right-of-way is also valuable as an open space amenity within the city. Linear spaces with canopy trees and occasional spaces for seating are fundamental components of urban viability. Expanding the use of the street right-of-way to provide a setting for large

public gatherings and events is the purpose of Fountain Plaza and other pedestrian spaces identified in the Specific Plan. Reclaiming the right-of-way by closing a small segment of 9<sup>th</sup> Street and limiting the use for pedestrian activities is an excellent opportunity for creating a symbol of Downtown revitalization and civic pride.





VI - 35  
 URBAN DESIGN GUIDELINES  
 FEBRUARY 2005



**Capital Improvement Program  
Fiscal Year 2010-2011  
5 Year Proposed Capital Projects  
Exhibit "N"**

Fund	Project Total	Project No.	Project Description	Budget FY 10-11	Budget FY 11-12	Budget FY 12-13	Budget FY 13-14	Budget FY 14-15
001, 296	50,000	1012	Bicycle Master Plan	50,000				
511	2,500,000	3918	8th St Smart Growth	300,000				
125, 301	843,925	4076	Soccer Field	488,925				
109, 296, 307, 345, 346	8,500,000	6035 6102	Street Resurfacing Project	798,074	2,000,000	1,500,000	1,500,000	1,500,000
301	1,646,400	6137	Concrete Improvements	200,000	300,000	300,000	300,000	300,000
301	75,000	6174	ADA Park Improvements	75,000				
323, 511	500,000	6175	State SR2S Grant - Roundabout at D Ave & E. 12th St	625,000				
001, 109	150,000	6565	Traffic Signal Timing/Fiber Optic Interconnect System	150,000				
307	4,709,300	6569	Plaza Blvd Widening		200,000	174,000	200,000	200,000
001, 109	150,000	6573	Traffic Monitoring/Safety Enhancement	150,000				
301	2,735,000	7062 7049	Drainage Improvements		550,000	550,000	550,000	550,000
631	200,000	8003	Unified Messaging VOIP	200,000				
629	175,000		Disaster recovery ciata		175,000			
no funding identified	100,000		Public Works Relocation		100,000			
no funding identified	4,700,000		Public Works Acquisition		4,700,000			
no funding identified	13,000,000		Senior Village		13,000,000			
no funding identified	50,000		Las Palmas Park Fac. Plan		50,000			

**Capital Improvement Program  
Fiscal Year 2010-2011  
5 Year Proposed Capital Projects (continued)**

Fund	Project Total	Project No.	Project Description	Budget FY 10-11	Budget FY 11-12	Budget FY 12-13	Budget FY 13-14	Budget FY 14-15
no funding identified	60,000		Pacific Steel/N. Cleveland		60,000			
no funding identified	100,000		Kimball Way Creek Improvements		100,000			
no funding identified	200,000		B-1 Site Development		200,000			
no funding identified	250,000		Storefront Renovation Program		250,000			
no funding identified	830,000		Sudberry Development		830,000			
no funding identified	1,000,000		Plaza Bonita Commercial Site		1,000,000			
no funding identified	2,300,000		Paradise Creek Enhancement		2,300,000			
no funding identified	3,300,000		Aquatic Center		3,300,000			
no funding identified	13,000,000		Project subsidy		13,000,000			
	<b>\$ 61,124,625</b>			<b>\$3,036,999</b>	<b>\$42,115,000</b>	<b>\$2,524,000</b>	<b>\$2,550,000</b>	<b>\$2,550,000</b>



RESOLUTION 2010 – 13

Exhibit "O"

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY  
AUTHORIZING THE MAYOR TO EXECUTE A GRANT AGREEMENT  
BETWEEN THE SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG)  
AND THE CITY OF NATIONAL CITY FOR A MAXIMUM AMOUNT OF \$2,000,000  
FOR THE 8TH STREET CORRIDOR SMART GROWTH REVITALIZATION PROJECT

WHEREAS, on February 3, 2009, the City Council adopted Resolution No. 2009-19, authorizing the filing of a TransNet Smart Growth Incentive Program ("SGIP") Grant application for the 8th Street Corridor Smart Growth Revitalization Project (the "Project"); and


WHEREAS, on May 22, 2009, SANDAG approved the Project for TansNet SGIP funds in the amount of \$2,000,000; and

WHEREAS, the total Project cost is estimated at \$3,500,000; \$2,000,000 SGIP grant funds, \$500,000 matching funds from City Tax Increment, and \$1,000,000 match from Rule 20A for SDG&E Utility Undergrounding; and

WHEREAS, the western portion of the Project provides for improvements from the 8th Street Trolley Station to National City Boulevard, and the eastern portion between National City Boulevard and D Avenue.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the Mayor to execute a Grant Agreement between SANDAG and the City of National City for a maximum amount of \$2,000,000 for the 8th Street Corridor Smart Growth Revitalization Project. Said Agreement is on file in the office of the City Clerk.

PASSED and ADOPTED this 19th day of January, 2010.

  
\_\_\_\_\_  
Ron Morrison, Mayor

ATTEST:

  
\_\_\_\_\_  
Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
George H. Eiser, III  
City Attorney

Passed and adopted by the Council of the City of National City, California, on January 19, 2010 by the following vote, to-wit:

Ayes: Councilmembers Morrison, Parra, Sotelo-Solis, Van Deventer, Zarate.

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: RON MORRISON  
Mayor of the City of National City, California

MICHAEL R. DALLA  
City Clerk of the City of National City, California

By: \_\_\_\_\_  
Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2010-13 of the City of National City, California, passed and adopted by the Council of said City on January 19, 2010.



*Michael R. Dalla*  
City Clerk of the City of National City, California

By: \_\_\_\_\_  
Deputy

Expenditure Detail Report  
CITY OF NATIONAL CITY  
07/01/2009 through 06/30/2010  
Exhibit "P"

expdef1.rpt  
09/02/2014 3:30PM  
Periods: 0 through 12

Account Number	Adjusted Appropriation	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
511 TAX INCREMENT FUND					
409 NON-DEPARTMENTAL					
500 CAPITAL IMPROVEMENT PROGRAM					
500-500 Capital Outlay					
500-598-3918 8TH ST STREETSCAPE IMPROVEMENTS	500,000.00	0.00	0.00	500,000.00	0.00
3/3/2010 bgt_adjst BA 10-114	-300,000.00				
3/10/2010 encumber PO 73569			299,514.00		
Vendor: 18117 HARRIS & ASSOCIATES	Check # 0		-5,551.00		
4/28/2010 encumber LI 9726					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 236098	5,551.00			
4/28/2010 invoice IN 9726					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 236098		-89,514.00		
4/28/2010 encumber CO 73569					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 0		-12,178.28		
5/19/2010 encumber LI 9985					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 236562	12,178.28			
5/19/2010 invoice IN 9985					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 236562		-32,062.00		
6/21/2010 encumber LI 10470					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 236917	32,062.00			
6/21/2010 invoice IN 10470					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 236917	18,010.03			
6/30/2010 invoice IN 10783					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 237597		-18,010.03		
6/30/2010 encumber LI 10783					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 237597	67,801.31	132,198.69	0.00	100.00
500-598-3918 8TH ST STREETSCAPE IMPROVEMENTS	200,000.00	67,801.31	132,198.69	0.00	100.00
Total TAX INCREMENT FUND	200,000.00	67,801.31	132,198.69	0.00	100.00
Grand Total	2,200,000.00	67,801.31	132,198.69	2,000,000.00	9.09

Expenditure Detail Report  
CITY OF NATIONAL CITY  
07/01/2010 through 06/30/2011

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
511 TAX INCREMENT FUND						
409 NON-DEPARTMENTAL						
500 CAPITAL IMPROVEMENT PROGRAM						
500-500 Capital Outlay						
500-598-3918 8TH ST STREETSCAPE IMPROVEMENTS	300,000.00	0.00	0.00	0.00	300,000.00	0.00
7/1/2010 bgt_adjst BA 2011-PO-OPEN	132,198.69					
7/1/2010 po_fye opn OP 73569	Check # 0			132,198.69		
Vendor: 18117 HARRIS & ASSOCIATES INC	132,198.69					
7/1/2010 bgt_adjst BA CARRYOVER11	Check # 0			39,531.00		
7/1/2010 encumber CO 73569	-132,198.69					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 0			99,814.00		
7/1/2010 bgt_adjst BA CARRYOVER11	-132,198.69					
7/1/2010 encumber CO 73569	Check # 0			24,894.45		
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 238293					
9/9/2010 invoice IN 5	24,894.45					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 236293					
9/9/2010 encumber LI 5	46,764.17					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 238852					
10/21/2010 Invoices IN 11733	39,774.88					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 238852					
10/21/2010 Invoice IN 11439	40,130.10					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 239348					
10/21/2010 encumber LI 11439	40,130.10					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 238852					
10/21/2010 encumber LI 11733	40,130.10					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 238852					
11/24/2010 invoice IN 11858	40,130.10					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 239348					
11/24/2010 encumber LI 11858	40,130.10					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 239348					
1/24/2011 Invoice IN 12327	39,601.25					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 240058					
1/24/2011 encumber LI 12327	39,601.25					
Vendor: 18117 HARRIS & ASSOCIATES INC	Check # 240058					

Exhibit "Q"

RESOLUTION NO. 2010 – 105

RESOLUTION OF THE COMMUNITY DEVELOPMENT  
COMMISSION OF THE CITY OF NATIONAL CITY  
AUTHORIZING THE CHAIRMAN TO EXECUTE  
A 30-YEAR LEASE AGREEMENT WITH THE SAN DIEGO  
UNIFIED PORT DISTRICT FOR PROPERTY IN  
PEPPER PARK FOR THE CONSTRUCTION OF  
THE NATIONAL CITY AQUATIC AND EDUCATION CENTER

WHEREAS, the Community Development Commission of the City of National City ("CDC") has been working cooperatively since 2004 to develop a permanent facility in Pepper Park for the National City Aquatic and Education Center; and

WHEREAS, the project has been on continuing extensions for building permits with the National City Building Division for more than two years because funding for construction has not been available; and

WHEREAS, on May 4, 2010, the City Council authorized staff to apply for construction funding through a State Grant for Outdoor Education Facilities; and

WHEREAS, proof of property control, such as a lease agreement, is required for the grant; and

WHEREAS, a 30-year lease agreement between the City of National City and the Unified Port of San Diego at the cost of \$1 per year is proposed wherein the CDC will lease 8,412 square feet of land immediately south of the Pepper Park parking lot and immediately east of the boat launch ramp.

NOW, THEREFORE, BE IT RESOLVED that the Community Development Commission of the City of National City hereby authorizes the Chairman to execute a 30-Year Lease with the San Diego Unified Port District for property in Pepper Park for the construction of the National City Aquatic and Education Center. Said Lease Agreement is on file in the office of the City Clerk.

PASSED and ADOPTED this 18th day of May, 2010.

  
\_\_\_\_\_  
Ron Morrison, Chairman

ATTEST:  
  
\_\_\_\_\_  
Brad Rauleton, Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
George H. Eiser, III  
City Attorney

Passed and adopted by the Community Development Commission of the City of National City, California, on May 18, 2010, by the following vote, to-wit:

Ayes: Commissioners Morrison, Sotelo-Solis, Van Deventer, Zarate.

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: RON MORRISON  
Chairman, Community Development Commission



Secretary, Community Development Commission

By: \_\_\_\_\_  
Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2010-105 of the Community Development Commission of the City of National City, California, passed and adopted on May 18, 2010.

\_\_\_\_\_  
Secretary, Community Development Commission

By: \_\_\_\_\_  
Deputy

ROPS 14-15B  
January 1 - June 30, 2015

Exhibit "R"

San Diego Unified Port District  
Document No. 56735  
Filed JUL 29 2010  
Office of the District Clerk

SAN DIEGO UNIFIED PORT DISTRICT  
LEASE TO  
COMMUNITY DEVELOPMENT COMMISSION OF NATIONAL CITY  
OF PROPERTY LOCATED AT  
GOESNO PLACE  
NATIONAL CITY, CALIFORNIA  
FOR THIRTY (30) YEARS  
COMMENCING January 1, 2011  
AND ENDING December 31, 2040

DUPLICATE - ORIGINAL

## TABLE OF CONTENTS

<b>Paragraph/Exhibit</b>	<b>Page Number</b>
1. <b>TERM</b> .....	1
2. <b>USE</b> .....	1
3. <b>RENT</b> .....	1
4. <b>IMPROVEMENTS</b> .....	2
5. <b>CONSTRUCTION OF IMPROVEMENTS</b> .....	3
6. <b>TITLE TO IMPROVEMENTS</b> .....	4
7. <b>LIENS</b> .....	5
8. <b>LEASE ENCUMBRANCE</b> .....	5
9. <b>ASSIGNMENT - SUBLEASE</b> .....	10
10. <b>DEFAULTS AND REMEDIES</b> .....	12
11. <b>BANKRUPTCY</b> .....	15
12. <b>EMINENT DOMAIN</b> .....	15
13. <b>TERMINATION OF PRIOR AGREEMENTS</b> .....	15
14. <b>USE OBLIGATION</b> .....	15
15. <b>MAINTENANCE AND REPAIR</b> .....	16
16. <b>PERFORMANCE BOND</b> .....	17
17. <b>TAXES AND UTILITIES</b> .....	17
18. <b>CONFORMANCE WITH LAWS AND REGULATIONS</b> .....	17
19. <b>EQUAL EMPLOYMENT OPPORTUNITY AND NON-DISCRIMINATION</b> .....	17
20. <b>NONDISCRIMINATION</b> .....	18
21. <b>PARTIAL INVALIDITY</b> .....	18
22. <b>HOLD HARMLESS</b> .....	18
23. <b>SUCCESSORS IN INTEREST</b> .....	19
24. <b>EASEMENTS</b> .....	19
25. <b>TITLE OF LESSOR</b> .....	19
26. <b>INSURANCE</b> .....	19
27. <b>POLICY OF LESSOR</b> .....	22
28. <b>WARRANTIES-GUARANTEES-COVENANTS</b> .....	22
29. <b>DAMAGE TO OR DESTRUCTION OF LEASED PREMISES</b> .....	22



<b>30. QUITCLAIM OF LESSEE'S INTEREST UPON TERMINATION.....</b>	<b>23</b>
<b>31. PEACEABLE SURRENDER.....</b>	<b>23</b>
<b>32. WAIVER.....</b>	<b>23</b>
<b>33. HOLDOVER.....</b>	<b>23</b>
<b>34. SECTION HEADINGS.....</b>	<b>24</b>
<b>35. ENTIRE UNDERSTANDING.....</b>	<b>24</b>
<b>36. TIME IS OF THE ESSENCE.....</b>	<b>24</b>
<b>37. NOTICES.....</b>	<b>24</b>
<b>38. REMOVAL OF MATERIALS.....</b>	<b>25</b>
<b>39. ACCEPTANCE OF LEASED PREMISES.....</b>	<b>25</b>
<b>40. WASTE/NUISANCE.....</b>	<b>25</b>
<b>41. NUMBER AND GENDER.....</b>	<b>25</b>
<b>42. APPLICABLE LAW.....</b>	<b>25</b>
<b>43. ATTORNEY'S FEES.....</b>	<b>25</b>
<b>44. HAZARDOUS MATERIALS.....</b>	<b>26</b>
<b>45. STORAGE TANKS.....</b>	<b>29</b>
<b>46. ENVIRONMENTAL DISCLOSURES.....</b>	<b>30</b>
<b>47. AS-IS LEASE AND WAIVERS.....</b>	<b>30</b>
<b>48. JOINT AND SEVERAL LIABILITY.....</b>	<b>33</b>
<b>49. ACKNOWLEDGMENT OF LESSOR'S IMPROVEMENTS.....</b>	<b>33</b>
<b>50. DISPUTE RESOLUTION.....</b>	<b>34</b>
<b>51. ABSTRACT OF LEASE.....</b>	<b>35</b>

Exhibit "A"  
Exhibit "B"

LEASE

THIS LEASE, made and entered into this 8<sup>th</sup> day of June, 2010, between the SAN DIEGO UNIFIED PORT DISTRICT, a public corporation, hereinafter "Lessor," and COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF NATIONAL CITY, a community development commission, hereinafter "Lessee," WITNESSETH:

Lessor, for the consideration hereinafter set forth, hereby leases to Lessee for the term and upon the conditions hereinafter set forth, a portion of those lands conveyed to the San Diego Unified Port District by that certain Act of the Legislature of the State of California entitled "San Diego Unified Port District Act," Stats. 1962, 1st Ex. Sess., c. 67, as amended, which lands are more particularly described as follows:

Approximately 8,412 square feet of land area located at south end of Goesno Place in National City, California, hereinafter "Leased Premises", more particularly described and delineated on attached Drawing No. 028-025 dated September 12, 2008 and marked as Exhibits "A" and "B", attached hereto and by this reference made a part hereof.

TO HAVE AND TO HOLD said Leased Premises for the term of the Lease and upon the conditions as follows:

1. **TERM:** The term of the Lease shall be for a period of thirty (30) years, commencing on the 1st day of January, 2011, hereinafter called the "Commencement Date," and ending on the 31st day of December, 2040, hereinafter called the "Termination Date," unless sooner terminated as herein provided. Provided however on the mutual agreement of the parties, Lessee shall, however, have the option to extend this Lease for one, five (5) year term.
2. **USE:** Lessee agrees that the Leased Premises shall be used only and exclusively for an aquatic and recreational center and for no other purposes whatsoever. This restriction on use of the Leased Premises absolutely prohibits a change in use.
3. **RENT:** Consideration is primarily the benefit to Lessor and the people of the state of California of having Lessee agrees to pay to Lessor rent in accordance with the following:
  - (a) The rent for this Lease shall be the sum of One Dollar (\$1.00) per year. Said rent shall be payable in advance on or before the first (1st) day of the first (1st) month of each calendar year. It is acknowledged that the use provided herein is a public benefit and is further consideration for this agreement.
  - (b) All payments shall be delivered to Lessor's Treasurer. Checks shall be made payable to the San Diego Unified Port District and mailed to the Treasurer's Office,

San Diego Unified Port District, Post Office Box 120488, San Diego, California 92112-0488, or delivered to the Treasurer's Office, San Diego Unified Port District, 3165 Pacific Highway, San Diego, California. Lessor may change the designated place of payment and filing at any time upon ten (10) days' written notice to Lessee. Lessee assumes all risk of loss and responsibility for late charges, as herein described, if payments are made by mail.

- (c) All payments by Lessee to Lessor shall be by a good and sufficient check. No payment made by Lessee or receipt or acceptance by Lessor of a lesser amount than the correct amount of rent due under this Lease shall be deemed to be other than a payment on account of the earliest rent due hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance or pursue any other available remedy.

#### 4. IMPROVEMENTS:

In accordance with the procedures described herein, Lessee may, at its own expense, make alterations or changes, or cause to be made, built, installed, or removed any structures, machines, appliances, utilities, signs, or other improvements necessary or desirable for the authorized use of the Leased Premises. Provided, however, said work shall be in accordance with plans and specifications, including but not limited to working drawings, hereinafter "Plans," previously submitted to and approved in writing by Lessor.

No construction, installation, or removal of any improvement upon the Leased Premises shall commence without Lessor's prior written approval. All construction, installations, and removals shall be in accordance with Plans submitted to and approved in writing by Lessor prior to the commencement of any such work. All Plans are subject to changes as may be approved by Lessor, in Lessor's sole discretion. Further, all work shall be in accordance with all applicable laws, regulations, ordinances, and codes.

Notwithstanding the foregoing, within the interior of any enclosed building structure, and without Lessor's prior consent, Lessee shall have the right to install and/or remove machines, equipment, appliances, and trade fixtures that are necessary or desirable for the authorized use of the Leased Premises.

When required by Lessor, Lessee shall, at its sole cost and expense, pave or landscape the entire portion of the Leased Premises not covered by structures. All paving and/or landscaping shall be in accordance with Plans which must be submitted to and approved in writing by Lessor prior to the commencement of any such paving and/or landscaping.

- (e) Lessee shall notify Lessor prior to submitting application(s) to any governmental regulatory agency for any development or construction permit or license pertaining to the Leased Premises. Lessee shall also provide Lessor with a copy of all application(s) within five (5) days of making said application(s), along with copies of all Plans submitted as part of the application(s). Lessee shall also provide Lessor, within ten (10) days of Lessee's receipt, a copy of all permits, licenses, or other authorizations subsequently issued.

Lessee agrees that no banners, pennants, flags, spinners, or other advertising devices, nor any temporary signs, shall be flown, installed, placed, or erected on the Leased Premises without Lessor's prior written consent.

#### **5. CONSTRUCTION OF IMPROVEMENTS:**

On or before December 31, 2012, Lessee shall provide evidence of financial capability and commence the construction of and diligently proceed to completion, a aquatic and recreation center, hereinafter "Project." The Project shall be substantially in accordance with plans and specifications, including but not limited to working drawings, hereinafter "Plans," previously approved in writing by Lessor, subject to changes thereto as may be approved by Lessor, in Lessor's sole discretion. Said Plans, and any approved changes thereto, are by this reference made a part hereof. Construction of the Project shall be completed by no later than December 31, 2015. Provided, however, the commencement and completion dates may be extended pursuant to Paragraph 5(e) herein. In the event of any inconsistency between the Plans and the terms and conditions of this Lease, the terms and conditions of this Lease shall prevail.

- (b) Lessee shall, as a condition of this Lease, but not as a covenant, make an investment in the Project improvements in an amount which shall exceed Two-million One-Hundred Thirty-seven Thousand Five-hundred Sixty-one Dollars (\$2,137,561), provided that funding is available for the project. Such investment is qualification for the term of this Lease and is not a portion of the rent obligations provided in Paragraph 3 herein. Further, neither such investment, nor such improvements, nor any other Lessee investment or improvement shall be considered by the parties hereto or any arbitrator (in the event of arbitration) in determining any rent during the term of this Lease. It is agreed that the funding for the project improvements is not to be provided by Lessee, but from outside sources, unless Lessee determines to become the source of funding.

Investment in the Project improvements referenced in Paragraph 5(b) above shall include an investment of not less than Twenty-one Thousand Three-hundred Seventy-six Dollars (\$21,376) in public artworks. No public artwork shall be installed on the Leased Premises unless the written approval of the Lessor has been granted. Acceptable forms of public artworks are described in Lessor's Board of Port Commissioners' Policy No. 609 and include, but are not limited to, paintings, sculptures, works of visual art, and artist-designed landscapes.

- (d) Within sixty (60) days following completion of any substantial improvement within the Leased Premises, but at not less than quarterly intervals, Lessee shall furnish Lessor an itemized statement of the actual construction cost of such improvement. The statement shall be sworn to and signed, under penalty of perjury, by Lessee or its responsible agent.

Lessee shall maintain true, accurate, and complete records to support said statement. Such records shall include, but are not limited to a general ledger, vendor invoices, cancelled checks, construction loan documentation, agreements with third-party contractors, and contractor progress payment billings. Additionally,

should Lessee perform any construction in-house, Lessee shall substantiate the actual work performed by maintaining a payroll journal, copies of cancelled payroll checks, and timecards or other payroll documents which show dates worked, hours worked, and pay rates.

Books and records herein required shall be maintained and made available either at the Leased Premises or at such other location as is agreeable to Lessor. Further, Lessor shall have the right at any and all reasonable times to examine and audit said books and records without restriction for the purpose of determining the accuracy thereof, and the accuracy of the aforesaid statement. In the event Lessee does not make available the original books and records at the Leased Premises or within the limits of San Diego County, Lessee agrees to pay all necessary expenses incurred by Lessor in conducting an audit at the location where said books and records are maintained.

- (e) The time(s) during which Lessee's construction is delayed by acts of God, war, invasion, rebellion, revolution, insurrection, riots, labor problems, unavailability of materials, government intervention, or acts or omissions of Lessor, shall be added to the times for the commencement and completion of construction established in Paragraph 5(a) herein. Provided, however, in no event shall the period of excused delay exceed 365 days in the aggregate.
- (f) Failure to comply with this Paragraph is a breach of this Lease and cause for termination in accordance with Paragraph 10 herein.

6. **TITLE TO IMPROVEMENTS:** For the purpose of this Paragraph, "improvements" shall include, but are not limited to subsurface improvements. On the Commencement Date of this Lease, all existing structures, buildings, installations, and improvements located on the Leased Premises are owned by and title thereto is vested in Lessee. All said existing structures, buildings, installations, and improvements, as well as structures, buildings, installations, and improvements of any kind placed on the Leased Premises by Lessee subsequent to the Commencement Date of this Lease shall, at the option of Lessor, be removed by Lessee at Lessee's expense. Lessor may exercise said option as to any or all of the structures, buildings, installations, and improvements after the Termination Date or sooner termination of this Lease. If Lessor exercises such option, Lessee shall remove such structures, buildings, installations, and/or improvements within sixty (60) days after the Termination Date of this Lease or sooner termination thereof, whichever occurs earlier. Provided, however, Lessee agrees to repair any and all damage occasioned by their removal. Title to any such structures, buildings, installations, and/or improvements not so removed within said sixty (60) days shall vest in Lessor, at a cost of one-hundred (\$100) dollars paid to Lessee, except that Lessor shall have the right to have them removed and to repair any and all damage occasioned by their removal, all at the expense of Lessee.

On the Commencement Date of this Lease, all existing machines, appliances, equipment, trade fixtures, and portable public artworks (i.e., artworks that are not architecturally integrated into the structures and buildings and are capable of being removed and transported to another location without being damaged) located on the Leased Premises are owned by and title thereto is vested in Lessee. Furthermore, all machines, appliances, equipment, trade fixtures, and portable public artworks placed on the Leased Premises by

Lessee subsequent to the Commencement Date of this Lease are owned by and title thereto is vested in Lessee. All machines, appliances, equipment, trade fixtures, and portable public artworks shall be removed by Lessee, at Lessee's expense, within sixty (60) days after the Termination Date of this Lease or sooner termination thereof, whichever occurs earlier. Provided, however, Lessee agrees to repair any and all damage occasioned by their removal.

Notwithstanding the foregoing, any machines, appliances, equipment, trade fixtures, and portable public artworks placed on the Leased Premises by Lessee as qualification for the term of this Lease pursuant to Paragraph 5 herein, as well as portable public artworks located on the Leased Premises on the Commencement Date of this Lease, may only be removed by Lessee, at Lessor's option. If machines, appliances, equipment, trade fixtures, and portable public artworks required by Lessor to be removed are not removed by Lessee within sixty (60) days after the Termination Date of this Lease or sooner termination thereof, whichever occurs earlier, the same may be considered abandoned and shall thereupon become the property of Lessor, at a cost of one-hundred (\$100) dollars paid to Lessee, except that Lessor shall have the right to have them removed and to repair any and all damage occasioned by their removal, all at the expense of Lessee.

During any period of time employed by Lessee under this Paragraph to remove structures, buildings, installations, improvements, machines, appliances, equipment, trade fixtures, and portable public artworks, Lessee shall continue to pay the full rent to Lessor in accordance with this Lease, which said rent shall be prorated daily.

7. **LIENS:** Lessee shall defend, indemnify, and hold harmless Lessor against all claims and liens for labor, services, or materials in connection with improvements, repairs, or alterations made by Lessee or Lessee's sublessees, contractors, and agents on the Leased Premises, and the costs of defending against such claims and liens, including reasonable attorneys' fees.

In the event any such claim or lien, or any other claim(s), lien(s) or levy(ies) whatsoever of any nature caused by Lessee or Lessee's sublessees, contractors, and agents, is filed against the Leased Premises or the leasehold interests of Lessee therein, Lessee shall, upon written request of Lessor, deposit with Lessor a bond conditioned for the payment in full of all claims upon which said lien(s) or levy(ies) have been filed. Such bond shall be acknowledged by Lessee, as principal, and by an entity licensed by the Insurance Commissioner of the state of California to transact the business of a fidelity and surety insurance company, as surety. Lessor shall have the right to declare this Lease in default in the event the bond required by this Paragraph has not been deposited with Lessor within ten (10) days after written request has been delivered to Lessee.

This provision shall not apply to a foreclosure of a trust deed or mortgage encumbering the leasehold if the encumbrance has previously received Lessor consent in accordance with Paragraph 8 herein.

8. **LEASE ENCUMBRANCE:**

(a) Lessor's Consent to Encumbrance. Lessee shall not encumber the Lease, leasehold interest, and the improvements thereon by a deed of trust, mortgage, or



other security instrument to assure the payment of Lessee's promissory note, without Lessor's prior written consent, in each instance. If Lessee enters into any deed of trust, mortgage, or other security instrument that encumbers the Lease, leasehold interest, or the improvements thereon without Lessor's prior written consent, Lessor shall have the right to declare this Lease in default.

In the event Lessee requests Lessor's consent to any Lease encumbrance, hereinafter referred to as a "transaction" in this Paragraph 8, Lessee shall reimburse Lessor for all Lessor's reasonable costs and expenses associated with said transaction. Said costs shall include reasonable legal fees and disbursements relating to or arising out of any such transaction, regardless of whether such transaction is consummated.

- (b) Definition of "Consented-to-Lender". The term "Consented-to-Lender" as hereinafter used in this Lease, means the lender holding an encumbrance consented to by Lessor. It may include one or more lenders holding obligations of the Lessee secured by a single deed of trust, mortgage, or other security instrument.
- (c) Voluntary Lease Surrender. Without the prior written consent of the Consented-to-Lender, should Lessee owe the Consented-to-Lender any amounts under any security instrument encumbering this Lease, leasehold interest, or the improvements thereon, Lessor will not accept the voluntary surrender, cancellation, or termination of this Lease before the expiration of the term thereof.
- (d) Loan Default. If a deed of trust, mortgage, or other security instrument consented to by Lessor is in default at any time, the Consented-to-Lender shall, as provided by law, have the right, without Lessor's prior consent, to:
  - (1) Accept an assignment of the Lease in lieu of foreclosure; or
  - (2) Cause a foreclosure sale to be held pursuant to either judicial proceedings or power of sale as provided in its deed of trust, mortgage, or other security instrument.

Provided, however, with the exception of said Consented-to-Lender, no assignment to the successful bidder shall be effective without Lessor's prior written consent.

- (e) Assume Lease Obligations. Before said Consented-to-Lender, or any other future consented-to assignee, acquires the leasehold interest, it shall, as an express condition precedent, agree in writing to assume each and every obligation under the Lease. Furthermore, before any said Consented-to-Lender, or any other future consented-to assignee or purchaser, may subsequently assign or sublease all or any portion of the leasehold interest, it shall, in each instance, obtain Lessor's prior written consent.

Further, a Consented-to-Lender that has: (i) acquired the leasehold interest and assumed the Lessee's obligations, or (ii) entered into a new lease pursuant to Paragraph 10 herein, concurrently with a termination of this Lease, shall be released from all further obligations under this Lease after it assigns the leasehold interest to an assignee consented to by Lessor, in accordance with this Paragraph 8.

- (f) **Lessor's Consent to Assignment.** Whenever a Consented-to-Lender is required by the provisions of this Paragraph 8 to obtain Lessor's prior consent to an:

Assignment to the successful bidder upon a foreclosure by said Consented-to-Lender; or

- (2) Assignment or sublease of all or substantially all of the Leased Premises by said Consented-to-Lender should it become the lessee by reason of: (i) being the successful bidder upon said foreclosure, or (ii) an assignment in lieu of foreclosure, or (iii) under a new lease entered into pursuant to Paragraph 10 herein; then Lessor will grant such consent if:
- (i) The principal(s) of such assignee, purchaser, or sublessee are reputable (meaning the absence of reputations for dishonesty, criminal conduct, or association with criminal elements -- "reputable" does not mean "prestigious," nor does the determination of whether one is reputable involve considerations of personal taste or preference);
  - (ii) The principal(s) of such assignee, purchaser, or sublessee possess sufficient business experience and financial means to perform Lessee's obligations under this Lease—according to the then-current standards for business experience and financial means that Lessor generally requires of new or renewed lessees at the time of the request; and
  - (iii) The assignee, purchaser, or sublessee agrees in writing to assume each and every obligation under this Lease.

Further, Lessor will not unreasonably or arbitrarily withhold such consent. Provided, however, no such assignee, purchaser, or sublessee shall subsequently: (i) assign, transfer, or sublease any or all of the Leased Premises without Lessor's prior written consent, in accordance with Paragraph 9 herein; or (ii) encumber the Lease, leasehold interest, and improvements thereon without Lessor's prior written consent, in accordance with this Paragraph 8.

Provided further, if said Consented-to-Lender becomes the lessee by reason of: (i) being the successful bidder upon foreclosure, or (ii) an assignment in lieu of foreclosure, or (iii) being the lessee of a new lease entered into pursuant to Paragraph 10 herein, then said Consented-to-Lender may, upon a subsequent assignment or subleasing of all or substantially all of the Leased Premises, take back from its assignee, purchaser, or sublessee, a purchase money deed of trust, mortgage, or security instrument. Provided, however, said Consented-to-Lender must execute and submit to Lessor documentation substantially in the same form and content as was originally submitted to Lessor when consent was granted to the earlier encumbrance. Only said Consented-to-Lender or the successful bidder upon said foreclosure may enforce the provisions of this Paragraph 8. Further, no other third party shall have the rights or remedies, as third-party beneficiaries, or otherwise, hereunder.



The burden of producing evidence and the burden of proof showing Lessor that a prospective assignee, purchaser, or sublessee meets each and all of the aforesaid qualifications and standards shall be on said Consented-to-Lender or successful bidder upon foreclosure. Lessor's decision shall be based upon Lessor's high duty of care in administering a valuable public resource, which it holds in trust for the people of the state of California. In the absence of fraud or arbitrary or unreasonable action in applying or failing to apply said standards, Lessor's decision shall be final.

- (g) If Lessor Rejects Lease Transferee. In the event Lessor rejects: (i) the successful bidder upon foreclosure, or (ii) a proposed assignee or sublessee of the Consented-to-Lender (said successful bidder or Consented-to-Lender being sometimes referred to hereinafter as the "Aggrieved Party," and said successful bidder, or proposed assignee or sublessee from the Consented-to-Lender being sometimes referred to hereinafter as the "Applicant"), the sole remedy of the Aggrieved Party shall be to seek relief in the nature of specific performance through the arbitration procedure hereinafter established. Further, in no event shall Lessor be liable to the Aggrieved Party or Applicant, or any person or entity whatsoever, for money damages. Provided, however, the Aggrieved Party shall be entitled to recover such damages, if any, it may sustain as a result of Lessor's failure or refusal to comply with a Superior Court order confirming an award in favor of the Aggrieved Party in said arbitration.

The issue to be submitted to arbitration shall be whether Lessor's Board of Port Commissioners' record contains substantial evidence to support the decision to reject the Applicant in accordance with the standards of reputation, business experience, and/or financial means, as provided herein. The Aggrieved Party may submit said issue to arbitration.

The arbitration shall be conducted pursuant to Title 9 of Part 3 of the California Code of Civil Procedure (section references herein shall be to the Code of Civil Procedure), as amplified and modified by the following provisions:

- (1) Arbitration shall be initiated by the Aggrieved Party filing a written demand for arbitration with Lessor no later than thirty (30) days following Lessor's adoption of a resolution rejecting the Applicant. If the Aggrieved Party so elects, Lessor shall be deemed to have adopted a resolution rejecting an Applicant if Lessor has not acted within ninety (90) days after the Aggrieved Party files a written application for Lessor to approve the Applicant;
- (2) Said arbitration shall be conducted by a single neutral arbitrator who shall not be a County of San Diego resident;
- (3) If the parties have not agreed on the selection of the arbitrator within five (5) days after said demand for arbitration is filed, either party may petition the Superior Court of the state of California, county of San Diego, to select the arbitrator pursuant to Section 1281.6;
- (4) Each party shall submit its nominees, if any, to the court within five (5) days after said petition is served and filed;

- (5) Said arbitrator shall not conduct a trial de novo, but shall consider only said record before Lessor's Board of Port Commissioners. Provided, however, said arbitrator may consider evidence outside said record if the arbitrator believes that the Board's decision was affected by Lessor's fraudulent action which was not reasonably discoverable prior to the Board's decision;
  - (6) Said arbitrator shall make the award in writing within forty-five (45) days of being appointed;
  - (7) The right of any party to take depositions for discovery purposes, as provided in Section 1283.05, shall be waived;
  - (8) Certain time periods established in said Title 9 shall be shortened as follows:
    - (i) Sections 1284, 1288.4, 1290.2, and 1290.6--halved;
    - (ii) Section 1288--four years to 30 days and 100 days to 15 days; and
    - (iii) Section 1288.2--100 days to 15 days;
  - (9) San Diego, California shall be the venue of the arbitration hearing and any court proceedings;
  - (10) The decision of the Superior Court in any proceeding to confirm, correct, or vacate the award shall be final, and the parties to said arbitration waive any rights to appeal therefrom, as provided in Sections 1294 and 1294.2, or otherwise; and
  - (11) The parties shall bear their costs, fees, and expenses incurred in connection with said arbitration, in accordance with the provisions of Section 1284.2.
- (h) Notice of Foreclosure Sale. Said Consented-to-Lender shall include a statement in any Notice of Foreclosure Sale covering the foregoing requirements for Lessor's consent to an assignment upon said foreclosure.
- (i) Subsequent Encumbrance. Except for subleases, utility easements, and other necessary rights-of-way, Lessor shall not expressly consent to a subsequent lien or encumbrance against the Leased Premises without said Consented-to-Lender's prior written consent.
- (j) Assignment of Security Interest. Said Consented-to-Lender shall not assign its security interest in the Leased Premises in whole or in part without Lessor's prior written consent, in each instance. Provided, however, Lessor's consent to such an assignment shall be deemed granted (and such assignee will for all purposes of this Lease be deemed to be a Consented-to-Lender) if the assignment is to:

- (1) A financial institution in good legal standing under the laws of its jurisdiction of incorporation having assets exceeding Five Hundred Million Dollars (\$500,000,000); or
- (2) The United States of America or any state thereof, or any agency thereof; or
- (3) An assignee by operation of law; e.g., a state insurance department engaged in supervising the liquidation or rehabilitation of an Insurance company lender.

Provided, however, for purposes of the foregoing provisions "financial institution" shall mean: (i) an insurance company qualified to do business in the state of California; or (ii) a federally- or state-chartered bank, savings bank, or savings and loan association; or (iii) a pension or retirement fund operated for the employees and former employees of, and regulated and controlled by, the United States of America or any state thereof, or any agency thereof; e.g., the California State Teachers' Retirement System.

Provided, further, no subsequent assignment by such assignee will be permitted unless:

- (1) The assignment conforms to all requirements of this Paragraph 8;
- (2) A duplicate original(s) of such assignment is furnished Lessor; and
- (3) In case of an assignment where Lessor's consent is deemed granted: (i) assignee promptly furnishes Lessor reasonably satisfactory evidence that said assignee complies with the foregoing requirements, and (ii) said assignee expressly agrees to take such assignment subject to all Lessor's rights under this Lease.

**9. ASSIGNMENT – SUBLEASE:** Lessee shall not, without the prior written consent of Lessor:

- (a) Assign or transfer the whole or any part of this Lease or any interest therein;
- (b) Sublease (which shall also include management and/or operating agreements covering the Leased Premises) the whole or any part of the Leased Premises;
- (c) Permit transfer of the Lease or possession of the Leased Premises by merger, consolidation, or dissolution of Lessee;
- (d) Notwithstanding the provisions contained in Paragraph 8 herein, permit hypothecation, pledge, encumbrance, transfer or sale, voluntary or involuntary, in whole or in part, of this Lease or any interest therein; or
- (e) Permit the occupancy of the whole or any part of the Leased Premises by any other person or entity.

Notwithstanding the foregoing, nothing herein shall be construed to prevent the occupancy of said Leased Premises by any employee or business invitee of Lessee.

Further, Lessee shall not, without the prior written consent of Lessor:

- (a) Permit assignment, hypothecation, withdrawal, admittance, dissolution, change, pledge, encumbrance, transfer or sale, voluntary or involuntary, of any interest of a member's managing interests, limiting interests or membership interests;
- (b) Contract for the management or operation of the whole or any part of the Leased Premises; or
- (c) Permit the transfer of the Lease or possession of the Leased Premises by any changes in the respective interests of the parties comprising Lessee.

It is mutually agreed that the qualifications of the Lessee, are a part of the consideration for granting this Lease. Said parties do hereby specifically agree to maintain active control and supervision of the operations conducted on the Leased Premises.

In the event Lessee requests Lessor's consent to any Lease assignment, Lease transfer, Lease amendment, and/or sublease, hereinafter referred to as a "transaction," Lessee shall reimburse Lessor for all Lessor's reasonable costs and expenses associated with said transaction. Said costs shall include reasonable legal fees and disbursements relating to or arising out of any such transaction, regardless of whether such transaction is consummated.

In the event Lessor consents to any Lease assignment or transfer, said consent shall be conditioned upon the following: (i) if, on the effective date of such proposed assignment or transfer, the rent being paid under this Lease is less than market rent, Lessor shall thereafter be paid additional rent to equal market rent; (ii) assignee shall agree and assume each and every obligation under the Lease; (iii) if deemed necessary by Lessor, a Lease amendment shall be executed which will include new or revised lease provisions; and (iv) assignee shall comply with other conditions and qualifications determined by the Board of Port Commissioners of Lessor. Notwithstanding, items (i), (iii), and (iv) shall not apply in the event of: (a) a Lease assignment or transfer to a third party from a Consented-to-Lender which acquired title to the Lease by foreclosure or deed in lieu of foreclosure or a new Lease pursuant to the provisions of Paragraph 10 herein, or (b) assignment or transfer of the Lease to a Consented-to-Lender by deed in lieu of foreclosure, or to a Consented-to-Lender or a third party as the successful bidder at a foreclosure sale. Upon the effective date of any said consented-to Lease assignment or transfer, assignee shall thereafter pay to Lessor the market rent.

In the event Lessor consents to any sublease, said consent shall be conditioned upon the following: (i) if, upon the effective date of any said consented-to sublease, the rent being paid for the sublease area is less than market rent, Lessor shall thereafter be paid additional rent to equal market rent for the sublease area as long as said sublease is in effect; (ii) if deemed necessary by Lessor, a Lease amendment shall be executed which shall include new or revised lease provisions; and (iii) Lessee shall comply with other conditions and qualifications determined by the Board of Port Commissioners of Lessor.

10. **DEFAULTS AND REMEDIES:**

(a) **Defaults.** The occurrence of any one (1) or more of the following events shall constitute a default hereunder:

- (1) **Abandonment of the Leased Premises.** Abandonment is herein defined to include, but is not limited to, any absence by Lessee from the Leased Premises for ten (10) consecutive days or longer.
- (2) **Failure by Lessee to pay, when due, any Lease-required rent, other payment, and/or charge herein, where such failure continues for a period of ten (10) days after written notice thereof.** Provided, however, any such notice provided in this Paragraph 10(a)(2) or in subsequent Paragraph 10(a)(3) shall be in lieu of, and not in addition to, any notice required under Section 1161 of the California Code of Civil Procedure, as amended.
- (3) **Failure by Lessee to perform any other express or implied covenants or conditions in this Lease (other than any breach under Paragraph 9, for which immediate notice of termination may be given), should such failure continue for thirty (30) days after written notice thereof.**
- (4) **Subject to any restrictions or limitations placed on Lessor by applicable laws governing bankruptcy, Lessee's: (a) applying for, consenting to, or suffering the appointment of a receiver, trustee, or liquidator for all or a substantial portion of its assets; (b) making a general assignment for the benefit of creditors; (c) admitting in writing its inability to pay its debts or its willingness to be adjudged a bankrupt; (d) becoming unable to, or failing to, pay its debts as they mature; (e) being adjudged a bankrupt; (f) filing a voluntary petition or suffering an involuntary petition under any bankruptcy, arrangement, reorganization, or insolvency law (unless in the case of an involuntary petition, the same is dismissed within thirty (30) days of such filing); (g) convening a meeting of its creditors, or any class thereof, for purposes of effecting a moratorium, extension, or composition of its debts; or (h) suffering, or permitting to continue unstayed and in effect for ten (10) consecutive days, any attachment, levy, execution, or seizure of all or a substantial portion of Lessee's assets or of Lessee's interest in this Lease.**

This Paragraph 10(a)(4) shall not be applicable or binding on the beneficiary of any deed of trust, mortgage, or other security instrument on the Leased Premises which is of record with Lessor and has been consented to by resolution of Lessor, or to said beneficiary's successors in interest consented to by resolution of Lessor, as long as there remains any monies to be paid by Lessee to such beneficiary under the terms of such deed of trust; provided that such beneficiary or its successors in interest, continuously and timely pays to Lessor all rent due or coming due under the provisions of this Lease and the Leased Premises are continuously and actively used in accordance with Paragraph 14 of this Lease, and provided that said beneficiary agrees in writing to assume and perform each and every obligation under the Lease.

- (5) Failure by Lessee to comply with all time periods specified in this Lease.
  - (6) Notwithstanding Paragraph 10(a)(5), failure by Lessee to timely comply with all other provisions of this Lease.
- (b) **Remedies.** In the event of any default, Lessor may exercise the following remedies:

(1) **Termination:** Terminate Lessee's right to possession of the Leased Premises whereupon this Lease shall terminate and Lessee shall immediately surrender possession of the Leased Premises to Lessor. In such event, Lessor shall be entitled to recover from Lessee:

- (i) The "Worth at the Time of Award", as hereinafter defined, of the unpaid rent which had been earned at the time of termination;
- (ii) The "Worth at the Time of Award" of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such loss that Lessee proves could have been reasonably avoided;
- (iii) The "Worth at the Time of Award" of the amount by which the unpaid rent for the balance of the term of this Lease after the time of award exceeds the amount of such loss that Lessee proves could have been reasonably avoided; and
- (iv) Any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease, or which would ordinarily be likely to result therefrom, including but not limited to the cost of recovering possession of the Leased Premises, expenses of reletting (including necessary repair, renovation and alteration of the Leased Premises), reasonable attorneys' fees, and any other reasonable costs.

The "Worth at the Time of Award" of the amounts referred to in Paragraphs 10(b)(1)(i) and 10(b)(1)(ii) shall be computed by charging interest at ten percent (10%) per annum from the dates such amounts accrued to Lessor. The "Worth at the Time of Award" of the amount referred to in Paragraph 10(b)(1)(iii) shall be computed by discounting such amount at one (1) percentage point above the Discount Rate of the Federal Reserve Bank of San Francisco at the time of the award.

- (2) **Reletting:** Without terminating or effecting a forfeiture of the Lease, or otherwise relieving Lessee of any obligation herein, Lessor may, but need not, relet the Leased Premises or any portion thereof, at any time or from time to time, for such terms and upon such conditions and rent as Lessor, in its sole discretion, deems proper. Regardless of whether the Leased Premises are relet, Lessee shall continue to pay to Lessor all Lease-required amounts up to the date that Lessor terminates Lessee's right to possession of the



Leased Premises; provided, however, following a default, Lessor shall not unreasonably withhold its consent to any Lessee-requested assignment of this Lease or subletting of the Leased Premises, unless Lessor shall also elect to terminate this Lease and Lessee's right to possession of the Leased Premises, as provided in Paragraph 10(b)(1). Such payments shall be due at the times provided in this Lease and Lessor need not wait until the termination of the Lease to recover said amounts. If Lessor relets the Leased Premises, or any portion thereof, such reletting shall not relieve Lessee of any obligations herein, except that Lessor shall apply the rent or other proceeds actually collected for such reletting against amounts due from Lessee herein, to the extent such proceeds compensate Lessor for Lessee's nonperformance of any obligation herein. Lessor may execute any lease made pursuant thereto in its own name. Further, Lessor shall be under no obligation to reveal to new lessee how these proceeds were applied, nor shall said new lessee have any right to collect any such proceeds. Lessor shall not, by any reentry or other act, be deemed to have accepted Lessee's surrender of the Leased Premises or Lessee's interest therein, nor be deemed to have terminated this Lease or to have relieved Lessee of any obligation herein, unless Lessor shall have furnished Lessee with express written notice of Lessor's election to do so, as set forth herein.

- (3) Other: Any and/or all other rights or remedies of Lessor specified elsewhere in this Lease or provided by law.

In the event Lessor has consented to an encumbrance of this Lease for security purposes in accordance with Paragraph 8 of this Lease, it is understood and agreed that Lessor shall furnish copies of all notice(s) of default(s) to the beneficiary or mortgagee under said encumbrance by certified mail (provided Lessee has delivered to Lessor written request, therefore, together with the name and address of any such beneficiary or mortgagee) contemporaneously with the furnishing of such notices to Lessee. Furthermore, in the event Lessee fails to cure such default(s) within the time permitted herein, said beneficiary or mortgagee shall be permitted to cure such default(s) at any time within fifteen (15) days following the expiration of the period within which Lessee may cure said default(s); provided, however, Lessor shall not be required to furnish any further notice(s) of default(s) to said beneficiary or mortgagee.

In the event this Lease is terminated pursuant to the provisions of this Paragraph 10, Lessor shall continue to have all rights provided in Paragraph 6 of this Lease.

Notwithstanding the foregoing, should a default not be cured within the cure periods referred to above, said Lease shall not be terminated as to said beneficiary or mortgagee unless Lessor first legally offers to enter into a valid lease with said beneficiary or mortgagee, and said offer is not accepted in writing within (30) days after said offer is made. Furthermore, such new lease must be entered into as a condition concurrent with such termination for the then-remaining term of this Lease. Furthermore, the new lease must contain the same terms, conditions, and priority as this Lease, provided the mortgagee or beneficiary promptly cures all then-existing defaults under this Lease when and to the extent it is able to cure them. Such new lease may be entered into even though possession of the Leased Premises has not been surrendered by the defaulting Lessee. In such event,

unless legally restrained, Lessor shall promptly proceed to obtain possession of the Leased Premises and to deliver possession to said mortgagee or beneficiary as soon as the same is obtained. Should the mortgagee or beneficiary fail to accept said offer in writing within said thirty- (30) day period, or, having so accepted said offer, should it fail promptly to cure all existing defaults under this Lease when and to the extent it is able to cure them, then such termination shall also be effective as to said mortgagee or beneficiary.

11. **BANKRUPTCY:** Lessor shall have the right to declare this Lease in default if Lessee: (i) becomes insolvent; (ii) makes an assignment for the benefit of creditors; (iii) becomes the subject of a bankruptcy proceeding, reorganization arrangement, insolvency, receivership, liquidation, or dissolution proceeding; or in the event of any judicial sale of Lessee's leasehold interest.

The conditions of this Paragraph shall not be applicable or binding on: (1) Lessee; or (2) the beneficiary in any deed of trust, mortgage, or other security instrument encumbering the leasehold interest which Lessor has consented to in writing; or (3) the aforesaid beneficiary's successors in interest which Lessor has consented to in writing, as long as there remains any monies to be paid by Lessee to such beneficiary under the terms of such deed of trust; provided Lessee, such beneficiary, or such beneficiary's successors in interest continuously pay to Lessor all rent due or coming due under the provisions of this Lease, and the Leased Premises are continuously and actively used in accordance with Paragraph 14 herein.

12. **EMINENT DOMAIN:** If any public authority takes the whole or a substantial part of the Leased Premises under the power of eminent domain, then the term of this Lease shall cease as to the part so taken from the day the possession of that part is taken. Further, the rent shall be paid up to that day. Lessee shall then have the right either to: (i) cancel this Lease and declare the same null and void; or (ii) continue in possession of the remainder of the Leased Premises under the then-current Lease terms. Provided, however, the rent shall be reduced in proportion to the value of the portion of the Leased Premises taken.

13. **TERMINATION OF PRIOR AGREEMENT(S):** Any and all existing permits, leases, or rental agreements between Lessor and Lessee for the Leased Premises which have not already expired or terminated, are hereby terminated on the effective date of this Lease. Any rights, duties, and obligations of the parties, if any, pursuant to the terms, covenants, and conditions in any such hereby terminated agreements shall remain enforceable and subject to all defenses, including without limitation any applicable statute of limitations. Further, said statute shall not be waived or extended because of this Lease. Nothing herein is intended nor shall be construed as a waiver of any such rights, or as a release of any such duties or obligations; whether known or unknown at this time or upon the effective date of this Lease.

14. **USE OBLIGATION:** Lessee shall actively and continuously use and operate the Leased Premises for the limited particular exclusive use expressly provided for in Paragraph 2, herein, except for failure to so use caused by wars, strikes, riots, civil commotion, acts of public enemies, and acts of God. Said active and continuous use and operation enhances the value of the lands within Lessor's jurisdiction; provides needed public service; and provides additional employment, taxes, and other benefits to the general economy of the area. Lessee, however, shall not and is expressly prohibited from using the



Leased Premises for any other purpose or use whatsoever, whether it is purported to be in addition to or in lieu of the particular exclusive use expressly provided in Paragraph 2, herein.

**15. MAINTENANCE AND REPAIR:** As part of the consideration for this Lease, Lessee shall assume full responsibility for operation and maintenance of the Leased Premises throughout the term and without expense to Lessor. Lessee shall perform all maintenance, which includes all painting, repairs, and replacements necessary to maintain and preserve the Leased Premises in a good, safe, healthy, and sanitary condition, satisfactory to Lessor and in compliance with all applicable laws. Provided, however, prior to Lessee performing any extraordinary repairs, plans and specifications must first be submitted to Lessor and receive Lessor approval, pursuant to the procedures provided in Paragraph 4 herein. Further, Lessee shall provide approved containers for trash and garbage and keep the Leased Premises free and clear of rubbish, litter, and any other fire hazards. Lessee waives all rights to make repairs at the expense of Lessor, as provided in Section 1942 of the California Civil Code, and all rights provided by Section 1941 of said Code.

For the purpose of keeping the Leased Premises in a good, safe, healthy, and sanitary condition, Lessor always shall have the right but not the duty to enter, view, inspect, determine the condition of, and protect its interests in the Leased Premises. Provided, however, Lessor or its representatives shall: (a) conduct such entry in a manner that causes the least inconvenience and disruption to Lessee's operation as practicable; and (b) comply with all safety and security requirements of Lessee. It is not intended, however, that Lessee's safety and security requirements be used to bar Lessor's right of inspection. Further, Lessee shall provide Lessor reasonable access to the Leased Premises for such purpose.

If inspection discloses the Leased Premises are not in the condition required herein, Lessee immediately must commence the necessary maintenance work, and complete said work within ten (10) days after written notice from Lessor. Further, if at any time Lessor determines the Leased Premises are not in the condition required herein, Lessor may require Lessee to file and pay for a faithful performance bond to assure prompt correction, without additional notice. The amount of said bond shall be adequate, in Lessor's opinion, to correct all unsatisfactory conditions.

Notwithstanding, Lessor shall not be required to perform any maintenance, including painting, repairs, or replacements; or to make any improvements whatsoever on or for the benefit of the Leased Premises.

The rights reserved in this Paragraph shall not create any obligations or increase any obligations for Lessor elsewhere in this Lease.

16. **PERFORMANCE BOND:** Lessee shall not commence any major construction upon the Leased Premises until performance bonds in the amount of the total estimated construction cost of the proposed improvements have been secured and submitted to Lessor. In lieu of said performance bonds, the Executive Director of Lessor may, in his sole discretion, accept performance and labor and material bonds supplied by Lessee's contractor or subcontractors, performance guarantees, or other satisfactory evidence that said construction will be timely completed. Said bonds must be in a form acceptable to Lessor and have been issued by a company qualified to do business in the state of California.

17. **TAXES AND UTILITIES:** This Lease may result in a taxable possessory interest and be subject to the payment of property taxes. Lessee shall pay before delinquency all taxes and assessments of any kind assessed or levied upon Lessee or the Leased Premises by reason of: (i) this Lease; (ii) any buildings, machines, or other improvements of any nature whatsoever erected, installed, or maintained by Lessee; or (iii) the business or other activities of Lessee upon or in connection with the Leased Premises. Lessee also shall pay any fees imposed by law for licenses or permits for any business or activities of Lessee upon the Leased Premises, or under this Lease, and shall pay before delinquency any and all charges for utilities at or on the Leased Premises.

18. **CONFORMANCE WITH LAWS AND REGULATIONS:** Lessee agrees that, in all activities on or in connection with the Leased Premises, and in all uses thereof, including the making of any alterations, changes, installations, or other improvements, it will abide by and conform to all laws and regulations. Said laws and regulations shall include, but are not limited to those prescribed by the San Diego Unified Port District Act; any ordinances of the city in which the Leased Premises are located, including the Building Code thereof; any ordinances and general rules of Lessor, including tariffs; and any applicable laws of the state of California and federal government, as any of the same now exist or may hereafter be adopted or amended. In particular and without limitation, Lessee shall have the sole and exclusive obligation and responsibility to comply with the requirements of: (i) Article 10 of Lessor Code entitled "Stormwater Management and Discharge Control," and (ii) the Americans With Disabilities Act of 1990, including but not limited to regulations promulgated thereunder, and Lessor shall have no such obligations or responsibilities as to the Leased Premises.

19. **EQUAL EMPLOYMENT OPPORTUNITY AND NONDISCRIMINATION:** Lessee shall comply with Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the California Constitution; the California Fair Employment and Housing Act; the Americans with Disabilities Act of 1990; and any other applicable federal, state, or local laws and regulations now existing or hereinafter enacted, requiring equal employment opportunities or prohibiting discrimination. This shall include without limitation, laws and regulations prohibiting discrimination because of race, color, religion, sex, national origin, ancestry, physical or mental disability, veteran status, medical condition, marital status, age, sexual orientation, pregnancy, or other non-job related criteria. In complying with all such laws, including without limitation the Americans with Disabilities Act of 1990, Lessee shall be solely responsible for such compliance and required programs, and there shall be no allocation of any such responsibility between Lessor and Lessee.

Annually, Lessee shall formulate and file with Lessor an approved: (i) "Equal Employment Opportunity and Nondiscrimination Program," and (ii) "Statement of Compliance" for the promotion of equal employment opportunities and nondiscrimination. Lessee shall make such progress reports as required by Lessor, and, upon Lessor's reasonable notice, Lessee shall make available for inspection and copying all of its records relevant to compliance with this Paragraph. Provided, however, Lessee is only required to file the Program and Statement when the average annual employment level operating on the Leased Premises exceeds fifty (50) employees. Provided further, should Lessee be subject to a federally-mandated affirmative action program for employees, Lessee may, in lieu of filing the Program and Statement, annually certify in writing to Lessor that Lessee is subject to such a program, and, upon Lessor's request, Lessee shall furnish evidence thereof.

For the purposes and provisions of this Paragraph, a sublessee shall be considered the Lessee should the sublessee become the prime operator of the Leased Premises.

Lessee's compliance with this Paragraph is an express condition hereof, and any failure by Lessee to so comply and perform shall be a default as provided in this Lease, and Lessor may exercise any right as provided herein, and as otherwise provided by law.

20. **NONDISCRIMINATION:** Lessee agrees at all times to fully comply with all laws now existing or hereinafter enacted, prohibiting discrimination against any person or class of persons by reason of race, color, religion, sex, national origin, ancestry, physical or mental disability, veteran status, medical condition, marital status, age, sexual orientation, pregnancy, or other non-job related criteria. In complying with all such laws, including without limitation the Americans With Disabilities Act of 1990, Lessee shall be solely responsible for such compliance and required programs, and there shall be no allocation of any such responsibility between Lessor and Lessee.

21. **PARTIAL INVALIDITY:** If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions herein shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.

22. **HOLD HARMLESS:** Lessee shall, to the fullest extent permitted by law, defend, indemnify, and hold harmless Lessor and its officers, employees, and agents for any and all liability, claims, judgments, damages, proceedings, orders, directives, costs, including reasonable attorneys' fees, or demands arising directly or indirectly out of the obligations undertaken in connection with this Lease, or Lessee's use, occupancy, possession or operation of the leased Premises, except claims or litigation arising through the sole negligence or willful misconduct of Lessor. It is the intent of this Paragraph that Lessee indemnify and hold harmless Lessor for any actions of Lessee or Lessor, including duties that may be legally delegated to Lessee or to third parties, except for those arising out of the sole negligence or willful misconduct of Lessor. This indemnity obligation shall apply for the entire time that any third party can make a claim against or sue Lessor for liabilities arising out of Lessee's use, occupancy, possession, or operation of the Leased Premises, or arising from any defect in any part of the Leased Premises.

23. **SUCCESSORS IN INTEREST:** Unless otherwise provided in this Lease, the terms, covenants, conditions, and agreements herein shall apply to and bind the heirs, successors, executors, administrators, and assigns of all the parties hereto, all of whom shall be jointly and severally liable hereunder.

24. **EASEMENTS:** This Lease and all rights granted hereunder are subject to all easements and rights-of-way previously granted or reserved by Lessor in, upon, over, and across the Leased Premises for any purpose whatsoever. Said Lease and granted rights shall be subject to future easements and rights-of-way for access, gas, electricity, water, sewer, drainage, telephone, telegraph, television transmission, and such other Lessor or public facilities as Lessor may determine from time to time to be in the best interests of the development of the lands within Lessor's jurisdiction. Lessor agrees to make an effort to locate future easements and rights-of-way, and to install associated public facilities, so as to produce a minimum amount of interference with Lessee's business. Further, Lessee shall not be entitled to any monetary payment or other remuneration for any such future easements and rights-of-way.

25. **TITLE OF LESSOR:** Lessor's title is derived from the provisions of the San Diego Unified Port District Act, Appendix 1, Harbors & Navigation Code, and is subject to the provisions of said Act. This Lease is granted subject to the terms and conditions of said Act.

26. **INSURANCE:** Lessee shall maintain insurance acceptable to Lessor in full force and effect throughout the term of this Lease. The policies for said insurance shall, as a minimum, provide the following:

(a) Forms of Coverage

- (1) "OCCURRENCE" form Commercial General Liability covering the Leased Premises, operations, and contractual liability assumed by Lessee in this Lease in the amount of not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence for bodily injury, personal injury, and property damage. The general aggregate shall be Four Million Dollars (\$4,000,000) unless a Two Million Dollars (\$2,000,000) per location aggregate limit is provided separate by endorsement.

If alcoholic beverages are served or sold on the Leased Premises, Liquor Liability coverage in the amount of not less than One Million Dollars (\$1,000,000) shall be obtained. If no alcoholic beverages are served or sold on the Leased Premises, the proof of insurance shall so state.

- (2) Fire and Extended Coverage, including water damage and debris cleanup provisions, in an amount not less than ninety percent (90%) of full replacement value of all improvements located within the Leased Premises. The fire and extended coverage policies shall be endorsed with a Loss Payee endorsement in favor of Lessor. It is agreed that any insurance proceeds in excess of Twenty-Five Thousand Dollars (\$25,000) resulting from a loss under said policies shall be payable jointly to Lessor and Lessee to ensure that said proceeds will be reinvested in rebuilding and/or repairing the

damaged portions of the Leased Premises and any damaged or destroyed improvements located thereon. Provided, however, if there is a Lessor-consented to mortgage or deed of trust encumbering the leasehold, then all fire and extended coverage policies shall be made payable jointly to the mortgagee or beneficiary and Lessee, to ensure that any proceeds shall be held by said mortgagee or beneficiary for the following purposes:

- (i) As a trust fund to pay for the reconstruction, repair, or replacement of the damaged or destroyed improvements, in kind and scope, in progress payments as the work is performed. Any funds remaining after completion of said work shall be retained by said mortgagee or beneficiary and applied to reduce any debt secured by such mortgage or deed of trust. Furthermore, any funds remaining after full payment of said debt shall be paid to Lessee; or
  - (ii) In the event that this Lease is terminated with consent of both Lessor and said mortgagee or beneficiary, and the improvements are not reconstructed, repaired, or replaced, the insurance proceeds shall be retained, without liability, by said mortgagee or beneficiary to the extent necessary to fully discharge the debt secured by said mortgage or deed of trust. Furthermore, said mortgagee or beneficiary shall hold the balance thereof to restore the Leased Premises to a neat and clean condition. Any remaining funds shall lastly be paid to Lessor and Lessee, as their interests may appear.
- (3) In the event underground storage tanks are located on the Leased Premises, Lessee is required to comply with Code of Federal Regulations, Title 40, Chapter I, Subchapter H or Title 23, Division 3, Chapter 18 of California Code of Regulations, collectively, herein "UST Law." At the time Lessee is required to comply with any provisions of UST Law requiring financial assurance mechanisms, Lessee shall provide Lessor with a certified copy of its Certification of Financial Responsibility. If Lessee's program for financial responsibility requires insurance, then Lessee's policy(ies) shall name Lessor and its officers, employees, and agents as additional insureds, and all other terms of Subparagraph (b), below, shall apply. Should Lessee change its financial assurance mechanisms, Lessee shall immediately provide Lessor with a certified copy of its revised Certification of Financial Responsibility.

(b) General Requirements

- (1) All required insurance shall be in force the first day of the term of this Lease, and shall be maintained continuously in force throughout the term of this Lease. In addition, the cost of all required insurance shall be borne by Lessee. During the entire term of this Lease, Lessee shall provide Lessor with Certificates, in a form acceptable to Lessor, evidencing the existence of the necessary insurance policies and original endorsements effecting coverage required by this Paragraph. The Certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind insurance on its behalf. Notwithstanding the foregoing, Lessor

reserves the right to require complete, certified copies of all required policies at any time.

- (2) All liability insurance policies shall name, or be endorsed to name Lessor and its officers, employees, and agents as additional insureds and protect Lessor and its officers, employees, and agents against any legal costs in defending claims. All liability policies shall provide cross-liability coverage. All insurance policies shall be endorsed to state that coverage will not be suspended, voided, cancelled, or reduced in coverage or in limits, except after Lessee has furnished Lessor with thirty (30) days' prior written notice by certified mail. All insurance policies shall be endorsed to state that Lessee's insurance is primary and not excess or contributory to any insurance issued in the name of Lessor. Further, all insurance companies must be satisfactory to Lessor.
- (3) Any deductibles or self-insured retentions must be declared and acceptable to Lessor. If the deductibles or self-insured retentions are unacceptable to Lessor, then Lessee shall have the option to either: (i) reduce or eliminate such deductibles or self-insured retentions as respects the Lessor and its officers, employees, and agents; or, (ii) procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- (4) Lessor shall retain the right at any time to review the coverage, form, and amount of insurance required herein. If, in the opinion of Lessor, the insurance provisions in this Lease do not provide adequate protection for Lessor and/or members of the public using the Leased Premises or using services connected with Lessee's use or occupancy of the Leased Premises, Lessor may require Lessee to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. Lessor's requirements shall be reasonable, but shall be designed to ensure protection from and against the kind and extent of risks that exist at the time a change in Insurance is required.
- (5) Lessor shall notify Lessee in writing of changes in the insurance requirements. With respect to changes in insurance requirements that are available from Lessee's then-existing insurance carrier, Lessee shall deposit Certificates evidencing acceptable insurance policies with Lessor incorporating such changes within sixty (60) days of receipt of such notice. With respect to changes in insurance requirements that are not available from Lessee's then-existing insurance carrier, Lessee shall deposit Certificates evidencing acceptable insurance policies with Lessor, incorporating such changes, within one hundred twenty (120) days of receipt of such notice. In the event Lessee fails to deposit insurance Certificates as required herein, this Lease shall be in default without further notice to Lessee, and Lessor shall be entitled to exercise all legal remedies.
- (6) If Lessee fails or refuses to maintain insurance as required in this Lease, or fails to provide proof of insurance, Lessor has the right to declare this Lease



in default without further notice to Lessee, and Lessor shall be entitled to exercise all legal remedies.

- (7) The procuring of such required policies of insurance shall not be construed to limit Lessee's liability hereunder, nor to fulfill the indemnification provisions and requirements of this Lease. Notwithstanding said policies of insurance, Lessee shall be obligated for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this Lease, or with the use or occupancy of the Leased Premises.
- (8) Lessee agrees not to use the Leased Premises in any manner, even if use is for purposes stated herein, that will result in the cancellation of any insurance Lessor may have on the Leased Premises or on adjacent premises, or that will cause cancellation of any other insurance coverage for the Leased Premises or adjoining premises. Lessee further agrees not to keep on the Leased Premises or permit to be kept, used, or sold thereon, anything prohibited by any fire or other insurance policy covering the Leased Premises. Lessee shall, at its sole expense, comply with all reasonable requirements for maintaining fire and other insurance coverage on the Leased Premises.
- (c) Lessee may satisfy the requirements of this Paragraph 26(c) by maintaining its lawful self-insured status during the term of this Lease. Lessee to issue a letter of self-insurance to Lessor as a condition of this lease

27. **POLICY OF LESSOR:** It is Lessor's policy that prevailing wage rates shall be paid all persons employed on the lands within Lessor's jurisdiction.

28. **WARRANTIES-GUARANTEES-COVENANTS:** Lessor makes no warranty, guarantee, covenant, including but not limited to covenants of title and quiet enjoyment, or averment of any nature whatsoever concerning the condition of the Leased Premises, including the physical condition thereof, or any condition which may affect the Leased Premises. It is agreed that Lessor will not be responsible for any loss, damage, and/or costs, which may be incurred by Lessee by reason of any such condition or conditions.

29. **DAMAGE TO OR DESTRUCTION OF LEASED PREMISES:** Should Lessee-owned improvements be: (i) damaged or destroyed by fire, the elements, acts of God, or by any other cause; or (ii) declared unsafe or unfit for occupancy or use by a public entity with the appropriate authority, (i) and/or (ii) hereinafter "event," Lessee shall, within ninety (90) days of such event, commence and diligently pursue to completion the repair, replacement, or reconstruction of the improvements necessary to permit full occupancy and use of the Leased Premises for the uses required herein. Repair, replacement, or reconstruction of such improvements shall be accomplished in a manner and according to Plans approved by Lessor. Provided, however, Lessee shall not be obligated to repair, reconstruct, or replace the improvements following their destruction in whole or substantial part, except to the extent the loss is covered by insurance required pursuant to Paragraph 26 herein (or would be covered regardless of whether such required insurance is actually in effect).

If Lessee elects not to restore, repair, or reconstruct as herein required, then this Lease shall terminate. Further, Lessor shall have any rights to which it would be entitled under the provisions of Paragraph Nos. 26 and 6 herein.

No event described herein shall relieve Lessee of its obligations to pay all rent and other amounts otherwise due hereunder.

**30. QUITCLAIM OF LESSEE'S INTEREST UPON TERMINATION:** Upon termination of this Lease for any reason, including but not limited to termination because of default by Lessee, Lessee shall execute, acknowledge, and deliver to Lessor within thirty (30) days after receipt of written demand therefor, a good and sufficient deed whereby all Lessee's right, title, and interest in the Leased Premises is quitclaimed to Lessor. Should Lessee fail or refuse to deliver the required deed to Lessor, Lessor may prepare and record a notice reciting the failure of Lessee to execute, acknowledge, and deliver such deed. Said notice shall be conclusive evidence of the termination of this Lease and of all right of Lessee, or those claiming under Lessee, in and to the Leased Premises.

**31. PEACEABLE SURRENDER:** Upon expiration of this Lease or earlier termination or cancellation thereof, as herein provided, Lessee shall peaceably surrender the Leased Premises to Lessor in as good condition as the Leased Premises were at the Commencement Date of this Lease, except as the Leased Premises were repaired, rebuilt, restored, altered, or added to as permitted or required by the provisions of this Lease, ordinary wear and tear excepted, and subject to Paragraph 6 herein. If Lessee fails to surrender the Leased Premises at the expiration of this Lease or the earlier termination or cancellation thereof, Lessee shall defend and indemnify Lessor from all liability and expense resulting from the delay or failure to surrender, including without limitation any succeeding lessee claims based on Lessee's failure to surrender.

**32. WAIVER:** Should either Lessor or Lessee waive any breach by the other of any Lease covenant, condition, or agreement, such waiver shall not be, nor be construed to be, a waiver of any subsequent or other breach of the same or any other Lease covenant, condition, or agreement. Further, failure on the part of either party to require or exact the other's full and complete compliance with any of the Lease covenants, conditions, or agreements shall not be, nor be construed as in any manner changing the terms, or preventing the enforcement in full, of the provisions hereof. In addition, Lessor's subsequent acceptance of rent hereunder shall not be deemed to be a waiver of any preceding Lessee breach of any Lease term, covenant, or condition, other than Lessee's failure to pay the particular rent so accepted, regardless of Lessor's knowledge of Lessee's preceding breach at the time rent is accepted.

**33. HOLDOVER:** This Lease shall terminate without further notice at expiration of the term. Any holding over by Lessee after either expiration or termination shall not constitute a renewal or extension, or give Lessee any rights in or to the Leased Premises.

If Lessee, with Lessor's consent, remains in possession of the Leased Premises after Lease expiration or termination, such possession shall be deemed a month-to-month tenancy terminable upon thirty (30) days' notice furnished at any time by either party to the other. In addition, all provisions of this Lease, except those pertaining to term, shall apply to the month-to-month tenancy, and Lessee shall continue to pay all rent required by this Lease.



Provided, however, if percentage rent is required by this Lease, it shall be paid monthly on or before the tenth (10th) day of each month, including the tenth (10th) day of the month following the expiration of any such holdover period.

**34. PARAGRAPH HEADINGS:** The Table of Contents and Paragraph Headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision thereof.

**35. ENTIRE UNDERSTANDING:** This Lease contains the entire understanding and agreement of the parties. Lessee acknowledges there is no other written or oral understanding or agreement between the parties with respect to the Leased Premises, and that this Lease supersedes all prior negotiations, discussions, obligations, and rights of the parties hereto. No waiver, modification, amendment, or alteration of this Lease shall be valid unless it is expressly in writing and signed by authorized representatives of the parties hereto. Each of the parties to this Lease acknowledges that no other party, agent, or representative has made any promise, representation, waiver, or warranty whatsoever, expressed or implied, which is not expressly contained in writing in this Lease. Each party further acknowledges it has not executed this Lease in reliance upon any collateral promise, representation, waiver, or warranty, or in reliance upon any belief as to any fact not expressly recited in this Lease.

**36. TIME IS OF THE ESSENCE:** Time is of the essence of each and all of the terms and provisions of this Lease. This Lease shall inure to the benefit of and be binding upon the parties hereto and any successors of Lessee as fully and to the same extent as though specifically mentioned in each instance. All covenants, conditions, and agreements in this Lease shall extend to and bind any assigns and sublessees of Lessee.

**37. NOTICES:** All notices provided for by this Lease or by law to be given or served upon Lessor or Lessee shall be in writing and: (i) personally served upon Lessor or Lessee, or any person hereafter authorized by either party in writing to receive such notice, or (ii) served by certified letter addressed to the appropriate address hereinafter set forth, or to such other address designated in writing by the respective party.

To Lessor  
Executive Director

San Diego Unified Port District  
Post Office Box 120488  
San Diego, CA 92112-0488

To Lessee  
Community Development Commission of  
National City  
Executive Director  
1243 National City Boulevard  
National City, CA 919504301

Should any consented-to assignee, consented-to purchaser, or Consented-to-Lender notify Lessor in writing of its desire to receive notices, such party shall also be personally served, or served by certified letter at such appropriate address designated in writing by the respective party.

Any notice or notices given or served as provided herein shall be effectual and binding for all purposes upon the parties so served; provided, however, if served by certified mail,

service will be considered completed and binding on the party served forty-eight (48) hours after deposit in the U.S. Mail.

38. **REMOVAL OF MATERIALS:** Lessee shall, upon expiration of this Lease or sooner termination as herein provided, remove within sixty (60) days all materials, including without limitation all ships, vessels, barges, hulls, debris, and surplus and salvage items, hereinafter "Materials," from the Leased Premises and adjacent property, so as to leave the same in as good condition as when first occupied by Lessee, subject to reasonable wear and tear. Provided, however, if Lessee fails to remove all Materials within sixty (60) days, Lessor may remove, sell, or destroy said Materials at the expense of Lessee. Further, Lessee agrees to pay Lessor the reasonable cost of such removal, sale, or destruction; or, at the option of Lessor, said Materials not removed, sold, or destroyed by Lessee shall become the property of Lessor, without cost to Lessor, and without any payment to Lessee.

During any period of time required to remove said Materials, or to test for and/or remediate Hazardous Materials as required in Paragraph 44 herein, Lessee shall continue to pay the full rent to Lessor in accordance with this Lease, which said rent shall be prorated daily.

39. **ACCEPTANCE OF LEASED PREMISES:** BY SIGNING THIS LEASE, LESSEE REPRESENTS AND WARRANTS THAT IT HAS INDEPENDENTLY INSPECTED THE LEASED PREMISES AND MADE ALL TESTS, INVESTIGATIONS, AND OBSERVATIONS NECESSARY TO SATISFY ITSELF OF THE CONDITION OF THE LEASED PREMISES. LESSEE AGREES IT IS RELYING SOLELY ON SUCH INDEPENDENT INSPECTION, TESTS, INVESTIGATIONS, AND OBSERVATIONS IN MAKING THIS LEASE. LESSEE ALSO ACKNOWLEDGES THAT THE LEASED PREMISES ARE IN THE CONDITION CALLED FOR BY THIS LEASE, THAT LESSOR HAS PERFORMED ALL WORK WITH RESPECT TO THE LEASED PREMISES, AND THAT LESSEE DOES NOT HOLD LESSOR RESPONSIBLE FOR ANY DEFECTS IN THE LEASED PREMISES. LESSEE FURTHERMORE ACCEPTS, AND SHALL BE RESPONSIBLE FOR, ANY RISK OF HARM TO ANY PERSON AND PROPERTY, INCLUDING WITHOUT LIMITATION, EMPLOYEES OF LESSEE, FROM ANY LATENT DEFECTS IN THE LEASED PREMISES.

Initial            
Lessor Lessee

40. **WASTE/NUISANCE:** Lessee shall not use the Leased Premises in a manner that constitutes waste or nuisance.

41. **NUMBER AND GENDER:** Words of any gender used in this Lease shall include any other gender and each word in the singular number shall include the plural whenever the tense requires.

42. **APPLICABLE LAW:** The Lease will be governed by and construed and enforced in accordance with the laws of the State of California.

43. **ATTORNEY FEES:** Should any suit be commenced to enforce, protect, or establish any right or remedy of any of the terms and conditions hereof, including without limitation a summary action commenced by Lessor under the laws of the state of California relating to the unlawful detention of property, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney fees and costs of suit.

44. **HAZARDOUS MATERIALS:**

- (a) Definition of "Hazardous Material." The term "Hazardous Material" shall mean any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance, including oil and petroleum products, which now or in the future may be within the meaning of any applicable, federal, state, or local law, regulation, ordinance, or requirement at any concentration that is or has become regulated by the United States, the State of California, or any local government authority having jurisdiction over the Leased Premises.
- (b) Lessee Use of Hazardous Materials. Lessee shall not cause or permit any Hazardous Material, or products or materials which include any hazardous substance as a component, to be generated, brought onto, used, stored, emitted, released or disposed of in or about the Leased Premises by Lessee or its agents, employees, contractors, sublessees, or invitees unless expressly approved, at Lessor's sole discretion, in writing by Lessor after submittal by Lessee of Material Safety Data Sheets ("MSDS") or other information requested by Lessor. Limited quantities of equipment, materials and supplies customarily used in connection with the construction of improvements and standard office, food service and janitorial supplies customarily used in places of business which contain chemicals categorized as Hazardous Material are excluded from this requirement. Lessee shall use, store, and dispose of all such Hazardous Materials in strict compliance with all applicable statutes, ordinances, regulations, and other requirements in effect during the Lease Term that relate to public health and safety and protection of the environment ("Environmental Laws"); and shall comply at all times with all Environmental Laws.
- (c) Notice of Release or Investigation. If during the term of this Lease (including any extensions), Lessee becomes aware of (i) any actual or threatened release of any Hazardous Material on, in, under, from, or about the Leased Premises; or (ii) any inquiry, investigation, proceeding, or claim (collectively "Inquiry") by any government agency or other person regarding the presence of any Hazardous Material on, in, under, from or about the Leased Premises, Lessee shall give Lessor written notice of the release or Inquiry within five (5) days after Lessee learns or first has reason to believe there has been a release or Inquiry and shall simultaneously furnish to Lessor copies of any claims, notices of violation, reports, warning or other writings received by Lessee that concern the release or Inquiry.
- (d) Lessor Right to Inspect. If Lessee has in the past or continues to use, dispose, generate, or store Hazardous Materials on the Leased Premises, Lessor or its designated representatives, at Lessor's sole discretion, may at any time during the term of this Lease, but is no way obligated to, enter upon the Leased Premises and make any inspections, tests or measurements Lessor deems necessary to determine if a release of Hazardous Materials has occurred. Lessor shall furnish Lessee a minimum of twenty-four (24) hours' notice in writing prior to conducting any inspections or tests, unless, in Lessor's sole judgment, circumstances require otherwise. Such tests shall be conducted in a manner so as to attempt to minimize any inconvenience and disruption to Lessee's operation as is practicable. If such

tests indicate a release of Hazardous Materials, then Lessor, at Lessor's sole discretion, may require Lessee, at Lessee's sole expense and at any time during the term of this Lease, to have such tests for such Hazardous Materials conducted by a qualified party or parties on the Leased Premises. If Lessor has reason to believe any Hazardous Materials originated from a release on the Leased Premises have contaminated any area outside the Leased Premises, including but not limited to surface and groundwater, then Lessor, at Lessor's sole discretion, may require Lessee, at Lessee's sole expense and at any time during the term of this Lease, to have tests for such Hazardous Materials conducted by a qualified party or parties on said area outside the Leased Premises. Lessor's failure to inspect, test or take other actions pursuant to this Paragraph 44(d) regarding the Leased Premises, shall in no way relieve Lessee of any responsibility for a release of a Hazardous Material.

- (e) Clean-up Obligations. If the presence of any Hazardous Material brought onto the Leased Premises by Lessee or Lessee's employees, agents, sublessees, contractors, or invitees, or generated by same, results in contamination of the Leased Premises, adjacent properties or the San Diego Bay, Lessee shall promptly take all necessary actions, at Lessee's sole expense, to remove or remediate such Hazardous Materials. Lessee shall provide notice to Lessor prior to performing any removal or remedial action. Lessee shall not propose nor agree to any covenant of use restriction as part of any removal or remediation required as a result of this Paragraph 44(e). To the extent Lessor incurs any costs or expenses in performing Lessee's obligation to clean-up contamination resulting from Lessee's operations or use of the Leased Premises, Lessee shall promptly reimburse Lessor for all costs and expenses incurred within thirty (30) days. Any amounts not so reimbursed within thirty (30) days after Lessee's receipt of an itemized statement therefore shall bear interest at the Prime Rate plus Five Percent (5%) per annum compounded monthly. This provision does not limit the indemnification obligation set forth in Paragraph 44(f). The obligations set forth in this Paragraph 44(e) shall survive any expiration or other termination of this Lease.
- (i) Clean-up Extending Beyond Lease Term. Should any clean-up of Hazardous Materials for which Lessee is responsible not be completed prior to the expiration or sooner termination of the Lease, including any extensions thereof, then: (A) Lessee shall deposit into an escrow account an amount of money equal to the balance of the estimated costs of the clean-up, together with instructions for the disbursement of such amount in payment of the costs of any remaining clean-up as it is completed, and (B) if the nature of the contamination or clean-up required of Lessee is of such a nature as to make the Leased Premises untenable or unleaseable, then Lessee shall be liable to Lessor as a holdover lessee until the clean-up has been sufficiently completed to make the Leased Premises suitable for lease to third parties. The estimated cost of the clean-up shall require approval of the Lessor.
- (ii) Financial Security. If Lessor determines, in its reasonable discretion, that Lessee does not have insurance or other financial resources sufficient to enable Lessee to fulfill its obligations under this Paragraph 44(e), whether or not accrued, liquidated, conditional, or contingent, then Lessee shall, at the request of Lessor, procure and thereafter maintain in full force and effect such

environmental impairment liability and/or pollution liability insurance policies and endorsements, or shall otherwise provide such collateral or security reasonably acceptable to Lessor as is appropriate to assure that Lessee will be able to perform its duties and obligations hereunder.

- (f) Indemnification. Lessee shall, at Lessee's sole expense and with counsel reasonably acceptable to Lessor, indemnify, defend, and hold harmless Lessor and Lessor's directors, officers, employees, partners, affiliates, agents, successors, and assigns with respect to all losses, including reasonable attorneys' and environmental consultants' fees, arising out of or resulting from Lessee's occupancy or use of the Leased Premises, or the violation of any applicable Environmental Law, by Lessee or Lessee's agents, assignees, sublessees, contractors, or invitees. This indemnification applies whether or not the concentrations of any such Hazardous Material is material, the concentrations exceed state or federal maximum contaminant or action levels, or any government agency has issued a clean-up or other order. This indemnification shall survive the expiration or termination of this Lease. This indemnification includes, but is not necessarily limited to:
- (i) Losses attributable to diminution in the value of the Leased Premises;
  - (ii) Loss or restriction of use of rentable space(s) in the Leased Premises;
  - (iii) Adverse effect on the marketing of any space(s) in the Leased Premises;
  - (iv) All other liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders, or judgments), damages (including consequential and punitive damages), and costs (including attorney, consultant, and expert fees and expenses) resulting from the release or violation; and,
  - (v) All costs (including reasonable attorneys' fees, consulting fees and subcontracted costs) incurred by Lessor in undertaking any assessment or remediation of the Leased Premises that might not have been fully resolved by Lessee by the time this Lease terminates or expires.

Lessor shall have a direct right of action against Lessee even if no third party has asserted a claim. Furthermore, Lessor shall have the right to assign said indemnity.

- (g) Termination of Lease. Upon the expiration or earlier termination of the term of the Lease, Lessee shall: (i) cause all Hazardous Materials previously owned, stored, or used by Lessee to be removed from the Leased Premises and disposed of in accordance with all applicable provisions of law; (ii) remove any underground or aboveground storage tanks or other containers installed or used by Lessee, or its predecessors, to store any Hazardous Material on the Leased Premises, and repair any damage to the Leased Premises caused by such removal; (iii) cause any soil or other portion of the Leased Premises which has become contaminated by any Hazardous Material stored or used by Lessee, or its predecessors, to be decontaminated, detoxified, or otherwise cleaned-up in accordance with the applicable requirements of any relevant government authorities; and (iv) surrender

possession of the Leased Premises to Lessor free of contamination attributable to Hazardous Materials generated or used by Lessee or stored or disposed of by any party other than Lessor in or on the Leased Premises.

45. **STORAGE TANKS:**

- (a) **Underground Storage Tanks.** No underground storage tanks ("USTs") shall be permitted to be installed on the Leased Premises during the term of this Lease without the prior written consent of the Lessor's Executive Director in his or her sole and absolute discretion. In the event Lessee obtains such approval to install a UST on the Leased Premises, Lessee shall be responsible for complying with all laws and regulations pertaining to such UST, including tank monitoring of such UST as required by the County of San Diego Hazardous Material Management Division (HMMD) or any other responsible agency. Lessee further agrees to take responsibility for reporting unauthorized releases from USTs to HMMD and the Lessor within twenty-four (24) hours of such unauthorized release. Lessee will be responsible for all fees and costs related to the unauthorized release of any Hazardous Material including, but not limited to: investigative, surface and groundwater clean-up, and expert and agency fees. Lessee shall maintain evidence of financial responsibility for taking corrective action and for compensating third parties for bodily injury and/or property damage caused by a release from a UST. Lessee further agrees to be responsible for maintenance and repair of the USTs; obtaining tank permits; filing a business plan with HMMD or other responsible agency; and for paying UST fees, permit fees, and other regulatory agency fees relating to USTs.

Lessee agrees to keep complete and accurate records on the Leased Premises for a period of not less than thirty-six (36) months from the applicable events including, but not limited to, permit applications, monitoring, testing, equipment installation, repairing and closure of the USTs, and any unauthorized releases of Hazardous Materials. Lessee also agrees to make such records available for Lessor or responsible agency inspection. Lessee further agrees to include a copy of Health and Safety Code, Chapter 6.7, Section 25299, as part of any agreement between Lessee and any operator of USTs.

Furthermore, Lessee shall be responsible for compliance with all other laws and regulations presently existing, or hereinafter enacted, applicable to USTs, including without limitation any such laws and regulations which alter any of the above requirements.

- (b) **Aboveground Storage Tanks.** No aboveground storage tanks ("ASTs") shall be permitted to be installed on the Leased Premises during the term of this Lease without the prior written consent of the Lessor's Executive Director in his or her sole and absolute discretion. In the event Lessee obtains such approval to install an AST, Lessee shall be responsible for complying with all laws and regulations pertaining to such AST. Lessee shall, in accordance with this Lease and applicable laws and regulations, secure and pay for all necessary permits and approvals, prepare a spill prevention control counter measure plan and conduct periodic inspections to ensure compliance therewith, including conformance with the latest



version of said applicable laws and regulations. In addition, Lessee shall maintain and repair said tanks to conform and comply with all other applicable laws and regulations for ASTs, including without limitation all of the requirements of Health & Safety Code, Chapter 6.67, Sections 25270 through 25270.13 as presently existing or as hereinafter amended, including without limitation conducting daily visual inspection of said tanks, allowing the San Diego Regional Water Quality Control Board ("SDRWQCB"), Lessor, and/or responsible agency, to conduct periodic inspections. Lessee also shall comply with valid orders of the SDRWQCB, filing the required storage tank statement and payment of the fee therefor, establishing and maintaining the required monitoring program and systems, reporting spills as required, and payment of lawfully imposed penalties as provided therein and as otherwise provided by law. The Lessee shall be responsible for all costs associated with any unauthorized release from ASTS, including but not limited to, investigative, surface and groundwater clean-up, and expert and agency fees.

**46. ENVIRONMENTAL DISCLOSURES:** Lessee understands and agrees that the Leased Premises are being leased in an "as is, with all faults" condition and that improvements, grading, filling, removal of existing improvements, and relocation of utility lines shall be made and performed by Lessee at the sole cost and expense of Lessee. Lessee further understands and agrees that the "as-is, with all faults" condition of the Leased Premises includes any contamination of the Leased Premises, including structures, soils, groundwater, and adjacent San Diego Bay water and sediment, and that information received from Lessor regarding such matters may not be complete or accurate and should not be accepted as such.

Lessee hereby acknowledges that excavation of soils from the Leased Premises could result in exportation of a regulated waste requiring appropriate characterization, handling, transport and disposal (together "Regulated Waste Removal"). Lessor takes no responsibility and assumes no liability whatsoever for Regulated Waste Removal. Accordingly, Lessee hereby waives any claim, or potential claim, it may have to recover costs or expenses arising out of or associated with Regulated Waste Removal and agrees to indemnify, defend and hold harmless Lessor from and against any and all claims, liabilities, losses, damages, costs, and expenses arising from, out of, or in any way related to Regulated Waste Removal.

Lessor accepts no liability or responsibility for ensuring that Lessee's workers, including without limitation those conducting testing, construction and maintenance activities on the Leased Premises, are satisfactorily protected from residual contaminants in 29 Code of Federal Regulations ("CFR"). Lessee shall assess all human health risks from vapor transport or direct contact with residual hazardous substances or contaminants and incorporate such engineering and institutional controls as may be required to sufficiently protect human health of onsite workers and transient visitors. Lessee hereby waives any claim, or potential claim, it may have to recover any damages, losses, costs and expenses related to worker exposure or alleged exposure to any residual onsite contamination and to indemnify, defend and hold harmless Lessor from and against any and all such claims, liabilities, losses, damages, costs, and expenses.

**47. "AS-IS" LEASE AND WAIVERS:** Lessee's execution of the Lease shall fully and finally constitute:

- (a) **Lessee's Acknowledgment.** Lessee's acknowledgment that Lessor has given to Lessee sufficient opportunity to consider, inspect and review, to Lessee's complete satisfaction: (1) any and all rights, appurtenances, entitlements, obligations, and liabilities concerning the Leased Premises; (2) the physical condition of the Leased Premises, including, without limitation, the condition of the buildings (if any) and the soils, subsoil media, and groundwaters at or under the Leased Premises; (3) the effect upon the Leased Premises of any and all applicable federal, state or local statutes, ordinances, codes, regulations, decrees, orders, laws or other governmental requirements (collectively, "Applicable Laws"); (4) the development potential of the Premises including without limitation on the preceding clause (3), the effect of all Applicable Laws concerning land use, environmental quality and maintenance, endangered species, and traffic regulation; (5) the financial prospects of the Leased Premises and local market conditions; (6) Lessee's determination of the feasibility of Lessee's intended use and enjoyment of the Leased Premises; and (7) all other facts, circumstances, and conditions affecting, concerning or relating to the Leased Premises. The land use; the environmental, biological, physical and legal condition of the Leased Premises; the feasibility of Lessee's intended use and enjoyment of the Leased Premises and such other facts, circumstances and conditions being collectively referred to herein as the "Condition of the Leased Premises"; and, without limitation on any other provision of this Lease, Lessee expressly assumes the risk that adverse conditions affecting the Leased Premises have not been revealed by Lessee's investigations.
- (b) **Only Lessor's Express Written Agreements Binding.** Lessee acknowledges and agrees that no person acting on behalf of Lessor is authorized to make, and that except as expressly set forth in this Lease, neither Lessor nor anyone acting for or on behalf of Lessor has made, any representation, warranty, statement, guaranty or promise to Lessee, or to anyone acting for or on behalf of Lessee, concerning the Condition of the Leased Premises or any other aspect of the Leased Premises. Lessee further acknowledges and agrees that no representation, warranty, agreement, statement, guaranty or promise, if any, made by any person acting on behalf of Lessor which is not expressly set forth in this Lease will be valid or binding on Lessor.
- (c) **As-Is Lease.** Lessee further acknowledges and agrees that Lessee's execution of this Lease shall constitute Lessee's representation, warranty and agreement that the Condition of the Leased Premises has been independently verified by Lessee to its full satisfaction, and that, except to the extent of the express covenants of Lessor set forth in this Lease, Lessee will be leasing the Leased Premises based solely upon and in reliance on its own inspections, evaluations, analyses and conclusions, or those of Lessee's representatives; and that LESSEE IS LEASING THE LEASED PREMISES IN ITS "AS-IS, WITH ALL FAULTS" CONDITION AND STATE OF REPAIR INCLUSIVE OF ALL FAULTS AND DEFECTS, WHETHER KNOWN OR UNKNOWN, AS MAY EXIST AS OF THE LESSEE'S EXECUTION OF THIS LEASE. Without limiting the scope or generality of the foregoing, Lessee expressly assumes the risk that the Leased Premises do not or will not comply with any Applicable Laws now or hereafter in effect.



(d) Waivers, Disclaimers and Indemnity.

- (i) Waiver and Disclaimer. Lessee hereby fully and forever waives, and Lessor hereby fully and forever disclaims, all warranties of whatever type or kind with respect to the Leased Premises, whether expressed, implied or otherwise including, without limitation, those of fitness for a particular purpose, tenantability, habitability or use.
- (ii) Lessor's Materials. Lessee further acknowledges that any information and reports including, without limitation, any engineering reports, architectural reports, feasibility reports, marketing reports, soils reports, environmental reports, analyses or data, or other similar reports, analyses, data or information of whatever type or kind which Lessee has received or may hereafter receive from Lessor or its agents or consultants have been furnished without warranty of any kind and on the express condition that Lessee will make its own independent verification of the accuracy, reliability and completeness of such information and that Lessee will not rely thereon. Accordingly, subject to terms of Paragraph 47(e) below, Lessee agrees that under no circumstances will it make any claim against, bring any action, cause of action or proceeding against, or assert any liability upon, Lessor or any of the persons or entities who prepared or furnished any of the above information or materials as a result of the inaccuracy, unreliability or incompleteness of, or any defect or mistake in, any such information or materials and Lessee hereby fully and forever releases, acquits and discharges Lessor and each person furnishing such information or materials of and from, any such claims, actions, causes of action, proceedings or liability, whether known or unknown.

(e) Release and Waiver.

- (i) Release. Except to the extent of Claims (as defined below) against Lessor arising from any breach by Lessor of its covenants and obligations expressly provided in this Lease, Lessee, on behalf of Lessee, its successors and assigns, hereby fully and forever releases, acquits and discharges Lessor of and from, and hereby fully forever waives:

Any and all claims, actions, causes of action, suits, proceedings, demands, rights, damages, costs, expenses, losses, judgments, provisional relief, fines, penalties, and fees, including, without limitation, any and all claims for compensation, reimbursement, or contribution whatsoever (individually and collectively, "Claims"), whether known or unknown, direct or indirect, foreseeable or unforeseeable, absolute or contingent, that Lessee or any of Lessee's successors or assigns now has or may have or which may arise or be asserted in the future arising out of, directly or indirectly, or in any way connected with: (A) any act or omission of Lessor (or any person acting for or on behalf of Lessor or for whose conduct Lessor may be liable), whether or not such act be the active, passive or sole negligence of Lessor, in connection with prior ownership, maintenance, operation or use of the Leased Premises; (B) any condition of environmental contamination or pollution at the

Leased Premises (including, without limitation, the contamination or pollution of any soils, subsoil media, surface waters or groundwaters at the Leased Premises); (C) to the extent not already included in clause (B) above, the prior, present or future existence, release or discharge, or threatened release, of any Hazardous Materials at the Leased Premises, (including, without limitation, the release or discharge, or threatened release, of any Hazardous Materials into the air at the Leased Premises or into any soils, subsoils, surface waters or groundwaters at the Leased Premises); (D) the violation of, or noncompliance with, any Environmental Requirement or other Applicable Law now or hereafter in effect, however and whenever occurring; (E) the condition of the soil at the Leased Premises; (F) the condition of any improvements located on the Leased Premises including, without limitation, the structural integrity and seismic compliance of such improvements; (G) any matters which would be shown on an accurate ALTA land survey of the Leased Premises (including, without limitation, all existing easements and encroachments, if any); (H) all Applicable Laws now or hereafter in effect; (I) matters which would be apparent from a visual inspection of the Leased Premises; or (J) to the extent not already covered by any of the foregoing clauses (A) through (I) above, the use, maintenance, development, construction, ownership or operation of the Leased Premises by Lessor or any predecessor(s)-in-interest in the Leased Premises of Lessor.

- (ii) Waiver of Civil Code Section 1542. With respect to all releases made by Lessee under or pursuant to this Paragraph 47, Lessee hereby waives the application and benefits of California Civil Code § 1542 and hereby verifies that it has read and understands the following provision of California Civil Code § 1542:

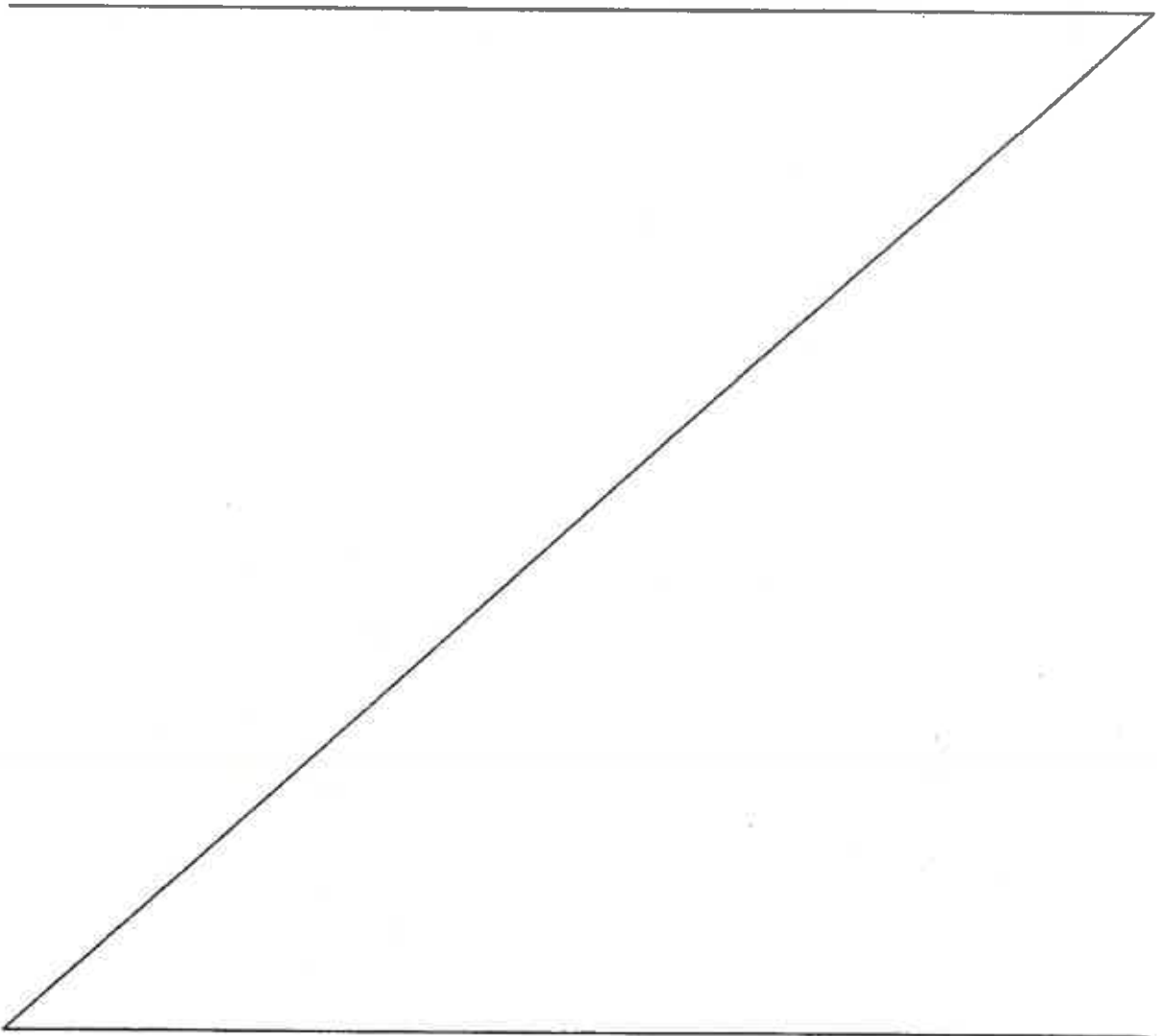
"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Lessee: 

**48. JOINT AND SEVERAL LIABILITY:** If Lessee, as a party to this Lease, is a partnership; joint venture; or is comprised of more than one party or entity, or a combination thereof; the obligations imposed on Lessee under this Lease shall be joint and several, and each general partner, joint venturer, party or entity of Lessee shall be jointly and severally liable for said obligations. Furthermore, nothing herein shall be deemed or construed as creating a partnership or joint venture between Lessor and Lessee, or between Lessor and any other entity or party, or cause Lessor to be responsible in any way for the debts or obligations of Lessee, or any other party or entity.

**49. ACKNOWLEDGMENT OF LESSOR'S IMPROVEMENTS:** Lessee agrees that it has examined the Leased Premises and the condition thereof, that the improvements thereon in their present condition are satisfactory and usable for Lessee's purposes, and that no representations as to value or condition have been made by or on behalf of Lessor.

50. **DISPUTE RESOLUTION:** Except for (i) a dispute or disagreement as to the amount of rent that Lessee is to pay Lessor or (ii) a default in the payment of rent, all other disputes or disagreements between or among the parties arising out of or relating to the terms, conditions, interpretation, performance, default or any other aspect of this Lease, such parties shall first attempt to resolve the dispute informally. In the event the dispute is not resolved informally, prior to and as a precondition to the initiation of any legal action or proceeding, the parties shall refer the dispute to mediation before a retired State or Federal Judge mutually selected by the parties. The dispute shall be mediated through informal, nonbinding joint conferences or separate caucuses with an impartial third party mediator who will seek to guide the parties to a consensual resolution of the dispute. The mediation proceeding shall be conducted within thirty (30) days (or any mutually agreed longer period) after referral, and shall continue until any party involved concludes, in good faith, that there is no reasonable possibility of resolving the dispute without resort to a legal action or proceeding. All costs of the mediation shall be shared equally by the parties involved. Each party shall bear its own attorneys' fees and other costs incurred in connection with the mediation. In the event the parties are unable to resolve the dispute through mediation, in addition to any other rights or remedies, any party may institute a legal action.



**ABSTRACT OF LEASE**

51. **ABSTRACT OF LEASE:** This is the final Paragraph and Abstract of Lease, hereinafter "Abstract," dated JUL 08 2010, between SAN DIEGO UNIFIED PORT DISTRICT, Lessor, and COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF NATIONAL CITY, a municipal corporation, Lessee, concerning the Leased Premises described in Exhibits "A" and "B," attached hereto and by this reference made a part hereof.

For good and adequate consideration, Lessor leases the Leased Premises to Lessee, and Lessee hires them from Lessor, for the term and on the provisions contained in the Lease dated JUL 08 2010, including without limitation provisions prohibiting assignment, subleasing, and encumbering said leasehold without the express written consent of Lessor in each instance, all as more specifically set forth in said Lease, which said Lease is incorporated in this Abstract by this reference.

The term is thirty (30) years, beginning January 1, 2011, and ending December 31, 2040.

This Abstract is not a complete summary of the Lease. Provisions in this Abstract shall not be used in interpreting the Lease provisions. In the event of conflict between this Abstract and other parts of the Lease, the other parts shall control. Execution hereof constitutes execution of the Lease itself.

Dated: JUL 29 2010, 20  

Port Attorney

SAN DIEGO UNIFIED PORT DISTRICT

By [Signature]  
DEPUTY PORT ATTORNEY

By [Signature]  
Karen J. Weymann  
Director, Real Estate

APPROVED AS TO FORM:

COMMUNITY DEVELOPMENT  
COMMISSION OF THE CITY OF  
NATIONAL CITY, a municipal corporation

[Signature]  
George H. Elser, III  
City Attorney

By [Signature]  
Name: [Signature]  
Title: [Signature]

(FOR USE BY SAN DIEGO UNIFIED PORT DISTRICT)

(STATE OF CALIFORNIA)

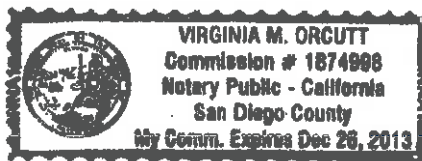
(COUNTY OF SAN DIEGO)

On June 1, 2010 before me, Virginia M Orcutt, Notary Public,  
Notary Public, personally appeared Ron Morrison  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)  
is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~  
executed the same in his/~~her~~/~~their~~ authorized capacity(~~ies~~); and that by his/~~her~~/~~their~~  
signature(~~s~~) on the instrument the person(s), or the entity upon behalf of which the  
person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

*Virginia M Orcutt*





OPTIONAL

Though the information below is not required by law, it may prove valuable to the person(s)  
relying on the document and could prevent fraudulent removal and reattachment of this  
form to another document.

Description of Attached Document

Title or Type of Document: 30 yr lease  
Document Date: 6-1-10 Number of Pages: 35  
Signer(s) Other Than Named Above: Karen Weymann  
Capacity(ies) Claimed by Signer(s)

Signer's Name <u>Ron Morrison</u> <input type="checkbox"/> Individual <input type="checkbox"/> Corporate Officer -Title(s): _____ <input type="checkbox"/> Partner -- <input type="checkbox"/> Limited <input type="checkbox"/> General <input type="checkbox"/> Attorney in Fact <input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator <input checked="" type="checkbox"/> Other: <u>Mayor</u> Signer is Representing: _____ <u>City of National City</u>		Signer's Name _____ <input type="checkbox"/> Individual <input type="checkbox"/> Corporate Officer -Title(s): _____ <input type="checkbox"/> Partner -- <input type="checkbox"/> Limited <input type="checkbox"/> General <input type="checkbox"/> Attorney in Fact <input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator <input type="checkbox"/> Other: _____ Signer is Representing: _____	
---	---	---	---

(FOR USE BY SAN DIEGO UNIFIED PORT DISTRICT)

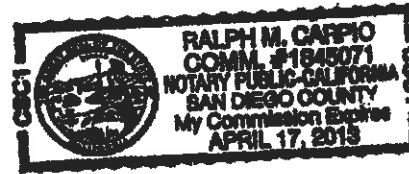
STATE OF CALIFORNIA)

COUNTY OF SAN DIEGO)

On JUL 29 2010 before me, Ralph M. Carpio, Notary Public, personally appeared Karen J. Weymann, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature] (Seal)

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to person relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

**Description of Attached Document**

Title or Type of Document: Lease to Community Development Commission of National City for Aquatic and Recreational Center thru 12/31/2040

Document Date: June 8, 2010 Number of Pages: 43

Signer(s) Other Than Named Above: Ron Morrison

**Capacity(ies) Claimed by Signer(s)**

Signer's Name \_\_\_\_\_  
 Individual  
 Corporate Officer -Title(s): \_\_\_\_\_  
 Partner -  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer is Representing: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Signer's Name \_\_\_\_\_  
 Individual  
 Corporate Officer -Title(s): \_\_\_\_\_  
 Partner -  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer is Representing: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



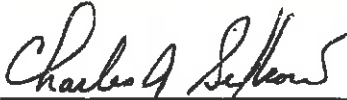
**Legal Description for  
CITY OF NATIONAL CITY  
AQUATIC CENTER  
TIDELAND LEASE  
Within Corporate Limits of National City**

All that certain portion of land conveyed to the San Diego Unified Port District by that certain Act of Legislature of the State of California pursuant to Chapter 67, Statutes of 1962, First Extraordinary Session, as amended, and delineated as Parcel 1-A on that certain Miscellaneous Map No. 564, filed in the Office of the San Diego County Recorder on May 28, 1976, File No. 76-164686, in the City of San Diego, County of San Diego, State of California, and more particularly described as follows:

Commencing at a 3" diameter brass disk monument stamped "SDUPD-020" as shown on Record of Survey Map No. 16668, filed in the office of the San Diego County Recorder on July 25, 2000; thence along a tie-line South 70°38'59" East a distance of 383.59 feet (calculated) to the TRUE POINT OF BEGINNING; thence North 72°06'01" East a distance of 87.30 feet; thence South 17°53'59" East a distance of 1.30 feet; thence North 72°06'01" East a distance of 13.57 feet; thence South 17°53'59" East a distance of 1.85 feet; thence North 72°06'01" East a distance of 10.00 feet; thence North 26°24'43" West a distance of 5.10 feet; thence North 33°14'07" East a distance of 0.85 feet; thence South 87°07'50" East a distance of 2.36 feet to the beginning of a non-tangent 21.60 foot radius curve, concave southeasterly to which a radial bears North 83°11'22" West; thence northeasterly along the arc of said curve through a central angle of 117°19'21" an arc distance of 44.23 feet to the beginning of a 37.30 foot radius compound curve, concave southwesterly; thence southeasterly along the arc of said curve through a central angle of 29°08'47" an arc distance of 18.98 feet; thence South 26°43'14" East a distance of 4.08 feet; thence North 87°07'02" West a distance of 4.57 feet; thence South 17°53'59" East a distance of 8.50 feet; thence North 72°06'01" East a distance of 3.80 feet; thence South 17°53'59" East a distance of 4.20 feet; thence South 72°06'01" West a distance of 3.80 feet; thence South 17°53'59" East a distance of 24.73 feet; thence South 84°22'14" West a distance of 7.50 feet; thence South 60°33'14" West a distance of 41.02 feet; thence South 83°38'48" West a distance of 23.01 feet; thence South 60°33'14" West a distance of 23.01 feet; thence South 83°38'48" West a distance of 22.89 feet; thence South 60°33'14" West a distance of 22.85 feet; thence North 33°22'53" West a distance of 60.00 feet to the TRUE POINT OF BEGINNING, containing 8,412 square feet or 0.19 acre of tidelands area.

The above described land area is delineated on the San Diego Unified Port District Drawing No. 028-025, dated September 12, 2008 and made a part of this agreement.

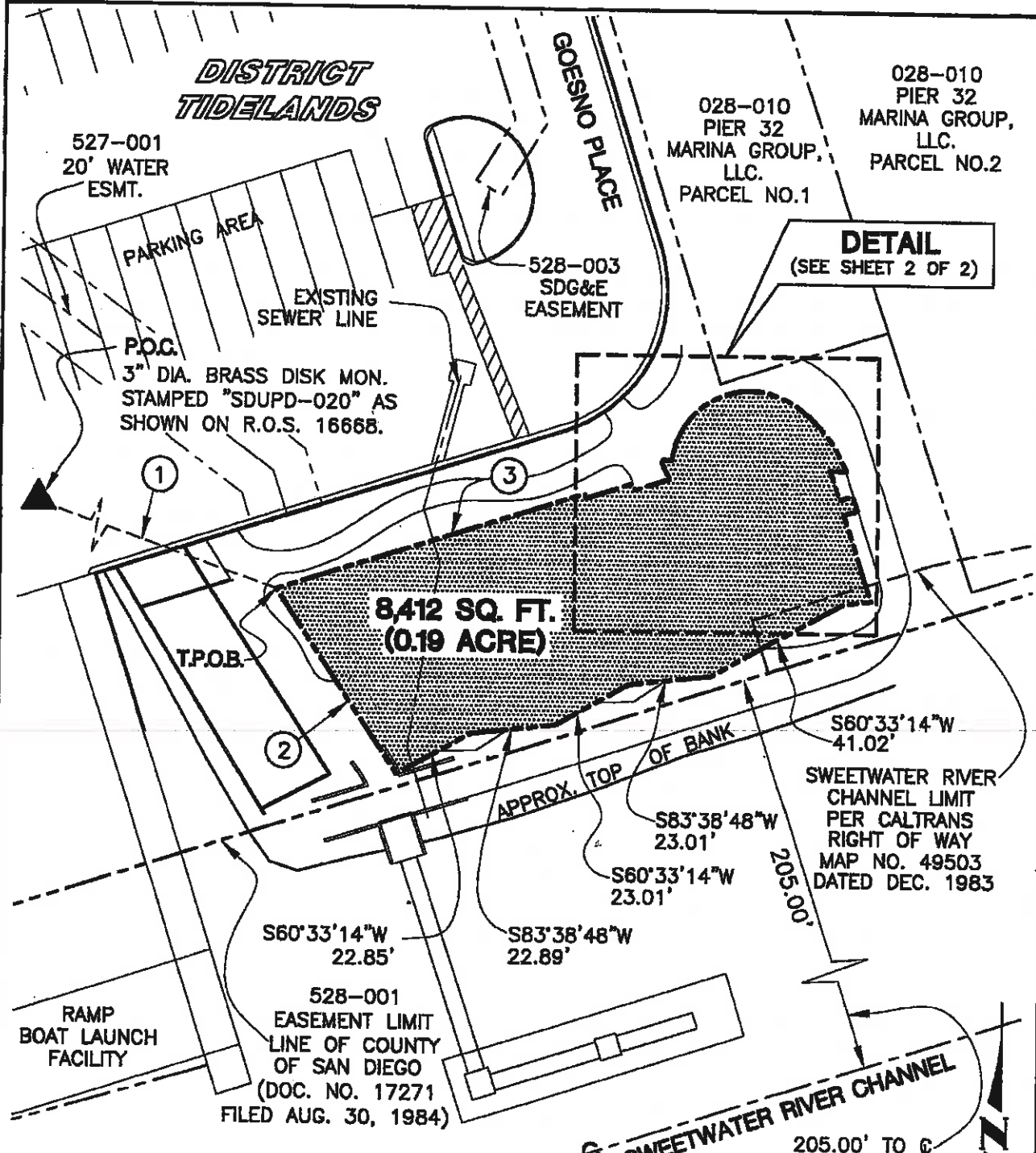
All bearings and distances in the above legal description are grid, and based upon the California Coordinate System, Zone 6, N.A.D. 83, Epoch 1991.35.

  
Charles J. Sefkow      Date 9-24-08  
L.S. 7876 Expires 31 Dec. 2008  
Land Surveyor  
San Diego Unified Port District



**EXHIBIT "A"**



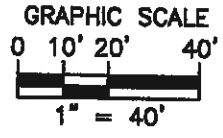


**NOTES:**

1. LEASE AREA SHOWN SHADED.
2. BEARINGS AND DISTANCES ARE GRID AND BASED UPON THE CALIFORNIA COORDINATE SYSTEM ZONE 6, NAD 83, EPOCH 1991.35.

**DATA TABLE:**

- ① S70°38'59"E-383.59'(CALC.)
- ② N33°22'53"W-60.00'
- ③ N72°06'01"E-87.30'



DRAWN DARWIN VAQUEZ  
 CHECKED A. SAUTONIC  
 REVIEWED J. MARSHALL  
 APPROVED  
*Charles J. L. [Signature]*  
 LAND SURVEYOR, SDUPD.

**SAN DIEGO UNIFIED PORT DISTRICT**  
 TIDELAND LEASE  
 WITHIN CORPORATE LIMITS OF NATIONAL CITY  
 CITY OF NATIONAL CITY  
 AQUATIC CENTER

DATE SEPT. 12, 2008  
 SCALE 1"=40'  
 REF. 028-010  
 DRAWING NO.  
 SHEET 1 OF 2  
**028-025**

DEVSERV\REM\28\028-025\028-025-091208.dwg



028-010  
PARCEL NO. 2

028-010  
PIER 32  
MARINA GROUP, LLC.  
PARCEL NO. 1

**DISTRICT  
TIDELANDS**

$\Delta=117^{\circ}19'21''$   
 $L=44.23'$   
 $R=21.60'$

$\Delta=29^{\circ}08'47''$   
 $L=18.98'$   
 $R=37.30'$

$N72^{\circ}06'01''E$   
87.30'

$N33^{\circ}14'07''E$   
0.85'

$N26^{\circ}24'43''W$   
5.10'

$S87^{\circ}07'50''E$   
2.36'

$N87^{\circ}07'02''W$   
4.57'

$S26^{\circ}43'14''E$   
4.08'

$N72^{\circ}06'01''E$   
3.80'

$N83^{\circ}11'22''W$  (R)

$N34^{\circ}07'59''E$  (R)

$N63^{\circ}16'46''E$  (R)

$N72^{\circ}06'01''E$   
10.00'

$S17^{\circ}53'59''E$   
8.50'

$S17^{\circ}53'59''E$   
1.85'

$S17^{\circ}53'59''E$   
4.20'

$N72^{\circ}06'01''E$   
13.57'

**8,412 SQ. FT.  
(0.19 ACRE)**

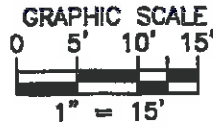
$S72^{\circ}06'01''W$   
3.80'

$S17^{\circ}53'59''E$   
1.30'

$S84^{\circ}22'14''W$   
7.50'

SWEETWATER RIVER CHANNEL  
LIMIT PER CALTRANS  
RIGHT OF WAY  
MAP NO. 49503  
DATED DEC. 1983

528-001  
EASEMENT LIMIT LINE OF  
COUNTY OF SAN DIEGO  
(DOC. NO. 17271  
FILED AUG. 30, 1984)



**DETAIL**  
SCALE: 1"=15'

DRAWN DARWIN VASQUEZ  
CHECKED A. SANTONIL  
REVIEWED T. M. ...  
APPROVED  
*Charles J. ...*  
LAND SURVEYOR, S.D.U.P.D.

**SAN DIEGO UNIFIED PORT DISTRICT**  
TIDELAND LEASE  
WITHIN CORPORATE LIMITS OF NATIONAL CITY  
CITY OF NATIONAL CITY  
AQUATIC CENTER

DATE SEPT. 12, 2008  
SCALE 1"=15'  
REF. 028-010  
DRAWING NO.  
SHEET 2 OF 2  
**028-025**

**EXHIBIT "B"**

DEVSERV\REM\E028\028-025\028-025--091208.dwg



(2)

Exhibit "S"

SAN DIEGO UNIFIED PORT DISTRICT  
Document No. 58060  
Filed SEP 16 2011  
Office of the District Clerk

MEMORANDUM OF UNDERSTANDING  
BETWEEN SAN DIEGO UNIFIED PORT DISTRICT  
AND THE CITY OF NATIONAL CITY  
REGARDING THE NATIONAL CITY AQUATIC CENTER

The following recitals are a substantive part of this Memorandum of Understanding (MOU):

WHEREAS, both the San Diego Unified Port District (District) and the City of National City (City) have worked cooperatively to develop the National City Aquatic Center (Project); and

WHEREAS, the District has approved the Project's concept plan; and

WHEREAS, the District certified the Project's Port Master Plan Amendment Mitigated Negative Declaration, SDUPD Clerk's Document No. 51129 filed on October 11, 2006; and

WHEREAS, the Port Master Plan Amendment for the Project was certified by the California Coastal Commission, SDUPD Clerk's Document No. 51129 filed on October 11, 2006; and

WHEREAS, the District has granted the Community Development Commission of National City a thirty (30) year lease for the Project's site, with the condition that the project has commenced construction before December 31, 2012, SDUPD Clerk's Document No. 56735 filed on July 29, 2010 (Lease); and

WHEREAS, the District has included \$830,000 in its Capital Improvement Program as match funding for the Project as recommended by the Maritime Enhancement Advisory Committee; and

WHEREAS, the District has consented to the transfer of the Lease to the City of National City; and

WHEREAS, the District has issued the Project's Coastal Development Permit, SDUPD Clerk's Document No. 57961 filed on August 10, 2011; and

NOW THEREFORE, the parties hereto enter into this MOU effective as of this 13<sup>th</sup> day of September, 2011:

1. District agrees to transfer \$830,000 to the City within sixty (60) calendar days of signature of this MOU for match funding for the Project.
2. City agrees to provide the remaining funding for the Project and to complete the construction of the Project.
3. City agrees to commence construction of the Project before December 31, 2012 or the City will return the \$830,000 to the District within sixty (60) calendar days and this MOU shall terminate.
4. City agrees to complete the construction of the Center on or before the expiration of the Coastal Development Permit, unless the District and City mutually agree to file for an extension. In the event construction is not completed and no extension has been granted,

the City will return the \$830,000 to the District within sixty (60) calendar days and this MOU shall terminate.

5. This MOU shall commence effective on the date set forth above and shall continue until the Project is constructed and litigation and claims, if any, are settled.
6. All obligations of the parties under the terms of this MOU are subject to the appropriation of the required resources by the parties and the approval of their respective Boards of Directors, Councils or Commissioners.
7. This MOU shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this MOU, the action shall be brought in a state or federal court situated in the County of San Diego, State of California.
8. All terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto, and each of their respective heirs, executors, administrators, successors, and assigns.
9. For purposes of this MOU, the relationship of the parties is that of independent entities and not as agents of each other or as joint ventures or partners. The parties shall maintain sole and exclusive control over their personnel, agents, consultants, and operations.
10. No alteration or variation of the terms of this MOU shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
11. Nothing in the provisions of this MOU is intended to create duties or obligations to or rights in third parties to this MOU or affect the legal liability of the parties to this MOU to third parties.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU effective on the day and year first above written.

Port Attorney

By

*David Catalano*  
*Deputy Port attorney*

SAN DIEGO UNIFIED PORT DISTRICT

By

*Karen J. Weymann*  
Karen J. Weymann  
Director, Real Estate

CITY OF NATIONAL CITY

By

*Rod Morrison*  
Signature

PRINT NAME: *Rod Morrison*

PRINT TITLE: *Mayor*

**RESOLUTION 2011-129**

**ADOPT RESOLUTION ENTERING INTO AN MOU  
BETWEEN NATIONAL CITY AND THE DISTRICT  
PROVIDING MATCHING FUNDS IN THE AMOUNT  
OF \$830,00 FOR THE NATIONAL CITY AQUATIC  
CENTER**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I; and

**WHEREAS**, the District and the City of National City (City) have been working in cooperation to develop the National City Aquatic Center (Aquatic Center) on District tidelands; and

**WHEREAS**, the District has adopted a mitigated negative declaration and approved a Port Master Plan Amendment; and

**WHEREAS**, the District has issued a Coastal Development Permit and granted a 30 year Lease to the City from January 1, 2010 to December 31, 2040; and

**WHEREAS**, the District committed \$830,000 in matching funds for the Capital Improvement Program (CIP) to assist in cost of construction of the Aquatic Center; and

**WHEREAS**, the Maritime Enhancement Advisory Committee (MEAC) has recommended the construction; and

**WHEREAS**, the District and City desire to enter into a Memorandum of Understanding (MOU) to allow the District to transfer the matching funds to the City with conditions, **NOW, THEREFORE**,

**BE IT RESOLVED** by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

Adopt Resolution entering into a Memorandum of Understanding between the City of National City and the San Diego Unified Port District to provide matching funds of \$830,000 for construction of the National City Aquatic Center.

ADOPTED this 13th day of September, 2011.

**SAN DIEGO UNIFIED PORT DISTRICT**

**Reference Copy  
58060**

**DATE:** September 13, 2011

**SUBJECT: NATIONAL CITY AQUATIC CENTER**

- A) RESOLUTION ENTERING INTO A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF NATIONAL CITY AND THE SAN DIEGO UNIFIED PORT DISTRICT TO PROVIDE MATCHING FUNDS OF \$830,000 FOR CONSTRUCTION OF CENTER; AND
- B) ORDINANCE AMENDING THE FY 2009-2013 CAPITAL IMPROVEMENT PROGRAM AND THE FY 2011-2012 OPERATING BUDGET DECREASING THE CAPITAL IMPROVEMENT PROGRAM BY \$830,000 AND INCREASING THE OPERATING BUDGET BY \$830,000

**EXECUTIVE SUMMARY:**

Since 2004, the District and the City of National City (City) have been working in cooperation to develop the National City Aquatic Center (Aquatic Center). To date, the District has adopted a Mitigated Negative Declaration (MND)<sup>1</sup>, approved a Port Master Plan Amendment (PMPA), demolished a comfort station on the Aquatic Center's site, issued a Coastal Development Permit (CDP)<sup>2</sup>, and granted a 30-Year Lease to the City from January 1, 2011 to December 31, 2040 with one five (5) year option to extend<sup>3</sup> (Lease). A LEASE INFORMATION SUMMARY is attached (Attachment A).

On June 8, 2010, the District committed \$830,000 of matching funds from the Capital Improvement Program (CIP), to assist in the cost of construction of the Aquatic Center, based upon a recommendation from the Maritime Enhancement Advisory Committee (MEAC). The estimated total project cost is \$3,318,364, which will be funded by the City, including funding from the District. Since the District committed the funding, the City has now committed to financing this project. The proposed Memorandum of Understanding (MOU) between the City and District will allow the District to transfer the matching funds to the City, with conditions (Attachment C).

A proposed amendment to the FY 2011-2012 budget is necessary to provide for the reclassification of the Aquatic Center's matching funds from CIP to ordinary annual expense (Operating Budget) budget. The Board adopted the FY 2011-2012 budget on June 14, 2011 (Ordinance 2641). Budget amendments are required for changes in

<sup>1</sup> SDUPD Clerk's Office Document No. 51129, filed October 11, 2006, Final Mitigated Negative Declaration for National City Aquatic Center and Port Master Plan Amendment, National City

<sup>2</sup> SDUPD Clerk's Office Document No. 57961, filed August 10, 2011, Coastal Development Permit for National City Aquatic Center at Southeast Corner of Pepper Park

<sup>3</sup> SDUPD Clerk's Office Document No. 56735, filed July 29, 2010, Lease Agreement between SDUPD as Lessor and City of National City

**ACTION TAKEN: 09-13-2011 - Resolution 2011-129 and Ordinance 2649**

authorized staffing levels, and increases in ordinary annual expense, capital outlay, capital major maintenance, equipment outlay, debt service principal, and public art expenditures.

**RECOMMENDATION:**

- A) Adopt a resolution entering into a Memorandum of Understanding between the City of National City and the San Diego Unified Port District to provide matching funds of \$830,000 for the construction of the National City Aquatic Center.
- B) Adopt an ordinance amending the FY 2009-2013 CIP and FY 2011-2012 Operating Budget – decreasing the CIP by \$830,000 and increasing the Operating Budget by \$830,000.

**FISCAL IMPACT:**

There is no fiscal impact with this proposed Board action. No new funding is required to increase the Operating Budget by \$830,000; as this is an accounting reclassification of the Aquatic Center's matching funds from CIP to Operating Budget.

**Compass Strategic Goals:**

The Aquatic Center will provide increased access to the waterfront for the public and residents of National City and an opportunity for underprivileged youth to interact with nature through programs run by a nonprofit corporation contracted by the CDC.

- Enhance and sustain a dynamic and diverse waterfront.
- Develop and maintain a high level of public understanding that builds confidence and trust in the Port.

**DISCUSSION:**

**Aquatic Center Background:**

The City currently operates an aquatic center near Pepper Park in temporary structures. In October 2006, the Board adopted the MND and approved the PMPA to construct a permanent Aquatic Center. The PMPA was certified by the California Coastal Commission, by unanimous vote, in 2007. In June of 2010, the District granted the City a 30-year Lease for the Aquatic Center commencing January 1, 2011 and ending December 31, 2040, conditioned upon obtaining a CDP. The appealable CDP was issued by the District on July 12, 2011 and received no appeals. The Lease covers 8,412 square feet of land area in Pepper Park along the Sweetwater Channel. The agenda sheet, Item 15 dated July 12, 2011, containing the full project description, from the approved CDP is attached for reference (Attachment D).

The Aquatic Center may be operated by a nonprofit corporation, which will provide programming through an agreement with the City. Pursuant to the terms of the Lease between the District and the City, the operating agreement between the City and the

nonprofit will require Board approval. The South Bay Family YMCA has provided programming at the temporary aquatic center since 2004 through an agreement with the City.

**MOU:**

The proposed MOU will facilitate the transfer of \$830,000 in matching funds from the District to the City. Consistent with the Lease, the MOU is conditioned upon the City commencing construction of the Aquatic Center by December 31, 2012. If the Aquatic Center is not completed, the funds will revert to the District when the CDP expires, unless an extension to the CDP is granted. The City Council of National City approved the MOU at its September 6, 2011 meeting. If the Board adopts the resolution to enter into the MOU, the MOU will become effective upon being filed in the Office of the District Clerk.

**Budget:**

The Aquatic Center was originally included in the District's FY 2009-2013 CIP. The District needs to reclassify the project from its CIP to its Operating Budget as it is a non-capitalized project, in accordance with Generally Accepted Accounting Principles. There is no new requirement for funding this project since funding has already been established for this project.

The FY 11/12 annual budget will be amended & reclassified as follows:

	Current Budget	Amended Budget	Net Change
Ordinary Annual Expense (Operating)	\$ 126,552,600	\$ 127,382,600	\$ 830,000
Capital Outlay	\$ 39,932,000	\$ 39,102,000	(\$ 830,000)

**Port Attorney's Comments:**

This MOU has been approved by the Port Attorney's Office and presents no significant legal issues.

**Environmental Review:**

This proposed Board action does not constitute a "project" under the definition set forth in California Environmental Quality Act (CEQA) guidelines Section 15378 and is not subject to CEQA, as amended.

**Equal Opportunity Program:**

Not applicable.



**PREPARED BY:** Adam Meyer  
Asset Manager, Real Estate

Jeanette Sales  
Director, Financial Services

**ATTACHMENT A:** Lease Information Summary

**ATTACHMENT B:** Site Map

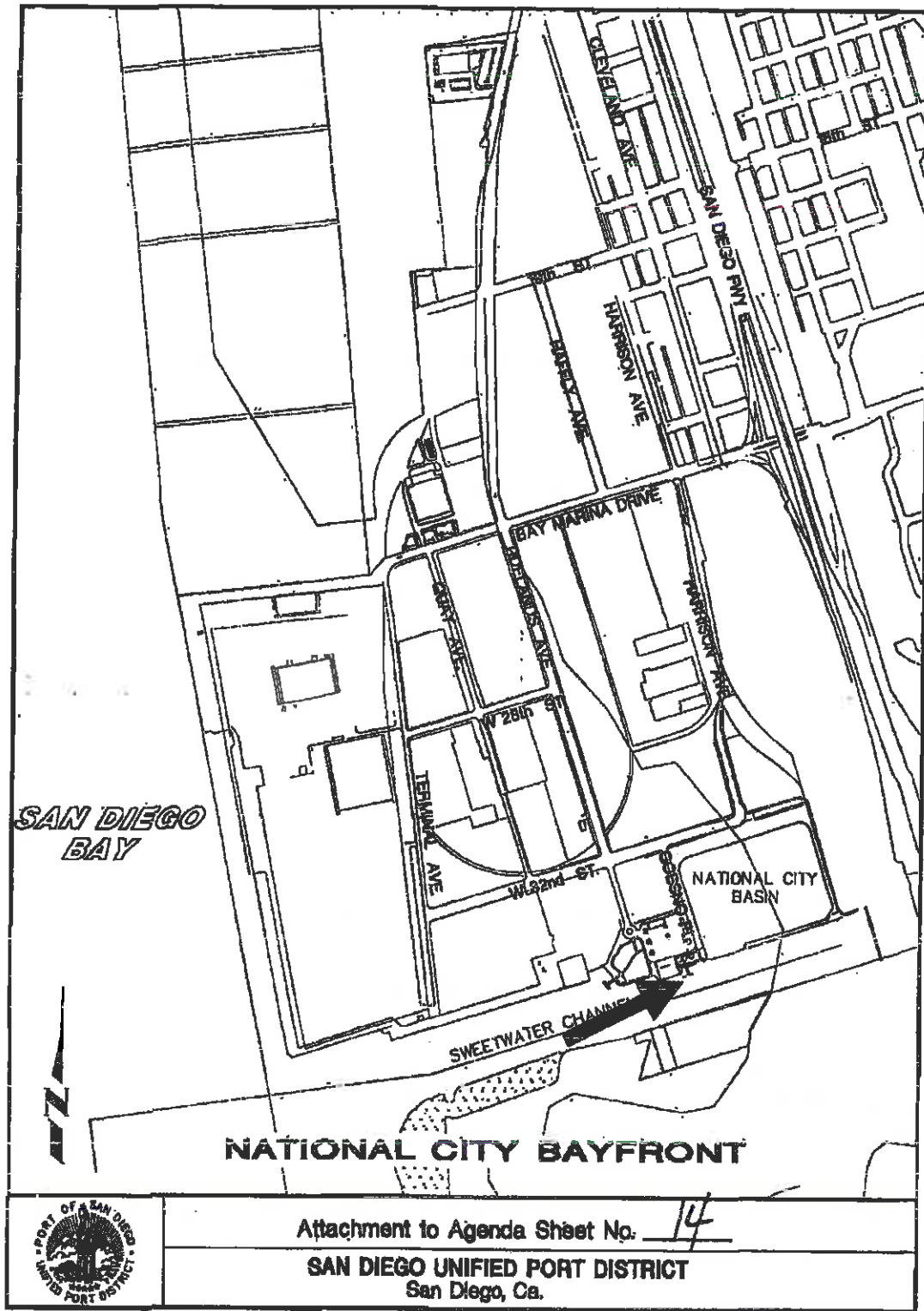
**ATTACHMENT C:** MOU

**ATTACHMENT D:** CDP Agenda Sheet, Item 15 Dated July 12, 2011

Attachment A

LEASE INFORMATION SUMMARY

<b>Lessee:</b>	City of National City
<b>Location:</b>	Pepper Park, National City
<b>Area:</b>	Approximately 8,412 square feet
<b>Use:</b>	Construct, operate, and maintain an aquatic and recreational center.
<b>Term:</b>	January 1, 2010 – December 31, 2040 (30-years, one 5-year option to extend)
<b>Rent:</b>	Consideration is primarily the benefit to the District and the people of the State of California with an annual rent payment of \$1.00.
<b>Improvement Summary:</b>	Construction of a 4,700 square foot aquatic center facility, pavement and landscape improvements



Attachment to Agenda Sheet No. 14

**SAN DIEGO UNIFIED PORT DISTRICT**  
San Diego, Ca.

ATTACHMENT C

MEMORANDUM OF UNDERSTANDING  
BETWEEN SAN DIEGO UNIFIED PORT DISTRICT  
AND THE CITY OF NATIONAL CITY  
REGARDING THE NATIONAL CITY AQUATIC CENTER

The following recitals are a substantive part of this Memorandum of Understanding (MOU):

WHEREAS, both the San Diego Unified Port District (District) and the City of National City (City) have worked cooperatively to develop the National City Aquatic Center (Project); and

WHEREAS, the District has approved the Project's concept plan; and

WHEREAS, the District certified the Project's Port Master Plan Amendment Mitigated Negative Declaration, SDUPD Clerk's Document No. 51129 filed on October 11, 2006; and

WHEREAS, the Port Master Plan Amendment for the Project was certified by the California Coastal Commission, SDUPD Clerk's Document No. 51129 filed on October 11, 2006; and

WHEREAS, the District has granted the Community Development Commission of National City a thirty (30) year lease for the Project's site, with the condition that the project has commenced construction before December 31, 2012, SDUPD Clerk's Document No. 56735 filed on July 29, 2010 (Lease); and

WHEREAS, the District has included \$830,000 in its Capital Improvement Program as match funding for the Project as recommended by the Maritime Enhancement Advisory Committee; and

WHEREAS, the District has consented to the transfer of the Lease to the City of National City; and

WHEREAS, the District has issued the Project's Coastal Development Permit, SDUPD Clerk's Document No. 57961 filed on August 10, 2011; and

NOW THEREFORE, the parties hereto enter into this MOU effective as of this \_\_\_\_\_ day of \_\_\_\_\_, 2011:

1. District agrees to transfer \$830,000 to the City within sixty (60) calendar days of signature of this MOU for match funding for the Project.
2. City agrees to provide the remaining funding for the Project and to complete the construction of the Project.
3. City agrees to commence construction of the Project before December 31, 2012 or the City will return the \$830,000 to the District within sixty (60) calendar days and this MOU shall terminate.
4. City agrees to complete the construction of the Center on or before the expiration of the Coastal Development Permit, unless the District and City mutually agree to file for an extension. In the event construction is not completed and no extension has been granted,

the City will return the \$830,000 to the District within sixty (60) calendar days and this MOU shall terminate.

5. This MOU shall commence effective on the date set forth above and shall continue until the Project is constructed and litigation and claims, if any, are settled.
6. All obligations of the parties under the terms of this MOU are subject to the appropriation of the required resources by the parties and the approval of their respective Boards of Directors, Councils or Commissioners.
7. This MOU shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this MOU, the action shall be brought in a state or federal court situated in the County of San Diego, State of California.
8. All terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto, and each of their respective heirs, executors, administrators, successors, and assigns.
9. For purposes of this MOU, the relationship of the parties is that of independent entities and not as agents of each other or as joint ventures or partners. The parties shall maintain sole and exclusive control over their personnel, agents, consultants, and operations.
10. No alteration or variation of the terms of this MOU shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
11. Nothing in the provisions of this MOU is intended to create duties or obligations to or rights in third parties to this MOU or affect the legal liability of the parties to this MOU to third parties.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU effective on the day and year first above written.

Port Attorney

By *David Catalano*  
*Deputy Port attorney*

SAN DIEGO UNIFIED PORT DISTRICT

By \_\_\_\_\_  
 Karen J. Weymann  
 Director, Real Estate

CITY OF NATIONAL CITY

By \_\_\_\_\_  
 Signature

PRINT NAME: \_\_\_\_\_

PRINT TITLE: \_\_\_\_\_

ATTACHMENT D

**AGENDA ITEM 15**

**SAN DIEGO UNIFIED PORT DISTRICT**

**DATE:** July 12, 2011

**SUBJECT: CONDUCT A PUBLIC HEARING AND ADOPT RESOLUTION AUTHORIZING ISSUANCE OF AN APPEALABLE COASTAL DEVELOPMENT PERMIT FOR NATIONAL CITY AQUATIC CENTER**

**EXECUTIVE SUMMARY:**

The National City Aquatic Center Project (Project) proposes the construction and operation of an approximately 4,600 square foot aquatic center in Pepper Park in National City. The aquatic center has been operating in temporary trailers in the Pepper Park parking lot since 2004 and this Project would provide a permanent facility with the same operation. The Project will be a public educational facility with boating and environmental science educational opportunities for the community and region.

The Project was analyzed in the National City Aquatic Center and Port Master Plan Amendment Mitigated Negative Declaration (MND) adopted by the Board in 2006. The Port Master Plan Amendment was certified by the California Coastal Commission in 2007. The Project is consistent with the certified Port Master Plan; therefore, staff recommends the Board authorize issuance of an appealable Coastal Development Permit (CDP) for the proposed Project.

**RECOMMENDATION:**

Conduct a public hearing and adopt resolution authorizing issuance of an appealable CDP for National City Aquatic Center.

**FISCAL IMPACT:**

This agenda item has no fiscal impact.

**COMPASS STRATEGIC GOALS:**

The Project will construct and operate an aquatic center for recreational and educational purposes for the community and region. The proposed Project will enhance and encourage public access to the waterfront, benefiting existing and future businesses.

This agenda item supports the following Strategic Goal(s).

- Promote the Port's maritime industries to stimulate regional economic vitality.
- Enhance and sustain a dynamic and diverse waterfront.

- Protect and improve the environmental conditions of San Diego Bay and the Tidelands.
- Ensure a safe and secure environment for people, property and cargo.
- Develop and maintain a high level of public understanding that builds confidence and trust in the Port.
- Develop a high-performing organization through alignment of people, process and systems.
- Strengthen the Port's financial performance.
- Not applicable.

**DISCUSSION:**

**Background**

In October 2008, the Board adopted the MND and approved the Port Master Plan Amendment. The Port Master Plan Amendment was certified by the California Coastal Commission, by unanimous vote, in 2007. In June 2010 the Board adopted an ordinance conditionally granting a 30 year lease to the Community Development Commission of National City for the construction and operation of the aquatic center, conditioned upon obtaining a CDP. In addition, the District relocated the Pepper Park comfort station (formerly located on the proposed Project site) to facilitate the new aquatic center.

**Proposed Project**

The Project is the construction and operation of an approximately 4,600 square foot aquatic center in Pepper Park in National City, north of the Sweetwater Channel, east of the Pepper Park boat launch ramp, and west of the Pier 32 National City Marina (see Attachment 1, Project Location Map). A site plan and floor plan are provided as Attachments 2 and 3, respectively. The maximum building height will be approximately 22 feet. The Project includes the following components:

- Multi-purpose classroom that can be divided into two rooms
- Office for facility staff
- Storefront for National City Police and/or Harbor Police
- Lockers, showers and restrooms
- Boat and equipment storage
- Public art
- Landscape improvements
- Paved exterior activity areas
- Lighting that is shielded and directed away from the nearby wildlife refuges
- Promenade and walkways around facility

The aquatic center will be a boating and environmental science public educational facility with programming primarily directed towards children and youths. Courses will primarily consist of kayaking and rowing, and will also include environmental science programs such as the study of coastal wildlife and tides. Programming may be expanded in the future to other water sports, health and safety courses, and job-related

educational opportunities. Due to limited land space and water quality concerns, no swimming will be available at the facility. Due to the sensitivity of nearby federally-protected wildlife refuge lands, rentals of kayaks and rowboats will require docent supervision, and classes will have a one to six (1:6) instructor to student ratio in order to monitor activities.

The aquatic center will also be available for special activities such as specialty camps, theme birthday parties, and contracts with schools, special family events, community and corporate team building events, and environmental education. However, public recreational and educational events will remain the primary focus of aquatic center activities.

The existing promenade and walkways at the Project site will be replaced with new paving that will provide continuous public access along the shoreline and the aquatic center. The promenade will connect to the existing Pier 32 National City Marina promenade to the north. The promenade to the south, east, and west of the aquatic center will be at least 8.5 feet wide. The walkway immediately north of the aquatic center will be approximately 7 feet wide.

The Project will remove the temporary trailers (existing location of aquatic center) located on the Pepper Park parking lot and restripe the parking spaces on which the trailers are currently located. The Project will share the existing parking lot with users of Pepper Park, the public fishing pier, and the boat ramp. Most aquatic center participants will arrive in groups via bus transportation. The bus will drop participants off at the aquatic center, then leave the premises and return at the conclusion of the class to pick up the participants. Five spaces in the parking lot will be utilized by aquatic center staff. The parking study performed as part of the MND concluded that no adverse parking impacts would result from the proposed project. The proposed aquatic center is an existing use in the vicinity of the proposed Project site. However, as indicated in the MND, if parking capacity becomes an issue in the future, overflow parking can be accommodated on the nearby Goesno Place and/or Tidelands Avenue.

Project construction is anticipated to commence in late 2011 and be complete in 17 months. Temporary construction impacts from the Project were analyzed and addressed in the adopted MND for the proposed Project, which is further discussed in the Environmental Review section below. The total project construction budget is estimated at \$3.3 million. As identified in the District's Capital Improvement Program, the District has committed \$830,000.00 towards the project construction.

#### **Coastal Analysis**

The proposed Project is located within the Launching Ramp Subarea of Planning District 5, National City Bayfront, which is delineated on Precise Plan Map Figure 15 of the certified Port Master Plan. The land use designations within the limits of the project site are Park/Plaza and Promenade. An aquatic center is an allowed use under the Park/Plaza land use designation. The proposed project is listed in the project list on Table 15 of the Port Master Plan and would be consistent with the certified land use



designations. Therefore, the proposed project is consistent with the certified Port Master Plan.

The proposed Project has been determined to be an appealable category development under section 7.d(4) of the District's Coastal Development Permit Regulations (Document No. 19171), which define "recreational small craft marine-related facilities" as an appealable development.

The Draft CDP is included with this agenda sheet as Attachment 4. In accordance with the District's Regulations, a notice of a public hearing regarding the appealable CDP for the Project was mailed to known interested parties, the Mayor of National City, all National City Council members, adjacent property owners and the California Coastal Commission. Although not required under District regulations, the notice was published in both the San Diego Union Tribune and Star News.

Although the Project promotes a public educational program, it cannot be guaranteed that the CDP will not be appealed; however, District staff has been working closely with California Coastal Commission staff in the preparation of this CDP. As a result of this coordination, special provisions have been added to the CDP to ensure that the aquatic center will be primarily used for public programs, events, and activities.

**Port Attorney's Comments:**

The Port Attorney's Office has reviewed the issues raised in this agenda sheet and there are no legal concerns. The Board may analyze the issues presented and take appropriate action.

**Environmental Review:**

In accordance with the California Environmental Quality Act (CEQA) statutes and guidelines, the proposed Project was analyzed in the National City Aquatic Center and Port Master Plan Amendment MND (UPD #83356-MND-665, SCH #2005121091). On October 10, 2006, the Board adopted Resolution 2006-161 adopting the MND for the National City Aquatic Center and Port Master Plan Amendment.

The Project has been analyzed for conformance with the adopted Final MND. As described, staff has determined that the Project is in substantial conformance with these documents. Compliance with all applicable mitigation measures required by the adopted MND will be included as conditions of the CDP for the Project.

**Page 5 of 5**

**Equal Opportunity Program:**

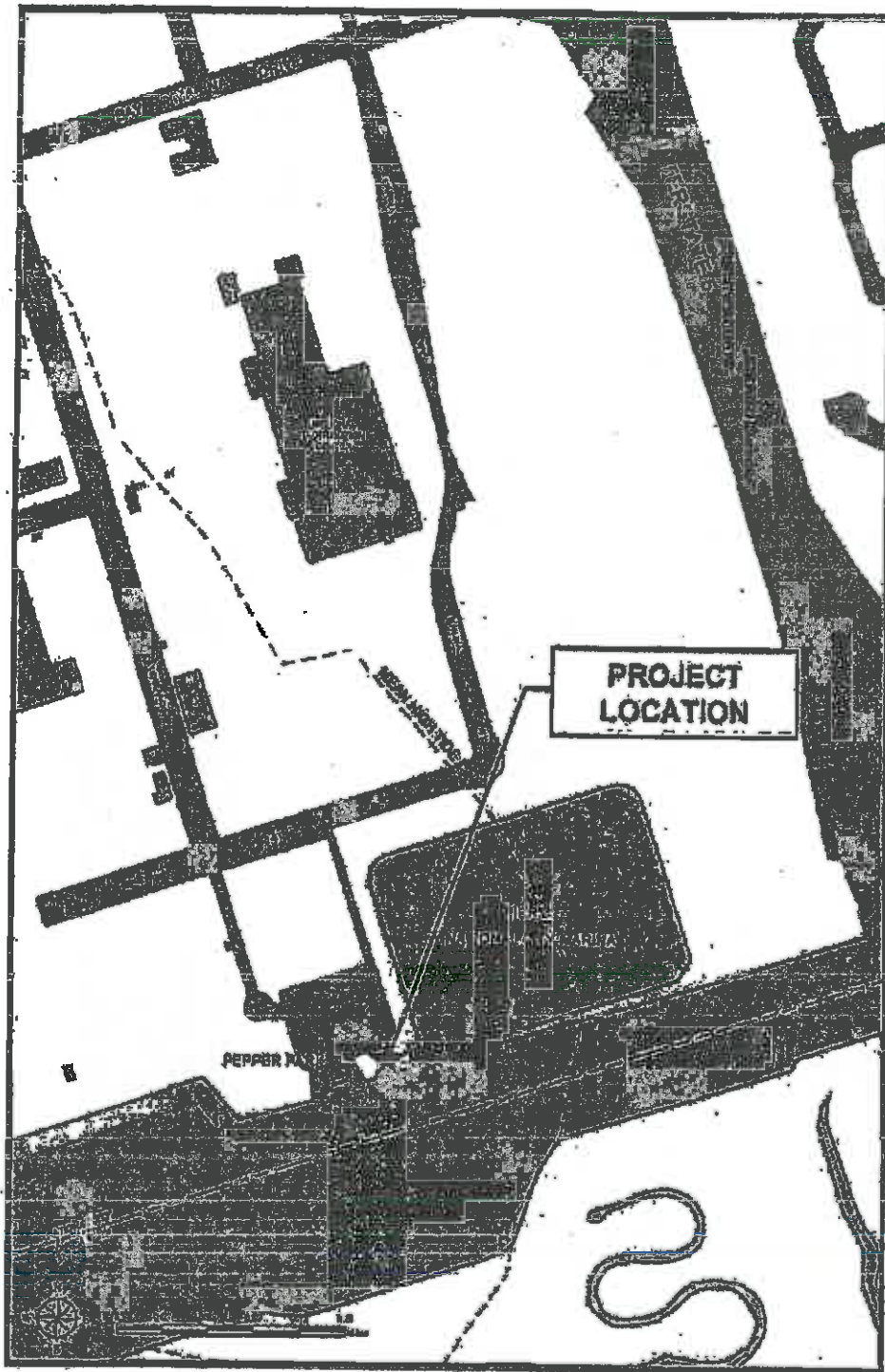
**Not Applicable.**

**PREPARED BY: Anna Buzaitis  
Associate Redevelopment Planner  
Environmental and Land Use Management**

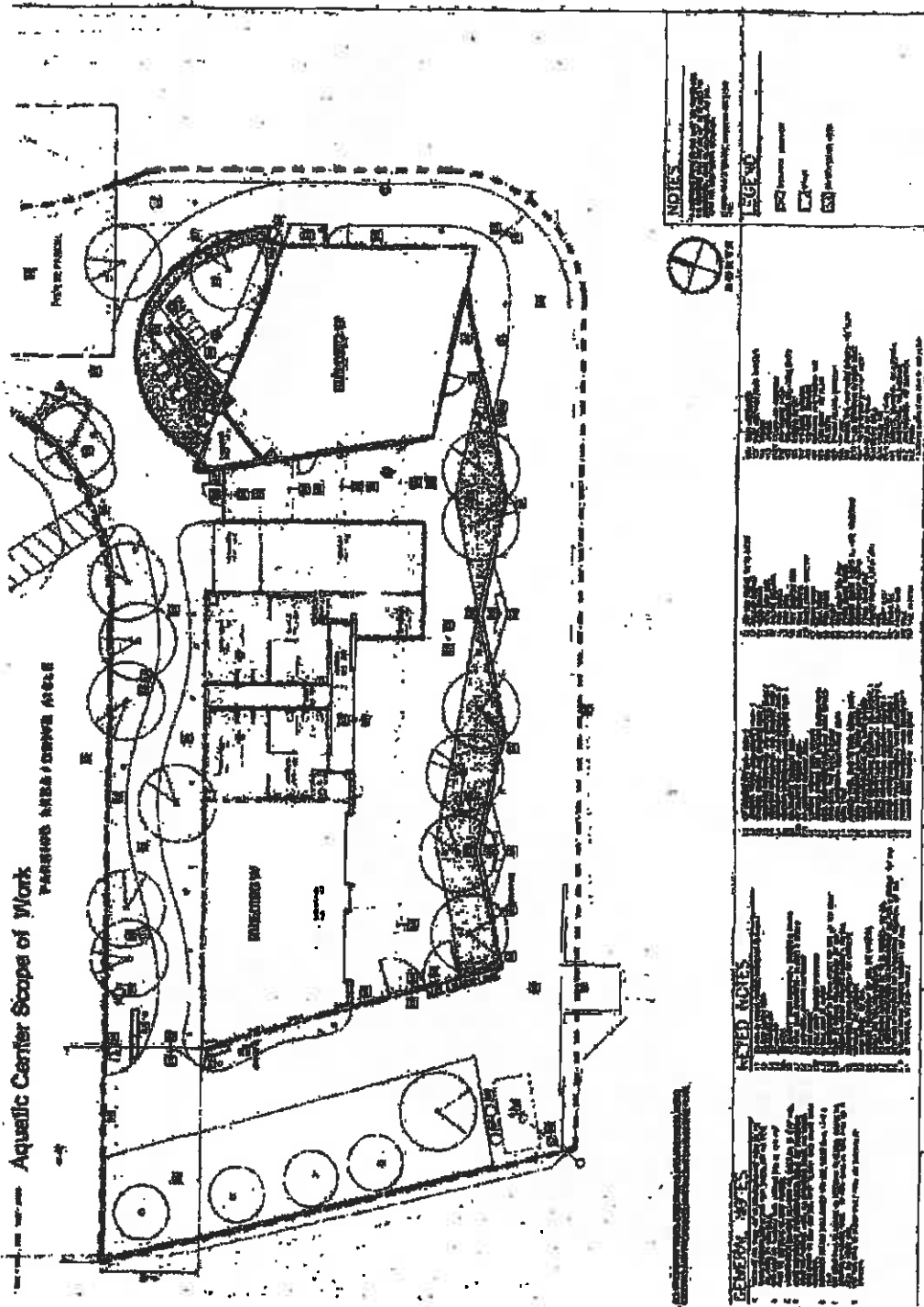
**Attachments:**

- 1) Project Location Map
- 2) Site Plan
- 3) Floor Plan
- 4) Draft Coastal Development Permit

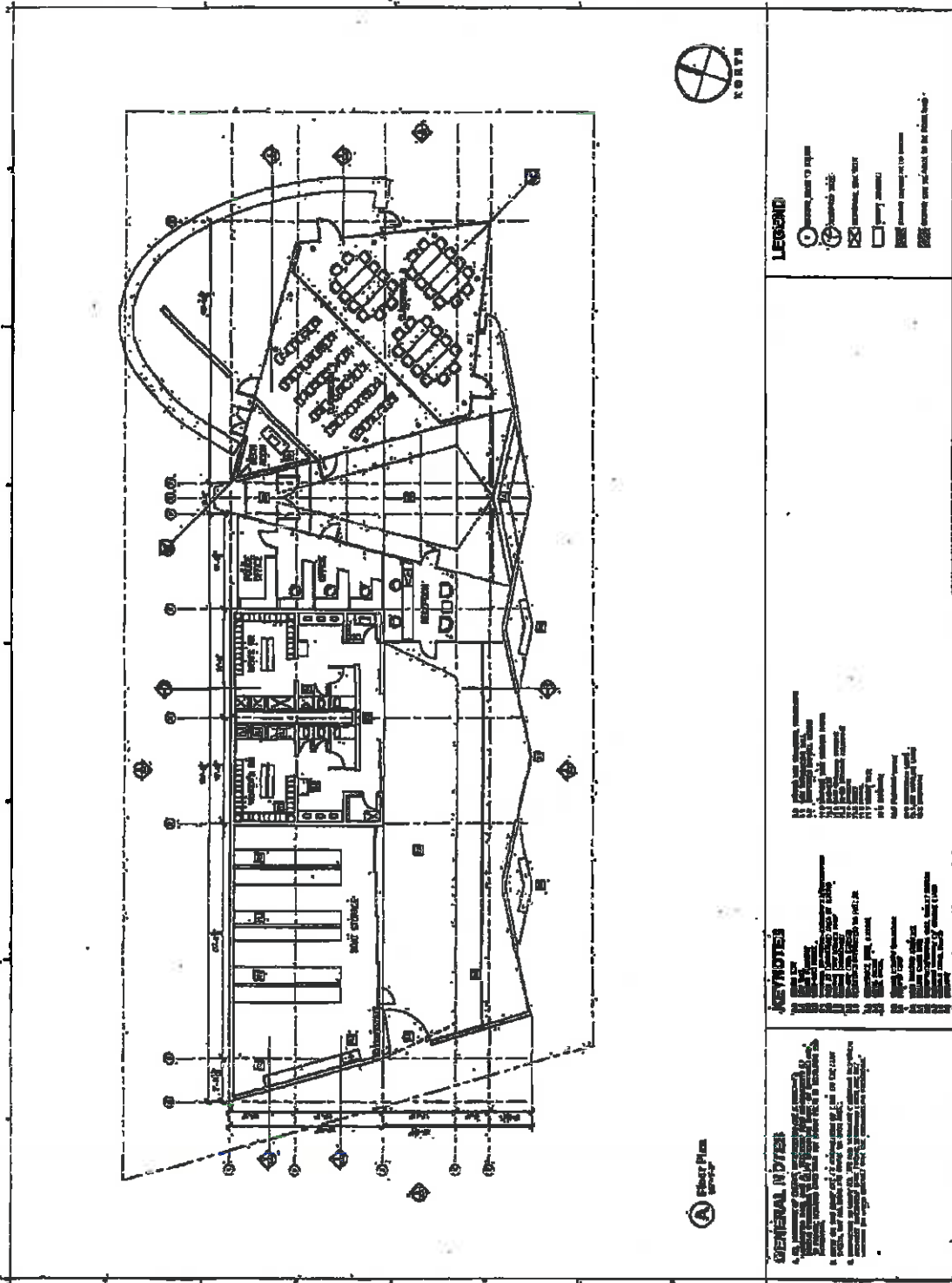
**PROJECT LOCATION MAP**



**SITE PLAN**



**FLOOR PLAN**



**DRAFT**  
**COASTAL DEVELOPMENT PERMIT**

**Applicant:** Chris Zapata, City Manager  
City of National City  
1243 National City Boulevard  
National City, CA 91950

**Project:** National City Aquatic Center

**Location:** East of Pepper Park, south of W 32<sup>nd</sup> Street, west of National City Marina, south of southern terminus of Gossett Place, in National City, California

You are hereby granted a Coastal Development Permit. This permit is issued in conformance with the California Coastal Act of 1976 and the Coastal Permit Regulations of the San Diego Unified Port District, as adopted by the Board of Port Commissioners on July 1, 1980, Resolution No. 80-193, and as amended on December 2, 1980, Resolution No. 80-243, and on February 17, 1984, Resolution No. 84-62, in accordance with the provisions for the issuance of a [ ] Emergency [ ] Non-appealable [X] Appealable Coastal Development Permit.

**Date of Board Action:** July 12, 2011

**Board of Port Commissioners Resolution Number:** 2011-34

**Date of Permit:** July 12, 2011

**Application Number:** 20110710-35-140

**Permit Number:** CDP-2011-01

The proposed project is located between the sea (as defined in the Coastal Act) and the first inland continuous public road paralleling the sea. The project is fully consistent with Public Resources Code Sections 30604(c), 30210-30224, and the Coastal Act public access and recreation policies referenced therein.

This permit is limited to the development described below and set forth in material on file with the San Diego Unified Port District (District), and subject to the terms, conditions, and provisions hereinafter stated:

**DEVELOPMENT**

The Project is the construction and operation of an approximately 4,600 square foot aquatic center in Pepper Park in National City, north of the Sweetwater Channel, east of the Pepper Park boat launch ramp, and west of the Pier 32

National City Marina (see Exhibit 1, Project Location Map). A site plan, floor plan, and public access plan are provided as Exhibits 2, 3, and 4 respectively. The maximum building height will be approximately 22 feet. The Project includes the following components:

- Multi-purpose classroom that can be divided into two rooms
- Office for facility staff
- Storefront for National City Police and/or Harbor Police
- Lockers, showers and restrooms
- Boat and equipment storage
- Public art
- Landscape improvements
- Paved exterior activity areas
- Lighting that is shielded and directed away from the nearby wildlife refuges
- Promenade and walkways around facility

The aquatic center will be a boating and environmental science public educational facility with programming primarily directed towards children and youths. Courses will primarily consist of kayaking and rowing, and will also include environmental science programs such as the study of coastal wildlife and tides. Programming may be expanded in the future to other water sports, health and safety courses, and job-related educational opportunities. Due to limited land space and water quality concerns, no swimming will be available at the facility. Due to the sensitivity of nearby federally protected wildlife refuge lands, rentals of kayaks and rowboats will require docent supervision, and classes will have a one to six (1:6) instructor to student ratio in order to monitor activities.

The aquatic center will also be available for special activities such as specialty camps, theme birthday parties, and contracts with schools, special family events, community and corporate team building events, and environmental education. However, public recreational and educational events will remain the primary focus of aquatic center activities.

The existing promenade and walkways at the Project site will be replaced with new paving that will provide continuous public access along the shoreline and the aquatic center. The promenade will connect to the existing Pier 32 National City Marina promenade to the north. The promenade to the south, east, and west of the aquatic center will be at least 8.5 feet wide. The walkway immediately north of the aquatic center will be approximately 7 feet wide.

The Project will remove the temporary trailers (existing location of aquatic center) located on the Pepper Park parking lot and restripe the parking spaces on which the trailers are currently located. The Project will share the existing parking lot with users of Pepper Park, the public fishing pier, and the boat ramp. Most aquatic center participants will arrive in groups via bus transportation. The bus

will drop participants off at the aquatic center, then leave the premises and return at the conclusion of the class to pick up the participants. Five spaces in the parking lot will be utilized by aquatic center staff. The parking study performed as part of the MND concluded that no adverse parking impacts would result from the proposed project. The proposed aquatic center is an existing use in the vicinity of the proposed Project site. However, as indicated in the MND, if parking capacity becomes an issue in the future, overflow parking can be accommodated on the nearby Goesno Place and/or Tidelands Avenue.

Project construction is anticipated to commence in late 2011 and be complete in 17 months. Temporary construction impacts from the Project were analyzed and addressed in the adopted MND for the proposed Project.

**STANDARD PROVISIONS**

1. Permittee shall adhere strictly to the current plans for the project as approved by the District.
2. Permittee shall notify District of any changes in the project.
3. Permittee shall meet all the local code requirements and ordinances and obtain all necessary permits from local, state and federal agencies.
4. Permittee shall conform to the permit rules and regulations of the District.
5. Permittee shall be responsible for compliance with ADA and Title 24 specifications.
6. Permittee shall commence development within two (2) years following the date of permit issuance by the District. Construction shall be pursued in a diligent manner and completed within a reasonable period of time.
7. The permit is in no way intended to affect the rights and obligations heretofore existing under private agreements nor to affect the existing regulations of other public bodies.
8. This permit shall not be valid unless two copies have been returned to the Environmental and Land Use Management Department of the District, upon which copies the permittee has signed a statement agreeing that the permittee will abide by the terms, conditions, limitations, and provisions of the permit.
9. All best management practices must be performed during construction and maintenance operations. This includes no pollutants in the discharges to storm drains or to Pacific Ocean, to the maximum extent practicable.



10. All Port of San Diego tidelands are regulated under Regional Water Quality Control Board Order No. R9-2007-0001, National Pollutant Discharge Elimination System (NPDES) Permit No. CAS0108758, Waste Discharge Requirements for Discharges of Urban Runoff from the Municipal Separate Storm Sewer Systems (MS4s) Draining the Watersheds of the County of San Diego, the Incorporated Cities of San Diego County, and the San Diego Unified Port District (Municipal Permit). This permit was adopted in January of 2007, and replaces the previous permit Order No 2001-01. All jurisdictions are required to be in full compliance with Order R9-2007-0001 by January 24, 2008. The Municipal Permit prohibits any activities that could degrade stormwater quality.

The Permittees shall ensure that post-construction / operational use of this project site complies with the Municipal Permit and District direction related to permitted activities including the requirements found in the District Jurisdictional Urban Runoff Management Document (JURMP). The JURMP is available on the District website: <http://www.portofsandiego.org/environment/stormwater.html> or by contacting the Environmental and Land Use Management Department, (619) 686-8254.

11. This project is subject to the Port Standard Urban Stormwater Mitigation Plan (SUSMP) process. As such, approval of the project by the District is necessarily conditioned upon submission by the Permittees of a project specific Urban Stormwater Mitigation Plan (USMP) that meets District requirements. The Permittees shall implement all USMP structural and non-structural best management practices (BMPs) throughout the life of the project. A link to the District's SUSMP guidance documents is posted on the District website: <http://www.portofsandiego.org/environment/stormwater.html>

The implementation and maintenance of the USMP BMPs constitute regulatory obligations for the Permittees, and failure to comply with the Municipal Permit, the JURMP, or the Port approved USMP, including the specific BMPs contained therein, may be considered a violation of the permit.

#### SHORT TERM CONSTRUCTION MEASURES

1. To minimize noise impacts during construction, the Permittee will require the construction contractor to (a) restrict normal construction activities to 7:00 am to 10:00 pm; (b) keep construction equipment as far as possible

from sensitive receptors; and (c) provide acoustical shielding around equipment operating at night, from 10:00 pm to 7:00 am.

2. To minimize fugitive air emissions during construction, the Permittee will require the construction contractor to keep fugitive dust down by regular watering.
3. To minimize nuisance effects from lights or glare during construction, the contractor will shield and direct night lighting away from adjacent areas.
4. All trucks hauling loose material during project construction, either on-site or off-site, shall be adequately covered.
5. Suspend all ground-disturbing activities when wind speeds (as instantaneous gusts) exceed 25 mph at a portable weather station on the project site.
6. Access points onto local paved roads shall be kept clean and swept as necessary. If visible soil material is carried onto adjacent public paved roads, use of a water sweeper will be required to clean the public road.
7. Traffic speeds on all unpaved surfaces shall be limited to 15 mph.
8. Permittee shall prevent inactive trucks from idling more than 10 minutes during construction once they arrive on the construction site.
9. All construction equipment shall be maintained in peak condition to reduce operational emissions.
10. Diesel equipment shall use low-sulfur diesel fuel.
11. Electric equipment shall be used to the maximum extent feasible during construction.
12. Construction employees shall be provided with transit and ride share information.
13. Permittee shall ensure that any site contamination is identified and a site restoration plan, acceptable to the appropriate regulatory agencies, is prepared and implemented to reduce any existing contamination to a level that has no potential to threaten employee or human health as defined under existing regulations. If any potential exists for impacts to employee health from exposure to acidic or caustic soils, workers shall be provided with adequate protective gear.

14. Permittee shall require all employees that are exposed to noise levels in excess of Occupational Safety and Health Administration hearing protection thresholds, during construction or operation, to wear noise protection devices (ear plugs and covers) that are protective of individual hearing.
15. Permittees and/or contractor shall comply with State Water Resources Control Board Order No. 2009-0009-DWQ (NPDES General Permit No. CAS000002), and Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction Activity (commonly known as the "General Construction Storm Water Permit"), as adopted, amended, and/or modified. Construction activity subject to the General Construction Storm Water Permit requires development and implementation of a Storm Water Pollution Prevention Plan (SWPPP). The Permittees and/or contractor is responsible for submitting to the District the required registration information, submittal of a complete SWPPP and all applicable permit fees. All required documents and fees shall be submitted to the District at least one month prior to construction. Once all required documents are received and approved by the District, the District will process the Permit registration documents with the State Water Resources Control Board. After the information is submitted, the State Water Resources Control Board will issue a waste discharge identification (WDID) number for the project. A WDID number shall be obtained prior to the start of work. Once approved, the SWPPP document shall be maintained on the construction site at all times and made available for review by the District or other regulatory agencies.

The Permittees and/or contractor is responsible for ensuring that the SWPPP document is maintained on the site, implemented, and amended as required throughout construction. No discharges of any material or waste, including potable water, wash water, dust, soil, trash, and debris, may contaminate stormwater or enter the stormwater conveyance system. Any such material that inadvertently contaminates stormwater or enters the stormwater conveyance system as part of site operations shall be removed immediately. All unauthorized discharges to the stormwater conveyance system or the Bay or the ocean shall be reported immediately to the District Environmental and Land Use Management Department, in order to address any regulatory permit requirements regarding spill notifications.

The construction activity herein requires the implementation of Best Management Practices (BMPs) used to control discharges to the storm water conveyance system from construction activities.

## SPECIAL PROVISIONS

1. Permittee shall comply with all applicable Mitigation Monitoring and Reporting Program requirements (attached as Attachment A), as described in the "National City Aquatic Center and Port Master Plan Amendment" Final Mitigated Negative Declaration (UPD #83356-MND-665, SCH #2005121091, Clerk Document No. 51129), dated August 2006, and adopted by Resolution No. 2006-161 on October 10, 2006. The Mitigation Measures are provided in the following Special Provisions.
2. In order to avoid destruction of active nests, removal or relocation of trees, as well as pile driving activities shall be conducted outside the migratory bird breeding season, which is February through August 31. Alternatively, tree removal or relocation could occur during the breeding season if a qualified biologist conducts a pre-construction nest survey and determines that nesting activities of birds protected under the Migratory Bird Treaty Act would not be disrupted. (MM BR1)
3. Appropriate construction and post-construction best management practices shall be designed and implemented in order to prevent transport of sediments and other pollutants into the Sweetwater Channel. (MM BR2)
4. Night lighting shall be shielded and directed away from the refuge. (MM BR3)
5. Only non-reflective glass shall be used in the new construction, preferably with etchings, decals or other methods to make windows visible. (MM BR4)
6. Anti-perching structures, such as Nixalite, shall be sited on the edges and peaks of the building roof and mechanical equipment. (MM BR5)
7. To prevent human disturbance to the refuge from recreational activities, the aquatic center shall develop and implement an education and outreach program. This shall include an orientation that consists of education on program boundaries and location of sensitive habitats. Education on sensitive natural resources shall also be included, and a brochure created and distributed to all participants explaining the importance of the refuges and of conserving wildlife in the bay. (MM BR6)
8. In addition to educational programs, physical barriers and signage shall be placed in a manner to prevent encroachment onto the refuge. The mitigation strategy described in the National City Marina Project and Port Master Plan Amendment Final EIR of providing buoys and signs around the refuge would adequately address this issue. (MM BR7)

9. Aquatic center watercraft will not be rented or made available for unsupervised use (MM BR8). All aquatic center activities will take place as part of an organized group program.
10. The aquatic center will be for public programs, events, and organized activities. When the aquatic center is not in use, the facility may occasionally be used for special events such as birthday parties, and contracts with schools, special family events, and community and corporate team building events.
11. No person shall be denied participation in aquatic center programming on the basis of financial ability/inability to pay.
12. The Project shall result in a "no net loss" of trees.
13. The adjacent floating boat dock and boat launch ramp shall remain open and publicly-accessible during construction.
14. The promenade shall remain open and publicly-accessible during construction. An exception is when the promenade pavement is being replaced, in which case an alternative public access route shall be provided with signage identifying the public access route.
15. Public access along the promenade, boat launch ramp, floating boat dock, and other public facilities shall not be blocked or impeded by activities at the aquatic center.
16. The outdoor classroom shall not interfere or impede public access on the promenade, boat launch ramp, or floating boat dock.
17. Permittee shall install standard San Diego "Coastal (Bay) Access" signs in clear view at 1) the entrance into the Pier 32 leasehold from the Project site, 2) the main aquatic center entrance on the north side of the building, and 3) adjacent to the floating boat dock
18. The construction and operation of the Project shall not interfere with public access to the promenade, boat launch ramp, or floating boat dock.
19. The hours of operation of the promenade and walkways will be consistent with the Port park hours of 6:00am to 10:30pm. The aquatic center will also maintain these hours.
20. The Permittee shall comply with the District's Project Review and Approval (Project No. 028-012-2919), which includes, but is not limited to "Standard Conditions/Other Conditions," "Stormwater Conditions,"

"Signage Conditions," "Traffic Control Conditions," "Special Conditions," "Utilities Conditions," "Hot Work Requirements," "Environmental Conditions," "Site Cleanup Conditions," and the following "Project Specific Conditions."

21. The Permittee shall submit a detailed plan for the entire Pepper Park parking lot to accommodate the anticipated number of vehicles for District review. Identify stalls for operator, shuttle bus, maintenance, police and other facility related vehicle uses.
22. The District's Project approval is based on the SUSMP and SWPPP to be submitted to the District's Environmental and Land Use Management Department and approval to be obtained.
23. Permittee shall submit a final public art plan and cost estimate to the District's Public Art Department for approval.
24. A facility sign design program indicating sign type, locations, area, text styles and dimensions as well as colors and materials shall be submitted for approval.
25. Permittee shall submit exterior building color and material samples. Materials shall be resistant to vandalism and other heavy usage normally found in public parks.
26. All District roads or parking lots damaged during the course of construction shall be repaired.
27. Fire Department access must be reviewed by the City of National City's Fire Prevention Bureau.
28. Trash enclosure shall be provided and shown for the site.

Exhibits: 1 - Project Location  
2 - Site Plan  
3 - Floor Plan  
4 - Public Access

Attachment: A - Mitigation Monitoring and Reporting Program

**If you have any questions on this permit, please contact the Environmental and Land use Management Department of the San Diego Unified Port District.**

**WAYNE DARBEAU**  
President/Chief Executive Officer

By: \_\_\_\_\_  
**DARLENE NICANDRO**  
Director, Environmental and Land Use Management

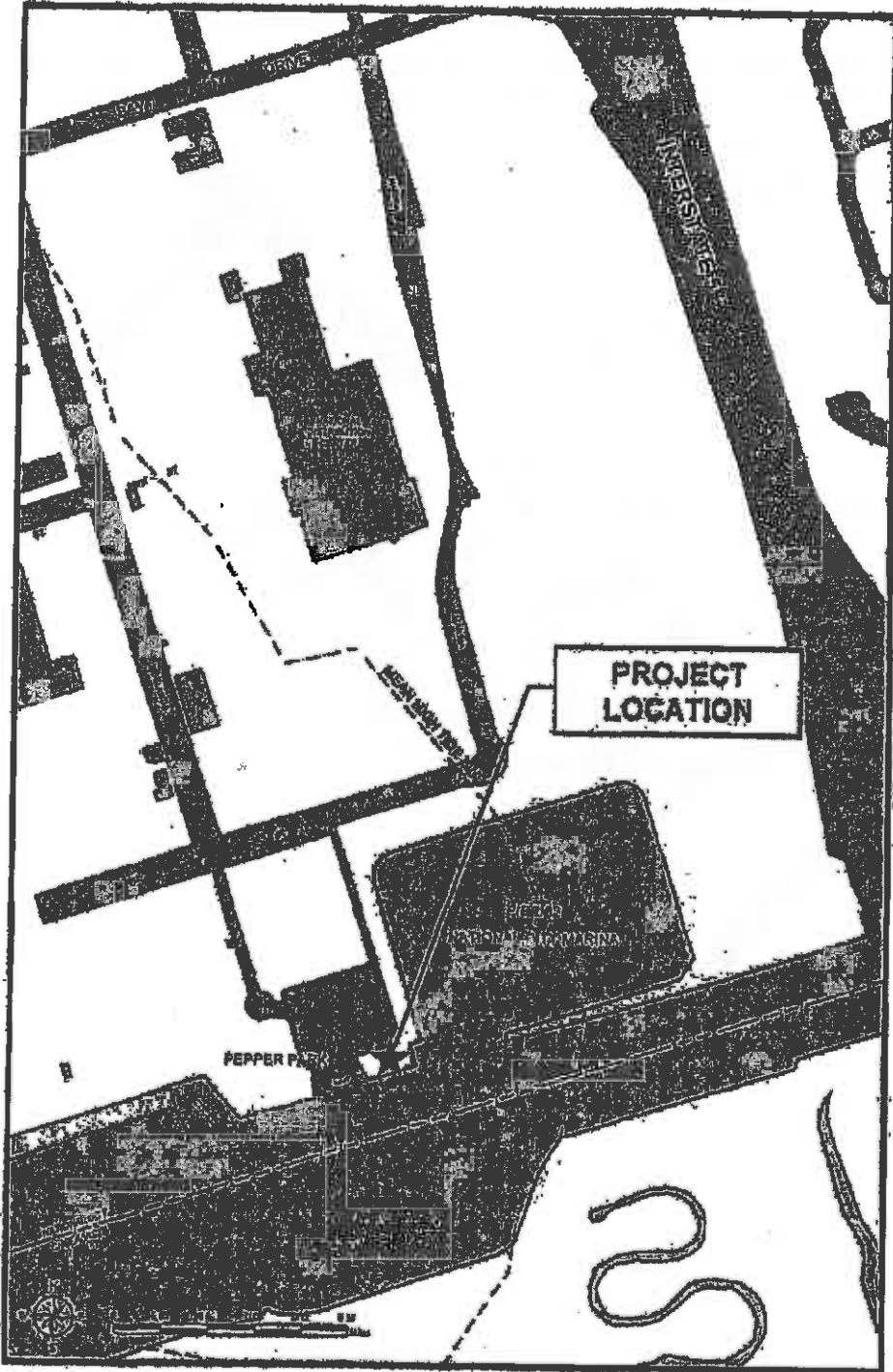
**I have read and understand the terms, conditions, limitations, and provisions of this permit and agree to abide by them.**

\_\_\_\_\_  
Signature of Permittee  
**CHRIS ZAPATA**  
City Manager, City of National City

\_\_\_\_\_  
Date



**EXHIBIT 1  
PROJECT LOCATION**





### EXHIBIT 2 SITE PLAN

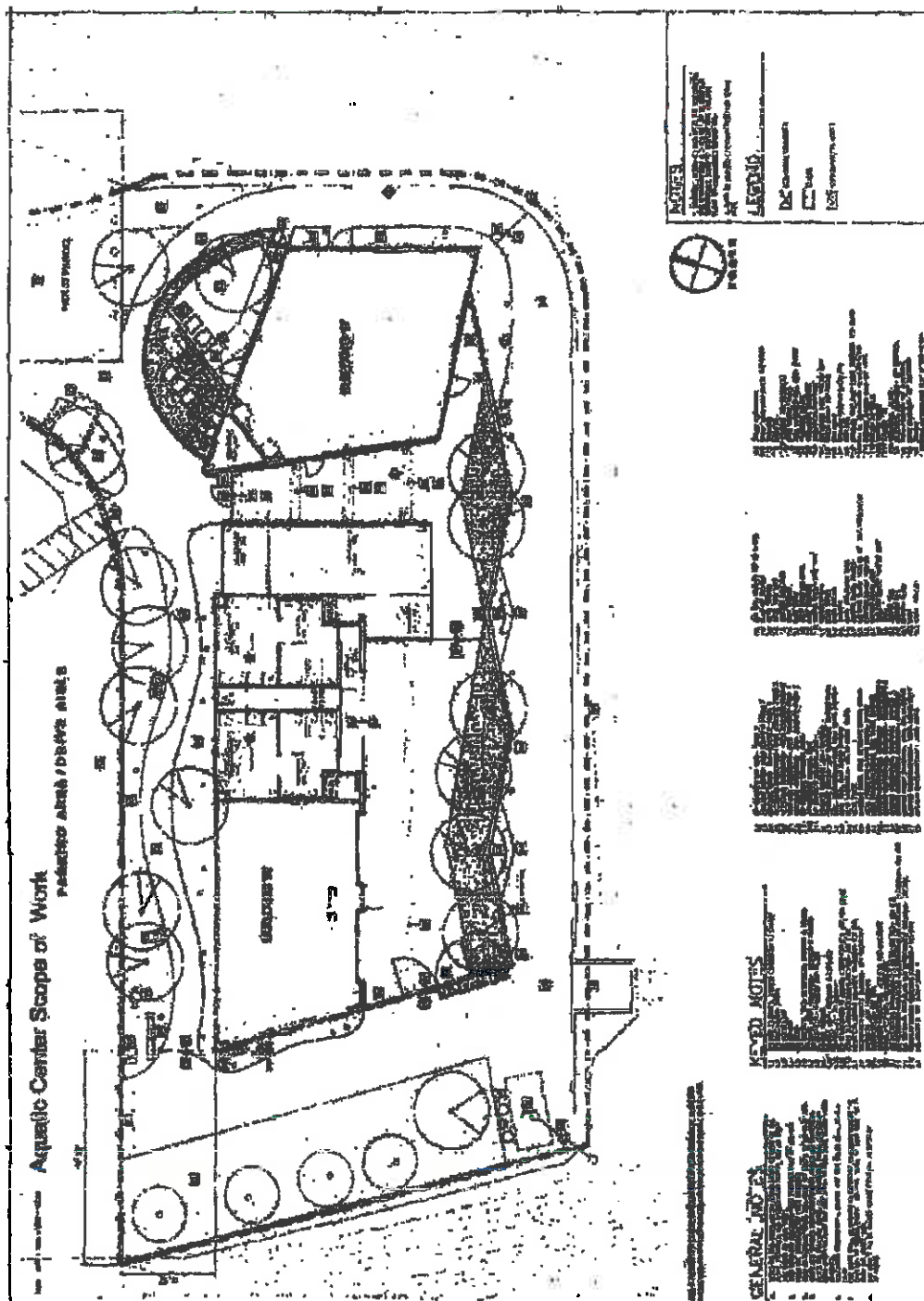
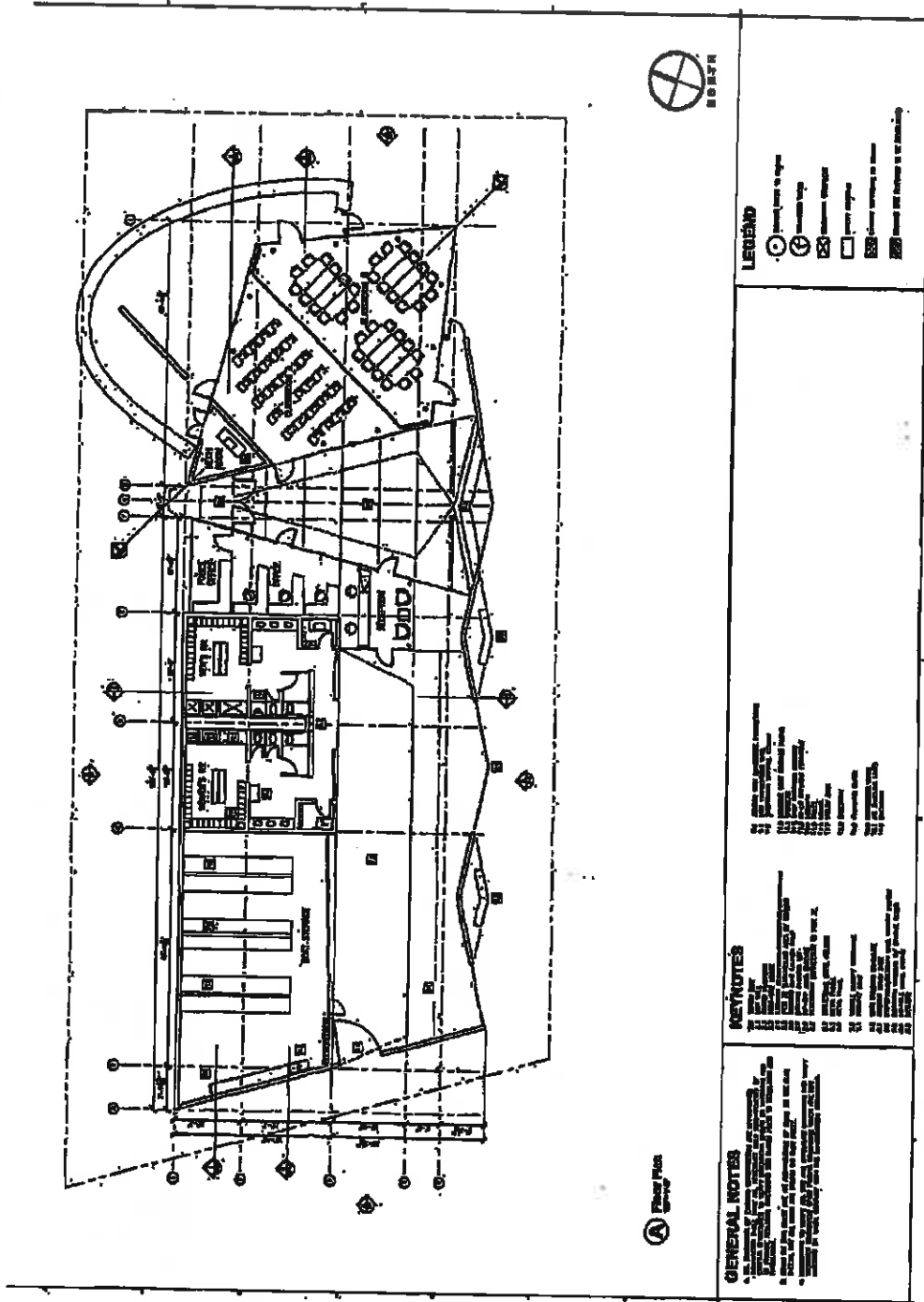


EXHIBIT 3  
FLOOR PLAN



(A) Floor Plan

LEGEND

- Room to be kept
- ⊗ Room to be removed
- ⊕ Room to be added
- Room to be changed
- ⊞ Room to be removed to be replaced
- ⊟ Room to be removed to be replaced

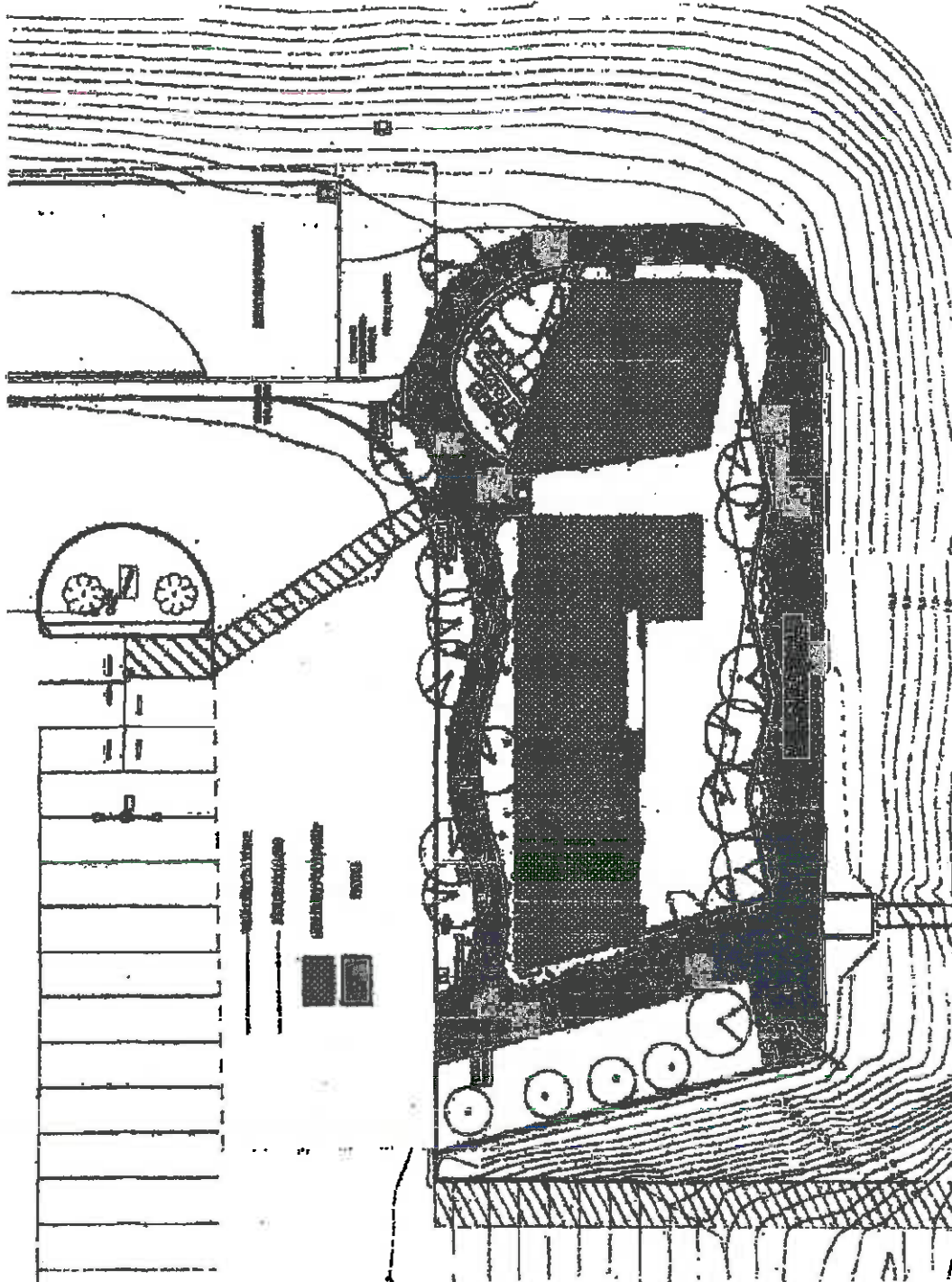
NOTES

- 1. All dimensions are in feet and inches.
- 2. All dimensions are to the center of the wall unless otherwise noted.
- 3. All dimensions are to the center of the column unless otherwise noted.
- 4. All dimensions are to the center of the beam unless otherwise noted.
- 5. All dimensions are to the center of the slab unless otherwise noted.
- 6. All dimensions are to the center of the wall unless otherwise noted.
- 7. All dimensions are to the center of the column unless otherwise noted.
- 8. All dimensions are to the center of the beam unless otherwise noted.
- 9. All dimensions are to the center of the slab unless otherwise noted.
- 10. All dimensions are to the center of the wall unless otherwise noted.
- 11. All dimensions are to the center of the column unless otherwise noted.
- 12. All dimensions are to the center of the beam unless otherwise noted.
- 13. All dimensions are to the center of the slab unless otherwise noted.
- 14. All dimensions are to the center of the wall unless otherwise noted.
- 15. All dimensions are to the center of the column unless otherwise noted.
- 16. All dimensions are to the center of the beam unless otherwise noted.
- 17. All dimensions are to the center of the slab unless otherwise noted.
- 18. All dimensions are to the center of the wall unless otherwise noted.
- 19. All dimensions are to the center of the column unless otherwise noted.
- 20. All dimensions are to the center of the beam unless otherwise noted.
- 21. All dimensions are to the center of the slab unless otherwise noted.
- 22. All dimensions are to the center of the wall unless otherwise noted.
- 23. All dimensions are to the center of the column unless otherwise noted.
- 24. All dimensions are to the center of the beam unless otherwise noted.
- 25. All dimensions are to the center of the slab unless otherwise noted.

GENERAL NOTES

- 1. All dimensions are in feet and inches.
- 2. All dimensions are to the center of the wall unless otherwise noted.
- 3. All dimensions are to the center of the column unless otherwise noted.
- 4. All dimensions are to the center of the beam unless otherwise noted.
- 5. All dimensions are to the center of the slab unless otherwise noted.
- 6. All dimensions are to the center of the wall unless otherwise noted.
- 7. All dimensions are to the center of the column unless otherwise noted.
- 8. All dimensions are to the center of the beam unless otherwise noted.
- 9. All dimensions are to the center of the slab unless otherwise noted.
- 10. All dimensions are to the center of the wall unless otherwise noted.
- 11. All dimensions are to the center of the column unless otherwise noted.
- 12. All dimensions are to the center of the beam unless otherwise noted.
- 13. All dimensions are to the center of the slab unless otherwise noted.
- 14. All dimensions are to the center of the wall unless otherwise noted.
- 15. All dimensions are to the center of the column unless otherwise noted.
- 16. All dimensions are to the center of the beam unless otherwise noted.
- 17. All dimensions are to the center of the slab unless otherwise noted.
- 18. All dimensions are to the center of the wall unless otherwise noted.
- 19. All dimensions are to the center of the column unless otherwise noted.
- 20. All dimensions are to the center of the beam unless otherwise noted.
- 21. All dimensions are to the center of the slab unless otherwise noted.
- 22. All dimensions are to the center of the wall unless otherwise noted.
- 23. All dimensions are to the center of the column unless otherwise noted.
- 24. All dimensions are to the center of the beam unless otherwise noted.
- 25. All dimensions are to the center of the slab unless otherwise noted.

**EXHIBIT 4  
PUBLIC ACCESS**



**ATTACHMENT A  
MITIGATION MONITORING AND REPORTING PROGRAM**

**Attachment A of CDP**

**MITIGATION MONITORING AND REPORTING PROGRAM  
FOR THE NATIONAL CITY AQUATIC CENTER AND PORT  
MASTER PLAN AMENDMENT PROJECT  
MITIGATED NEGATIVE DECLARATION**

**PURPOSE OF THE MONITORING AND REPORTING PROGRAM**

This Mitigation Monitoring and Reporting Program (MMRP) was prepared for the proposed National City Aquatic Center and Port Master Plan (Project) to comply with the California Environmental Quality Act (CEQA) mitigation monitoring statute (Public Resources Code Section 21081.6). This statute, entitled "Reporting or Monitoring Programs," requires public agencies to "adopt a reporting or monitoring program for the changes to the project, which it has adopted or made a condition of approval, in order to mitigate or avoid significant effects on the environment." This MMRP shall be made a requirement of project approval and shall be adopted by the Lead and Responsible Agencies upon formulation of Findings pursuant to Section 15091 of the State CEQA Guidelines. The Lead Agency for this project is the San Diego Unified Port District ("Port District").

The purpose of the MMRP is to ensure that the mitigation measures, required by the Mitigated Negative Declaration (MND) for the Port's requested actions, are properly implemented. As Lead Agency for the project under CEQA, the Port will monitor the mitigation measures for construction and operation of the project. The Mitigation Monitoring Checklist provides a mechanism for monitoring the mitigation measures in compliance with the MND. General guidelines for the use and implementation of the monitoring program are described below.

An effective reporting system shall be established prior to any monitoring efforts. Copies of the measures shall be distributed to the participants of the monitoring effort to ensure that all parties involved have a clear understanding of the mitigation monitoring measures adopted.

**MITIGATION MONITORING CHECKLIST**

The Mitigation Monitoring Checklist is organized by categories of environmental impacts, (e.g., Biological Resources, Water Quality, Land Use, and Noise). Potential impacts identified in the MND are summarized for each impact area and the required mitigation measures are listed. The checklist identifies the implementation schedule, who is responsible for implementing the measure, monitoring mechanism, and required monitoring and reporting frequency. A description of these items is provided below.

**Mitigation Measure.** The specific mitigation measure as outlined in the Mitigated Negative Declaration is described by category:

**ATTACHMENT A  
MITIGATION MONITORING AND REPORTING PROGRAM**

<b>MITIGATION MONITORING CHECKLIST</b>				
Mitigation Measure	Monitoring Requirement	Responsible Party for Implementation	Completion Requirement	Agency Responsible for Verification
<b>Biological Resources</b>				
<p><b>MR 1</b> Removal or relocation of areas as well as pile driving activities shall be conducted outside the migratory bird breeding season (February 1 – August 31) in order to avoid destruction of native nests. Alternatively, tree removal or relocation should occur during the breeding season if a qualified biologist conducts a pre-construction nest survey and determines that nesting activities of birds protected under the MBTA would not be disrupted.</p>	Construction	South Bay YMCA	Upon completion of tree removal or relocation and pile driving	Port District/City of National City
<p><b>MR 2</b> Appropriate mitigation and pile construction best management practices shall be designed and implemented in order to prevent transport of sediment and other pollutants into the Sweetwater channel.</p>	Construction and Post-Construction	South Bay YMCA	Ongoing	Port District
<p><b>MR 3</b> Night lighting should be shielded and directed away from the refuge.</p>	Construction	South Bay YMCA	Upon completion of construction	Port District
<p><b>MR 4</b> Only non-reflective glass should be used in the new construction, preferably with coatings, decals or other methods to make windows invisible.</p>	Construction	South Bay YMCA	Upon completion of construction	Port District
<p><b>MR 5</b> Anti-piling structures, such as Nyralite, shall be sited on the edges and peaks of the building roof and mechanical equipment.</p>	Construction	South Bay YMCA	Upon completion of construction	Port District
<p><b>MR 6</b> To prevent human disturbance to the refuge from recreational activities, the aquatic center facility shall develop and implement an education and outreach program. This shall consist of an orientation that explains the program boundaries and location of sensitive habitats. Education on the sensitive natural resources shall also be included, and a brochure created and distributed to all participants explaining the importance of the refuge's role of conserving wildlife in the bay.</p>	Operation	South Bay YMCA	Ongoing	Port District
<p><b>MR 7</b> In addition to educational programs, physical interpretive signage should be placed in a manner to prevent encroachment onto the refuge. The interpretive history described in the National City Marina Project and Port Master Plan Amendment Final EIR of providing history</p>	Construction and Operation	South Bay YMCA	Upon installation of signage	US Fish & Wildlife Service / Port District

ATTACHMENT A  
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measure	Monitoring Requirement	Responsible Party / Mitigation Implementation	Completion Requirement	Agency Responsible For Verification
<p>Mitigation Measures                      and signs around the roofs would adequately address this issue.                      The Agency's Construction will not be until it is available for use. See the Land Use and Planning                      See RR - RR above</p>	<p>Operator</p>	<p>South Bay TMA</p>	<p>Operator</p>	<p>Port District</p>
<p>Note                      See RR above</p>				

Exhibit "T"

RESOLUTION NO. 2013 – 119

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE AN AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN DIEGO UNIFIED PORT DISTRICT AND THE CITY OF NATIONAL CITY REGARDING THE NATIONAL CITY AQUATIC CENTER WHEREIN THE PORT DISTRICT AGREES TO REIMBURSE THE CITY OF NATIONAL CITY FOR PROJECT CONSTRUCTION COSTS IN AN AMOUNT NOT TO EXCEED \$3,080,000, AND AUTHORIZING THE APPROPRIATION OF \$3,080,000 TO THE AQUATIC CENTER ACCOUNT NO. 001-409-500-598-3816 FROM THE GENERAL FUND

WHEREAS, the San Diego Unified Port District ("District") and the City of National City have worked cooperatively to develop the National City Aquatic Center ("Project"); and

WHEREAS, in 2006, the District approved the Project's concept plan, and certified the Project's Port Master Plan Amendment Mitigated Negative Declaration; and

WHEREAS, the Port Master Plan Amendment for the Project was certified by the California Coastal Commission in 2006; and

WHEREAS, the District granted the Community Development Commission of the City of National City ("CDC") a thirty (30) year lease for the Project's site, with the condition that the Project commenced construction before December 31, 2012, which was approved by the City through the adoption of CDC Resolution No. 2010-105, on May 18, 2010; and

WHEREAS, the District has consented to the transfer of the Lease to the City of National City; and

WHEREAS, on September 6, 2011, the City Council adopted Resolution 2011-198, entering into a Memorandum of Understanding ("MOU") with the District regarding the Project, and ratifying the Assignment by the Port and the Assumption by the City of the Lease of the property at Goesno Place in National City, the future site of the Project; and

WHEREAS, the District, on the September 26, 2011, fulfilled its MOU obligation by transferring funds to City in the amount of \$830,000 to be used towards design and/or construction costs for the Aquatic Center; and

WHEREAS, on December 4, 2012, the City Council adopted Resolution No. 2012-229, entering into Amendment No. 1 to the MOU, and Resolution No. 2012-230 entering into Amendment No. 1 to the 30-year Lease, both of which extended the date of commencement of construction to December 31, 2013; and

WHEREAS, the District issued the Project's Coastal Development Permit and has additionally granted a two-year extension of the Permit through August 2, 2015; and

WHEREAS, the former Redevelopment Agency to the Community Development Commission issued tax allocation bonds in 2011, of which \$3.3 Million of the 2011 Tax Allocation Bonds were budgeted for the construction of the Aquatic Center, but due to the dissolution of redevelopment agencies statewide, the State Department of Finance denied the use of these funds for construction; and

Resolution No. 2013 – 119  
Page Two

WHEREAS, because the 2011 Tax Allocation Bonds cannot be used for the Project, the City requested that the Port District reallocate its planned financial support for a separate park project in National City to the Aquatic Center Project; and

WHEREAS, on July 16, 2013, the Board of Port Commissioners approved the allocation of \$3,080,000 from a separate park project in National City to the Aquatic Center Project, pending amendments to the MOU and Lease Agreement; and

WHEREAS, an appropriation of funds in the amount of \$3,080,000 from the General Fund is requested for the construction of the Aquatic Center Project, which will be reimbursed by the Port District pursuant to the terms of the Amended and Restated MOU.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the Mayor to execute the Amended and Restated Memorandum of Understanding between the San Diego Unified Port District and the City of National City regarding the National City Aquatic Center.

BE IT FURTHER RESOLVED that the City Council approves an appropriation in the amount of \$3,080,000 from the General Fund to the Aquatic Center Account No. 001-409-500-598-3816, pending the reimbursement from the San Diego Unified Port District.


PASSED and ADOPTED this 6<sup>th</sup> day of August, 2013.

  
\_\_\_\_\_  
Ron Morrison, Mayor

ATTEST:

  
\_\_\_\_\_  
Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Claudia Garcia Silva  
City Attorney



Passed and adopted by the Council of the City of National City, California, on August 6, 2013 by the following vote, to-wit:

Ayes: Councilmembers Cano, Morrison, Natividad, Rios, Sotelo-Solis.

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: RON MORRISON  
Mayor of the City of National City, California



[Handwritten Signature]  
City Clerk of the City of National City, California

By: \_\_\_\_\_  
Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2013-119 of the City of National City, California, passed and adopted by the Council of said City on August 6, 2013.

\_\_\_\_\_  
City Clerk of the City of National City, California

By: \_\_\_\_\_  
Deputy



# NATIONAL CITY BAYFRONT PLANNING DISTRICT 5

## Exhibit "U"



### Precise Plan Concept

The National City Bayfront is an established and developed marine industrial area. Continued use and intensification of the marine related use is anticipated for the duration of the planning period. Substantial areas are currently used for lumber storage, wood products and vehicle storage, manufacturing and distribution, which are dependent on close proximity to the Port's deep-water wharves. The plan proposes improvements to the Port related road transportation network. In addition, new public access and water-oriented recreational, educational and commercial uses are focused on the development of a pleasure craft marina of approximately 250 slips.

### Land and Water Use Allocations

The National City Bayfront planning area contains a total of roughly 420 acres, consisting of 250 acres of land and 170 acres of water (**Table 14**). The Master Plan assigns most of the land to Marine Related Industrial and Marine Terminal use, with Commercial Recreation, Park and Recreational Boat Berthing located north of the Sweetwater Channel.

**National City Bayfront Planning Subareas**  
The subareas are listed on **Figure 16**.

### Northern Industrial

The Northern Industrial area is isolated from the water by the San Diego (32nd Street) Naval Station, which occupies all of the adjacent waterfront and forms

the western and northern boundary of this subarea. The subarea contains a ship repair and lumber transport/storage yard. These uses, or similar ones, are expected to occupy this land into the foreseeable future.

Due to its distance from the water, its remoteness and its relatively small size, this subarea will remain a backup storage area for the marine terminal and other marine industries occupying water frontage. Permitted uses under the marine industrial designation might also include manufacturing, storage, transportation and distribution.

A new street section connecting Harbor Drive to Tidelands Avenue is proposed just north of this planning subarea. This street improvement will more directly link Harbor Drive with Tidelands Avenue; creating a north-south street to serve traffic in the National City waterfront area west of the I-5 freeway and enhancing access to the Civic Center freeway interchange.

### Twenty Fourth Street Corridor

Just south of the northern industrial area is another small subarea, differing only in the type of development. It is dominated by a large shipbuilding yard, which has a narrow water access corridor. The two remaining uses are a fuel distribution yard and an office center for the vehicle importer.

The Master Plan considers this area for marine oriented industrial use, with which the present uses are compatible. Other activities appropriate for the area are mentioned in the Lumber Yard subarea.

### National Distribution Center

The Port acquired 22.1 acres of property located at 1000-1022 Bay Marina Drive, formerly known as West 24th Street. This property is currently known as the National Distribution Center and will be used for Marine Related Industrial purposes.

### Navy Berthing

The Port District has jurisdiction over a large amount of water west of the Naval Station which is

now being used for military ship berthing. The Master Plan foresees continuing this use under the Navy Ship Berthing designation. No other use is considered appropriate under present circumstances.

**Container Terminal**

The National City Marine Terminal is one of only two marine terminals identified on the Master Plan Circulation/Navigation Element, and is the only one capable of significant expansion. At present, about 2,400 linear feet of berthing space is available, 1,400 feet along the north wharf and 1,000 feet along the west wharf. Water depth alongside the terminal is a minimum 35 feet at MLLW.

The north wharf is used for ship repair and the receipt of petroleum products, including fuel oil for the San Diego Gas and Electric Company. General cargo can also be handled; a 40,320 square-foot transit shed is available for covered cargo space.

The southerly half of the west wharf is presently a container and bulk-handling terminal. A high-speed container crane, having a capacity of 40 long tons and capable of handling 30 containers per hour, runs along this wharf. The 17-acre container handling and

storage yard is serviced by a 33-ton rubber-tired bridge crane. Other facilities include a 32,500-square-foot stuffing and stripping space, paved storage for 2,280 containers (including electrical outlets for refrigerated containers), a steam container cleaning facility, maintenance shops, and scales. Two warehouses; one just over 100,000 square feet and another just under 200,000 square feet are accessible from either the north or west wharves.

The Master Plan proposes to extend the west apron wharf 2,400 feet to the south, then 1,000 feet east to connect to the existing Sweetwater Wharf. (Most of this development will occur in Subarea 56, the Southwest Corner.) Total wharf space at the National City Marine Terminal would then be about 7,800 linear feet.

The wharf design would fill out the bulkhead almost to the U.S. Combined Pierhead and Bulkhead Line, adding about 12 acres of land to the marine terminal. Future dredging would increase the present 35-foot depth to 42 feet MLLW along the west wharf and 37 feet along the Sweetwater Wharf. Construction activities involve excavation, driving of concrete support piles, the placement of rock revetment, and construction of wharf dock and fender systems.

**TABLE 14: Precise Plan Land and Water Use Allocation  
NATIONAL CITY: PLANNING DISTRICT 5**

<i>LAND USE</i>	<i>ACRES</i>	<i>WATER USE</i>	<i>ACRES</i>	<i>TOTAL ACRES</i>	<i>% of TOTAL</i>
COMMERCIAL .....	7.9	COMMERCIAL .....	14.6	22.5	5%
Commercial Recreation .....	7.9	Recreational Boat Berthing ...	14.6		
INDUSTRIAL .....	232.6	INDUSTRIAL .....	21.6	254.2	58%
Marine Related Industrial .....	148.6	Specialized Berthing .....	7.9		
Marine Terminal .....	84.0	Terminal Berthing .....	13.7		
PUBLIC RECREATION .....	4.2	PUBLIC RECREATION .....	2.2	6.4	1%
Park .....	4.2	Open Bay / Water .....	2.2		
PUBLIC FACILITIES .....	28.5	PUBLIC FACILITIES .....	11.9	40.4	9%
Streets .....	28.5	Boat Navigation Corridor .....	7.0		
		Ship Navigation Corridor .....	4.9		
		MILITARY .....	116.7	116.7	27%
		Navy Ship Berthing .....	116.7		
<b>TOTAL LAND AREA .....</b>	<b>273.2</b>	<b>TOTAL WATER AREA .....</b>	<b>167.0</b>		
<b>PRECISE PLAN LAND AND WATER ACREAGE TOTAL .....</b>				<b>440.2</b>	<b>100%</b>

Other improvements contemplated include the installation of a second container crane, additional railroad siding, and paving of the remaining backup area. As a general cargo terminal, this facility could handle almost any commodity; however, it is anticipated that it would handle petroleum on the north wharf, and vehicles, containers, lumber, and other heavy cargo on the west wharf.

Improved highway access to the marine terminal is needed. An additional industrial accessway to Interstate 5 for north and south movements is recommended.

### Lumber Yards

At present the area back of the National City Marine Terminal is used almost exclusively for storage, assembly and handling of lumber and wood products. A fuel oil storage farm and a food cold storage locker are the only other uses. These uses display the benefits of water linkage with the marine terminal and require a considerable amount of space. Other activities appropriate for this area, as well as Subareas 51 and 52, include wood preserving, manufacturing of wood products, wholesaling of building supplies, ice manufacture, food processing, petroleum storage, freight distribution and associated or similar uses. Industrial performance standards are encouraged, especially landscaping and appearance treatments along Tidelands Avenue; however, such standards for development must be consistent with the functional needs of the industrial area and individual operations.

If additional backup cargo storage area is required because of expansion of the marine terminal, this area could be utilized for this purpose.

### Southwest Corner

South of the present marine terminal is a fill area reserved on the Master Plan for Marine Related Industrial use. Current use is about half for industrial production and about half vacant.

As mentioned in the description of the Container Terminal subarea, the Master Plan envisions the extension of the apron wharf from the container crane along the Pierhead/Bulkhead Line to the Sweetwater Channel where it would follow the Bulkhead Line to the present Sweetwater Wharf.

Future use of the western parcel is envisioned as a shipyard or other marine industrial use. The eastern

parcel could also be used for similar purposes. In any case, planning for this area favors large industries or activities which can utilize its unique attributes of deep water berthing, railroad and highway access, distance from residential neighborhoods, and ample space.

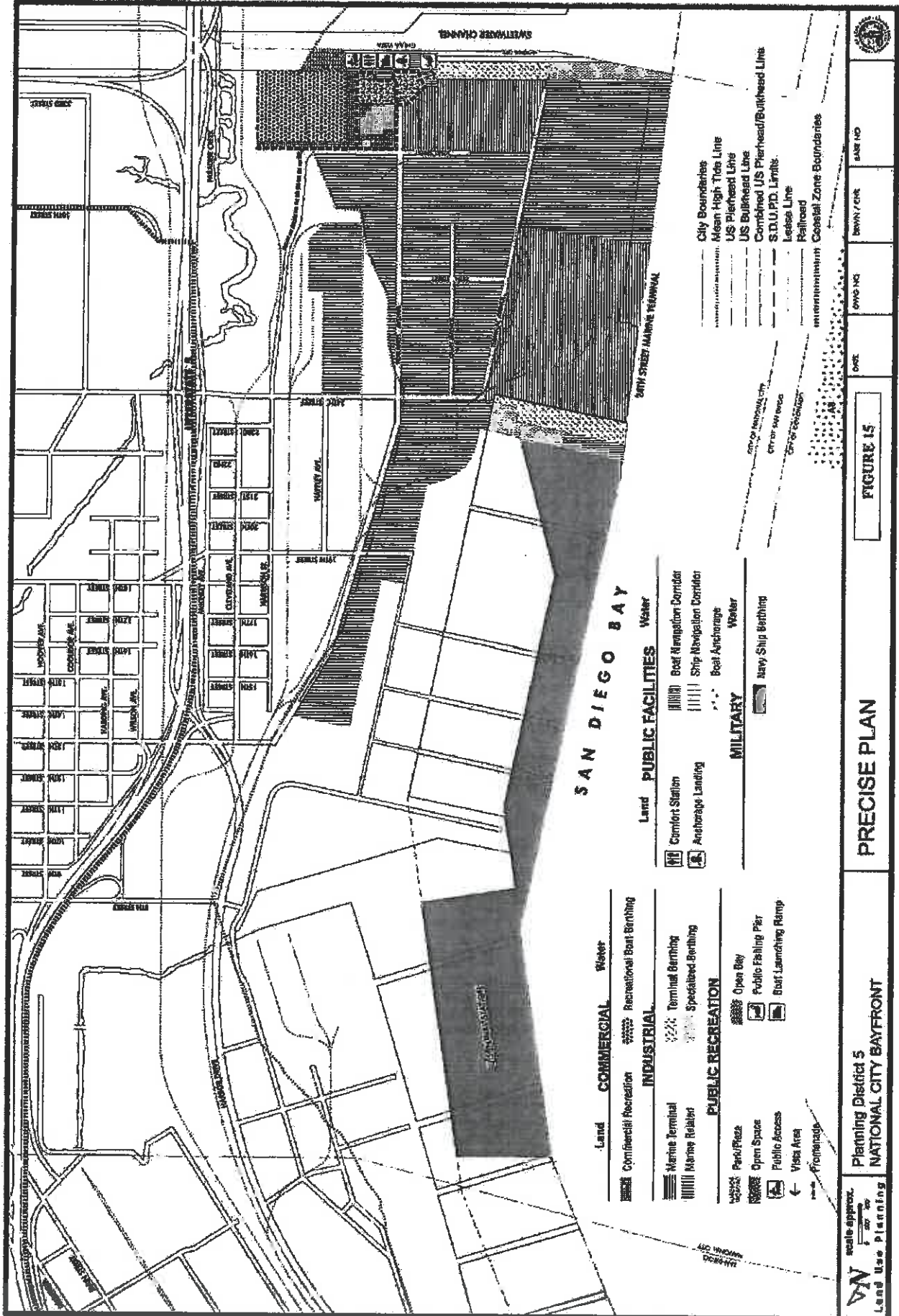
### Sweetwater Wharf

Sweetwater Wharf designates that part of the National City Marine Terminal located on the Sweetwater Channel. It is linked administratively to the container terminal (Subarea 54). It has a 1,400-foot-long wharf and is used almost exclusively for landing shipments of lumber and vehicles. This use is planned to continue into the future with a possibility of other products being shipped through the Sweetwater Wharf.

### Launching Ramp

This public recreation area includes a park lawn area, a public fishing pier, a boat launch ramp and a parking area serving the entire site. The park provides picnic tables, a shoreline promenade with seating, open and shaded lawn areas and walkways leading to the fishing pier. The boat launch has 8 lanes for boating access, a restroom and a dock facility on the Sweetwater Channel. An aquatic center facility including restrooms, locker rooms, offices, classrooms, watercraft storage, paved exterior activity areas, security walls, fencing, lighting, and landscape improvements is proposed in the location of the existing restrooms. The existing restrooms will be replaced in a location accessible to the Pepper Park, launch ramp, and landing users. The aquatic center will be primarily for public programs, events, and organized activities. Continued heavy use of this public recreation area is anticipated for active yachting, instructional turf play and the more passive activities of fishing, picnicking and sightseeing.

Anchorage A-8, the Sweetwater Small Craft Anchorage, occupies a water area of approximately 200 acres. Although sheltered from the waves of the open ocean by the Silver Strand, the anchorage is exposed to long fetches inside the harbor. Approximately 250 vessels at single swing point anchorage using vessel ground tackle can be accommodated; however, use shall be incremental, the first phase to provide for up to 100 vessels, with any additional 100 increments to be subject to further public hearings and consultations with District member cities. About 30 percent of the spaces are to be reserved for short-term use by transient ocean



Scale approx.  
1" = 200'  
Land Use Planning

Planning District 5  
NATIONAL CITY BAYFRONT

FIGURE 15  
PRECISE PLAN

Scale approx.  
1" = 200'  
Land Use Planning

Planning District 5  
NATIONAL CITY BAYFRONT

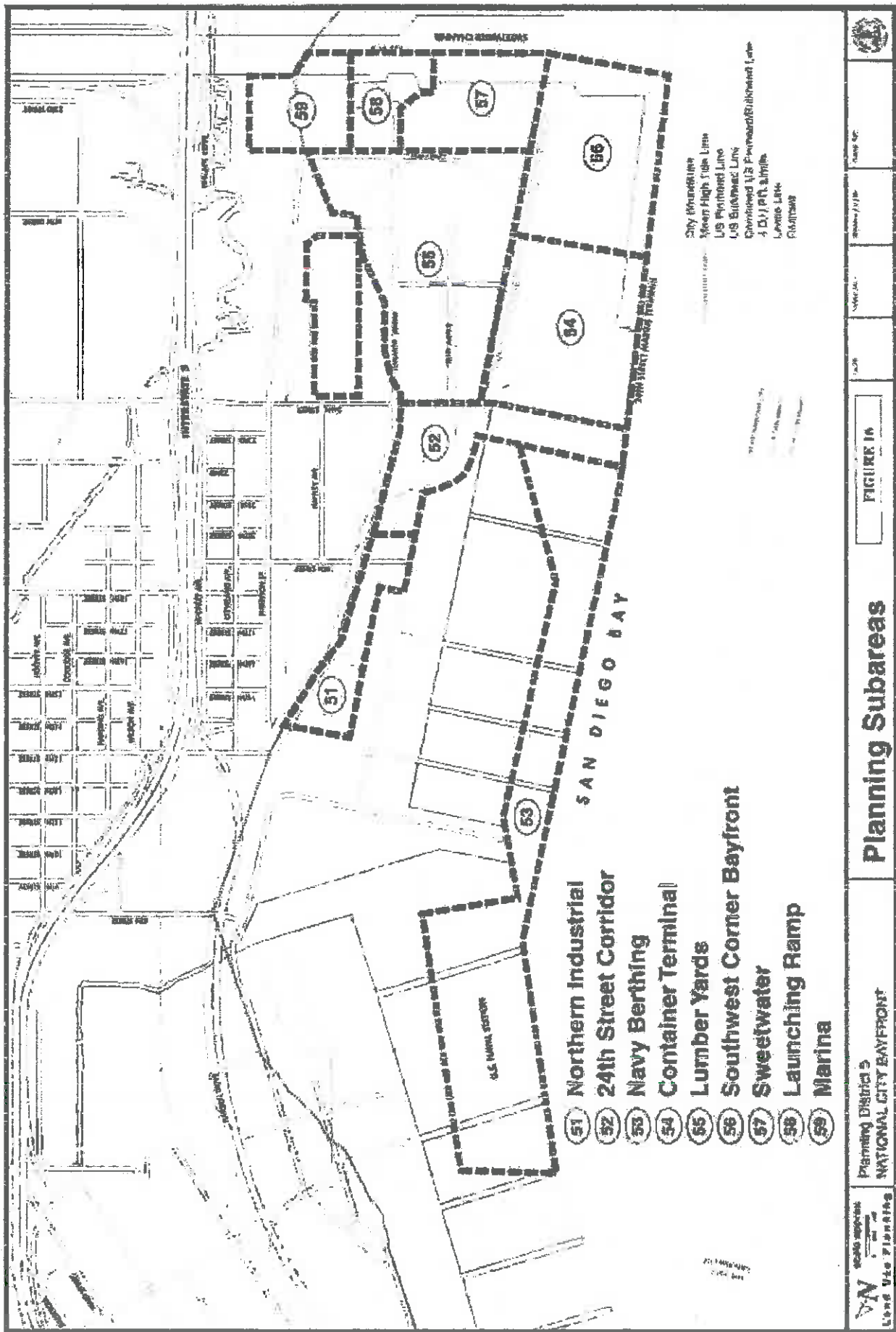
FIGURE 15  
PRECISE PLAN

Scale approx.  
1" = 200'  
Land Use Planning

Planning District 5  
NATIONAL CITY BAYFRONT

Scale approx.  
1" = 200'  
Land Use Planning





Planning District 5  
**NATIONAL CITY BAYFRONT**

LONG VIEW PLANNING

**Planning Subareas**

**FIGURE 16**

Scale: 1" = 100'

Date: 1/2008

Author: J. L. ...

Date: 1/2008

cruising vessels. The boundaries of the anchorage are proposed to be identified by marker buoys and shown on bay charts. Control over the anchorage is to be exercised by the Port District. The existing National City small craft-launching ramp provides landing and shoreside support services consisting of automobile parking, restrooms, public telephone, drinking water, trash disposal, and docking facilities.

**Marina**

This commercial recreation area shown on the Planning District Map is designed to accommodate the needs of workers in the nearby industrial area, people enjoying the nearby recreational park, and the adjacent

marina and attendant commercial facilities. Uses could include a restaurant or coffee shop, convenience store, bait and tackle shop, boat slips and dry storage, lodging and other business activities consistent with public demand. Activities associated with the boat launch ramp, such as the sale and repair of trailered boats, boating equipment sales, water ski gear, and selected marine hardware, are appropriate uses.

The location and design of the commercial area, and possibly even its market feasibility, is dependent on improved access to Interstate 5. The additional traffic and increased activity in this presently isolated property would greatly enhance its attractiveness for commercial enterprise.

**TABLE 15: Project List**

**NATIONAL CITY BAYFRONT:  
PLANNING DISTRICT 5**

	SUBAREA	DEVELOPER	APPEALABLE	FISCAL YEAR
1. CONTAINER WHARF: Extend rock revetment and apron wharf 1,000 feet. Excavate, drive support piles, place rock, construct wharf.	54	P	N	1988-99
2. COMPLETION OF TERMINAL WHARF: Extend rock revetment and apron wharf an additional 2,400 feet, to Sweetwater Wharf. Construct as above.	56	P	N	1998-99
3. SECOND CONTAINER CRANE: Install second container crane, miscellaneous equipment. Pave backup area.	54	P	N	1998-99
4. CONTAINER TRACK EXTENSION: Convert 500 feet of Berth 3 to a container wharf.	54	P	N	1998-99
5. MECHANICAL BULKLOADER: Install bulkloader, paving, railroad siding, conveyors, unloading pit.	54	P	N	1997-98
6. SHIPYARD: Construct shipyard facilities, buildings, cranes, dry-dock.	56	T	N	1993-94
7. COMMERCIAL SUPPORT AREA: Construct buildings, parking, landscape.	58	T	Y	1995-96
8. MECHANICAL UNLOADER: Erect cargo handling equipment.	54	P	N	1995-96
9. CONNECTING STREET: Linking Harbor Drive to Tidelands Avenue north of the Civic Center Drive.	51	P	N	1993-97
10. PEPPER PARK PUBLIC RESTROOMS: Demolish and remove existing structure, drinking fountain, public pay phone, and landscape materials. Construct new ADA compliant restroom facility, drinking fountain, public pay phone, walkways and landscape improvements.	58	P	N	2006-08
11. RECREATIONAL MARINA: Install marina docks, utility services, shoreside structures, walkways, landscape improvements and parking area.	59	T	Y	1994-95
12. AQUATIC CENTER: Construct restrooms, locker rooms, offices, classrooms, watercraft storage, paved exterior activity areas, security walls, fencing, lighting, and landscape improvements. Remove temporary classroom and storage facility and return pavement area to parking use.	58	T	Y	2006-08

P- Port District    T- Tenant    N- No    Y- Yes



Exhibit "V"

Expenditure Status Report

expstat.rpt  
09/08/2014 3:17PM  
Periods: 0 through 14

CITY OF NATIONAL CITY  
7/1/2008 through 6/30/2009

Account Number	Adjusted Appropriation	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
511 TAX INCREMENT FUND					
409 NON-DEPARTMENTAL					
500 CAPITAL IMPROVEMENT PROGRAM					
500-500 Capital Outlay					
500-598-3816 AQUATIC CENTER	52,000.00	21,293.21	0.00	30,706.79	40.95
Total NON-DEPARTMENTAL	52,000.00	21,293.21	0.00	30,706.79	40.95

Expenditure Status Report  
 CITY OF NATIONAL CITY  
 7/1/2008 through 6/30/2009

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
511 TAX INCREMENT FUND						
445 COMMUNITY DEVELOPMENT DEPARTMENT						
460 REDEVELOPMENT						
460-200 Special Services						
460-299-3816 AQUATIC CENTER	0.00	195.00	195.00	0.00	-195.00	0.00
Total COMMUNITY DEVELOPMENT DEPARTMENT	0.00	195.00	195.00	0.00	-195.00	0.00
Total TAX INCREMENT FUND	52,000.00	21,488.21	21,488.21	0.00	30,511.79	41.32
<b>Grand Total</b>	52,000.00	21,488.21	21,488.21	0.00	30,511.79	41.32

**Expenditure Status Report**  
 CITY OF NATIONAL CITY  
 7/1/2009 through 6/30/2010

Account Number	Adjusted Appropriation	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
511 TAX INCREMENT FUND					
409 NON-DEPARTMENTAL					
500 CAPITAL IMPROVEMENT PROGRAM					
500-500 Capital Outlay	4,049.79	3,390.00	0.00	659.79	83.71
500-598-3816 AQUATIC CENTER	4,049.79	3,390.00	0.00	659.79	83.71
Total NON-DEPARTMENTAL					

**Expenditure Status Report**  
 CITY OF NATIONAL CITY  
 7/1/2009 through 6/30/2010

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
511						
445						
460						
460-200						
460-299-3816	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
	4,049.79	3,390.00	3,390.00	0.00	659.79	83.71
	4,049.79	3,390.00	3,390.00	0.00	659.79	83.71

Expenditure Status Report  
 CITY OF NATIONAL CITY  
 7/1/2010 through 12/31/2010

Account Number	Adjusted Appropriation	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
511					
TAX INCREMENT FUND					
409					
NON-DEPARTMENTAL					
500					
CAPITAL IMPROVEMENT PROGRAM:					
500-500					
Capital Outlay					
500-598-3816	4,659.79	1,350.00	2,650.00	659.79	85.84
	4,659.79	1,350.00	2,650.00	659.79	85.84
AQUATIC CENTER					
Total NON-DEPARTMENTAL					

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
511 TAX INCREMENT FUND						
445 COMMUNITY DEVELOPMENT DEPARTMENT						
460 REDEVELOPMENT						
460-200 Special Services						
460-299-3816 AQUATIC CENTER	0.00	0.00	0.00	0.00	0.00	0.00
Total COMMUNITY DEVELOPMENT DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
Total TAX INCREMENT FUND	4,659.79	1,350.00	1,350.00	2,650.00	659.79	85.84
<b>Grand Total</b>	<b>4,659.79</b>	<b>1,350.00</b>	<b>1,350.00</b>	<b>2,650.00</b>	<b>659.79</b>	<b>85.84</b>

**Recognized Obligation Payment Schedule (ROPS 14-15B) - Summary**

Filed for the January 1, 2015 through June 30, 2015 Period

**Name of Successor Agency:** National City  
**Name of County:** San Diego

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):</b>		
<b>A</b>	<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):</b>	<b>\$ 25,117,000</b>
B	Bond Proceeds Funding (ROPS Detail)	25,057,000
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	60,000
<b>E</b>	<b>Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 7,166,847</b>
F	Non-Administrative Costs (ROPS Detail)	6,958,104
G	Administrative Costs (ROPS Detail)	208,743
<b>H</b>	<b>Current Period Enforceable Obligations (A+E):</b>	<b>\$ 32,283,847</b>
<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
I	Enforceable Obligations funded with RPTTF (E):	7,166,847
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(318,735)
<b>K</b>	<b>Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 6,848,112</b>
<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
L	Enforceable Obligations funded with RPTTF (E):	7,166,847
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N</b>	<b>Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>7,166,847</b>

Certification of Oversight Board Chairman:  
Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

_____	
Name	Title
/s/ _____	
Signature	Date

**Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail**  
**January 1, 2015 through June 30, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
								\$ 245,575,075		\$ 25,057,000	\$ -	\$ 60,000	\$ 6,958,104	\$ 208,743	\$ 32,283,847
1	1999 Tax Allocation Bond	Bonds Issued On or Before 12/31/10	6/3/1999	6/1/2031	Bank of New York	Bonds to fund non-housing tax-exempt projects	Merged	4,959,906	N				86,713		86,713
2	2004 Tax Allocation Bond	Bonds Issued On or Before 12/31/10	6/30/2004	8/1/2032	US Bank	Bonds to fund non-housing tax-exempt projects	Merged	5,442,050	N				81,713		81,713
3	2005 Tax Allocation Bond	Bonds Issued On or Before 12/31/10	1/25/2005	8/1/2032	US Bank	Bonds to fund non-housing tax-exempt projects	Merged	17,351,936	N				311,344		311,344
4	2011 Tax Allocation Bond	Bonds Issued After 12/31/10	3/3/2011	8/1/2032	US Bank	Bonds to fund WI-TOD and other non-housing tax-exempt projects	Merged	69,509,906	N				1,264,741		1,264,741
5	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	6/21/2011	12/31/2014	Paradise Creek Housing Partners	Pre-development loan	Merged	-	N						-
6	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	6/21/2011	12/31/2014	Paradise Creek Housing Partners	Phase I Agency Loan/local support	Merged	5,519,518	N	4,979,425			540,093		5,519,518
7	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	6/21/2011	12/31/2014	Paradise Creek Housing Partners	Phase I Agency Loan/local support	Merged	9,977,575	N	9,977,575					9,977,575
8	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	6/21/2011	12/31/2015	Paradise Creek Housing Partners	Phase II	Merged	14,909,000	N	5,000,000			2,000,000		7,000,000
9	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City/Kimley-Horn & Associates	Public Works Relocation - Design / Engineering	Merged	-	N						-
10	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City/Property Owner	Purchase/Lease Replacement Yard	Merged	-	N						-
11	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City	Building/Relocation Costs	Merged	-	N						-
12	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City/E2 ManageTech	Remediation Planning	Merged	-	N						-
13	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City/DTSC	Environmental Oversight	Merged	-	N						-
14	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City/Contractor	Environmental Clean-Up	Merged	-	N						-
15	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City/Contractor	Site Demolition / Grading	Merged	-	N						-
16	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City/Project Professionals Corporation	Construction Management & Inspections	Merged	-	N						-
17	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City/Opper & Varco	Environmental Outside Counsel	Merged	-	N						-
18	WI-TOD (DDA/Co-Op/Bond Docs/Other Grants)	OPA/DDA/Construction	2/15/2011	6/30/2020	City of National City	Project Management & Administration	Merged	-	N						-
19	SR54 and National City Blvd Infrastructure Improvements	Improvement/Infrastructure	3/3/2011	8/1/2032	City of National City/Contractor	Construction	Merged	2,500,000	N						-
20	8th St Smart Growth Revitalization (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/Harris & Associates	Design / Engineering	Merged	308,360	N						-
21	8th St Smart Growth Revitalization (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/Project Professionals Corporation	Phase II - Construction Management & Inspections	Merged	-	N						-
22	8th St Smart Growth Revitalization (Co-Op/Bond Docs/Grants)	Improvement/Infrastructure	3/3/2011	8/1/2032	City of National City/Contractor	Phase II - Construction	Merged	1,800,000	N	1,800,000					1,800,000
23	8th St Smart Growth Revitalization (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/URS	Program Management	Merged	-	N						-
24	8th St Smart Growth Revitalization (Co-Op/Bond Docs/Grants)	Project Management Costs	3/3/2011	8/1/2032	City of National City	Project Management & Administration	Merged	300,000	N						-
25	8th St Safety Enhancements (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/RBF Consultants	Design / Engineering	Merged	65,000	N						-
26	8th St Safety Enhancements (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/Bureau Veritas North America	Construction Management & Inspections	Merged	-	N						-
27	8th St Safety Enhancements (Co-Op/Bond Docs/Grants)	Improvement/Infrastructure	3/3/2011	8/1/2032	City of National City/Contractor	Construction	Merged	-	N						-
28	8th St Safety Enhancements (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/URS	Program Management	Merged	-	N						-



**Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail**  
**January 1, 2015 through June 30, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
30	6th St Safety Enhancements (Co-Op/Bond Docs/Grants)	Project Management Costs	3/3/2011	8/1/2032	City of National City	Project Management & Administration	Merged	50,000	N						
31	Highland Ave Safety Enhancements (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/Harris & Associates	Design / Engineering	Merged		N						
32	Highland Ave Safety Enhancements (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/Consultant	Construction Management & Inspections	Merged	300,000	N						
33	Highland Ave Safety Enhancements (Co-Op/Bond Docs/Grants)	Improvement/Infrastructure	3/3/2011	8/1/2032	City of National City/Contractor	Construction	Merged		N						
34	Highland Ave Safety Enhancements (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/URS	Program Management	Merged		N						
35	Highland Ave Safety Enhancements (Co-Op/Bond Docs/Grants)	Project Management Costs	3/3/2011	8/1/2032	City of National City	Project Management & Administration	Merged	200,000	N						
36	D Ave Community Corridor / Roundabout (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/Kimley-Horn & Associates	Design / Engineering	Merged	36,000	N						
37	D Ave Community Corridor / Roundabout (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/Project Professionals Corporation	Construction Management & Inspections	Merged		N						
38	D Ave Community Corridor / Roundabout (Co-Op/Bond Docs/Grants)	Improvement/Infrastructure	3/3/2011	8/1/2032	City of National City/Contractor	Construction	Merged		N						
39	D Ave Community Corridor / Roundabout (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/URS	Program Management	Merged		N						
40	D Ave Community Corridor / Roundabout (Co-Op/Bond Docs/Grants)	Project Management Costs	3/3/2011	8/1/2032	City of National City	Project Management & Administration	Merged	50,000	N						
41	Coolidge Ave Community Corridor (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/Kimley-Horn & Associates	Design / Engineering	Merged		N						
42	Coolidge Ave Community Corridor (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/Project Professionals Corporation	Construction Management & Inspections	Merged		N						
43	Coolidge Ave Community Corridor (Co-Op/Bond Docs/Grants/Construction Agreement)	Improvement/Infrastructure	8/14/2012	8/1/2032	City of National City/Contractor	Construction	Merged		N						
44	Coolidge Ave Community Corridor (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/URS	Program Management	Merged		N						
45	Coolidge Ave Community Corridor (Co-Op/Bond Docs/Grants)	Project Management Costs	3/3/2011	8/1/2032	City of National City	Project Management & Administration	Merged	100,000	N						
47	4th St Community Corridor (Co-Op/Bond Docs/Grants)	Professional Services	3/3/2011	8/1/2032	City of National City/Harris & Associates	Construction Management & Inspections	Merged		N						
48	4th St Community Corridor (Co-Op/Bond Docs/Grants)	Improvement/Infrastructure	3/3/2011	8/1/2032	City of National City/Contractor	Construction	Merged		N						
49	4th St Community Corridor (Co-Op/Bond Docs/Grants)	Project Management Costs	3/3/2011	8/1/2032	City of National City	Project Management & Administration	Merged	100,000	N						
51	Las Palmas Park Improvements (Co-Op/Bond Docs)	Professional Services	3/3/2011	8/1/2032	City of National City/Kimley-Horn & Associates	Design / Engineering	Merged		N						
52	Las Palmas Park Improvements (Co-Op/Bond Docs)	Professional Services	3/3/2011	8/1/2032	City of National City/Project Professionals Corporation	Construction Management & Inspections	Merged		N						
53	Las Palmas Park Improvements (Co-Op/Bond Docs)	Improvement/Infrastructure	3/3/2011	8/1/2032	City of National City/Contractor	Construction	Merged		N						
54	Las Palmas Park Improvements (Co-Op/Bond Docs)	Professional Services	3/3/2011	8/1/2032	City of National City/URS	Program Management	Merged		N						
55	Las Palmas Park Improvements (Co-Op/Bond Docs)	Project Management Costs	3/3/2011	8/1/2032	City of National City	Project Management & Administration	Merged	500,000	N						
56	Line left blank by SA	Admin Costs	1/1/2014	6/30/2014	Line left blank	Line left blank	Line left blank	-	Y						
57	YMCA Pledge Agreement/Challenge Grant - Las Palmas Park Improvements	Improvement/Infrastructure	8/14/2012	8/1/2032	South Bay YMCA	Pledge/Grant	Merged		N						



**Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail**  
**January 1, 2015 through June 30, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
58	Kimball Park Improvements (Co-Op/Bond Docs)	Professional Services	3/3/2011	8/1/2032	City of National City/Amley-Horn & Associates	Design / Engineering	Merged		N						
59	Kimball Park Improvements (Co-Op/Bond Docs)	Professional Services	3/3/2011	8/1/2032	City of National City/Project Professionals Corporation	Construction Management & Inspections	Merged		N						
60	Kimball Park Improvements (Co-Op/Bond Docs)	Improvement/Infrastructure	3/3/2011	8/1/2032	City of National City/Contractor	Construction	Merged		N						
61	Kimball Park Improvements (Co-Op/Bond Docs)	Professional Services	3/3/2011	8/1/2032	City of National City/URS	Program Management	Merged		N						
62	Kimball Park Improvements (Co-Op/Bond Docs)	Project Management Costs	3/3/2011	8/1/2032	City of National City	Project Management & Administration	Merged	120,000	N						
63	Aquatic Center (Co-Op/Bond Docs)	Professional Services	3/3/2011	8/1/2032	City of National City/Safdie Rabines Architects	Architectural Services	Merged		N						
64	Aquatic Center (Co-Op/Bond Docs)	Professional Services	3/3/2011	8/1/2032	City of National City/Project Professionals Corp	Construction Management	Merged		N						
65	Aquatic Center (Co-Op/Bond Docs)	Improvement/Infrastructure	3/3/2011	8/1/2032	City of National City/Contractor	Construction	Merged	3,300,000	N	3,300,000					3,300,000
66	Aquatic Center (Co-Op/Bond Docs)	Professional Services	3/3/2011	8/1/2032	City of National City/URS	Program Management	Merged		N						
67	Aquatic Center (Co-Op/Bond Docs)	Project Management Costs	3/3/2011	8/1/2032	City of National City	Project Management & Administration	Merged	100,000	N						
68	Granger Hall and Property (Co-Op)	OPA/DDA/Construction	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	1,200,000	N						
69	Street Resurfacing (Co-op)	Improvement/Infrastructure	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	6,500,000	N						
70	Concrete Improvements (Co-Op)	Improvement/Infrastructure	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	1,400,000	N						
71	Traffic Signal Timing (Co-Op)	Improvement/Infrastructure	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	150,000	N						
72	Plaza Blvd Widening (Co-Op)	Improvement/Infrastructure	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	4,709,300	N						
73	Traffic Monitoring (Co-Op)	Improvement/Infrastructure	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	150,000	N						
74	Drainage Improvements (Co-Op)	Improvement/Infrastructure	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	2,200,000	N						
75	Senior Village (Co-Op)	OPA/DDA/Construction	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	13,000,000	N						
76	Pacific Steel (Co-Op)	Improvement/Infrastructure	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	60,000	N						
77	Kimball Way Creek Improvements (Co-Op)	Improvement/Infrastructure	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	100,000	N						
78	B-1 Site Development (Co-Op)	Improvement/Infrastructure	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	200,000	N						
79	Storefront Renovation Program (Co-Op)	OPA/DDA/Construction	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	250,000	N						
80	Paradise Creek Enhancement (Co-Op)	Improvement/Infrastructure	2/15/2011	6/30/2016	City of National City	Design, Construction, Project Management, & Administration	Merged	2,300,000	N						
81	RHNA, Housing Element, and other housing mandates	OPA/DDA/Construction	1/1/1992	6/30/2021	CDC-Housing Authority	State Mandates/Goals for Housing	Merged	71,192,024	N						
85	Loan Agreement with JPFA	Bonds Issued On or Before 12/31/10	4/16/1991	10/1/2017	Bank of America	Loan for construction of police station	Merged		N						
86	Loan from Sewer Fund	City/County Loans On or Before 6/27/11	6/22/2010	6/30/2013	Sewer Fund	Loan for street resurfacing	Merged	425,000	N						
87	Personnel and Admin Costs	Admin Costs	1/1/2015	6/30/2015	City of National City	Personnel and other support services for SA	Merged	270,000	N			60,000		208,743	268,743

**Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail**  
**January 1, 2015 through June 30, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										L						
										M						
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	N			O			
										RPTTF			Six-Month Total			
										Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total	
91	Carry over for unfunded obligations	RPTTF Shortfall	7/1/2012	6/30/2014	Successor Agency - LMIHF	Amount due to LMIHF to repay cash used to meet RPTTF debt service obligations in ROPS 2 that exceeded the RPTTF distribution, which has delayed payments to vendor pursuant to Items 5 and 6	Merged			Y						
94	Las Palmas Park Improvements (Co-Op/Bond Docs/Purchase Order)	Improvement/Infrastructure	8/14/2012	8/1/2032	Contractor - ROMTEC	Construction	Merged			N						
95	Kimball Park Improvements (Co-Op/Bond Docs/Purchase Order)	Improvement/Infrastructure	8/14/2012	8/1/2032	Contractor - ROMTEC	Construction	Merged			N						
99	CYAC vs CDC - Amount on Appeal	Litigation	4/29/2011	6/30/2016	CYAC, et al	Judgment for Legal Fees (Appealed)	Merged			N						
100	Legal Settlement	Litigation	6/18/2007	6/30/2015	Highland Park, LLC	Legal settlement, Purple Cow	Merged			Y						
101	General Property Management	Property Maintenance	2/15/2011	5/16/2036	City of National City	Ongoing management of CDC assets	Merged	400,000		N				40,000		40,000
102	Kimball House Maintenance Agreement	Property Maintenance	8/19/2008	8/19/2023	National City Historical Society & County of San Diego	Annual payment per lease agreement, possessory interest tax	Merged	450,000		N				4,000		4,000
103	Trash Service for CDC properties	Property Maintenance	1/1/2015	6/30/2015	EDCO	Trash hauling all RDA owned properties	Merged	1,000		N				1,000		1,000
104	Landscape Services for CDC Properties	Property Maintenance	3/21/2011	6/30/2015	NBS	Landscape Services	Merged	10,000		N				6,000		6,000
105	Power for Temporary Aquatic Center	Property Maintenance	7/1/2013	6/30/2016	Power Plus	Rental of temporary power poles	Merged	23,000		N				3,000		3,000
106	Power for CDC properties	Property Maintenance	1/1/2015	6/30/2015	SDG&E	Electricity & gas for RDA properties	Merged	3,000		N				3,000		3,000
107	Security Contract for Old Library	Property Maintenance	1/1/2014	6/30/2015	Stanley Sonitrol	Fire alarm monitoring	Merged	3,500		N				500		500
108	Water Service for CDC properties	Property Maintenance	1/1/2015	6/30/2015	Sweetwater Authority	Water including irrigation RDA properties	Merged	4,000		N				4,000		4,000
109	Security Fence for Palm Plaza	Property Dispositions	7/1/2013	6/30/2015	National Construction Rental	Temporary fencing of RDA site	Merged	5,000		N				1,000		1,000
110	Environmental Monitoring for CDC Properties	Property Maintenance	7/1/2013	6/30/2015	County of San Diego	Environmental Oversight Remediation and Testing for Education Village, ACE, 2501 Cleveland, 835 Bay Marina Drive and other SA properties as necessary	Merged	30,000		N				6,000		6,000
111	Environmental Monitoring for CDC Properties	Property Maintenance	7/1/2011	6/30/2015	GeoSyntec Consultants	Environmental Oversight Remediation and Testing for Education Village, ACE, 2501 Cleveland, 835 Bay Marina Drive and other SA properties as necessary	Merged	70,000		N				50,000		50,000
123	Agency Admin Expenses	Property Dispositions	7/30/2010	6/30/2012	Keagy	Real Estate Appraisal Services	Merged			N						
124	Agency Admin Expenses	Property Dispositions	7/30/2010	6/30/2012	PGP	Real Estate Appraisal Services	Merged			N						
125	Agency Admin Expenses	Property Dispositions	7/30/2010	6/30/2012	Ken Carpenter	Real Estate Appraisal Services	Merged			N						
128	Contract for Financial Analysis	Fees	7/1/2010	6/30/2016	Urban Futures	Financial and bond adviser/annual disclosure	Merged	35,000		N				10,000		10,000
130	Contract for Environmental Services	Property Maintenance	7/1/2011	6/30/2013	GeoSyntec Consultants	PSI Environmental Investigation	Merged			N						
144	Contract for Legal Services	Legal	2/1/2011	6/30/2015	Kane, Ballmer, & Berkman	Legal support for state actions on Redevelopment/Litigation support for protecting legal interests, e.g., Affordable Housing Coalition v. Sandoval, et al.	Merged	35,000		N				35,000		35,000



**Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail**  
**January 1, 2015 through June 30, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)		RPTTF			
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
146	Contract for Legal Services	Legal	10/3/2011	6/30/2015	Opper & Varco, LLP	Litigation for Education Village/Legal support re: environmental compliance with DTSC, DEH, etc. for SA properties or responsibilities	Merged	75,000	N				75,000		75,000
147	Contract for Legal Services	Legal	1/22/2008	12/6/2015	Christensen & Spath, LLP	Litigation for ARE Holdings/Litigation for Morgan Square, Inc./Legal Services for Westside Infill Transit Oriented Development Housing Project	Merged	125,000	N				125,000		125,000
148	Contract for Legal Services	Legal	11/9/2010	6/30/2015	Best Best & Krieger, LLP	Litigation CYAC	Merged	150,000	N				100,000		100,000
150	Contract for Legal Services	Legal	11/21/2011	6/30/2015	Mazzarella Lorenzana	Minimize CYAC Liability-Indemnity Claim	Merged	75,000	N				75,000		75,000
151	Contract for Professional Services	Professional Services	3/3/2011	8/1/2032	City of National City/Project Professionals Corporation	Design / Engineering	Merged	-	N						-
152	Contract for Professional Services	Professional Services	3/3/2011	8/1/2032	City of National City/Kimley-Horn & Associates	Design / Engineering	Merged	-	N						-
153	Contract for Professional Services	Professional Services	3/3/2011	8/1/2032	City of National City/Harris & Associates	Design / Engineering	Merged	-	N						-
154	Contract for Professional Services	Professional Services	3/3/2011	8/1/2032	City of National City/Bureau Veritas North America	Design / Engineering	Merged	-	N						-
155	Contract for Professional Services	Professional Services	3/3/2011	8/1/2032	City of National City/D-MAX Engineering	Engineering / Stormwater Compliance	Merged	-	N						-
156	Contract for Professional Services	Professional Services	3/3/2011	8/1/2032	City of National City/Southern California Soils & Materials Testing	Soils & Materials Testing	Merged	-	N						-
157	Contract for Professional Services	Professional Services	3/3/2011	8/1/2032	City of National City/Ninyo & Moore	Soils & Materials Testing	Merged	-	N						-
160	Contract for Legal Services	Legal	1/22/2008	12/31/2015	Christensen & Spath, LLP	Legal Services for Housing Projects	Merged	50,000	Y						-
161	Bonds	Fees	1/1/2015	6/30/2015	Deutsche Bank/US Bank	Fiscal Agent Fees	Merged	150,000	N				5,000		5,000
162	Bonds	Fees	1/1/2015	6/30/2015	Bank of New York	Fiscal Agent Fees	Merged	150,000	N				5,000		5,000
164	Loan from Sewer Fund (see line 86)	City/County Loans On or Before 6/27/11	6/27/2010	6/30/2013	City of National City - Sewer Enterprise Fund	Loan for street resurfacing	Merged		N						-
165	Coolidge Ave (see line 43)	Improvement/Infrastructure	8/14/2012	8/1/2032	see line 43	Construction (see line 43)	Merged		N						-
166	Required replacement of back flow valve at Historic Depot	Property Maintenance	12/31/2013	6/30/2014	City of National City/Contractor TBD	Replace back flow valve pursuant to issuance of violation notice from the Water Authority	Merged	-	Y						-
167	Contract for Legal Services	Legal	12/15/2012	6/30/2015	Meyers Nave Hoffman Riback Silver & Wilson	Protect assets and obligations of Successor Agency	Merged	50,000	N				50,000		50,000
168	Reserve for Aug 2014 Bond Payments	Reserves	1/1/2014	6/30/2014	Successor Agency	Reserve needed to make principal and interest payments due in Aug 2014	Merged	-	Y						-
169	Development of Long Range Property Management Plan	Property Dispositions	2/1/2014	6/30/2015	San Diego State University	Assist with preparation of Long Range Property Management Plan	Merged	25,000	N				25,000		25,000
170	Housing Entity Administrative Cost Allowance	Housing Entity Admin Cost	7/1/2014	7/1/2016	National City Community Development Commission - Housing Authority	Administrative cost allowance for Housing Authority per AB 471			N						-
171	Reserve for Aug 2015 Bond Payments	Reserves	1/1/2015	6/30/2015	Successor Agency	Reserve needed to make principal and interest payments due in Aug 2015	Merged	2,000,000	N				2,000,000		2,000,000
172	Property Appraisals	Property Dispositions	1/1/2015	6/30/2015	To be Determined	Property appraisals as needed pursuant to the Long Range Property Management Plan	Merged	50,000	N				50,000		50,000
173									N						-
174									N						-
175									N						-
176									N						-
177									N						-
178									N						-
179									N						-

**Recognized Obligation Payment Schedule (ROPS 14-15B) - Report of Cash Balances**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [https://rad.dof.ca.gov/rad-sa/pdf/Cash Balance Agency Tips Sheet.pdf](https://rad.dof.ca.gov/rad-sa/pdf/Cash%20Balance%20Agency%20Tips%20Sheet.pdf).

A	B	C	D	E	F	G	H	I	
Cash Balance Information by ROPS Period		Fund Sources						Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin		
<b>ROPS 13-14B Actuals (01/01/14 - 06/30/14)</b>									
1	Beginning Available Cash Balance (Actual 01/01/14)		30,781,178	2,245,279		50,890	-		
2	Revenue/Income (Actual 06/30/14) RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014		34,433			60,529	5,622,212		
3	Expenditures for ROPS 13-14B Enforceable Obligations (Actual 06/30/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q			2,245,279		2,979	3,633,333		
4	Retention of Available Cash Balance (Actual 06/30/14) RPTTF amount retained should only include the amounts distributed for debt service reserve(s) approved in ROPS 13-14B						2,000,000		
5	ROPS 13-14B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 13-14B PPA in the Report of PPA, Column S	No entry required						318,735	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	-	30,815,611	-	-	108,440	(329,856)		
<b>ROPS 14-15A Estimate (07/01/14 - 12/31/14)</b>									
7	Beginning Available Cash Balance (Actual 07/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	-	30,815,611	-	2,000,000	108,440	(11,121)		
8	Revenue/Income (Estimate 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014					60,000	7,986,156		
9	Expenditures for ROPS 14-15A Enforceable Obligations (Estimate 12/31/14)		14,957,000		2,000,000	60,000	7,149,038		
10	Retention of Available Cash Balance (Estimate 12/31/14) RPTTF amount retained should only include the amount distributed for debt service reserve(s) approved in ROPS 14-15A								
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	-	15,858,611	-	-	108,440	825,997		

















