

**REDEVELOPMENT PLAN
FOR THE
NATIONAL CITY REDEVELOPMENT PROJECT**

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Prepared for:

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**REDEVELOPMENT PLAN
FOR THE
NATIONAL CITY REDEVELOPMENT PROJECT**

SECTION I. (100) INTRODUCTION

A. (101) General

This is the Redevelopment Plan for the National City Redevelopment Project as amended (“Plan”), located in the City of National City, County of San Diego, State of California. It consists of the text (Sections 100 through 1100), the Project Area Map of Redevelopment Project Area No. 1 (“Project Area”) (Exhibit A), the legal description of the Project Area boundaries (Exhibit B), a listing of the proposed public facilities and infrastructure improvement projects (Exhibit C), and a map of the properties potentially subject to acquisition by eminent domain (Exhibit D).

This Plan has been prepared by the Community Development Commission (the “CDC”) pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*), the California Constitution and all applicable laws and ordinances. It does not present a specific plan for the redevelopment, rehabilitation and revitalization of any area within the Project Area; instead, it establishes a process and framework for implementation. This Plan is based upon the Preliminary Plan formulated and adopted by the National City Planning Commission and the CDC on March 7, 1994 and March 15, 1994, respectively.

This Plan supersedes, by amendment and restatement, the Redevelopment Plan for the National City Downtown Redevelopment Project adopted by Ordinance No. 1762 on December 1, 1981, as amended by Ordinance No. 1821 adopted on May 22, 1984, Ordinance No. 1851 adopted on April 16, 1985, and Ordinance No. 91-2013 adopted on June 18, 1991. This Plan will amend the preexisting Redevelopment Plan as follows:

- establish the National City Redevelopment Project;
- increase the dollar limit on the amount of tax increment revenue which may be collected by the CDC;
- on a limited basis, permit the use of eminent domain to acquire property in certain portions of the Project Area, when necessary;
- clarify and expand the potential public facility, infrastructure, and community development projects that the CDC may undertake within the Project Area; and

- increase the size of the National City Downtown Redevelopment Project Area by incorporating approximately 317 acres of territory.

SECTION II. (200) BACKGROUND

The preexisting National City Downtown Redevelopment Project was comprised of seven separate project areas. Between 1969 and 1978, the City Council of the City of National City ("City Council") adopted four redevelopment projects: the E.J. Christman Business and Industrial Park Redevelopment Project by Ordinance No. 1233 on November 18, 1969, the South Bay Town and Country Redevelopment Project by Ordinance No. 1471 on June 24, 1975, the Center City Redevelopment Project by Ordinance No. 1505 on April 13, 1976, and the E.J. Christman Business and Industrial Park Redevelopment Project Amendment No. 2 by Ordinance No. 1610 on December 13, 1977. On December 1, 1981, the City Council adopted the National City Downtown Redevelopment Project by Ordinance No. 1762, merging the four preexisting redevelopment projects and incorporating additional properties to establish a 2,080-acre merged project area. The merged National City Downtown Redevelopment Project has been amended three times since its adoption: Amendment No. 1 adopted on May 22, 1984 by Ordinance No. 1821, Amendment No. 2 adopted on April 16, 1985 by Ordinance No. 1851, and Amendment No. 3 adopted on June 18, 1991 by Ordinance No. 91-2013. Of these amendments, only Amendment No. 2 increased the size of the project area, adding approximately three acres, and enlarging the merged National City Downtown Redevelopment Project Area to approximately 2,083 acres.

SECTION III. (300) GENERAL DEFINITIONS

The following definitions will be used generally in the context of this Plan unless otherwise specified herein:

- A. "Added Area" means the territories included in the Project Area by Ordinance No. 95-2095 adopted by the City Council on July 18, 1995, as depicted on Exhibit A and described in Exhibit B.
- B. "Annual Work Program" means that portion of the CDC's annual budget that sets forth programs and goals to be accomplished by the CDC during the fiscal year.
- C. "CDC" means the Community Development Commission of the City of National City, California.
- D. "Center City Area" means the territories originally included in the Center City Redevelopment Project Area by Ordinance No. 1505 adopted by the City Council on April 13, 1976, and subsequently merged into the Existing Area.
- E. "City" means the City of National City, California.
- F. "City Council" means the legislative body of the City.

G. "County" means the County of San Diego, California.

- H. “Disposition and Development Agreement” means an agreement between a developer and the CDC that sets forth terms and conditions for improvement and redevelopment.
- I. “Downtown Original Area” means the territories originally added to the Existing Area by Ordinance No. 1762 adopted by the City Council on December 1, 1981.
- J. “Downtown 1985 Amendment Area” means the territories originally added to the Existing Area by Ordinance No. 1851 adopted by the City Council on April 16, 1985.
- K. “E.J. Christman1 Area” means the territories originally included in the E.J. Christman Business and Industrial Park Redevelopment Project Area by Ordinance No. 1233 adopted by the City Council on November 18, 1969, and subsequently merged into the Existing Area.
- L. “E.J. Christman2 Area” means the territories originally included in the E.J. Christman Business and Industrial Park Redevelopment Project Area Amendment No. 2 by Ordinance No. 1610 adopted by the City Council on December 13, 1977, and subsequently merged into the Existing Area.
- M. “Existing Area” means the merged National City Redevelopment Project Area originally formulated by Ordinance No. 1762 adopted by the City Council on December 1, 1981, and subsequently amended by Ordinance No. 1821 on May 22, 1984, Ordinance No. 1851 on April 16, 1985, and Ordinance No. 91-2013 on June 18, 1991, as depicted on Exhibit A.
- N. “General Plan” means the City’s General Plan, a comprehensive and long-term General Plan for the physical development of the City as provided for in Section 65300 of the California Government Code.
- O. “Map” means the Map of the Project Area attached hereto as Exhibit A.
- P. “Method of Relocation” means the methods or plans adopted by the CDC pursuant to Sections 33352(f) and 33411 of the Redevelopment Law for the relocation of families, persons and businesses to be temporarily or permanently displaced by actions of the CDC.
- Q. “Owner Participation Agreement” means an agreement between the CDC and a property owner or tenant which sets forth terms and conditions for improvement and redevelopment.
- R. “Person” means an individual(s), or any public or private entities.

- S. “Plan” means the redevelopment plan for the Project as amended.
- T. “Project” means the National City Redevelopment Project.
- U. “Project Area” means the National City Redevelopment Project Area, inclusive of the Existing Area and Added Area, which is the territory this Plan applies to, as shown on Exhibit A.
- V. “Redevelopment Law” means the California Community Redevelopment Law (Health and Safety Code, Sections 33000, et seq.) as it now exists or may be hereafter amended.
- W. “South Bay Town and Country Area” means the territories originally included in the South Bay Town and Country Redevelopment Project Area by Ordinance No. 1471 adopted by the City Council on June 24, 1975, and subsequently merged into the Existing Area.
- X. “State” means the State of California.

SECTION IV. (400) PROJECT AREA BOUNDARIES

The boundaries of the Project Area are illustrated on the map attached hereto and incorporated herein as Exhibit A. The legal description of the boundaries of the Project Area is as described in Exhibit B attached hereto and incorporated herein.

SECTION V. (500) REDEVELOPMENT PLAN GOALS

Implementation of this Plan is intended to achieve the following goals:

- 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.
- Unify City’s Harbor District with the downtown area through enhanced employment, commercial, and maritime development opportunities.
- Expand the commercial base of the Project Area.
- Improve public facilities and public infrastructure.
- Improve inadequate drainage infrastructure.

- Improve and/or provide electric, gas, telephone, and wastewater infrastructure to both developed and undeveloped properties within the Project Area.
- Promote local job opportunities.
- Encourage the cooperation and participation of residents, businesses, business persons, public agencies, and community organizations 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.
- 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.
- 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.
- Recycle and/or develop underutilized parcels to accommodate higher and better economic uses while enhancing the City's financial resources.
- Promote the rehabilitation of existing housing stock.
- Increase, improve, and preserve the community's supply of housing affordable very low, low and moderate income households.

SECTION VI. (600) REDEVELOPMENT ACTIONS

A. (601) General

The CDC proposes to eliminate and prevent the recurrence of blight, and improve the economic base of the Project Area by:

1. Acquiring, installing, developing, constructing, reconstructing, redesigning, replanning, or reusing streets, curbs, gutters, sidewalks, traffic control devices, utilities, flood control facilities and other public improvements and public facilities.
2. Rehabilitating, altering, remodeling, improving, modernizing, or reconstructing buildings, structures and improvements.

3. Rehabilitating, preserving, developing or constructing affordable housing in compliance with State law.

4. Providing the opportunity for owners and tenants presently located in the Project Area to participate in redevelopment projects and programs, and extending preferences to occupants to remain or relocate within the redeveloped Project Area.
5. Providing relocation assistance to displaced residential and nonresidential occupants, if necessary.
6. Facilitating the development or redevelopment of land for purposes and uses consistent with this Plan.
7. Acquiring real property by purchase, lease, gift, grant, request, devise or any other lawful means (including eminent domain on a limited basis), after the conduct of appropriate hearings.
8. Combining parcels and properties where and when necessary.
9. Preparing building sites and constructing necessary off-site improvements.
10. Providing for open space.
11. Managing property owned or acquired by the CDC.
12. Assisting in procuring financing for the construction of residential, commercial, and office buildings to increase the residential and commercial base of the Project Area, and the number of temporary and permanent jobs in the City.
13. The disposition of property including, without limitation, the lease or sale of land at a value determined by the CDC for reuse in accordance with this Plan.
14. Establishing controls, restrictions or covenants running with the land, so that property will continue to be used in accordance with this Plan.
15. Vacating or abandoning streets, alleys, and other thoroughfares, as necessary, and dedicating other areas for public purposes consistent with the objectives of this Plan.
16. Providing replacement housing, if any is required.
17. Applying for and utilizing grants, loans and any other assistance from federal or State governments, or other sources.

18. Taking actions the CDC determines are necessary and consistent with State, federal and local laws to make structural repairs to buildings and structures, including historical buildings, to meet building code standards related to seismic safety.
19. Taking actions the CDC determines are necessary and consistent with State, federal and local laws to remedy or remove a release of hazardous substances on, under or from property within the Project Area or to remove hazardous waste from property.

To accomplish these actions and to implement this Plan, the CDC is authorized to use the powers provided in this Plan, and the powers now or hereafter permitted by the Redevelopment Law and any other State law.

B. (602) Property Acquisition

1. (603) Acquisition of Real Property

Without limitation, the CDC may acquire real property, any interest in property, and any improvements on it by any means authorized by law including, without limitation, by gift, grant, exchange, purchase, cooperative negotiations, lease, option, bequest, or devise.

In addition, the CDC may also employ eminent domain in projects involving land acquisition of any real property identified in Exhibit D incorporated herein.

To the extent required by law, the CDC shall not acquire real property on which an existing building is to be continued on its present site and in its present form and use without the consent of the owner, unless: (1) such building requires structural alteration, improvement, modernization or rehabilitation; or (2) the site or lot on which the building is situated requires modification in size, shape or use; or (3) it is necessary to impose upon such property any of the standards, restrictions and controls of this Plan and the owner fails or refuses to participate in the Plan by executing an Owner Participation Agreement.

Except as otherwise provided herein, or otherwise provided by law, no eminent domain proceeding to acquire property within the Project Area shall be commenced after twelve (12) years following the date of adoption of the ordinance adopting this Plan. Such time limitation may be extended only by amendment of this Plan.

2. (604) Acquisition of Personal Property

Where necessary in the implementation of this Plan, the CDC is authorized to acquire personal property in the Project Area by any lawful means.

C. (605) Participation by Owners and Persons Engaged in Business

1. (606) Owner Participation

This Plan provides for participation in the redevelopment of property in the Project Area by the owners of all or part of such property if the owners agree to participate in the redevelopment in conformity with this Plan.

Opportunities to participate in the redevelopment of property in the Project Area may include without limitation the rehabilitation of property or structures; the retention of improvements; the development of all or a portion of the participant's property; the acquisition of adjacent or other properties from the CDC; purchasing or leasing properties in the Project Area; participating with developers in the improvement of all or a portion of a participant's properties; or other suitable means consistent with objectives and proposals of this Plan and with the CDC's rules governing owner participation and re-entry.

In addition to opportunities for participation by individual persons and firms, participation, to the extent it is feasible, shall be available for two or more persons, firms or institutions, to join together in partnerships, corporations, or other joint entities.

The CDC desires participation in redevelopment activities by as many owners and business tenants as possible. However, participation opportunities shall necessarily be subject to and limited by such minimum factors as the expansion of public or public utilities facilities; elimination and changing of land uses; realignment of streets; the ability of the CDC and/or owners and business tenants to finance acquisition and development activities in accordance with this Plan; and whether the proposed activities conform to and further the goals and objectives of this Plan.

2. (607) Reentry Preferences for Persons Engaged in Business in the Project Area

The CDC shall extend reasonable preferences to persons who are engaged in business in the Project Area to relocate and reenter in business in the redeveloped area, if they otherwise meet the requirements prescribed by this Plan and the CDC's rules governing owner participation and re-entry.

3. (608) Owner Participation Agreements

Under an Owner Participation Agreement, the participant shall agree to rehabilitate, develop, or use the property in conformance with this Plan and be subject to the provisions hereof. In the Owner Participation Agreement,

participants who retain real property shall be required to join in the recordation of such documents as are necessary to make the provisions of this Plan applicable to their properties.

In the event a participant breaches the terms of an Owner Participation Agreement, the CDC may declare the Agreement terminated and may acquire the real property or any interest therein, and may sell or lease such real property or interest therein for rehabilitation or development in accordance with this Plan. If conflicts develop between the desires of participants for particular sites or land uses, the CDC is authorized to establish reasonable priorities and preferences among the owners and tenants.

Where the CDC determines that a proposal for participation is not feasible, is not in the best interests of the CDC or City, or that redevelopment can best be accomplished without affording a participant an opportunity to execute an Owner Participation Agreement, the CDC shall not be required to execute such an agreement.

D. (609) Implementing Rules

The provisions of Sections 605-608 of this Plan shall be implemented according to the rules adopted by the CDC prior to the approval of the ordinance amending this Plan, which may be amended from time to time by the CDC. Such rules allow for Owner Participation Agreements with the CDC.

E. (610) Cooperation with Public Bodies

Certain public bodies are authorized by State law to aid and cooperate, with or without consideration, in the planning and implementation of activities authorized by this Plan. The CDC shall seek the aid and cooperation of such public bodies and shall attempt to coordinate the implementation of this Plan with the activities of such public bodies in order to accomplish the purposes of redevelopment and to achieve the highest public good.

Property of a public body shall not be acquired without its consent. The CDC shall seek the cooperation of all public bodies which own or intend to acquire property in the Project Area. Any public body which owns or leases property in the Project Area will be afforded all the privileges of owner and business tenant participation if such public body is willing to enter into an Owner Participation Agreement with the CDC. All plans for development of property in the Project Area by a public body shall be subject to CDC approval.

The CDC may impose on all public bodies the planning and design controls contained in and authorized by this Plan to ensure that present uses and any future development by public bodies will conform to the requirements of this Plan. The CDC is authorized, to the extent permissible by law, to financially (and otherwise) assist public bodies in the cost of public land, buildings, facilities, structures or other improvements (within or outside the Project Area) where such land, buildings, facilities, structures, or other improvements are of benefit to the Project Area.

F. (611) Property Management

During such time as property, if any, in the Project Area is owned by the CDC, such property shall be under the management and control of the CDC. Such properties may be rented or leased by the CDC pending their disposition.

G. (612) Payments to Taxing Agencies

The CDC may pay, but is not required to pay, in any year during which it owns property in the Project Area directly to any City, County or district, including, but not limited to, a school district, or other public corporation for whose benefit a tax would have been levied upon such property had it not been tax exempt, an amount of money in lieu of taxes.

The CDC may also pay to any taxing agency with territory located within the Project Area, other than the City, any amounts of money which the CDC has found are necessary and appropriate to alleviate financial burden or detriment caused by the Project pursuant to an agreement executed prior to January 1, 1994. The payments to a taxing agency pursuant to such an agreement in any single year shall not exceed the amount of property tax revenues which would have been received by that taxing agency if all the property tax revenues from the Project Area had been allocated to all the affected taxing agencies without regard to the division of taxes required by Section 33670 of the Redevelopment Law, except that a greater payment has been established by agreement between the CDC and one or more taxing agencies, except a school district, if the other taxing agencies agreed to defer payments for one or more years in order to accomplish the purposes of the Project at an earlier time than would otherwise be the case. The amount of any greater payments shall not exceed the amount of payment deferred. The payments shall have been approved by a resolution, adopted by the CDC, contained findings, supported by substantial evidence, that the Project will cause or has caused a financial burden or detriment to the taxing agency and that the payments are necessary to alleviate the financial burden or detriment.

In the event that such an agreement described in the above paragraph does not exist between the CDC and an affected taxing agency, the CDC shall remit payments to any such taxing agency in a manner consistent with Section 33607.7 of the Redevelopment Law.

H. (613) Relocation of Persons Displaced by a Project

1. (614) Relocation Program

In accordance with the provisions of the California Relocation Assistance Law (Government Code Section 7260, et seq.), the guidelines adopted and promulgated by the California Department of Housing and Community Development (the "Relocation Guidelines") and the Method of Relocation adopted by the CDC, the CDC shall provide relocation benefits and assistance to all persons (including families, business concerns and others) displaced by CDC acquisition of property in the Project Area or as otherwise required by law. Such relocation assistance shall be provided in the manner required by the Method of Relocation. In order to carry out a redevelopment project with a minimum of hardship, the CDC will assist displaced households in finding decent, safe and sanitary housing within their financial means and otherwise suitable to their needs. The CDC shall make a reasonable effort to relocate displaced individuals, families, and commercial and professional establishments within the Project Area. The CDC is also authorized to provide relocation for displaced persons outside the Project Area.

2. (615) Relocation Benefits and Assistance

The CDC shall provide all relocation benefits required by law and in conformance with the Method of Relocation, Relocation Guidelines, Relocation Assistance Act, the Redevelopment Law, and any other applicable rules and regulations.

I. (616) Demolition, Clearance, Public Improvements, Site Preparation and Removal of Hazardous Waste

1. (617) Demolition and Clearance

The CDC is authorized, for property acquired by the CDC or pursuant to an agreement with the owner of property, to demolish, clear or move buildings, structures, or other improvements from any real property as necessary to carry out the purposes of this Plan.

2. (618) Public Improvements

To the extent permitted by law, the CDC is authorized to install and construct or to cause to be installed and constructed the public improvements and public utilities (within or outside the Project Area) necessary to carry out the purposes of this Plan. Such public improvements include, but are not limited to: over or underpasses; bridges; streets; curbs; gutters; sidewalks; street lights; sewers;

storm drains; traffic signals; electrical distribution systems' natural gas distribution systems; cable TV and fiber optic communication systems; water distribution

systems; parks; plazas; playgrounds; motor vehicle parking facilities; landscaped areas; schools; civic; cultural; and recreational facilities; and pedestrian improvements. A list of proposed public facilities and infrastructure improvement projects is set forth in Exhibit C and incorporated herein by reference.

The CDC, as it deems necessary to carry out the Plan and subject to the consent of the City Council, may pay all or part of the value of the land for and the cost of the installation and construction of any building, facility, structure or other improvement which is publicly owned either within or outside the Project Area, upon both the CDC Board and the City Council making the applicable determinations required pursuant to the Redevelopment Law.

When the value of such land or the cost of the installation and construction of such building, facility, structure or other improvement, or both, has been, or will be, paid or provided for initially by the City or other public corporation, the CDC may enter into a contract with the City or other public corporation under which it agrees to reimburse the City or other public corporation for all or part of the value of such land or all or part of the cost of such building, facility, structure or other improvements, or both, by periodic payments over a period of years. Any obligation of the CDC under such contract shall constitute an indebtedness of the CDC for the purposes of carrying out this Plan.

3. (619) Preparation of Building Sites

The CDC may develop as a building site any real property owned or acquired by it. In connection with such development it may cause, provide, or undertake or make provisions with other agencies for the installation, or construction of streets, utilities, parks, playgrounds and other public improvements necessary for carrying out in the Project Area this Plan.

4. (620) Removal of Hazardous Waste

To the extent legally allowable, the CDC may take any actions which the CDC determines are necessary and which are consistent with other State and federal laws, to remedy or remove a release of hazardous substances on, under, or from property within the Project Area.

J. (621) Rehabilitation, Moving of Structures by the CDC and Seismic Repairs

1. (622) Rehabilitation and Conservation

The CDC is authorized to rehabilitate and conserve, or to cause to be rehabilitated and conserved, any property, building or structure in the Project Area owned by the CDC. The CDC is also authorized to advise, encourage, and assist (through a loan program or otherwise) in the rehabilitation and conservation of property, buildings or structures in the Project Area not owned by the CDC to the extent permitted by the Redevelopment Law as it exists now or may be hereafter amended. The CDC is authorized to acquire, restore, rehabilitate, move and conserve buildings of historic or architectural significance.

It shall be the purpose of this Plan to allow for the retention of as many existing businesses as practicable and to enhance the economic life of these businesses by a program of voluntary participation in their conservation and rehabilitation. The CDC is authorized to conduct a program of assistance and enforcement to encourage owners of property within the Project Area to upgrade and maintain their property consistent with this Plan and such standards as may be developed for the Project Area.

The extent of rehabilitation in the Project Area shall be subject to the discretion of the CDC based upon such objective factors as:

- a. Compatibility of rehabilitation with land uses as provided for in this Plan.
- b. Economic feasibility of proposed rehabilitation and conservation activity.
- c. Structural feasibility of proposed rehabilitation and conservational activity.
- d. The undertaking of rehabilitation and conservation activities in an expeditious manner and in conformance with the requirements of this Plan and such property rehabilitation standards as may be adopted by the CDC.
- e. The need for expansion of public improvements, facilities and utilities.
- f. The assembly and development of properties in accordance with this Plan.

The CDC may adopt property rehabilitation standards for the rehabilitation of properties in the Project Area.

2. (623) Moving of Structures

As necessary in carrying out this Plan, the CDC is authorized to move, or to cause to be moved, any building structures or other improvements from any real property acquired which can be rehabilitated to a location within or outside the Project Area.

3. (624) Seismic Repairs

For any project undertaken by the CDC within the Project Area for building rehabilitation or alteration in construction, the CDC may, by following all applicable procedures which are consistent with local, State, and federal law, take those actions which the CDC determines are necessary to provide for seismic retrofits.

K. (625) Property Disposition and Development

1. (626) Real Property Disposition and Development

a. (627) General

For the purposes of this Plan, the CDC is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property. To the extent permitted by law, the CDC is authorized to dispose of real property by negotiated lease or sale without public bidding. Except as otherwise permitted by law, before any interest in property of the CDC acquired in whole or in part, directly or indirectly, with tax increment moneys is sold or leased for development pursuant to this Plan, such sale or lease shall be first approved by the City Council after public hearing.

Except as otherwise permitted by law, no real or personal property owned by the CDC, or any interest therein, shall be sold or leased to a private person or private entity for an amount less than its fair market value, or the fair reuse value at the use and with the covenants, conditions and development costs authorized by the sale or lease.

The real property acquired by the CDC in the Project Area, except property conveyed to it by the City, shall be sold or leased to public or private persons or entities for improvement and use of the property in

conformance with this Plan. Real property may be conveyed by the CDC to the City, and where beneficial to the Project Area, to any other public body without charge or for an amount less than fair market value.

All purchasers or lessees of property from the CDC shall be obligated to use the property for the purposes designated in this Plan, to begin and complete improvement of such property within a period of time which the CDC fixes as reasonable, and to comply with other conditions which the CDC deems necessary to carry out the purposes of this Plan.

During the period of redevelopment in the Project Area, the CDC shall ensure that all provisions of this Plan, and other documents formulated pursuant to this Plan, are being observed, and that development of the Project Area is proceeding in accordance with applicable development documents and time schedules.

All development, whether public or private, must conform to this Plan and all applicable federal, State, and local laws, including without limitation the City's planning and zoning ordinances, building, environmental and other land use development standards. Such development must receive the approval of all appropriate public agencies.

b. (628) Purchase and Development Documents

To provide adequate safeguards to ensure that the provisions of this Plan will be carried out and to prevent the recurrence of blight, all real property sold, leased, or conveyed by the CDC, as well as all property subject to Owner Participation Agreements, shall be made subject to the provisions of this Plan by leases, deeds, contracts, agreements, declarations of restrictions, provisions of the planning and zoning ordinances of the City, conditional use permits, or other means. Where appropriate, as determined by the CDC, such documents or portions thereof shall be recorded in the office of the Recorder of the County.

Leases, deeds, contracts, agreements, and declarations of restrictions of the CDC may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provisions necessary to carry out this Plan.

The CDC shall reserve such powers and controls in Disposition and Development Agreements or similar agreements as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to ensure that redevelopment is carried out pursuant to this Plan.

The CDC shall obligate lessees and purchasers of real property acquired in redevelopment projects and owners of property improved as part of a redevelopment project to refrain from discrimination or segregation based upon race, color, creed, religion, national origin, ancestry, sex, or marital status in the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of property in the Project Area. All property sold, leased, conveyed, or subject to Disposition and Development Agreements shall be expressly subject by appropriate documents to the restriction that all deeds, leases, or contracts for the sale, lease, sublease or other transfer of land in the Project Area shall contain such nondiscrimination and non-segregation clauses as are required by law.

2. (629) Personal Property Disposition

For the purposes of this Plan, the CDC is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber, or otherwise dispose of personal property.

L. (630) Provision for Low and Moderate Income Housing

1. (631) Definition of Terms

The terms “affordable housing cost”, “replacement dwelling unit”, “persons and families of low or moderate income”, “substantially rehabilitated dwelling units” and “very low income households” as used herein shall have the meanings as defined by the Redevelopment Law and other State and local laws and regulations pertaining thereto.

2. (632) Authority Generally

The CDC may, inside or outside the Project Area: acquire real property, buildings sites, buildings or structures, donate real property, improve real property or building sites, construct or rehabilitate buildings or structures, and take any other such actions as may be permitted by the Redevelopment Law, in order to provide housing for persons and families of low or moderate income.

3. (633) Replacement Housing

Except as otherwise permitted by law, whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low and moderate income housing market as part of a redevelopment project, the CDC shall, within four years of such destruction or removal, rehabilitate, develop or construct, or cause to be rehabilitated, developed or constructed, for rental or sale to persons and families of low or moderate income, an equal number of replacement dwelling units which have an equal or greater number of

bedrooms as

those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the CDC. Except as otherwise permitted by law, seventy-five percent (75%) of the replacement dwelling units shall replace dwelling units available at affordable housing costs in the same income level of very low income households, lower income households, and persons and families of low and moderate income as the persons displaced from those units destroyed. The CDC may replace destroyed or removed dwelling units housing persons and families of low or moderate income with a fewer number of replacement dwelling units if the replacement dwelling units have a greater or equal number of bedrooms and are affordable to the same income level of households as the destroyed or removed units to the extent permissible by law as it now exists or may hereafter be amended.

4. (634) New or Rehabilitated Dwelling Units Developed Within the Project Area

Except as otherwise permitted by law, at least thirty percent (30%) of all new and substantially rehabilitated dwelling units developed by the CDC shall be available at affordable housing cost to persons and families of low or moderate income and of such thirty percent (30%), not less than fifty percent (50%) shall be available to and occupied by very low income households. At least fifteen percent (15%) of all new and substantially rehabilitated dwelling units developed within the Project Area by public or private entities or persons other than the CDC shall be available at affordable housing cost to persons and families of low or moderate income and of such fifteen percent (15%), not less than forty percent (40%) shall be available at affordable housing cost to very low income households. The percentage requirements set forth in this Section 634 shall apply independently of the requirements of Section 633 of this Plan and in the aggregate to the supply of housing to be made available pursuant to this Section 634 and not to each individual case of rehabilitation, development or construction of dwelling units.

Pursuant to Section 33413(b)(4) of the Redevelopment Law, the CDC shall prepare and adopt a plan to comply with the requirements set forth above, for the Project Area. The plan shall be consistent with, and may be included within the Housing Element of the City's General Plan. The plan shall be reviewed and, if necessary, amended at least every five (5) years in conjunction with the housing element cycle. The plan shall ensure that the requirements of this section are met every ten (10) years.

Except as otherwise permitted by law, the CDC shall require, by contract or other appropriate means, that whenever any low and moderate income housing units are developed within the Project Area, such units shall be made available on a priority basis for rent or purchase, whichever the case may be, to persons and families of

low or moderate income displaced by the Project; provided, however, that failure to give such priority shall not affect the validity of title to the real property upon which such housing units have been developed.

5. (635) Duration of Dwelling Unit Availability

The CDC shall require the aggregate number of dwelling units rehabilitated, developed or constructed pursuant to Sections 633 and 634 of this Plan to remain available at affordable housing cost to very low income, low income, and moderate income households for the longest feasible time, as determined by the CDC, but for not less than the period of the residential land use controls established in Section 1100 of this Plan.

6. (636) Relocation Housing

If insufficient suitable housing units are available in the City for use by persons and families of low and moderate income displaced by a Project, the CDC may, to the extent of that deficiency, direct or cause the development, rehabilitation or construction of housing units within the City, both inside and outside the Project Area.

7. (637) Increased and Improved Supply

Except as otherwise permitted by law, not less than twenty percent (20%) of all taxes which are allocated to the CDC pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 602(2) and (3) of this Plan shall be used by the CDC for the purposes of increasing, improving and preserving the City's supply of low and moderate income housing available at affordable housing cost as defined by Section 50052.5 of the California Health and Safety Code, to persons and families of low or moderate income, as defined in Section 50093 of the California Health and Safety Code, and very low income households, as defined in Section 50105 of the California Health and Safety Code, unless one or more applicable findings are made pursuant to the Redevelopment Law.

The funds for this purpose shall be held in a separate Low and Moderate Income Housing Fund until used. Any interest earned by such Low and Moderate Income Housing Fund shall accrue to the Fund.

In implementing Section 637 of this Plan, the CDC may exercise any or all of its powers including, but not limited to, the following:

1. Acquire real property or building sites.
2. Improve real property or building sites with on-site or off-site improvements, but only if either (a) the improvements are made as part of a program which results in the new construction or rehabilitation of affordable housing units for low- or moderate-income persons that are directly benefited by the improvements, or (b) the CDC finds that the improvements are necessary to eliminate a specific condition that jeopardizes the health or safety of existing low- or moderate-income residents.
3. Donate real property to private or public persons or entities.
4. Finance insurance premiums.
5. Construct buildings or structures.
6. Acquire buildings or structures.
7. Rehabilitate buildings or structures.
8. Provide subsidies to, or for the benefit of, very low income households, as defined by Section 50105 of the California Health and Safety Code, lower income households, as defined by Section 50079.5 of the California Health and Safety Code, or persons and families of low or moderate income, as defined by Section 50093 of the California Health and Safety Code, to the extent those households cannot obtain housing at affordable costs on the open market. Housing units available on the open market are those units developed without direct government subsidies.
9. Develop plans, pay principal and interest on bonds, loans, advances, or other indebtedness or pay financing or carrying charges.
10. Maintain the community's supply of mobile homes.
11. Preserve the availability to lower income households of affordable housing units in housing developments which are assisted or subsidized by public entities and which are threatened with imminent conversion to market rates.

The CDC may use these funds to meet, in whole or in part, the replacement housing provisions in Section 633 of this Plan. These funds may be used inside or outside the Project Area; however, these funds may be used outside the Project Area only if findings of benefit to the Project Area are made pursuant to the Redevelopment Law.

8. (638) Duration of Affordability

Except as provided in Section 33334.3 of the Redevelopment Law, all new or substantially rehabilitated housing units developed or otherwise assisted with moneys from the Low and Moderate Income Housing Fund pursuant to an agreement approved by the CDC shall be required to remain available at affordable housing cost to persons and families of low or moderate income and very low income households for the longest feasible time, but for not less than the following periods of time:

- a. Fifteen years for rental units. However, the CDC may replace rental units with equally affordable and comparable rental units in another location within the City if (i) the replacement units are available for occupancy prior to the displacement of any persons and families of low or moderate income residing in the units to be replaced and (ii) the comparable replacement units are not developed with moneys from the Low and Moderate Income Housing Fund.
- b. Ten years for owner-occupied units. However, the CDC may permit sales of owner-occupied units prior to the expiration of the 10-year period for a price in excess of that otherwise permitted under this subdivision pursuant to an adopted program which protects the CDC's investment of moneys from the Low and Moderate Income Housing Fund.

SECTION VII. (700) USES PERMITTED IN THE PROJECT AREA

A. (701) Map and Uses Permitted

The Map attached hereto as Exhibit A and incorporated herein illustrates the location of the Project Area boundaries, the immediately adjacent streets, and existing public rights-of-way and public easements. The land uses permitted by this Plan shall be those permitted by the General Plan, City zoning ordinances and the local Coastal Plan as they now exist or may hereafter be amended.

B. (702) Major Land Use Designations (as now provided in the General Plan)

The following land use categories are presently permitted by the General Plan:

RESIDENTIAL

- Single-Family Large Lot (RS-1)
- Single-Family Small Lot (RS-2)
- Single-Family Extendible (RS-3)
- Two Family (RT)
- Multifamily Extendible (RM-1)
- Multifamily Limited (RM-2)
- Senior Citizen Housing (RM-3)

COMMERCIAL

- General Commercial (CG)
- Medium Commercial (CM)
- Limited Commercial (CL)
- Tourist Commercial (CT)
- Automotive Commercial (CA)
- Heavy Commercial (CH)

INDUSTRIAL

- Light Manufacturing (ML)
- Medium Manufacturing (MM)
- Heavy Manufacturing (MH)
- Tidelands Manufacturing (MT)

INSTITUTIONAL

- Civic Institutional (IL)
- Private Institutional (IP)

OPEN SPACE

C. (703) Transportation Center

This use district encompasses all of the Commercial Zones (CA, CM, and CH) along National City Boulevard, south of 18th Street to 33rd Street, and is designed primarily to furnish areas for new and used automobile and truck sales and services. The objective is to provide for a complete sales and service unit for each dealership on contiguous land. In all agreements entered into by the CDC, independent used car sales, services, or repairs will not be permitted unless such activity is an integral part of a new vehicle dealership. Permitted uses in the transportation center use district include:

- New automobile and truck sales, leasing, and rentals.
- Used auto and truck sales when part of a new vehicle dealership and located on contiguous land.
- Service and repair of trucks and automobiles when provided by new vehicle dealer on contiguous property.
- Sale of vehicle parts and accessories when provided by new vehicle dealership on contiguous property.
- Sale or rental of campers, camper trailers, vacation trailers, self-propelled mobile homes, boats, and other sporting and pleasure equipment which is substantial in size. This activity must be incidental to the principal activity of the automobile and/or truck dealership.
- Other related uses, with the review and recommendation of the Planning Commission, which are consistent with the objectives of this Plan.

D. (704) Public Uses

1. (705) Public Street Layout, Rights-of-Way and Easements

The public street system for the Project Area is illustrated on the Project Area Map identified as Exhibit A. The street system in the Project Area shall be developed in accordance with the Circulation Element of the General Plan. Interstates 5 and 805 connect the Project Area to the greater metropolitan region. Primary streets in the Project Area include: Tidelands Avenue, Harrison Avenue, National City Boulevard, Highland Avenue, 8th Street, Civic Center Drive, and 24th Street.

Certain streets and rights-of-way may be widened, altered, abandoned, vacated, or closed by the City as necessary for proper development of the Project Area.

Additional easements may be created by the CDC and City in the Project Area as needed for proper development and circulation.

The public rights-of-way shall be used for vehicular, bicycle and/or pedestrian traffic as well as for public improvements, public and private utilities, and activities typically found in public rights-of-way. In addition, all necessary easements for public uses, public facilities, and public utilities may be retained or created.

2. (706) Other Public and Open Space Uses

Both within and, where appropriate, outside of the Project Area, the CDC may take actions to establish, or enlarge public, institutional, or non-profit uses, including, but not limited to, schools, community centers, auditorium and civic center facilities, criminal justice facilities, park and recreational facilities, parking facilities, transit facilities, libraries, hospitals, educational, fraternal, philanthropic and charitable institutions or other similar associations or organizations. All such uses shall be deemed to conform to the provisions of this Plan provided that such uses conform with all other applicable laws and ordinances and that such uses are approved by the City. The CDC may impose such other reasonable restrictions as are necessary to protect development and uses in the Project Area.

E. (707) Conforming Properties

The CDC may, in its sole and absolute discretion, determine that certain real properties within the Project Area meet the requirements of this Plan, and the owners of such properties may be permitted to remain as owners of conforming properties without an Owner Participation Agreement with the CDC, provided such owners continue to operate, use, and maintain the real properties within the requirements of this Plan. An owner of a conforming property may be required by the CDC to enter into an Owner Participation Agreement with the CDC in the event that such owner desires to (1) as provided in the land use code, construct any additional improvements or substantially alter or modify existing structures on any of the real property described above as conforming; or (2) acquire additional property within the Project Area.

F. (708) Nonconforming Uses

The CDC is authorized but not required to permit an existing use to remain in an existing building in good condition if the use does not conform to the provisions of this Plan, provided that such use is generally compatible with existing and proposed developments and uses in the Project Area.

The CDC may take actions to, but is not required to, authorize additions, alterations, repairs or other improvements in the Project Area for buildings which do not conform to the provisions of this Plan where, in the determination of the CDC, such

improvements would be compatible with surrounding Project Area uses and proposed development.

G. (709) Interim Uses

Pending the ultimate development of land by developers and participants, the CDC is authorized to use or permit the use of any land in the Project Area for interim uses not in conformity with the uses permitted in this Plan. Such interim use, however, shall conform to all applicable City codes.

H. (710) General Controls and Limitations

All real property in the Project Area is hereby made subject to the controls and requirements of this Plan. No real property shall be developed, redeveloped, rehabilitated, or otherwise changed after the date of the adoption of this Plan except in conformance with the goals and provisions of this Plan and all applicable City codes and ordinances. The land use controls of this Plan shall apply for the periods set forth in Section 1100 below. The type, size, height, number and use of buildings within the Project Area will be controlled by the applicable City planning and zoning ordinances as they now exist or may hereafter be amended from time to time.

1. (711) New Construction

All construction in the Project Area shall comply with all applicable State and local laws in effect from time to time. In addition to applicable City codes, ordinances, or other requirements governing development in the Project Area, additional specific performance and development standards may be adopted by the CDC to control and direct improvement activities in the Project Area.

2. (712) Rehabilitation

Any existing structure within the Project Area which the CDC enters into an agreement for retention and rehabilitation shall be repaired, altered, reconstructed, or rehabilitated in such a manner that it will meet the following requirements: be safe and sound in all physical respects, be attractive in appearance and not detrimental to the surrounding uses.

3. (713) Number of Dwelling Units

The total number of dwelling units in the Project Area shall be regulated by the General Plan. As of the date of adoption of the Plan, there are 10,107 dwelling units, not including mobile home units, in the Project Area.

4. (714) Open Space and Landscaping

The approximate amount of open space to be provided in the Project Area is the total of all areas so designated in the Land Use Element of the General Plan and those areas in the public rights-of-way or provided through site coverage limitations on new development as established by the City and this Plan. Landscaping shall be developed in the Project Area to ensure optimum use of living plant material in conformance with the standards of the City.

5. (715) Limitations on Type, Size and Height of Buildings

The limits on building intensity, type, size and height, shall be established in accordance with the provisions of the General Plan and the zoning ordinances, as they now exist or are hereafter amended.

6. (716) Signs

All signs shall conform to the City's requirements. Design of all proposed new signs shall be submitted prior to installation to the appropriate governing bodies of the City and/or the CDC for review and approval pursuant to the Municipal Code of the City and procedures permitted by this Plan.

7. (717) Utilities

The CDC, in conformity with municipal code and City policy, shall require that all utilities be placed underground whenever physically possible and economically feasible on projects funded in whole or in part by the CDC or subject to a Disposition and Development Agreement or an Owner Participation Agreement.

8. (718) Subdivision of Parcels

No parcels in the Project Area, including any parcel retained by a participant, shall be consolidated, subdivided or re-subdivided without the approval of the City.

9. (719) Variations

The CDC is authorized to permit variations from the limits, restrictions and controls established by this Plan. In order to permit any such variation, the CDC must determine all of the following:

- a. Any variation must to be considered must first be consistent with the Land Use Code, Title 18.
- b. The application of certain provisions of this Plan would result in practical difficulties or unnecessary hardships inconsistent with the general purposes and intent of this Plan.
- c. There are exceptional circumstances or conditions applicable to the property or to the intended development of the property which do not apply generally to other properties having the same standards, restrictions, and controls.
- d. Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area.
- e. Permitting a variation will not be contrary to the objectives of this Plan.

No such variation shall be granted which permits other than a minor departure from the provisions of this Plan. In permitting any such variation, the CDC shall impose such conditions as are necessary to protect the public health, safety, or welfare, and to assure compliance with the purposes of this Plan.

I. (720) Design for Development

Within the limits, restrictions, and controls established in this Plan, and subject to the provisions of Sections 701 and 710 herein, the CDC is authorized to establish heights of buildings, land coverage, setback requirements, design criteria, traffic circulation, traffic access, and other development and design controls necessary for proper development of both private and public areas within the Project Area.

No new improvement shall be constructed, and no existing improvement shall be substantially modified, altered, repaired, or rehabilitated except in accordance with this Plan and any such controls approved by the CDC. In the case of property which is the subject of a Disposition and Development Agreement or an Owner Participation Agreement with the CDC, such property shall be developed in accordance with the provisions of such Agreement. One of the objectives of this Plan is to create an attractive

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. 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), (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.

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 Project Area to be commenced and carried to completion without unnecessary delays.
4. Imposition, whenever necessary, of appropriate design controls within the limits of this Plan in the Project Area to ensure proper development and use of land.
5. Provisions for administration/enforcement of this Plan by the City after completion of development.
6. The undertaking and completion of any other proceedings necessary to carry out the Project.
7. The expenditure of any City funds in connection with redevelopment of the Project Area pursuant to this Plan.
8. Revision of the City zoning ordinance, adoption of specific plans or execution of statutory development agreements to permit the land uses and facilitate the development authorized by this Plan.

SECTION X. (1000) ADMINISTRATION AND ENFORCEMENT

Upon adoption, the administration and enforcement of this Plan or other documents implementing this Plan shall be performed by the City and/or the CDC, as appropriate.

The provisions of this Plan or other documents entered into pursuant to this Plan may also be enforced by litigation or similar proceedings by either the CDC or the City. Such remedies may include, but are not limited to, specific performance, damages, re-entry onto property, power of termination, or injunctions. In addition, any recorded provisions which are expressly for the benefit of owners of property in the Project Area may be enforced by such owners.

SECTION XI. (1100) DURATION OF THIS PLAN

With respect to the E.J. Christman I Area, except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall expire on November 18, 2009. After this time limit, the Agency shall have no authority to act pursuant to this Plan

except to pay previously incurred indebtedness and to enforce existing covenants, contracts, or other obligations.

With respect to the South Bay Town and Country Area, except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall expire on June 24, 2015. After this time limit, the Agency shall have no authority to act pursuant to this Plan except to pay previously incurred indebtedness and to enforce existing covenants, contracts, or other obligations.

With respect to the Center City Area, except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall expire on April 13, 2016. After this time limit, the Agency shall have no authority to act pursuant to this Plan except to pay previously incurred indebtedness and to enforce existing covenants, contracts, or other obligations.

With respect to the E.J. Christman² Area, except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall expire on December 13, 2017. After this time limit, the Agency shall have no authority to act pursuant to this Plan except to pay previously incurred indebtedness and to enforce existing covenants, contracts, or other obligations.

With respect to the Downtown Original Area, except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall expire on December 1, 2021. After this time limit, the Agency shall have no authority to act pursuant to this Plan except to pay previously incurred indebtedness and to enforce existing covenants, contracts, or other obligations.

With respect to the Downtown 1985 Amendment Area, except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall expire on April 16, 2025. After this time limit, the Agency shall have no authority to act pursuant to this Plan except to pay previously incurred indebtedness and to enforce existing covenants, contracts, or other obligations.

With respect to the Added Area, except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall expire 30 years following adoption of the ordinance approving this Plan. After this time limit, the Agency shall have no authority to act pursuant to this Plan except to pay previously incurred indebtedness and to enforce existing covenants, contracts, or other obligations.

SECTION XII. (1200) PROCEDURE FOR AMENDMENT

This Plan may be amended by means of the procedure established in Sections 33450-33458 of the Redevelopment Law or by any other procedure hereafter established by law.

EXHIBIT A: PROJECT AREA MAP

NATIONAL CITY REDEVELOPMENT PROJECT AREA

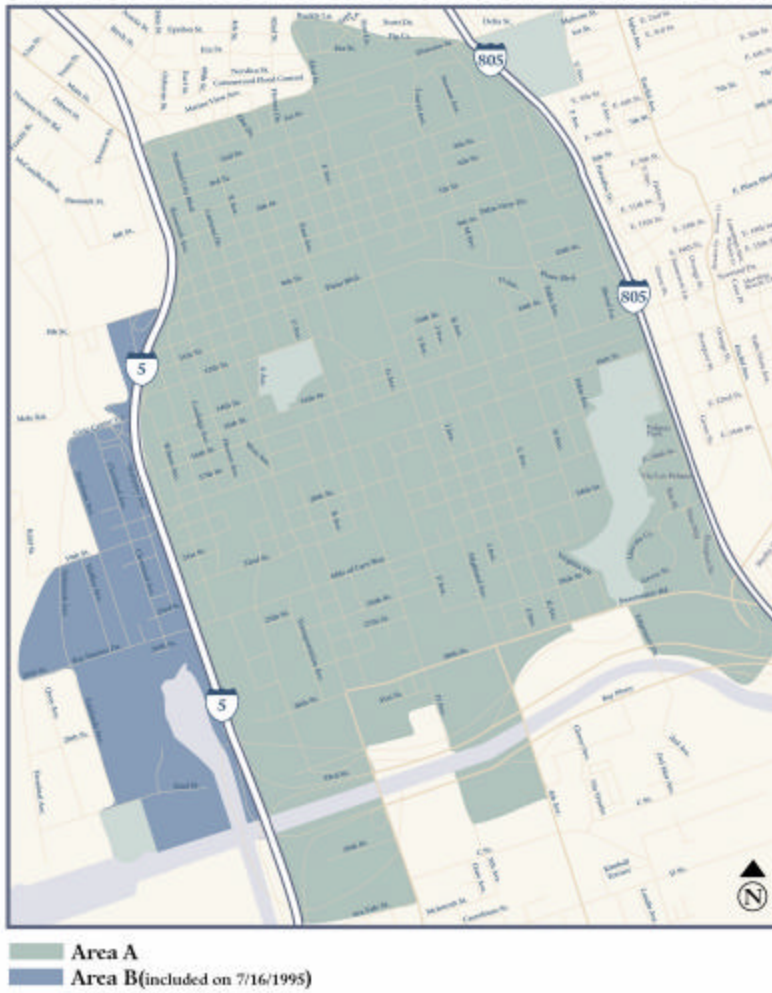


EXHIBIT B: LEGAL DESCRIPTION

NATIONAL CITY REDEVELOPMENT PROJECT AREA ADDED AREA AREA "B"

Those properties located in the City of National City, County of San Diego, State of California, described as follows:

Beginning at the intersection of the Southerly Right-of-way of 8th Street and the Westerly Right-of-way of Interstate 5; thence along said Westerly Right-of-way the following courses: South 17° 45' 09" East 150.03 feet; thence South 12° 04' 00" East 100.63 feet; thence South 08° 26' 44" East 284.00 feet; thence South 13° 50' 25" West 152.72 feet; thence South 16° 06' 34" West 332.55 feet; thence South 17° 45' 40" East 186.36 feet; thence South 08° 23' 31" West 499.35 feet; thence South 15° 38' 16" West 108.90 feet; thence South 20° 20' 00" West 89.72 feet; thence South 49° 07' 00" West 25.00 feet; thence leaving said Westerly Right-of-way South 06° 41' 56" East 233.22 feet to an angle point in said Westerly Right-of-way; thence continuing along said Westerly Right-of-way the following courses: South 17° 45' 40" East 604.39 feet; thence South 26° 30' 24" East 52.61 feet; thence South 17° 45' 40" East 2245.01 feet; thence South 02° 39' 23" East 333.59 feet; thence South 52° 52' 19" West 24.46 feet; thence South 72° 14' 00" West 260.17 feet; thence South 17° 45' 40" East 80.00 feet; thence South 88° 45' 34" East 182.30 feet; thence South 79° 41' 54" East 120.04 feet; thence South 31° 19' 37" East 268.23 feet; thence South 30° 11' 05" West 66.08 feet; thence South 27° 10' 57" East 34.34 feet; thence leaving said Westerly Right-of-way along the boundary of Record of Survey 11749, South 72° 16' 11" West 307.21 feet; thence South 17° 43' 49" East 164.89 feet; thence South 72° 16' 11" West 316.34 feet to the beginning of a non-tangent 1652.28 foot radius curve concave Southwesterly, to which a radial line bears North 76° 38' 43" East; thence Southeasterly along the arc of said curve and the Easterly Right-of-way of the San Diego and Arizona Eastern Railroad as shown on said Record of Survey 11749 through a central angle of 02° 26' 51" a distance of 70.58 feet; thence South 10° 54' 26" East 504.27 feet to the beginning of a tangent 1213.11 foot radius curve concave Northeasterly; thence Southeasterly along the arc of said curve through a central angle of 06° 22' 46" a distance of 135.07 feet; thence North 72° 42' 48" East 10.00 feet to the beginning of a non-tangent 1203.11 foot radius curve concave Northeasterly, to which a radial line bears South 72° 42' 48" West; thence Southeasterly along the arc of said curve through a central angle of 34° 14' 07" a distance of 718.88 feet; thence South 51° 31' 18" East 233.81 feet to the beginning of a non-tangent 598.69 foot radius curve concave Southwesterly, to which a radial line bears North 38° 57' 27" East; thence Southeasterly along the arc of said curve through a central angle of 33° 18' 19" a distance of 348.01 feet; thence South 17° 44' 14" East 71.01 feet; thence South 17° 42' 10" East 971.98 feet to the City of National City / Chula Vista City boundary; thence leaving said Easterly railroad Right-of-way Southwesterly along said City boundary as shown on Miscellaneous Map 564 South 17° 15' 22" West 1629.76 feet to the intersection of the Southerly prolongation of the Easterly Right-of-way of Tidelands Avenue; thence along said prolongation and the Easterly Right-of-way of Tidelands Avenue North 17° 45' 40" West 1031.20 feet to the intersection of the Easterly Right-of-way of Tidelands Avenue and the Southerly Right-of-way of 32nd Street; thence North 23° 03' 04" West 108.46 feet to the intersection of the Easterly Right-of-way of Tidelands Avenue and the Northerly Right-of-way of 32nd Street; thence along the Easterly Right-of-way of Tidelands Avenue North 17° 45' 40" West 2430.00 feet to the Southerly Right-of-way of 24th Street; thence North 17° 07' 00" West 80.00 feet to the Northerly Right-of-way line of said 24th Street said point being also on the Easterly Right-of-way of said Tidelands Avenue; thence along the Easterly Right-of-way line of said Tidelands Avenue North 15° 00' 40" West 15.02 feet, said point being a prolongation of the Right-of-way of said 24th Street; thence leaving said Easterly Right-of-way of Tidelands Avenue South 72° 14' 20" West along said prolongation and Northerly Right-of-way of said 24th Street 360.37 feet to an angle

EXHIBIT C: Public Facilities/Infrastructure Improvement Projects

National City Redevelopment Project

Project Description

I. STREET IMPROVEMENTS

Project Objective: To improve levels of service on existing roads, construct additional streets to improve circulation.

- A. Roosevelt Ave.: Division St. to 8th St.
- B. National City Blvd.: Division St. to 7th St.; 9th St. to 12th St.
- C. Civic Center Drive: Harbor Dr. to National City Blvd.
- D. National City Blvd.: 18th St. to Southern City Limits
- E. National City Blvd.: 12th St. to 18th St.
- F. Roosevelt Ave.: 18th St. to 21st St.
- G. West St. Termination: 16th St. to 18th St.
- H. 24th St.: Interstate 5 to Harrison Ave.
- I. Harrison Ave.: 21st St. to 32nd St., including utilities
- J. Area "B" Street Improvements: McKinley & Cleveland
- K. "Q" Ave.: Sheryl Ln. Connection
- L. 8th St.: National City Blvd. to "D" Ave.
- M. Street/Sidewalks/Curbs Rehabilitation Program
- N. Tidelands Ave./Harbor Dr. Intersection Improvements
- O. Pedestrian Ramp Construction Program
- P. Streetscape Enhancement Program

II. TRAFFIC SIGNAL IMPROVEMENTS

Project Objectives: To facilitate improved circulation flow and reduce traffic congestion and delays throughout Project Area.

III. PARK IMPROVEMENTS

Project Objectives: To provide safe, attractive and well-maintained parks for the public by installing additional recreational facilities and amenities at parks and open space locations throughout the Project Area.

IV. CAPITAL FACILITY IMPROVEMENTS

Project Objective: To develop sufficient community facilities to meet the needs of the City's residents.

V. REHABILITATION/ECONOMIC DEVELOPMENT

Project Objectives: These programs will revitalize deteriorating and substandard industrial & commercial properties.

- A. Land Acquisition/Write-Down Costs
- B. Commercial Rehabilitation Program

VI. HOUSING PROGRAMS

Project Objectives: To increase and improve the community's supply of housing affordable to very low, low and moderate income households.

- A. Single- & Multi-family Rehabilitation Program
- B. Affordable Single Family Housing Development Programs

**EXHIBIT D: LOCATION OF REAL PROPERTY POTENTIALLY
SUBJECT TO ACQUISITION BY EMINENT DOMAIN**

Pursuant to Section 603 of this Plan, the CDC may acquire the following properties through the use of eminent domain:

Existing Area (as defined in Section 300 of this Plan)

- All parcels located immediately east and adjacent to National City Boulevard, between Division Street and the south City limits.
- All parcels located immediately west and adjacent to National City Boulevard, between Division Street and State Route 54
- All parcels located immediately west and adjacent to Civic Center Drive, between Interstate 5 and National City Boulevard
- All parcels located immediately south and adjacent to Civic Center Drive, between Interstate 5 and National City Boulevard.
- All parcels located immediately north and south and adjacent to 8th Street, between Interstate 5 and "D" Avenue.

Added Area (as defined in Section 300 of this Plan)

All property in the Added Area, excepting the San Diego Unified Port District Property.

IN EXISTING AND ADDED AREAS, SINGLE-FAMILY RESIDENTIAL PROPERTIES ARE SPECIFICALLY EXCLUDED FROM THE USE OF EMINENT DOMAIN.

Report to the City Council

Community Development Commission of the City
of National City
140 E. 12th Street, Suite B
National City, California 91950-3312



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Introduction

In order to facilitate commercial revitalization, housing stock improvements, and public infrastructure upgrades, the Community Development Commission of the City of National City ("CDC") is in the process of implementing a Redevelopment Plan ("Plan") for the National City Redevelopment Project ("Project") and Project Area ("Project Area"). The Project Area is comprised of two areas east and west of Interstate 5 and totals approximately 2,400 acres, or 66% of the City of National City ("City").

The Project Area consists of several constituent areas that form the entire 2,400-acre territory today. The first of these areas was created in 1969. Over the subsequent 26 years, the CDC expanded the Project Area on several occasions, including in July 1995, when the CDC completed its final expansion and merged these areas to form a single Project Area. The Project Area is generally bounded by Tidelands Avenue and the San Diego Bay to the west, Interstate 805 to the east, and the City limits to the north and south. Major land uses in the Project Area include commercial, residential, industrial, and public. Exhibit 1 presents a map of the boundaries of the Project Area.

Section 500 of the Plan delineates various redevelopment goals for the Project Area. These goals include: 1) eliminate and prevent the spread of conditions of blight including: underutilized properties and deteriorating buildings, incompatible and uneconomic land uses, obsolete structures, and other economic deficiencies in order to create a more favorable environment for commercial, office, and industrial development 2) expand the commercial base of the Project Area, 3) promote local job opportunities, and 4) recycle and/or develop underutilized parcels to accommodate higher and better economic uses while enhancing the City's financial resources. To this end, the Plan permits the CDC to acquire real property by any means authorized by law, including eminent domain within non-single family residential portions of the Project Area. Exhibit D to the Plan identifies the non-single family residential properties subject to eminent domain, which include the following:

- All parcels located immediately east and adjacent to National City Boulevard, between Division Street and the south City limits.

- All parcels located immediately west and adjacent to National City Boulevard, between Division Street and State Route 54.

- All parcels located immediately west and adjacent to Civic Center Drive, between Interstate 5 and National City Boulevard.

- All parcels located immediately south and adjacent to Civic Center Drive, between Interstate 5 and National City Boulevard.

- All parcels located immediately north and south and adjacent to 8th Street, between Interstate 5 and "D" Avenue.
- All parcels located immediately south and adjacent to East Plaza Boulevard, between E Avenue and Highland Avenue.
- All parcels west of Interstate 5, excepting the San Diego Unified Port District property.

These properties were identified in 1995 on the basis that they could be needed to facilitate commercial revitalization projects in the Project Area, where land assembly and parcel consolidation would be essential to the success of the project. Although the CDC has used eminent domain sparingly, it has been a necessary adjunct to acquisition negotiations.

Over the past several years, it has become evident that additional nonresidential properties southwest of Highland Avenue and Plaza Boulevard also need to be included in the list of properties subject to eminent domain. When developed as a department store 35 years ago, this commercial anchored the entire Highland Avenue commercial district, attracting patrons throughout the City and South Bay to these and other retail developments. In 1999, the 140,000 square foot department store was shuttered, and surrounding retail uses in the area suffered. Based on a recent site tour of the area, several buildings in the immediate area of this property are vacant, though the retail vacancy rate Countywide is quite low (below 5%). In addition, commercial buildings at this site are also in disrepair and lack paved parking.

Clearly, reestablishing an anchor presence at this intersection is essential to supporting the entire Highland Avenue retail district. Lot sizes along Highland and Plaza Boulevard are generally small, and this location is the only viable area where there is the potential to assemble a site sizable and deep enough to accommodate a new anchor project. (Unlike developments 35 years ago, large-scale retail developments today are generally in larger buildings and require more parking.) The CDC has been approached by a developer to redevelop this site with such a project that has the potential to revitalize the area, while removing older obsolete uses on site. Acquisition of the site from two different property owners is necessary to make this project occur. As a result, the CDC is seeking to adopt an amendment to the Plan that would expand its eminent domain abilities to include these four parcels southeast of the intersection of Highland Avenue and Plaza Boulevard ("Amendment"). A copy of the proposed Amendment is included on Exhibit 2.

This document is the CDC's Report to the City Council ("Report") on the proposed Amendment, and has been prepared pursuant to Section 33457.1 and 33352 of the California Community Redevelopment Law, Health and

Safety Code Section 33000 et seq. ("Law"). Pursuant to Section 33352 of the Law, the CDC is required to submit a Report containing specific documentation regarding the proposed Amendment. The purpose of this Report is to provide the information, documentation, and evidence required to support the adoption of the Amendment. This information, documentation, and evidence are provided to assist the City Council in its consideration of the proposed Amendment, and in making the various determinations in connection with its adoption.

With respect to the Amendment, this Report supplements the documentation and evidence contained in the previous Reports to the City Council ("Original Reports"), prepared in connection with the original Plan and the subsequent amendments; the Original Reports is incorporated herein by reference.

Contents of this Report

The contents of this Report are presented in 14 sections, which generally correspond to the subdivisions presented in Section 33352 of the Law. The sections are as follows:

SECTION A	Reasons for the Amendment and a Description of Specific Projects Proposed and How These Projects Will Improve or Alleviate Blighting Conditions Found in the Project Area
SECTION B	A Description of the Physical and Economic Conditions Existing in the Project Area
SECTION C	Five-Year Implementation Plan
SECTION D	Why the Elimination of Blight and Redevelopment Cannot be Accomplished by Private Enterprise Acting Alone or by the City's Use of Financing Alternatives Other Than Tax Increment
SECTION E	The Method of Financing
SECTION F	The Relocation Plan
SECTION G	Analysis of the Preliminary Plan
SECTION H	Report and Recommendation of the Planning Commission
SECTION I	Report of the Project Area Committee
SECTION J	General Plan Conformance
SECTION K	Environmental Documentation
SECTION L	Report of the County Fiscal Officer
SECTION M	Neighborhood Impact Report
SECTION N	A Summary of CDC Consultation with Affected Taxing Agencies

SECTION A

Reasons for the Amendment and a Description of Specific Projects Proposed and How These Projects Will Improve or Alleviate Blighting Conditions Found in the Project Area

The CDC has actively been seeking reuse opportunities for the closed Fedco building at the southwest corner of Highland Avenue and Plaza Boulevard since the store closed in September 1999. In December 2000, the owner of the Fedco site and K-Mart representatives approached CDC staff with a proposal to demolish the 35 year-old building and construct a new 180,000 square foot Super-K-Mart at this location.

In order to facilitate development of this site, three adjoining parcels under a separate ownership (Mitchell investments) must be integrated in the overall development to address ingress/egress needs, parking, and removal of obsolete structures. The Super K-Mart proposed for the Fedco site is significantly larger than the existing 140,000 square foot Fedco building, and requires a portion of the Mitchell property to meet parking needs. The Mitchell property contains two buildings, one of which is estimated to be 25% vacant, the second which is approximately 50% vacant. A portion of the Mitchell property is unpaved and onsite drainage is a problem. The CDC sees the Super K-Mart project as an opportunity to redevelop the entire Fedco/Mitchell site, and bolster the entire Highland Avenue commercial corridor.

On December 22, 2000, the CDC invited Robert Shapiro, representing the Mitchell Investments ownership, to participate in the redevelopment of the Fedco/Mitchell site. After extending the deadline for Mr. Shapiro to submit his redevelopment proposal, the CDC received a proposal from Mr. Shapiro on February 6, 2001. Mr. Shapiro's proposal only involved the redevelopment of the Mitchell property, and did not address the Fedco parcel. Staff analysis of Mr. Shapiro's proposal indicated that the proposal was substantially less desirable to the CDC, both in terms of economic returns to the CDC and City General Fund, but also the overall land use plan and its compatibility with the Super K-Mart proposal. Mr. Shapiro's proposal did not allocate the additional land needed to accommodate parking for the Super K-Mart, address existing topography problems, or provide for integration of the development among the various parcels—a problem which has plagued the Highland Avenue corridor for decades.

Accommodating Mr. Shapiro's proposal would have jeopardized the development of the Super K-Mart, since a smaller store was not of interest to

K-Mart. As a result of these issues, the CDC voted unanimously to reject Mr. Shapiro's proposal on March 6, 2001.

The next step in the redevelopment of the Fedco/Mitchell site involves acquiring the Mitchell property to accommodate the Super K-Mart project. Although the CDC is seeking to reach an accord with Mr. Shapiro on the purchase of the property, the CDC cannot rule out the possibility that the use of eminent domain may be necessary to facilitate the Super K-Mart project.

Currently, the Plan limits the CDC's use of eminent domain to certain non-single family residential locations within the Project Area. These locations are as follows:

- All parcels located immediately east and adjacent to National City Boulevard, between Division Street and the south City limits.
- All parcels located immediately west and adjacent to National City Boulevard, between Division Street and State Route 54.
- All parcels located immediately west and adjacent to Civic Center Drive, between Interstate 5 and National City Boulevard.
- All parcels located immediately south and adjacent to Civic Center Drive, between Interstate 5 and National City Boulevard.
- All parcels located immediately north and south and adjacent to 8th Street, between Interstate 5 and "D" Avenue.
- All parcels west of Interstate 5, except the San Diego Unified Port District property.

Because the Plan does not permit the use of eminent domain on the Fedco/Mitchell site, the CDC would need to amend the Plan to expand its eminent domain authority to this location.

CDC staff has prepared the Amendment to the Plan that would add solely the Fedco/Mitchell site to the list of properties subject to eminent domain. No other properties are affected by the proposed Amendment. The CDC is currently preparing the necessary materials to present the Amendment at a joint CDC/City Council public hearing, during which Mr. Shapiro, or any other member of the public, may testify as the merits of the proposed Amendment.

SECTION B

A Description of the Physical and Economic Conditions Existing in the Project Area

Section 33352(b) of the Law requires a description of the physical and economic conditions that cause the Project Area to be blighted. This information was provided in the Original Reports prepared and provided as evidence that the Project Area was deemed blighted at the time of adoption.

With the adoption of the preceding National City Downtown Redevelopment Plan in December 1981, the subject Fedco/Mitchell site was first placed into a redevelopment project area. At that time, Sections 33030-33032 of the Law defined specific physical, economic, and social conditions of blight within a redevelopment project area. Today, these conditions continue to persist at the Fedco/Mitchell site and the Project Area as well.

In April 2001, CDC staff and consultants surveyed the Fedco/Mitchell site and identified the following blighting conditions. (Exhibit 3 presents a photo survey of the conditions found.)

- Defective design and character of physical construction;
- Faulty interior arrangement and exterior spacing;
- Age, obsolescence, deterioration, dilapidation, and shifting of uses;
- Economic dislocation, deterioration, and disuse, resulting from faulty planning; and
- The existence of lots or other areas that is subject to being submerged by water.

The photo survey shows some of the blighting conditions present at the Fedco/Mitchell site that necessitate redevelopment of the property. The buildings are 35 years old, and inadequately designed and configured to accommodate contemporary retail developments. For example, the three Mitchell parcels are developed with a variety of one and two story buildings, none of which have the same architectural design or construction materials. Two retail spaces are located in corrugated metal warehouse buildings, and lack windows and other design features that detract from the character of the overall development.

The overall Fedco/Mitchell site needs to be reconfigured so the out parcels and the major department store compliment each other. As currently configured, the rear of the Mitchell buildings face the Fedco store, so trash bins, unpaved

and submerged portions of the lot, and deteriorating obsolete buildings are visible to the department store building.

Also, parcelization problems constrain access within the site, as well as to Highland Avenue. Each of the four parcels has separate ingress/egress to Highland Avenue; internal circulation among the parcels is poor because the buildings and parking areas were not placed to encourage shared parking and circulation. The two story building on the corner is placed adjacent to the sidewalk at Plaza Boulevard and Highland Avenue, while the two other commercial buildings are set further back. The only way to drive between the buildings is to circle around the back of the structures over unpaved and at times flooded property.

Closure of the Fedco department store has caused a ripple effect in the Highland Avenue retail corridor, according to local real estate brokers active in the area. A windshield survey of nearby retail properties identified several vacant spaces. Vacancies include the following:

- 1200 Highland Avenue (vacant Fedco building, approximately 140,000 square feet)
- 1000 Highland Avenue (vacant second story)
- 1705 Highland Avenue (vacant restaurant)
- 1401 Highland Avenue (vacant restaurant and office building)
- 910 Highland Avenue (vacant retail building)
- 1100 Plaza Boulevard (vacant store)
- 925 Plaza Boulevard (vacant retail space)

With a Countywide vacancy rate of less than 5%, and a National retail vacancy rate of 7%, the vacancies in the area of the Fedco/Mitchell area signal an acute problem with commercial properties in this area. Among the five real estate brokers interviewed, all were in agreement that the general commercial area needs revitalization, and that reestablishing a retail anchor at the Fedco/Mitchell site would stimulate increases in shopping activity, demand for new space, retail lease rates, and additional property improvements in the area.

For example, Joe Greeno of Grubb and Ellis indicated that the limited number of large parcels, limited parking, and older and obsolete physical design were serious problems among Highland Avenue retail properties. Mr. Greeno also indicated that the Fedco/Mitchell site is the only large property that has the

potential to accommodate newer commercial development in the Highland Avenue corridor.

Joe Yetter of Business Real Estate reported that the Fedco Mitchell vicinity is a "hodge podge of buildings" generally not desirable to many retailers today. The area lacks uniformity in design and architectural character, and too many freestanding retail buildings that do not make shopping at adjacent uses easy due to poor onsite circulation and design. This problem currently exists at the Fedco/Mitchell site.

Rick Putkammer was of the opinion that rents in the vicinity of the Fedco/Mitchell site are lower because of the fragmentation of the retail district, prevalence of older buildings, and appears to be in transition. Mr. Putkammer reported that occupancy rates were lower in this area as compared to other parts of the County. Mr. Putkammer also stated that developers are seeking to acquire and redevelop surrounding properties on the expectation that the CDC would be able to facilitate the successful redevelopment of the Fedco/Mitchell site. As a result, Mr. Putkammer anticipates increases in property values and demand if the Fedco/Mitchell site is consolidated and redeveloped with a new, modern anchor retailer.

Pursuant to Section 33368 of the Law, the adoption of the ordinances adopting the Plan and subsequent amendments are final and conclusive, and it is thereafter conclusively presumed that the Project Area is a blighted area as defined by Sections 33031 and 33032 of the Law and that all prior proceedings have been duly and regularly taken.

SECTION C

Five-Year Implementation Plan

On May 16, 2000 the CDC adopted its current Five Year Implementation Plan for the Project Area ("Implementation Plan"). The Implementation Plan contains specific goals and objectives for the Project Area, the specific projects and expenditures proposed to be made during the five-year planning period, and an explanation of how these goals, objectives, and expenditures will eliminate blight within the Project Area. The Implementation Plan is not affected by this Amendment, and is incorporated herein by reference.

SECTION D

Why the Elimination of Blight and Redevelopment Cannot Be Accomplished by Private Enterprise Acting Alone or by the City's Use of Financing Alternatives Other Than Tax Increment

Section 33352(d) of the Law requires an explanation of why the elimination of blight in the Project Area cannot be accomplished by private enterprise alone, or by the City's use of financing alternatives other than tax increment financing. This information was previously provided in the Original Reports and supporting documentation prepared and provided at the time of the adoption of the original Plan. The proposed Amendment will not make any changes that would affect the validity of the previously prepared documentation.

SECTION E

The Method of Financing

Section 33352(e) of the Law requires inclusion of a proposed method of financing the Project. This documentation was provided in the Original Reports, incorporated herein by reference. Because the Amendment will not alter the Project Area boundaries or affect the base year value of the Project Area, the Amendment will not change the method of financing the Project.

SECTION F

The Relocation Plan

Section 33352(f) of the Law requires inclusion of a method of relocation for the Project. Concurrent with the amendment to the Plan in 1995, the CDC adopted as its method of relocation the California Relocation Assistance and Real Property Acquisition Guidelines, as they existed or are subsequently amended. Also, as a public agency, the CDC is required to adhere to State Relocation Law to the extent relocation is necessary.

The Amendment does not alter the CDC's existing method of relocation.

SECTION G

Analysis of the Preliminary Plan

Section 33352(g) of the Law requires the inclusion of an analysis of the Preliminary Plan. This information was provided in the Original Reports prepared at the time the original Plan was adopted. The proposed Amendment does not alter the analysis of the Preliminary Plan contained in the Original Reports.

SECTION H

Report and Recommendation of the Planning Commission

Section 33352(h) of the Law requires inclusion of a report and recommendation of the City of National City Planning Commission ("Planning Commission"). On May 10, 2001, the Planning Commission unanimously adopted a Resolution 16-2001 (Exhibit 4) recommending that the City Council adopt the Amendment.

SECTION I

Report of the Project Area Committee

The Law requires formation of a project area committee if an amendment would provide the ability to acquire residential property or undertake projects that could displace low or moderate-income households. Since the Amendment does not proposed such changes to the Plan, a project area committee was not formed to review the Amendment.

However, the CDC has maintained a dialogue with affected property owners of the Fedco/Mitchell site prior to and during the plan amendment process. All Project Area property owners, business owners, and residents were mailed a notice of public hearing on the Amendment, and may submit written or oral comments on the proposed Amendment at the joint public hearing.

SECTION J

General Plan Conformance

Section 33352(j) of the Law requires a finding of General Plan conformance per Section 65402 of the Government Code. The Amendment only expands the area in which the CDC may use eminent domain to acquire property, and does not alter any provision of Plan relating to land use policy or other matters involving the General Plan.

On May 7, 2001, the Planning Commission adopted a Resolution No. 16-2001 (Exhibit 4) finding that the Amendment is consistent with the General Plan.

SECTION K

Environmental Documentation

Section 33352(k) of the Law requires environmental clearance prepared pursuant to Section 21151 of the Public Resources Code. Concurrent with the adoption of the original Plan and the subsequent amendments, the CDC undertook appropriate environmental documentation as necessary. In 1995, a Program Environmental Impact Report ("1995 EIR") was prepared in conjunction with the 1995 Amendment. The 1995 EIR reviewed and established mitigation policies relating to impacts associated with implementation of the Plan as amended by the 1995 Amendment. The 1995 EIR was included in the 1995 Report to the City Council and is incorporated herein by reference.

For this 2001 Amendment, an Initial Study was prepared pursuant to California Environmental Quality Act guidelines, which found that the proposed Amendment to extend the time limit of the Plan's existing eminent domain authority would not have a significant adverse impact on the environment with the incorporation of mitigation measures. As such, in April 2001, a Negative Declaration for the proposed Amendment was completed and made available for review and comment. A copy of the Negative Declaration is included as Exhibit 5 to this Report.

SECTION L

Report of the County Fiscal Officer

The proposed Amendment does not alter Project Area boundaries; therefore, the constituent base year reports for each component area of the Project Area, prepared pursuant to Section 33328 of the Law by the County of San Diego Auditor-Controller and State Board of Equalization respectively ("Base Year Reports"), do not need to be reformulated. The constituent Base Year Reports are included in the Original Reports and incorporated herein by reference.

SECTION M

Neighborhood Impact Report

Section 33352(m) of the Law requires the inclusion of a Neighborhood Impact Report. This information was provided in the Original Reports and incorporated herein by reference. Because the Amendment only expands the area in which the CDC may use eminent domain to acquire property, the Amendment does not alter the Original Reports' analysis or findings of the Plan's impacts on relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on schools, property assessments and taxes, and low and moderate income housing.

SECTION N

A Summary of CDC Consultation with Affected Taxing Agencies

The proposed Amendment would not detrimentally impact affected taxing agencies because the Amendment does not affect the financing of the Project Area in any way, nor will it change the plan's land use policies or list of public improvement projects.

On May 10, 2001, the CDC transmitted the notice of the June 12, 2001 joint public hearing to all affected taxing agencies. Thus far, the CDC has not been contacted by any taxing agencies seeking consultations regarding the Amendment.

Exhibit 1

National City Redevelopment Project Area Map
(Showing Boundaries of Areas Exempt from Eminent Domain as Proposed by the 2001 Amendment)

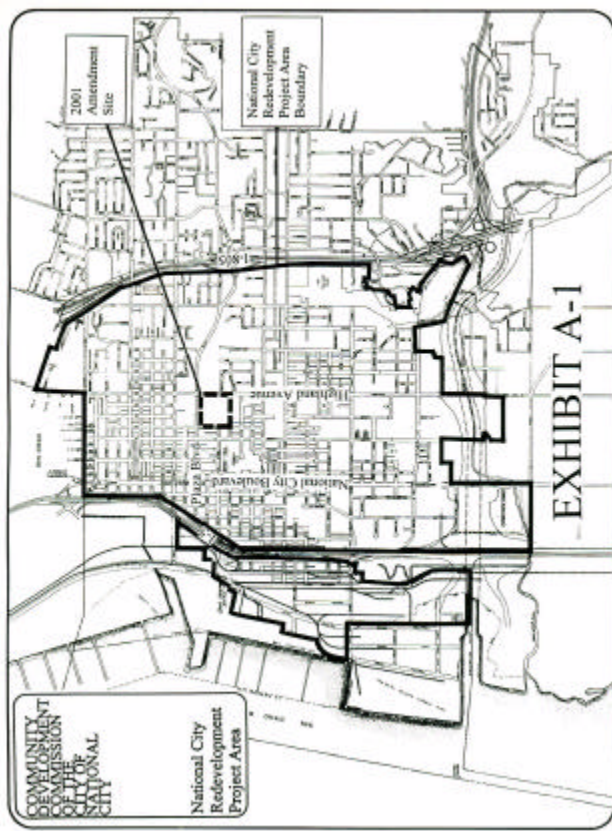


Exhibit 2

Proposed 2001 Amendment

2001 AMENDMENT TO THE
REDEVELOPMENT PLAN FOR THE
NATIONAL CITY REDEVELOPMENT PROJECT

The Redevelopment Plan for the National City Redevelopment Project, originally adopted on November 18, 1969 by Ordinance No. 1233, June 24, 1975 by Ordinance No. 1471, April 13, 1976 by Ordinance No. 1505, and December 13, 1977 by Ordinance No. 1610, and subsequently amended on December 1, 1981 by Ordinance No. 1762, May 22, 1984 by Ordinance No. 1821, April 16, 1985 by Ordinance No. 1851, June 18, 1991 by Ordinance No. 91-2013, and June 18, 1995 by Ordinance No. 95-2095, is hereby amended as follows:

EXHIBIT D

LOCATION OF REAL PROPERTY POTENTIALLY SUBJECT TO ACQUISITION BY EMINENT DOMAIN

Pursuant to Section 603 of this Plan, the CDC may acquire the following properties through the use of eminent domain:

Existing Area (as defined in Section 300 of this Plan)

- All parcels located immediately east and adjacent to National City Boulevard, between Division Street and the south City limits.
- All parcels located immediately west and adjacent to National City Boulevard, between Division Street and State Route 54.
- All parcels located immediately west and adjacent to Civic Center Drive, between Interstate 5 and National City Boulevard.
- All parcels located immediately south and adjacent to Civic Center Drive, between Interstate 5 and National City Boulevard.
- All parcels located immediately north and south and adjacent to 8th Street, between Interstate 5 and "D" Avenue.
- Assessor's Parcel Numbers 556-560-41, 556-560-42, 556-560-43, and 556-560-44 located immediately southwest of the intersection of Plaza Boulevard and Highland Avenue.

Added Area (as defined in Section 300 of this Plan)

ROSENOW SPEVACEK GROUP, INC.
November 17, 2003

COMMUNITY DEVELOPMENT COMMISSION
city of national city
REPORT to the city council

All property in the Added Area, excepting the San Diego Unified
Port District property.

IN EXISTING AND ADDED AREAS, SINGLE-FAMILY RESIDENTIAL PROPERTIES ARE
SPECIFICALLY EXCLUDED FROM THE USE OF EMINENT DOMAIN.

Exhibit 3

Photo Survey/Samples of Existing Conditions



Photo 1: Photograph of vacant 140,000 square foot Fedco department store building. The 30-year-old structure is undersized and needs to be demolished to be useful for future anchor tenant use.



Photo 2: Photograph looking south across the vacant Fedco property. To the right, a closed automotive service station is visible, which needs to be remediated prior to reuse. Using its authority under the Polanco Act, the CDC can facilitate expedient remediation and reuse.



Photo 3: Unpaved, submerged portions of the smaller commercial properties near the intersection of Plaza Boulevard and Highland Avenue. These

properties also need to be redeveloped to integrate these lots into the new development, while improving parking, access, and the overall physical condition of the site.



Photo 4: These commercial buildings are improperly used for retail sales. The buildings are built of corrugated metal and designed for warehousing uses. The site also lacks landscaping and pavement.



Photo 5: This building on the corner of Plaza Boulevard and Highland Avenue is approximately 50% vacant (the entire second floor is unoccupied according to CDC staff). Also, ingress/egress to Highland Avenue is complicated among these three parcels, where three separate entries are located within ___ feet, unnecessarily congesting traffic. If these lots were redesigned and redeveloped, ingress/egress could be consolidated easing traffic flows.

Exhibit 4

**Report and Recommendation of the Planning Commission on the 2001
Amendment**

ROSENOW SPEVACEK GROUP, INC.

COMMUNITY DEVELOPMENT COMMISSION
city of national city
REPORT to the city council

Exhibit 5
Negative Declaration

ROSENOW SPEVACEK GROUP, INC.

COMMUNITY DEVELOPMENT COMMISSION
city of national city
REPORT to the city council