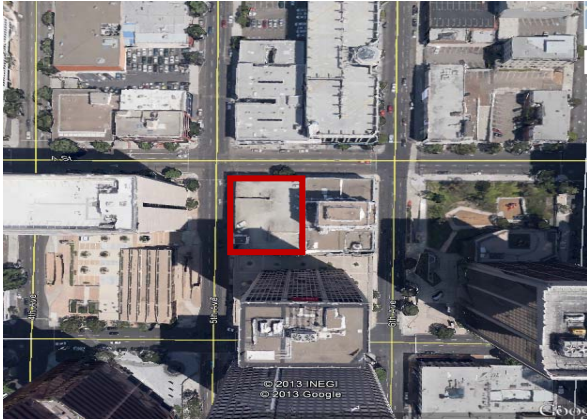


CITY OF SAN DIEGO SUCCESSOR AGENCY  
 AMENDED AND RESTATED  
 LONG-RANGE PROPERTY MANAGEMENT PLAN

**WORLD TRADE CENTER GARAGE**  
 1245 Fifth Avenue



**RECOMMENDED ACTION**

1. AB 1484 Permissible Use Category	<p>Sale of Property</p> <p>If permitted under SB 107, subsequent legislation, and/or DOF direction, Agency reserves right to administratively reclassify this site as Governmental Use.</p>
2. Proposed Use	<p>Rehabilitation of existing parking garage or redevelopment of site in accordance with San Diego Downtown Community Plan and Centre City Planned District Ordinance</p>
3. Project History Summary	<p>The Former RDA purchased the property from the City of San Diego as part of the Connections Housing project. The Former RDA entered into a Disposition and Development Agreement (DDA) with Connections Housing Downtown, L.P. (CHD) to create a permanent homeless housing and services center (“Center”) in downtown San Diego, and agreed to purchase the entire World Trade Center site that included an office building and parking garage in two separate, but connected buildings. The office building has been sold to CHD, which has separated it from the parking garage and rehabilitated the building into the Center.</p> <p>The Center was determined to not need on-site parking, so the parking garage was not included in the deal to transfer the office building to CHD. As a result of the separation of the office building and parking garage (both physically and through separate ownerships), the garage lost access to elevators, a second exiting stairway, and a water connection that were housed in the former office building, as well as its utility power source.</p> <p>Additional property history is included in the Property Background Attachment.</p>
4. Property Transferee	<p>Remain with Successor Agency.</p>
5. Anticipated Process	<p>Civic San Diego, on behalf of the Successor Agency, will offer the subject property for sale in accordance with AB 1484 and applicable City Municipal Code and Council Policy provisions and procedures.</p> <p>In accordance with Health and Safety Code section 34191.5(c)(2)(B), the net proceeds from the sale will be distributed as property tax to the taxing entities.</p>

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**PROPERTY BACKGROUND ATTACHMENT**

**A. Property Details**

1. Worksheet Reference Number	S-4	
2. Current Zoning/Land Use Designation (including Community Planning Area)	Core within Employment Required Overlay District (Downtown/Centre City)	
3. Former RDA Project Area	Centre City	
4. Current Use	Parking garage with ground level commercial/retail space (entire building currently vacant)	
5. Land Lot Size	15,000 SF	
6. Building Description	Construction Type	Concrete and steel
	Year Built	1969
	Improvement Date	None
	Vehicle Parking	Total of 250 stalls: 216 above-grade (7 levels) 34 below-grade (1 level)
	Commercial Space Size	11,660 SF gross; 10,765 SF rentable; 9,525 SF usable
7. Purpose for Acquisition	Purchased pursuant to a Disposition and Development Agreement (DDA) between the Former RDA and Connections Housing Downtown, L.P. (CHD) (approved March 1, 2011) as part of the larger site World Trade Center site that also contained an adjoining office building. The office building has been sold and rehabilitated by CHD as a permanent homeless housing and services center. The parking garage previously served as on-site parking for the adjoining building.	
8. Property History/Previous Development Proposals and Activity, including the rental or lease of property	<p>The Former RDA purchased the property from the City of San Diego as part of the Connections Housing project. The Former RDA entered into a DDA with CHD in March 2011 to create a permanent homeless housing and services center ("Center") in downtown San Diego, and agreed to purchase the entire WTC site that included an office building and parking garage in two separate, but connected buildings. The WTC office building was originally constructed in 1928 as an athletic center. A lot tie agreement was recorded in 1970 that connected the west portion of the overall site to the east segment underlying the office building for the purpose of erecting a parking structure that would serve the office building.</p> <p>The office building has been sold to CHD, which has separated it from the parking garage and rehabilitated the building into the Center. The Center was determined to not need on-site parking, so the parking garage was not included in the deal to transfer the office building to CHD. As a result of the separation of the office building and parking garage (both physically and through separate ownerships), the garage lost access to elevators, a second exiting stairway, and a water connection that were housed in the former office building, as well as its utility power source. The Successor Agency is currently leasing a portion of the garage to CHD to house a temporary back-up power generator for the Center, until the CHD installs its permanent generator in the Center in July 2013 or so (the short-term lease allows CHD to use the parking garage until December 2013).</p> <p>The garage building is predominantly a concrete and steel structure, designed and built in the late 1960's. It contains 216 above-grade parking stalls (accessed via A Street) and 34 below-grade parking stalls (accessed via Fifth Avenue), for a total of 250 stalls. The commercial (office or retail) space is located on the basement and ground floors and measures 11,600 SF (gross).</p> <p>Seven parking stalls are marked as handicap accessible and located on the fifth level. However, the garage building does not have direct access to an elevator and does not meet the 8'-2" headroom clearance required for van accessibility by Title 24 accessibility requirements under the California Building Code. Currently only one exit stair is contained within the garage building footprint. Access to a second means of egress previously existed through the adjacent WTC building.</p> <p>In December 2011, immediately after the Former RDA acquired the entire WTC property, it recorded a "Declaration of Restrictive Covenant" which ensures that the parking garage will not be used as public</p>	

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	<p>parking facility or for any other use unless it conforms to all applicable code requirements and permitting requirements. This was a requirement of the City’s Building Official as part of the Former RDA plans to transfer the WTC office building to another party (CHD), and as the parking structure and office building had been subject to a previous “Covenant and Agreement to Hold Property as One Parcel” due to their interconnected systems. During the same period, a “Grant of Restrictive Covenant and Related Agreement” was recorded that would create a Building Exclusion Zone over the top of the existing garage structure for an area adjacent to the office building to allow CHD to retain windows on the west side of the office building.</p> <p>Environmental testing in advance of the Former RDA’s acquisition of the WTC site indicated that asbestos exists within fireproofing in the parking garage.</p> <p>Prior to the Former RDA’s acquisition of the combined property, the Centre City Development Corporation (now Civic San Diego) hired a consultant to analyze potential re-use/redevelopment scenarios for the parking garage as a stand-alone building. The scenarios determined were (1) upgrade the garage as public parking and its retail space with an elevator and second stairway; (2) replace the garage with a new building with public parking and ground floor retail; and (3) replace the garage with a new mixed-use building with public parking, retail and hotel/office uses. All of the scenarios were determined to carry development costs related to the public parking uses that would range from \$4,000,000 for scenario one to almost \$16,000,000 for scenarios two and three.</p>
9. Appraisal Information (if any)	<p><i>Memorandum from City of San Diego Real Estate Assets Department, October 31, 2013, regarding 2013 Comprehensive Annual Financial Report appraisals. Indicated that the subject property has a value of \$1,950,000.</i></p>
<b>B. Property Revenues</b>	
Estimate of any lease, rental or any other revenues generated by the property	None
<b>C. Environmental</b>	
History of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of remediation efforts	<p><i>A World Trade Center Building Assessment Report, prepared by Heritage Architecture &amp; Planning in March 2010, indicated that all of the exposed structural steel in the parking garage is covered in spray-on fireproofing. Previous reports reviewed for this report indicated that the fireproofing contains asbestos. A 1993 report recommended that the fireproofing be remediated in order to perform necessary maintenance and repair work of several primary components buried in the fireproofing.</i></p> <p>In April 2011, at the time the City of San Diego owned the parking structure, the City’s Environmental Services Department removed asbestos containing fireproofing materials from various locations through the garage in areas where material had delaminated. The work was performed by a licensed asbestos contractor.</p> <p>The Former RDA is not aware of other information regarding the environmental condition of subsurface soils or groundwater.</p>
<b>D. Reuse Assessment</b>	
1. Description of the property’s potential for transit-oriented development	<p>The site is well-suited for transit-oriented development due to its location in downtown San Diego. The site is within reasonable walking and biking distances to the MTS Blue, Orange and Green Line trolley line stations and numerous bus routes serving downtown San Diego. Bus stops for Routes 3 and 120 are within the same block of the subject property, and the Fifth Avenue Station serving the Blue and Orange trolley lines is located 1.5 blocks south.</p>
2. Description of the property’s potential for advancement of the planning objectives of the Successor Agency	<p>As the subject property can be re-used as a parking facility if the structure is rehabilitated to current building code requirements, it has the potential to advance the San Diego Downtown Community Plan’s goals and objectives for parking resources. As residential, commercial, and civic activity intensifies in downtown, the resulting traffic generation will coincide with greater need for parking. The Community Plan recognizes the new parking must be built or available to continue downtown’s growth and evolution</p>

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as the regional center, even as transit, walking and carpooling are encouraged and grow in popularity. The subject facility potentially could be more economically rehabilitated as an existing parking structure, as opposed to demolished for construction of a new one, in order to provide needed public parking for downtown's Core district.

The Community Plan also encourages more efficient use of available parking spaces and emphasizes shared parking approaches, including development of parking facilities that serve multiple uses and enable efficient use of space over the course of the day, as well as distributing public garages throughout downtown. If rehabilitated and re-opened in its current configuration as primarily a parking structure, the subject property would provide needed parking that serves the broader purpose of area-wide public parking as it would not need to be dedicated to an on-site use (except for the commercial space). The garage is also located in an area of downtown that does not have parking structures generally available to the public during daytime hours. The continued growth and success of the Core district will depend upon the availability of parking close to downtown's major employers, many of which are located in the Core.

As a redevelopment opportunity, the subject property has the potential to advance the San Diego Downtown Community Plan's objectives for the Core land use district. Development of the Core district is primarily envisioned to encourage, support, and enhance the Core as a high-intensity office and employment center. The site is subject to the Community Plan's Employment Required Overlay, where 50 percent of the site's development must be devoted to office, education, retail and other commercial uses.

Office and employment-generating uses are possible uses for the subject site as it is immediately adjacent to the B Street financial and office corridor. The Community Plan supports the Core's role as a center of regional importance and as a primary hub for business, communications, office, and hotels, with fewer restrictions on building bulk and tower separation than in other districts. The Core accommodates mixed-use (office combined with hotel, residential, and other uses) projects as important components of the area's vitality. Retail, cultural, educational, civic and governmental, and entertainment uses are also permitted, and all development is required to be pedestrian-oriented. Although the subject property's lot size (15,000 SF) and footprint may limit development of the site to the higher densities of the Core district, the site is still capable of supporting a mixed-use project as envisioned by the Community Plan.

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