

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, SEPTEMBER 24, 2024**

MINUTE ORDER NO. 5

**SUBJECT: APPROVE COMPENSATION AGREEMENT REGARDING BALBOA
THEATRE PROPERTY RETAINED BY THE CITY OF SAN DIEGO FOR
FUTURE DEVELOPMENT (DISTRICTS: ALL)**

OVERVIEW

On February 1, 2012, California redevelopment agencies were dissolved, and successor agencies were appointed to wind down redevelopment affairs, including the disposition of real estate owned. ABX1 and AB 1484 (collectively known as the “Dissolution Act”) provide the methods of disposition available to successor agencies after a Long Range Property Management Plan (LRPMP) is prepared and approved.

The California Department of Finance approved a final, amended version of the City of San Diego (City) Successor Agency’s LRPMP on October 15, 2015. One of the properties included in the approved LRPMP is the Balboa Theatre property. The Balboa Theatre is an approximately 44,000 square-feet, five-story building, located on an approximately 15,000 square foot parcel at 868 Fourth Avenue in Downtown San Diego. This property has been retained by the City for future development in accordance with its LRPMP.

According to California Health and Safety Code Section 34180, a compensation agreement must be established between the city retaining ownership of a future development site and the other affected taxing entities associated with the former redevelopment area, wherein the affected taxing entities receive payments from the city in proportion to their shares of the base property tax for the value of the property retained by the city for future development. The County of San Diego (County) is one such affected taxing entity associated with the Balboa Theatre property. Today’s action is to approve the compensation agreement between the City and the County, and direct the Clerk of the Board to execute the agreement.

Today’s action supports the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as the ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished by negotiating a fair compensation agreement and providing one-time funding for County programs.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Approve the Compensation Agreement regarding the Balboa Theatre property retained by the City of San Diego for future development and direct the Clerk of the Board to execute the Agreement.

EQUITY IMPACT STATEMENT

The dissolution of redevelopment agencies throughout the State has assisted local jurisdictions to better preserve funding for core public services by allowing them to have more decision-making input of the development of communities, as well as resulting revenues. A compensation agreement for the Balboa Theatre property, retained by the City of San Diego for future development, will provide the County of San Diego with revenue that can be used toward investments back into the community which includes, but are not limited to, programs and services to help improve the health and public safety of residents.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed action supports the County of San Diego (County) Sustainability Goal #1 to engage the community. The Balboa Theatre redevelopment has the potential to become a focal point for the local community by enhancing commercial activity in the area. The project aligns with the County goal of engaging the community by creating spaces that encourage social interaction, local commerce, and community events. By revitalizing this area, the development can help build a stronger sense of community identity and foster active participation from residents in shaping the future of their neighborhood.

FISCAL IMPACT

As part of the terms of the compensation agreement, the allocation of proportional share of revenue would only be disbursed to the affected taxing entities 30 days after the close of escrow. Funds for this request are not typically included in the annual Operational Plan in the Health and Human Services Agency. If approved, this request may result in one-time revenue of approximately \$625,247 in the affected fiscal year, upon successfully meeting terms of the compensation agreement. The estimate is based on the compensation amount allowed by Health and Safety Code, which is calculated using the 2011 appraised value of \$4,070,000, less \$85,000 in appraisal, escrow and closing costs, multiplied by the County of San Diego's proportional share of the base property tax for the property (approximately 15.69%). The funding source is a payment from the City of San Diego. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Desmond, the Board of Supervisors took action as recommended, on Consent.

AYES: Anderson, Lawson-Remer, Montgomery Steppe, Desmond

ABSENT: Vargas

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter

