

DATE ISSUED: January 15, 2009

ATTENTION: Centre City Development Corporation
Meeting of January 21, 2009, Agenda 674

SUBJECT: Second Amendment to Ballpark Cooperation Agreement – East Village
Redevelopment District of the Expansion Sub Area of the Centre City
Redevelopment Project

STAFF CONTACT: Frank Alessi, Vice President and Chief Financial Officer

REQUESTED ACTION: That the Centre City Development Corporation (“Corporation”) recommend that the Redevelopment Agency (“Agency”) and the City Council approve a Second Amendment to Ballpark Cooperation Agreement (“Second Amendment”) and make certain findings relating to additional payments by the Agency to the City associated with debt service on bonds used to finance Petco Park.

STAFF RECOMMENDATION: That the Corporation recommend that the Agency and the City Council approve a Second Amendment to Ballpark Cooperation Agreement (“Second Amendment”) and make certain findings that:

- The Baseball Park and Related Improvements are of benefit to the Centre City Redevelopment Project area and the immediate neighborhood in which the Project area is located;
- No other reasonable means of financing the additional payment for debt service on the financing of the Baseball Park and Related Improvements are available to the community;
- The additional payment of funds for debt service on financing the cost of the Baseball Park and Related Improvements will assist in the elimination of one or more blighting conditions inside the Project area; and
- The additional payment for debt service on financing the cost of the Baseball Park and Related Improvements is consistent with the Implementation Plan for the Project area adopted pursuant to Section 33490 of the California Community Redevelopment Law.

SUMMARY: On February 22, 2000 the Agency entered into a Ballpark Cooperation Agreement (“Agreement”) between the Redevelopment Agency and the City of San Diego which authorized the Agency to pay for and implement certain activities for the development of the Baseball Park and Related Improvements. In May 2001, a First Amendment to the Agreement was entered into increasing the Agency’s investment in the Ballpark.

The development of the \$454 million Baseball Park was financed with \$95 million of downtown redevelopment tax increment funds, \$206 million from the City of San Diego, of which \$46 million was derived from redevelopment, and private funding by the Padres of \$153 million. Today, the City has approximately \$153 million outstanding in Lease Revenue Refunding Bonds, Series 2007A (“Ballpark Bonds”) relating to financing the Ballpark. The Ballpark Bonds have an annual debt service of approximately \$11.3 million.

The City experienced declining revenues in Fiscal Year 2008 and, with the continuation of slow economic growth, a further reduction of City revenues is expected in Fiscal Year 2009. To mitigate the City’s financial constraints a Second Amendment is proposed that provides payments from the Agency to the City for a portion of the debt service on the Ballpark Bonds. In addition, another agenda item for action is a Repayment Agreement proposed that will provide a long-term schedule for the repayment of CDBG funds to the City from the Agency.

FISCAL CONSIDERATIONS: The payment proposed in the Second Amendment totals \$56.6 million from the Agency to the City over a five year period during Fiscal Years 2009-2013 to cover debt service in the Ballpark Bonds of approximately \$11.3 million annually.

COMMITTEE RECOMMENDATIONS: On January 7, 2009, the Budget/Finance and Administration Committee voted unanimously (Brown, Cruz, Kilkenny, LeSar, McNeely, Shaw) to approve a Second Amendment to Ballpark Cooperation Agreement (“Second Amendment”) and make certain findings.

CENTRE CITY ADVISORY COMMITTEE RECOMMENDATION: On January 14, 2009, the Centre City Advisory Committee voted (23) and the Project Area Committee voted (21) unanimously to recommend approval of a Second Amendment to Ballpark Cooperation Agreement (“Second Amendment”) and make certain findings.

CHANGES SINCE BOARD COMMITTEE MEETING: **This item has not changed since the Committee action noted above.**

BACKGROUND: On February 22, 2000 the Agency entered into a Ballpark Cooperation Agreement (“Agreement”) between the Redevelopment Agency and the City of San Diego which authorized the Agency to pay for and implement certain activities for the development of the Baseball Park and Related Improvements. In May 2001, a First Amendment to the Agreement was entered into increasing the Agency’s investment for additional land assembly and to convey to the City the Ballpark Site. The development of the \$454 million Baseball Park was financed with \$95 million of downtown redevelopment tax increment funds, \$206 million from the City of San Diego, of which \$46 million was derived from redevelopment, and private funding by the Padres of \$153 million. Today, the City has approximately \$153 million outstanding in Ballpark Bonds relating to financing the Ballpark. The Ballpark Bonds have an annual debt service of \$11.3 million.

DISCUSSION: The proposed Second Amendment (Attachment A) provides for the Agency to increase its investment in the Ballpark and Related Improvements by making payments to the City to pay for debt service on the Ballpark Bonds.

The Summary Pertaining to the Additional Payments by the Agency for the Baseball Park and Related Improvements (Attachment B) describes the costs to be paid by the Agency under the Second Amendment and facts supporting certain findings of benefit including that the Baseball Park and Related Improvements are of benefit to the Centre City Redevelopment Project area and the immediate neighborhood in which the Project area is located; that no other reasonable means of financing the additional payment for debt service on the financing of the Baseball Park and Related Improvements are available to the community; that the additional payment of funds for debt service on financing the cost of the Baseball Park and Related Improvements will assist in the elimination of one or more blighting conditions inside the Project area; and that the additional payment for debt service on the financing of the cost of the Baseball Park and Related Improvements is consistent with the Implementation Plan for the Project area adopted pursuant to Section 33490 of the California Community Redevelopment Law.

ENVIRONMENTAL IMPACT: This activity is not a project, and is therefore not subject to CEQA per CEQA Guidelines Section 15060(c)(3).

CONCLUSION: The City is experienced declining revenues in Fiscal Year 2008 and, with the continuation of slow economic growth; a further reduction of City revenues is expected. To mitigate the City's financial constraints a Second Amendment is proposed that provides payments from the Agency to the City for a portion of the debt service on the Ballpark Bonds. In addition, another item on the agenda proposed is a long-term schedule providing for the repayment of CDBG funds.

Respectfully submitted,

Concurred by:

Frank J. Alessi
Vice President and Chief Financial Officer

Barbara A. Kaiser
Vice President – Real Estate Operations

Attachment: Attachment A – Second Amendment to Ballpark Cooperation Agreement
Attachment B – Summary Pertaining to the Additional Payment by the Agency
for the Baseball Park and Related Improvements

SECOND AMENDMENT TO
BALLPARK COOPERATION AGREEMENT

THIS SECOND AMENDMENT TO BALLPARK COOPERATION AGREEMENT (this "Second Amendment") is entered into by and between the Redevelopment Agency of the City of San Diego, a public body corporate and politic (the "Agency") and the City of San Diego, a municipal corporation (the "City").

WHEREAS, the Agency and the City have heretofore entered into that certain Ballpark Cooperation Agreement, approved and adopted on February 22, 2000 by Resolution No. R-03110 of the City Council of the City of San Diego, on file in the office of the City Clerk as Document No. 292800 and in the office of the Secretary of the Agency as Document No. 03110, as amended by that certain First Amendment, approved and adopted on May 1, 2001 by Resolution No. R-03327 of the City Council, on file in the office of the City Clerk as Document No. 294822 and in the office of the Secretary of the Agency as Document No. 03327 (collectively, the "Agreement"), for the development of a baseball park and related improvements (the "Ballpark and Related Improvements") within the East Village Redevelopment District of the Centre City Redevelopment Project Area; and

WHEREAS, in order to facilitate the financing of said Ballpark and Related Improvements, the City issued certain Lease Revenue Refunding Bonds, Series 2007A (the "Ballpark Bonds"), of which approximately \$153,000,000 remains outstanding, with a current annual debt service of approximately \$11,300,000; and

WHEREAS, the Agency and the City now desire to amend the Agreement to authorize the Agency to pay a total of \$56,596,750 toward the debt service of the Ballpark Bonds for fiscal years 2009-2013 as set forth more clearly in that certain schedule of payments (the "Schedule of Payments"), attached hereto and incorporated herein as Exhibit A, and to make other changes deemed appropriate by the parties; and

WHEREAS, consistent with Sections 33445 and 33679 of the California Community Redevelopment Law, the Agency and the City Council held a public hearing on the proposed increase in payment provided for in this Second Amendment; have duly published notice of such public hearing, and made copies of this Second Amendment and a summary of the facts supporting the proposed transaction available for public inspection and comment.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained herein, the parties hereto agree as follows:

SECTION 100 AMOUNT OF AGENCY PAYMENT

Section 400, Amount of Agency Payment, of the Agreement, as amended by Section 400 of the First Amendment, is hereby amended to read as follows:

ATTACHMENT A

In addition to the amounts contemplated by Sections 101 and 102, and by the preceding paragraphs, the Agency is authorized to pay up to \$56,596,750 toward the debt service of certain Lease Revenue Refunding Bonds, Series 2007A issued by the City (referred to in the Second Amendment as the "Ballpark Bonds") for fiscal years 2009-2013 as set forth more clearly in that certain schedule of payments (the "Schedule of Payments"), attached to the Second Amendment and incorporated herein as Exhibit A.

SECTION 200 EFFECT OF SECOND AMENDMENT

Except as expressly provided by this Second Amendment, the Agreement shall remain unchanged and in full force and effect in accordance with its original terms and conditions.

[Intentionally left blank]

IN WITNESS WHEREOF, this Agreement is executed by the Redevelopment Agency of the City of San Diego by and through its Executive Director, or designee, and this Agreement is executed by the City of San Diego by its Mayor, or designee.

REDEVELOPMENT AGENCY
OF CITY OF SAN DIEGO

Date: _____

By: _____

APPROVED AS TO FORM AND LEGALITY:
JAN I. GOLDSMITH, General Counsel

By: _____
Deputy City Attorney

KANE, BALLMER & BERKMAN

By: _____
Murray O. Kane
Agency Special Counsel

CITY OF SAN DIEGO

Date: _____

By: _____

APPROVED AS TO FORM AND LEGALITY:
JAN I. GOLDSMITH, City Attorney

By: _____
Deputy City Attorney

ATTACHMENT B

**CENTRE CITY REDEVELOPMENT PROJECT
SAN DIEGO, CALIFORNIA**

**SUMMARY PERTAINING TO THE ADDITIONAL PAYMENT BY THE AGENCY FOR
THE
BASEBALL PARK AND RELATED IMPROVEMENTS**

**(California Community Redevelopment Law)
Section 33679**

**PURSUANT TO A PROPOSED
SECOND AMENDMENT TO THE BALLPARK COOPERATION AGREEMENT
BY AND BETWEEN
REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
AND
CITY OF SAN DIEGO**

**Redevelopment Agency
of the
City of San Diego, California**

February 17, 2009

ATTACHMENT B

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I. INTRODUCTION

The Redevelopment Agency of the City of San Diego, California (the "Agency"), is considering assisting the City of San Diego (the "City") in additional financing of the development of a Baseball Park and Related Improvements in the Centre City Redevelopment Project area, pursuant to a proposed Second Amendment to the Ballpark Cooperation Agreement (the "Second Amendment") between the Agency and the City.

This Summary was prepared in accordance with Section 33679 of the California Community Redevelopment Law in order to inform the Agency and the public about the transaction. This summary describes and specifies:

A. The costs (and tax increment funds) to be paid by the Agency under the proposed Second Amendment for the Baseball Park and Related Improvements.

B. The facts supporting determinations that:

1. The Baseball Park and Related Improvements are of benefit to the Centre City Redevelopment Project area and the immediate neighborhood in which the Project area is located;

2. No other reasonable means of financing the additional payment for debt service on the financing of the Baseball Park and Related Improvements are available to the community;

3. The additional payment of funds for debt service on the financing of the cost of the Baseball Park and Related Improvements will assist in the elimination of one or more blighting conditions inside the Project area; and

4. The additional payment for debt service on the financing of the cost of the Baseball Park and Related Improvements is consistent with the Implementation Plan for the Project area adopted pursuant to Section 33490 of the California Community Redevelopment Law.

C. The redevelopment purpose for which the additional Agency funds (including tax increment funds) are being used to pay for the Baseball Park and Related Improvements.

II. COST OF THE SECOND AMENDMENT TO THE AGENCY

The estimated costs (and tax increment funds) to be paid by the Agency for the Baseball Park and Related Improvements under the proposed Second Amendment are as follows:

Debt Service relating to the City of San Diego Lease Revenue Refunding Bonds, Series 2007A (Ballpark Bonds Fiscal Year 2009 – Fiscal Year 2013)	<u>\$56.6 million</u>
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III. THE FACTS SUPPORTING DETERMINATION THAT THE BASEBALL PARK AND RELATED IMPROVEMENTS IS OF BENEFIT TO THE PROJECT AREA

The debt service on the financing of Baseball Park and Related Improvements for which the Agency proposes to pay will benefit the Centre City Redevelopment Project area and the immediate neighborhood in which the Project area is located, in that:

A. By continuing to pay debt service on the Ballpark Bonds, the Baseball Park and Related Improvements developed in the historically blighted 26-block area in Centre City East will continue to be infused with new projects surrounding the development that will both enhance the new Ballpark as well as providing amenities to the surrounding area.

The ballpark covers approximately 15 acres. The open-air facility is designed specifically for baseball although it is also being used for other purposes such as music concerts, large gatherings associated with the San Diego Convention Center, and civic events.

The Park at the Park is located just beyond the outfield fence of the ballpark and is surrounded on the other three sides by retail, residential, office and entertainment uses. A grass area including a flat lawn and slope covers approximately one acre of the Park at the Park. This grass provides ballpark event viewing opportunities. In addition, the grass area provides recreation and picnic opportunities to the surrounding neighborhood during non-game periods.

The street system in the vicinity of the Baseball Park and Related Improvements has been substantially realigned. A new roadway, known as Park Boulevard, crosses diagonally connecting Twelfth Avenue at K Street to Eighth Avenue at Harbor Drive. Tenth and Eleventh Streets have been realigned and terminate at the new Park Boulevard.

B. The Baseball Park and Related Improvements and the established surrounding districts will continue to provide complementary uses and create a successful mix by providing successful office, retail, commercial and entertainment within walking and transit distance of one another. The Baseball Park and Related Improvements will continue to serve as a regional activity center that will entice non-residents of downtown to enjoy the full range of amenities offered downtown.

C. The condition of buildings and properties in the area will continue to change with the activities of the Ballpark. The Baseball Park and Related Improvements continue to eliminate vacant lots, deteriorated and dilapidated buildings that have existed in the Project Area and contributed to its blighted condition. The direct improvement to properties will continue to encourage redevelopment of adjacent areas that will be situated to take advantage of the new neighborhood amenity. Residential development will continue to be stimulated in the surrounding area causing an acceleration of the elimination of nearby blighted conditions.

D. The condition of toxic and hazardous materials in the area has improved with the development of the Baseball Park and Related Improvements given that remedial actions have been completed for construction of the Baseball Park and Related Improvements.

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E. The ongoing payment for the Baseball Park and Related Improvements will continue to promote the improvement of the condition of nearby public improvements and infrastructure. Due to the reconfiguration of parcels in the area, the vacation of street and utility rights of way and the construction of a new diagonal street to Harbor Drive, a number of utilities have been relocated. Water and sewer lines in the area of the Baseball Park and Related Improvements have been upgraded to accommodate the new development. Aged and undersized pipes have been replaced with materials that meet City standards and codes. The replacement of the antiquated infrastructure in the area has improved the existing conditions of old and inadequate systems.

F. The Baseball Park and Related Improvements has resulted in reconstruction of streets and sidewalks adjacent to the ballpark. A diagonal street provides a new travel way with median and public amenities with a plaza type design. The Baseball Park and Related Improvements includes a plaza at the 10th Avenue and K Street entrance, street trees surrounding the ballpark and an integrated landscape design throughout. The Park at the Park provides new street side amenities including plaza and walkways, street trees and pedestrian amenities including a park-like setting that is open to the public on non-game-days.

G. The Baseball Park and Related Improvements has and will continue to have a direct effect on properties within that district, causing their respective values to increase substantially. The increase the assessed valuation of properties near the Baseball Park and Related Improvements Area in the Centre City East District has and will continue to affect surrounding areas in a positive way.

H. The Baseball Park and Related Improvements has resulted in a strong infusion of new economic activity, firms and jobs into the area. New hotels in close proximity to amenities like the Baseball Park and Related Improvements, Convention Center and Gaslamp District will attract tourist and convention business. New office space catering to a variety of firms is available as well as the shopping, retail and entertainment conveniences of downtown.

I. Market rents in the vicinity of the Baseball Park and Related Improvements have been re-established at a level previously unattained in that area. Existing development near the Baseball Park and Related Improvements has been favorably affected by the proximity of the new development leading to higher market rents and a decrease in vacancies.

J. The coordinated and integrated approach to redeveloping a portion of the Centre City East District into a regional amenity surrounded with ancillary development and supporting uses in a cohesive development has establish new uses and will continue to stimulate development in surrounding areas.

IV. THE FACTS SUPPORTING DETERMINATION THAT NO OTHER REASONABLE MEANS OF FINANCING THE ADDITIONAL PAYMENT FOR DEBT SERVICE ON THE BASEBALL PARK AND RELATED IMPROVEMENTS ARE AVAILABLE TO THE COMMUNITY

There are no other reasonable means available to the community for financing the Baseball Park and Related Improvement for which the Agency proposed to pay, in that:

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A. The annual debt service on the financing the Baseball Park and Related Improvements indicates the need for \$11.3 million from all sources. The City has limited resources to continue funding financing costs to amortize the Ballpark Bonds used to implement the Baseball Park and Related Improvements.

B. City of San Diego

1. The City of San Diego experienced declining revenues of over \$20 million (unaudited) in fiscal year 2008 and projects further revenue reductions in fiscal year 2009 of approximately \$34 million that severely impacts the City's ability to fund the debt service for the Ballpark Bonds and still deliver core services to the residents of San Diego. While the City assumed payment of debt service in 2003, this was a discretionary action that can be reversed since the Ballpark Bonds meets all program criteria for Agency funding. As a result of changing economic conditions, the City can not continue to support the payment for Ballpark Bonds debt service without reducing essential public services funded by the General Fund, such as police and fire services, environmental services, parks and libraries. The need to have debt service for the Ballpark Bonds be supported by the Agency was recognized in fiscal year 2008 as the City began to experience a decline in revenues.

2. Although the City reduced expenditures in fiscal year 2008 to below appropriated amounts, the further unanticipated decline in property tax, sales tax, franchise fees, rents and concessions and transient occupancy tax resulted in expenditures exceeding revenues by over \$20 million. In fiscal year 2008, the City reduced reserves by \$20 million (unaudited) in order to fund essential City services. The use of reserves to fund ongoing operations shows that the City has very limited capacity to continue to support the Ballpark Bond debt service while meeting its core service obligations.

3. The City's fiscal year 2009 balanced budget, approved in June 2008, includes reduced revenue projections adjusted for a continuation of slow economic growth and a continued constriction of economic activity that would further reduce taxes and other City revenues. Growth in revenues is anticipated to be negative in most major revenues categories, such as sales tax and transient occupancy tax (TOT), while the growth rate in property tax revenue is projected in fiscal year 2009 to be the lowest in over 10 years. The City Charter requires that the City maintain a balanced budget. The economic downturn and the negative effect on fiscal year 2009 revenues of approximately \$34 million confirms the pressing need that this debt service obligation should be assumed in part by the Agency to prevent further cuts in City services to maintain a legally required balanced budget.

4. In order to balance the Fiscal Year 2009 Annual Budget and limit the impact on City services, the City Council approved a projected transfer of \$7.5 million from Agency (subject to these findings being approved by City Council in a separate action) to begin to pay for a portion of the Ballpark Bond debt service. This critical

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addition to the City's projected annual revenue balanced the City's 2009 annual budget and supported the continuation of essential City services. The City's 2009 budget included conservative revenue projections and the elimination of approximately 60 City positions, limited increases for only mandated services and included no salary increases to City workers with the exception of public safety members. Due to the anticipated decline in City tax revenues, it is necessary to remove the debt service burden for the Ballpark Bonds from the City's obligations in order to free up the available revenues to continue to provide for essential City services such as trash collection, police officers, fire department, parks and libraries.

5. In addition, the City revenues projected in March of 2008, and adjusted downward in the May Revision to the budget, did not anticipate the magnitude of the continued downturn in the economy into possible recession. As a result, the City anticipates a \$43 million shortfall in the fiscal year 2009 budget. Property tax is at its lowest growth rate since 1997, and sales tax revenue is expected to decline from the previous year (fiscal 2008) for the first time since 2002. Reductions in City services will need to occur in this fiscal year to maintain a legally balanced budget that already assumes the transfer of \$7.5 million from the Agency for the payment of the Ballpark Bond debt service. If this transfer does not occur, the City will need to increase anticipated personnel cuts to maintain a balanced budget. The City has no other reasonable means other than further reductions in City services to continue to fund the payment of Ballpark Bond debt service for this eligible Agency project.

6. The City's Capital Improvement Budget is funded primarily with water and sewer fees, developer impact fees, grant funds, enterprise fund revenues, Facility Benefit Assessment funds, and Gas Tax and Transnet funds. The Fiscal Year 2009 Capital Improvement Program Budget totals \$574 million, an increase of \$82.3 million from Fiscal Year 2008. The increase is primarily due to an increase in funding for capital projects addressing deferred maintenance needs. Despite the increase in the City's CIP Budget, it is estimated that the City's deferred maintenance and capital needs from Fiscal Year 2008, is \$800 million to \$900 million. The Fiscal Year 2009 CIP Budget provides for the sewer upgrade of the City's Metropolitan and Municipal Wastewater System, water projects, Parks and Recreation projects, library projects, transportation projects and special projects.

As described above, the City does not have the resources to provide the debt service payments on the financing of the Baseball Park and Related Improvements in the Project Area at least for the next four years.

D. Tax Increment

The absence of any significant source of revenues for urban programs has left redevelopment in California almost completely dependent on tax increment financing through its redevelopment agencies. San Diego is no exception. If adequate local revenue sources are to be made available, it is clear it will have to come, for the most part, from taxes generated by the redevelopment program itself. The Agency can

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continue the turn around in the East Village Redevelopment District with the continued payment of debt service on the Ballpark Bonds used to fund the Baseball Park and Related Improvements eliminating the conditions adverse to investment; therefore, it is appropriate that the property tax increments generated be made available to pay the costs of the program.

V. THE FACTS SUPPORTING DETERMINATION THAT THE ADDITIONAL PAYMENT OF FUNDS FOR DEBT SERVICE ON THE FINANCING OF THE BASEBALL PARK AND RELATED IMPROVEMENTS WILL ASSIST IN THE CONTINUATION OF THE ELIMINATION OF ONE OR MORE BLIGHTING CONDITIONS.

In addition to the facts previously approved by the Agency on May 1, 2001 the additional payment of funds for debt service on the financing of the Baseball Park and Related Improvements will continue to assist in the continuation of the elimination of one or more blighting conditions within the East Village Redevelopment District, in that:

- A. The Baseball Park and Related Improvements has required the consolidation of several under-utilized parcels and has eliminated vacant lots, deteriorated and dilapidated buildings that existed in the nearby area within the Project Area. The Baseball Park and Related Improvements will continue to act as a catalyst for future development by providing an incentive for private investment and the removal of blight.

VI. THE FACTS SUPPORTING DETERMINATION THAT THE ADDITIONAL PAYMENT OF FUNDS FOR DEBT SERVICE ON THE FINANCING OF THE BASEBALL PARK AND RELATED IMPROVEMENTS IS CONSISTENT WITH THE IMPLEMENTATION PLAN FOR THE PROJECT AREA

In addition to the facts previously approved by the Agency on February 22, 2000, the additional payment of funds for debt service on the financing of the cost of the construction and installation of the subject improvements are consistent with the Five Year Implementation Plan adopted June 15, 2004 and as amended October 24, 2006 for the Project pursuant to Health and Safety Code 33490, in that:

- A. The Five Year Implementation Plan for Fiscal Year 2004 to Fiscal Year 2009 included the construction of a Baseball Park and Related Improvements.
- B. The Five Year Implementation Plan for Fiscal Year 2004 to Fiscal Year 2009 includes a projected \$545 million in expenditures for the Centre City and Horton Plaza Redevelopment Projects of which \$173 million is for debt service.
- C. The additional payment of \$56.6 million is consistent with the projected \$173 million for debt service in that the Centre City Redevelopment Project contained \$140 million for debt service for non-housing bond debt service and approximately \$105 million excluding the additional payment proposed pursuant to this amendment will be expended through Fiscal Year 2009. The first annual payment of \$11.3 million in Fiscal Year 2009 will fall within the debt service programmed in the five year plan.

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VII. THE REDEVELOPMENT PURPOSE FOR WHICH ADDITIONAL AGENCY FUNDS ARE BEING USED

The additional payment of funds for the debt service on the Ballpark Bonds will continue to assist in the elimination of blighting conditions in the east Village Redevelopment District. The Baseball Park and Related Improvements required the consolidation of several under-utilized parcels and has eliminated vacant lots, deteriorated and dilapidated buildings that existed in the nearby area within the Project Area. The Baseball Park and Related Improvements and the continued payment of debt service will act as a catalyst for the Ancillary development and other future development by providing an incentive for private investment. The Baseball Park and Related Improvements will continue to increase patronage of local retail businesses such as restaurants, hotels and retail shops; complement the San Diego Convention Center by providing an adjacent facility to host large outdoor gatherings; provide another regional facility for civic events, amateur athletics, concerts, multiple day trade shows, private parties, and other gatherings; and provide open space for the citizens of San Diego.

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**EXHIBIT A
SITE MAP OF BASEBALL PARK AND RELATED IMPROVEMENTS**

[see attached]