[mc-0398.039.029.009]

MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF SAN DIEGO AND THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO REGARDING THE FUNDING OF DOWNTOWN COURT FACILITIES

1. The Redevelopment Agency of the City of San Diego (the "Agency") and the County of San Diego (the "County") agree to jointly prepare a Cooperation Agreement providing the terms and conditions for the payment by the Agency for part of the cost of constructing Downtown Court Facilities as described below (the "Court Facilities") consistent with this Memorandum of Understanding (the "Memorandum"). The Agency shall follow the procedures and address the findings required by Sections 33445 and 33679 of the Community Redevelopment Law in connection with its consideration for approval of the Cooperation Agreement.

2. The Agency agrees to provide the County with a payment of $800,000 annually for twenty-five (25) years, or a grand total of $20 million, subject to the following:

   a. The first payment will be due at such time as the Court Facilities are fully funded and the first debt service payment on indebtedness issued to pay for the Court Facilities is due.

   b. The Agency would pay and secure the annual amounts from tax increment funds from the Columbia Redevelopment Project, including the same Columbia subarea of any merged or expanded redevelopment project area.

   c. The tax increment payments from the Agency would be subordinate to Agency bonded indebtedness secured by the Columbia Redevelopment Project tax increment outstanding at the time the indebtedness for the Court Facilities is issued, as well as any low- and moderate-income housing set-aside requirements.

3. The payments to be made by the Agency under the Cooperation Agreement could only be used toward the capital costs of constructing the Court Facilities (and not "soft"costs). The Court Facilities would contain a minimum of sixteen (16) new Superior Court courtrooms and related office and other support facilities in a major building located in close proximity to the existing downtown Courthouse so that the continuing viability of the existing Courthouse is not compromised by the construction of the new permanent facility (which facility is to function as an annex of the existing Courthouse), and so that the location and siting of the new facility functions

efficiently and conveniently with the existing Courthouse, including pedestrian egress and ingress, transfer of records, etc.

4. The County agrees that the Agency (through the Centre City Development Corporation) may participate in the County's RFQ/RFP process for the selection of the Court Facilities, including review, comment and recommendation to the County on the developer, the facility and the site.

5. The County agrees to maintain in the Centre City Community Planning Area ("Downtown") at least the number of Superior Court and Municipal Court courtrooms now existing Downtown. In addition, the County agrees to meet future courtroom needs for San Diego County in a manner which provides in Downtown at least the ratio of new judicial positions, compared to new judicial positions in all other areas of the County, as are calculated using the distribution of new judicial positions shown on Exhibit A hereto. The respective minimum ratios shall be maintained throughout each period at and after a milestone as shown on Exhibit A.

6. The Agency and County acknowledge that the "Cooperation Agreement between Redevelopment Agency of the City of San Diego and County of San Diego (Centre City Courtrooms)" entered into between the parties on or about March 21, 1990 is no longer effective, and the parties intend by this Memorandum to update the terms of their cooperation with respect to Court Facilities.

7. The Agency and County have entered into this Memorandum with the intention that any payments made by the Agency under the Cooperation Agreement will be attributed to mitigation of burden and detriment to the County, if any, which may result from adoption of the proposed Centre City Redevelopment Project. Therefore, if the adoption of the proposed Centre City Redevelopment Project is challenged in any manner in a suit at law or equity or otherwise by the County, then this Memorandum, and any Cooperation Agreement, may be terminated by the Agency, at its option, upon written notice to the County. In such event, the Agency shall not be required to make any further payments to the County as contemplated hereunder. Without limiting the foregoing, this provision in no way is meant to restrict the County's right to call for, or participate in, fiscal review or to restrict the intent of the

Agency and County to otherwise consult in good faith with respect to the mitigation of burden and detriment to the County, if any, which may result from adoption of the proposed Centre City Redevelopment Project.

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

By: _____

COUNTY OF SAN DIEGO

By: _____

Approved as to form:

JOHN W. WITT
General Counsel

By: _____
Allisyn L. Thomas, Deputy

Approved as to form:

LLOYD M. HARMON, JR.
County Counsel

By: _____
William Smith, Deputy

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EXHIBIT A

EXISTING AND PROJECTED JUDICIAL POSITION REQUIREMENTS FOR THE COUNTY OF SAN DIEGO

	EXISTING	2000	2010
o North County [1]			
- Superior	13	24	45
- Municipal	13	26	39
o Juvenile [2]			
- Kearny Mesa : Superior	10	15	25
o San Diego Municipal Court: Traffic/Small Claims [3]			
- Kearny Mesa : Municipal	7	11	16
o El Cajon [4]			
- Superior	5	14	20
- Municipal	11	19	26
o South Bay [5]			
- Superior	0	10	15
- Municipal	8	12	17
o Downtown San Diego [6]			
- Superior	49	65	90
- Municipal	29	42	53

[1] Projections of judicial positions that have been assumed in the update of the North County Regional Center Master Plan being prepared by Henningston, Durham, Richardson/Wheeler Wimer Blackman - October, 1991. Existing judicial positions are actual positions which occupy space in the North County Judicial District.

[2] This includes positions located at the exiting Juvenile facility at Meadowlark Avenue in San Diego. The projections of judicial requirements will be used in the preparation of a master plan for juvenile dependency courts.

[3] This data will be used in the preparation of a master plan for the San Diego Municipal Court Small Claims/Traffic facilities.

(4) The projections of judicial position requirements reflect assumptions used in the update of the East County Regional Center Master Plan being prepared by the OMNI Group - September 1991.

(5) These were the assumptions used in South Bay Regional Center Master Plan prepared by the OMNI Group - April 1990.

(6) These are the number of judicial positions that would be located in downtown San Diego if adequate interim space was available. Nine positions which were located in the San Diego Hotel have been temporarily reassigned to other locations in and outside the downtown San Diego area. All other data is from the Downtown Courthouse Master Plan - March 1990.

POSITION.TBL