

DEL MAR TIMES

Del Mar City Council explores options to retire Shores debt

Thursday, August 06, 2009

By Halie Johnson

The city manager's office on Monday presented several options for the council and community to consider in retiring the remaining loan debt for the 5.3-acre Shores property.

The remaining balance is \$3.245 million of the \$3.673 million the city borrowed to pay for the property.

The Friends of the Del Mar Parks have raised \$5.46 million so far, Barbara Mandel Pache, who heads the Campaign for the Del Mar Shores, said at Monday night's City Council meeting.

The Friends contributed \$30,000, enabling the city to pay the payment due on the loan at the end of the 2008-09 fiscal year. Another \$15,000 remains to put toward the Aug. 13 payment of \$28,944.

"We're confident we'll be able to bring the rest of that money to you," Mandel-Pache said.

She said the Lobster and Wine Festival on July 18 raised approximately \$24,000 for the campaign through the auction alone.

Assistant City Manager Mark Delin detailed the options his office faces and asked for city direction.

The council struck down any possibilities that required using money from the general fund, which Delin said could not support the debt service. The possibilities included renegotiating the loan terms with Union Bank of California or looking into a lease revenue bond.

"It is very difficult to finance this and do anything meaningful with our capital programs," Delin said.

He also said the city could put a general obligation bond on the ballot. It would require a two-thirds vote, but would offer the lowest possible interest rates.

The council and residents who submitted their comments seemed to favor this option, although the council was hesitant to take the other ideas off the table.

Delin said there are other ways to generate revenue to pay the debt by looking at city assets, such as the Balboa property and the possibility of selling or leasing a portion, not used by the Winston School, of the Shores property.

Delin also discussed selling other unused city properties that lack potential for future use.

"You need immediately to take off the table the idea of selling any portion of the (Shores) property," Laura DeMarco said during the public comment period.

"The Winston community would be very concerned if an RFP went out on the land," Mark Peterson told the council.

And Linda Castile, who teaches at the Winston School, urged the city to complete a long-term lease with the school.

Halie Johnson

Halie Johnson is the assistant editor at San Diego Suburban Newspapers. [E-mail](#) her with comments or questions.