

RESOLUTION NO. 208091 JUN 5 1973

RESOLUTION ESTABLISHING COUNCIL POLICY  
700-30 REGARDING DISPOSITION OF SURPLUS  
CITY-OWNED REAL PROPERTY.

BE IT RESOLVED, by the Council of The City of San Diego,  
as follows:

That Council Policy No. 700-30 regarding the disposition  
of surplus City-owned real property be and the same is hereby  
established as set forth in the form of Council Policy filed  
in the office of the City Clerk as Document No. 743691.

BE IT FURTHER RESOLVED, that the City Clerk be and he  
is hereby instructed to add the aforesaid to the Council  
Policy Manual.

APPROVED: JOHN W. WITT, City Attorney

By H. Valderhaug  
Harold Valderhaug, Deputy

rp/5-11-73  
MAC FARLANE

DRAFT - October 20, 1972

PROPOSED COUNCIL POLICY 700-30

SUBJECT: DISPOSITION OF SURPLUS CITY-OWNED REAL PROPERTY

BACKGROUND

The corporate authority to conduct the City's real estate business is contained in the City Charter and provides that the municipal corporation "...may own and acquire property within or without its boundaries for either governmental or proprietary, or any municipal purpose, either by succession, annexation, purchase, devise, lease, gift or condemnation, and may sell, lease, convey, exchange, manage and dispose of the same as the interests of said City may require; receive bequests, donations and gifts of all kinds of property within and without The City of San Diego in fee simple or in trust for charitable or other purposes and do all acts necessary to carry out the purposes of such gifts, bequests and donations;....". The Municipal Code sets out specific sections relating to the Council approval of sales of real property, sales of real property by public auction, sales of real property to public agencies, exchanges of real property, leases of real property, real estate broker registration and broker's fee. In addition, Council Policy 700 series includes policies and guidelines relative to administering the City's real estate operations.

City-owned real estate which may be determined to be surplus to present and future operating needs falls into three specific funding categories; City General, City Water or Sewer Utility, and Gas Tax. Revenues from these funding categories must be deposited as follows:

City General

- A. Lease revenue must be deposited to a general revenue account.
- B. Sale proceeds must be deposited to Capital Outlay 245 Fund in accordance with Charter Section 77.

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OFFICE OF THE CITY CLERK  
SAN DIEGO, CALIFORNIA

City Water or Sewer Utility

- A. Lease revenue must be deposited to the applicable utility revenue account.
- B. Sale proceeds must be deposited to the Water Utility Capital Fund 246 or Sewer Utility Capital Fund 247.

Gas Tax

- A. Lease revenue generated from house rentals prior to right-of-way clearance must be deposited to the applicable Gas Tax Revenue Account. The State of California requires that surplus right-of-way must be sold as soon as possible after it has been determined that it is excess and salable.
- B. Sale proceeds must be deposited to Gas Tax 219 or 220 Capital Fund.

PURPOSE

To establish guidelines for the disposition of surplus City-owned real property by leasing, public auction sale or negotiated sale.

POLICY

It is the policy of the City Council that surplus City-owned real property shall normally be leased, but that sale by negotiation or public auction will be considered under certain well-defined circumstances. Also, that surplus City-owned land shall be rezoned prior to its sale in conformance with adopted Community Plan land use designations.

GUIDELINES

The following guidelines shall be utilized by the Property Director to determine those surplus properties to be recommended for lease, public auction sale or negotiated sale:

A. Lease

City General and Utility lands shall be offered for lease provided there is:

1. Marketability - There must exist, now or in the foreseeable future, a reasonable expectation of potential leasehold development.
2. Development capability - The parcel must present no major defects such as title problems, soil conditions, plottage deficiency, configuration, topography or substantial off-site improvement costs. Marginal site conditions and excessive development costs preclude a reasonable return on the lessees investment, success of the development and ability to obtain leasehold financing.
3. Yield to City - The rent to the City should justify the cost of promoting the property for lease, the expense of administering the lease and provide a fair return on the market value of the property.

B. Sale

Those surplus properties defined as follows shall be sold by either public auction or direct negotiation:

1. Lands acquired by Gas Tax 219 and 220 Funds.
- ~~2. City lands which are zoned R-1-5 or lower or designated for low density residential development under adopted Community Plans.~~ (deleted by Council on 6-5-1973. lm)
- 2.
- ~~3.~~ Those surplus properties which do not meet the criteria for leasing or fail to attract a leasehold development proposal.

C. Sale by Direct Negotiation

Surplus properties may be sold by direct negotiation when the following conditions exist:

1. When a parcel is land-locked as a result of right of way acquisition.
2. When the Planning Department recommends the sale to a contiguous property owner to correct a marginal site deficiency.

3. When a fee vesting interest in a pipeline right-of-way is no longer required, it may be sold to a contiguous land owner. A restrictive pipeline easement of adequate width will be reserved from said sale.
4. When other governmental and quasi-public agencies submit acquisition proposals, the conveyance will be made by negotiated sale. These agencies shall include but not be limited to: Federal, State, County, Cities, school districts, special districts and quasi-public utility companies.
5. When non-profit institutional organizations offer to purchase City-owned land, a negotiated sale may be consummated providing there is a development commitment, right to re-purchase or reversion upon a condition subsequent. Institutional organizations such as churches, hospitals, extended care facilities, private schools and community service organizations are required to develop under the City's conditional use permit procedure.
6. When an industrially zoned parcel fails to attract an industrial leasehold development proposal. The negotiated sale shall require a development commitment, right to repurchase or reversion upon a condition subsequent.

REFERENCE: (1) Charter, Article 1, Corporate Powers, Section 1  
(2) Charter Section 77  
(3) Municipal Code Sections 22.0901, 22.0902, 22.0902.1, 22.0902.2,  
22.0903, 22.0905, 22.0907

Passed and adopted by the Council of The City of San Diego on JUN 5 1973  
 by the following vote:

RECEIVED  
 CITY CLERK'S OFFICE

1973 MAY 30 AM 11:52

SAN DIEGO, CALIF.

Councilmen	Yeas	Nays	Excused	Absent
Gil Johnson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maureen F. O'Connor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Henry L. Landt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floyd L. Morrow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Martinet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Allen Hitch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Bates	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON  
 Mayor of The City of San Diego, California.

EDWARD NIELSEN  
 City Clerk of The City of San Diego, California.

(Seal)

By Mary Anne Nease, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number 208091 Adopted JUN 5 1973

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