

R-75-2221

RESOLUTION No. 213001

Adopted on APR 10 1975

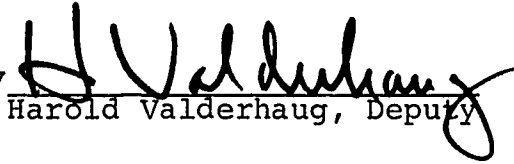
BE IT RESOLVED, by the Council of The City of San Diego as follows:

That Council Policy 700-30 entitled "Disposition of Surplus City-Owned Real Property" be and it is hereby amended as set forth in the form of Council Policy on file in the office of the City Clerk as Document No. 750844.

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

APPROVED: JOHN W. WITT, City Attorney

By


Harold Valderhaug, Deputy

HOV:nr
4-8-75
Or.Dept. PF&R Comm.

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DISPOSITION OF SURPLUS CITY-OWNED REAL PROPERTY	700-30		1 of 3

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.

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.

DOCUMENT NO. 750844
 FILED APR 14 1975
 OFFICE OF THE CITY CLERK
 SAN DIEGO, CALIFORNIA

213001

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 SAN DIEGO, CALIF.
 RECEIVED
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PURPOSE

To establish guidelines for the disposition of surplus City-owned real property by leasing, public auction sale or negotiated sale. City-owned real property or interest therein shall be considered surplus when it is not currently used for City operations or public purposes and it has been determined by the Subdivision Advisory Committee (SAC) that there is no future City requirement for said real property or interest. The designation of properties as surplus shall be confirmed by Council.

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.~~

It is the policy of the City Council that surplus City-owned real property shall be leased or sold and that the terms and conditions of a sale or lease shall be based upon the Fair Market Value of the property as disclosed by an appraisal made by a qualified real estate appraiser. Properties valued at \$50,000 or more shall be evaluated by an independent fee appraiser. The appraisal shall have been made within one year preceding a request for Council action. Surplus land shall be rezoned prior to its sale or lease in conformance with adopted Community Plan land use designations.

GUIDELINES

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

Surplus City-owned properties shall be recommended for leasehold development, public auction sale, or negotiated sale on the basis of the following guidelines:

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 lessee's investment, success of the development and ability to obtain leasehold financing.

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COUNCIL POLICY

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B. Sales (continued)

2. 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 repurchase 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.

Adopted by Resolution No. 208091 6/5/73

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 through the Marketing Catalogue as described in Council Policy 700-10.

1. Lands acquired by Gas Tax 219 and 220 Funds.
2. ~~These surplus properties which do not meet the criteria for leasing or fail to attract a leasehold development proposal.~~

C. Visibility and Public Knowledge of Proposed Agreements

Public notice of any proposed disposition, sale, or lease of City property shall be made thirty days before consideration by Council. Public notice of receipt by the City Manager of an acceptable proposal for the disposition, sale, or lease of City property shall be made at least thirty days before consideration of said proposal by Council. Also, the Manager shall file a statement with the City Clerk that an acceptable proposal has been received. Said statement shall specify the value ascribed to or implied for the City property by the acceptable proposal. Said statement shall be on file with the City Clerk and available for public examination for at least thirty (30) days preceding consideration of the proposal by Council.

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APR 10 1975

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

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lee Hubbard	<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"/>
Jim Ellis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jess D. Haro	<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.

(Seal)

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

By *Kathleen Martinez*, Deputy.

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Office of the City Clerk, San Diego, California

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