(R.78-1469)

FEB 15 1978

RESOLUTION NO. 220305

RESOLUTION ESTABLISHING COUNCIL POLICY NO. 900-3 REGARDING DISPOSITION OF CITY-OWNED INDUSTRIAL PROPERTIES.

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

That Council Policy No. 900-3, entitled "Disposition of City-Owned Industrial Properties," be and is hereby established as set forth in the form of Council Policy filed in the office of the City Clerk as Document No. 762708

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

APPROVED: JOHN W. WITT, City Attorney

By Allum — Harold O. Valderhaug, Deputy

HOV:dm:011.1 2-2-78

Or.Dept.:Mayor

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Draft Policy "Disposition of City-owned Industrial Properties."

BACKGROUND

The City has actively engaged in the development of industrial and scientific research parks since the 1950's. This development has involved the subdivision and improvement of City-owned lands which had long been in City ownership. During the last two years, the City has moved into the acquisition of other property and its improvement for industrial use. Examples are the Market Street and South San Diego Industrial Parks.

Between 1966 and 1976, the Economic Development Corporation (EDC) had an exclusive option on the City's industrial property under which it could sell the property and negotiate discounts, providing that the purchaser would commit to a construction schedule and achieve a high level of employment within a given period of time. In accordance with the terms of the contract between the City and EDC, one-half of the proceeds from the sale of the industrial properties was placed in the "Capital Outlay Fund" and one-half was placed in the "Land Trust Fund." This latter fund was utilized to further develop City property, thus maintaining an inventory of industrial sites.

With the change in the EDC contract in 1976, the continued involvement by EDC in the sale of City land has been replaced by the City Property Department. Under this revision, the sale of City property would normally be governed by Council Policy 700-10 and 700-30, and, in accordance with the Charter, the proceeds from the sale of these lands placed in the Capital Outlay Fund.

PURPOSE

To establish guidelines for the sale of City-owned industrial property and the financing of additional development of City-owned industrial sites.

POLICY

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In general, it shall be the City's goal to maintain a moderate inventory of industrially zoned and improved properties for disposal. This property is to be held for those developments which will insure a high level of employment density and a specific development schedule. In pursuit of this goal, the following steps will be taken.

- 1. Property Inventory. City shall continue to develop its inventory of property appropriate for manufacturing, scientific research, and major headquarters use.
- Redevelopment. City shall, through the Redevelopment Agency, continue to recycle certain properties in the FORM.

DOCUMENT NO. 762708

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in-City area for industrial development by acquisition, renovation, clearance, and/or consolidation of properties.

- 3. Financing of Development Costs. Proceeds from the sale of City-owned industrial properties shall be deposited in the Capital Outlay Fund in compliance with Section 77 of the City Charter and then immediately transferred to a fund from which up to 50% of the proceeds may be utilized for redevelopment of downtown in the short-term and the balance for support of a short-and-long-range industrial development program. Said fund shall be entitled the "Industrial Development Fund", with specific expenditures to be authorized by the Council on a case-by-case basis, and its use to comply with Section 77 of the Charter in all respects.
- 4. Marketing Program. A separate marketing program of City industrial land shall be maintained to expose the land to the public and facilitate acquisition of such land for manufacturing, scientific, and major headquarters' use.
- 5. Negotiated Sale. The Manager may negotiate the sale of City property where the developer will assure a development schedule and employment standards. Sales to be negotiated at a price equal to, or greater than, the appraised value of the property. Proposals need not be subject to advertisement prior to Council consideration, but shall be considered based on the proposed sale price and employment standards incorporated in the proposal.
- 6. <u>Discounts</u>. Discounts on City industrial property may be considered in accordance with Council Policy 700-38 only when distinct employment and/or other economic advantages exist for the City.

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Passed a	nd adopted by the Council llowing vote:	l of The City of Sa	an Diego on	FEB 1	51978	
	Councilmen Bill Mitchell Maureen F. O'Connor Bill Lowery Leon L. Williams Fred Schnaubelt Tom Gade Larry Stirling Jess D. Haro Mayor Pete Wilson	Yea Yea		Excused	Absent	
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			Mayor of	PETE WILSO f The City of San D		a,
(Seal)			СН	ARLES G. ABD	ELNOUR	
		E	City Clerk	of The City of San	Diego, Califor	nia . , Deputy
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