RESOLUTION No. R- 251154

(R80-1338)

FEB 11 1980 Adopted on

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

That Council Policy No. 700-10 entitled "Disposition of Surplus City-owned Real Property" be, and the same is hereby amended as set forth in Council Policy filed in the office of the City Clerk as Document No. RR- 251154

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

HOV:ps:011.1 1/29/80 Or.Dept. PF&R

CITY OF SAN DIEGO, CALIFORNIA								
COUNCIL POLICY Rev.								
SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE					
DISPOSITION OF SURPLUS CITY-OWNED REAL PROPERTY	700-10	10-1-79	1 or 5					

### BACKGROUND

The City of San Diego has historically disposed of its surplus real estate holdings after the City Council has determined that City-owned property is not needed for present or future operating purposes. The disposition of these surplus parcels has been consummated through public auction sales, negotiated transactions and leasing.

Leasing of City-owned property is an effective vehicle for developing a sustained flow of revenue; providing beneficial capital improvements; and preserving the integrity of the City's land resources. It may be desirable to lease both surplus and non-surplus City property which has marketable leasehold development potential.

City property determined to be surplus and which is not economically suitable for leasing, may be sold either by negotiation or auction.

The proceeds from the sales of City-owned lands are utilized for Capital Improvements Program project as required by the City Charter, Section 77, and the revenues generated from leases are utilized for General Fund purposes.

### **PURPOSE**

To provide maximum marketing and public exposure in order to assure that the City receives (1) the best possible offer to purchase and the highest price commensurate with the highest and best use, (2) the best possible proposal for leasehold development/operations at the maximum economic return, and (3) to establish a procedure by which City-owned real estate is declared surplus.

# POLICY

The City Council will review all City-owned real estate not used for municipal purposes and determine the appropriate disposition of surplus real estate through public auction sale, negotiated transaction or lease.

The sale or lease of City-owned real estate shall be based upon the Fair Market Value estimate of the highest and best use or Council designated use as determined by a qualified real estate appraiser. Any transaction must be approved by City Council within six months of the date of value of the appraisal.

Discounts will not be negotiated unless an extraordinary need or circumstance is recognized by Council Resolution prior to negotiation setting forth the amount of the discount and the justification for it.

The City Council shall at it's sole discretion either approve, disapprove, or return for further study any recommendation of the staff regarding the disposition of city property.

DOCUMENT NO. RR- 251154

**FEB 12 1980** 

FILED

# CITY OF SAN DIEGO, CALIFORNIA

Rev. COUNCIL POLICY SUBJECT EFFECTIVE POLICY NUMBER DATE DISPOSITION OF SURPLUS CITY-OWNED REAL PROPERTY 700-10 10-1-79 5 OF 5

#### GUIDELINES (Continued)

## D. Marketing

Competitive offers for lease or sale shall be solicited from the open market place. This may be accomplished through a number of marketing techniques such as requests for proposals (RFP), a marketing subscription system, direct advertising, exposure through the real estate media, such as the multiple listing service, posting the property and any other appropriate means.

# E. Real Estate Broker's Fee

Real estate brokerage participation shall be encouraged to attract bona fide offers to lease or purchase City-owned property. The real estate broker's fee shall be paid in accordance with Municipal Code Section 22.0905. The City Council has the discretion to pay brokers' fees of up to 6%.

F. Since time is of essence in land transactions, all such actions by Council and Committee shall be given the highest priority and special handling. Such action which must first go before a Council Committee will be placed on an early portion of the Committee agenda in order to assure prompt action. Subsequent to the Committee action, the item shall be placed on the docket of the next regular City Council meeting as a Supplementary Item.

### <u>IMPLEMENTATION</u>

Specific or detailed processing procedures necessary to implement and amplify the above policy guidelines shall be appropriately addressed in the City of San Diego Administrative Regulations Manual (AR 25.10).

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Adopted by Resolution No. 169946 3-15-62
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Amended by Resolution No. 212957 4-4-75

Amended by Resolution No. 217309 12-21-76

Amended by Resolution No. 218125 4-12-77 Amended by Resolution No. 219507 10-19-77

Amended by Resolution No. 220842 5-9-78 with a new title.

Amended by Resolution No. 224022 7-16-79

Amended by Resolution No. 250319 10-1-79 (Assigned Department - Property) References:

Council Policy 700-4, Balboa Park Leases and Agreements Council Policy 700-9, Leases to Non-Commercial, Non-Profit Organizations in Mission Bay Park.

Council Policy 700-11, Political Activities on Certain Properties Leased to Non-Commercial, Non-Profit Organizations.

Council Policy (New Policy Recommended by PF&R on 1/10/80), Use of

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the REP Process for Lease of City-Owned Land.

(Assigned Responsibility - Property Departs (Assigned Responsibility - Property Department)

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Passed and adopted by the following vote:	y the Council of	The City of San D	iego on	FEB 111	980		
Council Bill Mitchell Bill Cleator Bill Lowery Leon L. Will Fred Schnau Mike Gotch Larry Stirlin Lucy Killea Mayor Pete	iams belt	Yeas ONDNOUND	Nays	Not Present	Ineligible		
(Seal)	AUTHENTIC	CATED BY:	СНА	PETE WILSO The City of San Die RLES G. ABDE f The City of San I	ego, Califomia.  LNOUR  Diego, Califomia		
				Clerk, San Diego, C	alifornia	-	
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