

(R-85-2508)

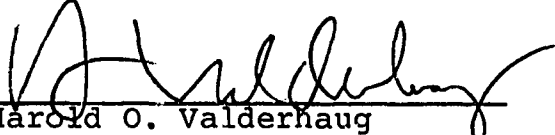
RESOLUTION NUMBER R- 263644

ADOPTED ON JUL 8 1985

BE IT RESOLVED, by the Council of The City of San Diego, that the City Manager is hereby authorized to request proposals for the purchase of the approximately 5.7-acre City-owned site on Euclid Avenue north of Fir Street in the manner set forth in that City Manager Report, a copy of which is attached hereto and incorporated herein.

APPROVED: JOHN W. WITT, City Attorney

By

  
Harold O. Valderhaug  
Deputy City Attorney

HOV:ps  
06/18/85  
Or.Dept:Prop.  
Job:917679  
R-85-2508  
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DATE ISSUED:

REPORT NO.

ATTENTION: PF&R Committee, Agenda of

SUBJECT: Euclid Avenue Property - Site 934

SUMMARY

Issue - Shall the City request proposals for sale for the former low-income housing parcel on Euclid?

Manager's Recommendations - RFP the property to prequalified bidders by sealed bid.

Other Recommendations - The City's Real Estate Advisory Committee recommends this action.

Fiscal Impact - The net proceeds from the sale will be deposited into the Capital Outlay 30245 Fund.

BACKGROUND

This-City-owned property is a 5.7-acre site on Euclid Avenue just north of Fir Street. It is vacant and zoned R-1-5, single family residential.

The property was acquired by the Housing Commission in 1981, at a cost of \$776,000, when it was thought that it could be developed for medium-density low-income housing. In November 1983, because of opposition from the community, the Housing Authority withdrew the PRD tentative map and efforts to develop low-income housing on the property were stopped. Since a Federal Government (HUD) loan had been used to acquire the property, the City was required to repay the loan. Subsequently, HUD was reimbursed for the cost of the project using City Capital Outlay and General Funds in the amount of \$1,075,986, which included the acquisition expenses, as well as accumulated administrative costs and interest expenses. The property has now been transferred from the Housing Authority to the City and the Property Department has been instructed to dispose of the site so that the City's Capital Outlay Fund can be reimbursed.

The property was offered at public auction on June 4, 1984, at a minimum bid of \$600,000, and on March 11, 1985, at a minimum bid of \$500,000, without success. During these efforts, two offers were received from well-qualified

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developers, which were structured around the concept of a joint venture. The proposals were taken to the Real Estate Advisory Committee which, after considerable discussion, recommended that the City pursue an RFP for purchase of the property based upon a modified joint venture. The purchase would be structured so that:

1. Potential developers would be prequalified using criteria of past performance, current reputation and financial capability. A sub-committee of the City's Real Estate Advisory Committee would assist in this effort.
2. The prequalified developers would be provided information on the property and have an opportunity to review its potential.
3. The prospective developers would then submit their planned residential development (PRD) proposal (verbal description only) and a sealed bid.
4. The base land sale price would be \$400,000, payable at close of escrow, with competitive bids on the percentage the City is to receive on the gross sale price of the dwelling units (d.u.), the minimum of which would be 5 percent; and the minimum gross sale price of the dwelling units.

Example

Base land price		\$400,000
Successful bid on percentage of d.u. sale price	5% x 48* d.u. x \$80,000**	\$192,000
Total sale price		\$592,000

\*Assumed number of allowable units.

\*\*Assumed finished unit sale price.

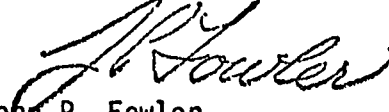
3. The terms of the sale would require a down payment of 10 percent of the base price with the balance of the base price or \$360,000, due at close of escrow. The escrow period would be limited to one year from the date the Council approves the developer. The close of escrow would be contingent on: 1) the approval of a PRD and tentative subdivision map; 2) the execution of a joint venture agreement in which the City agrees to subordinate to a construction loan and the developer warrants to make the agreed payments to City upon the sale of completed units; and 3) other provisions including performance bond, liability and development under PRD requirements.

By selling the property in this manner, it is believed that developers will be more willing to participate and the City will, under the circumstances, maximize its return from the property. The proceeds will be used to partially repay the Capital Outlay Fund.

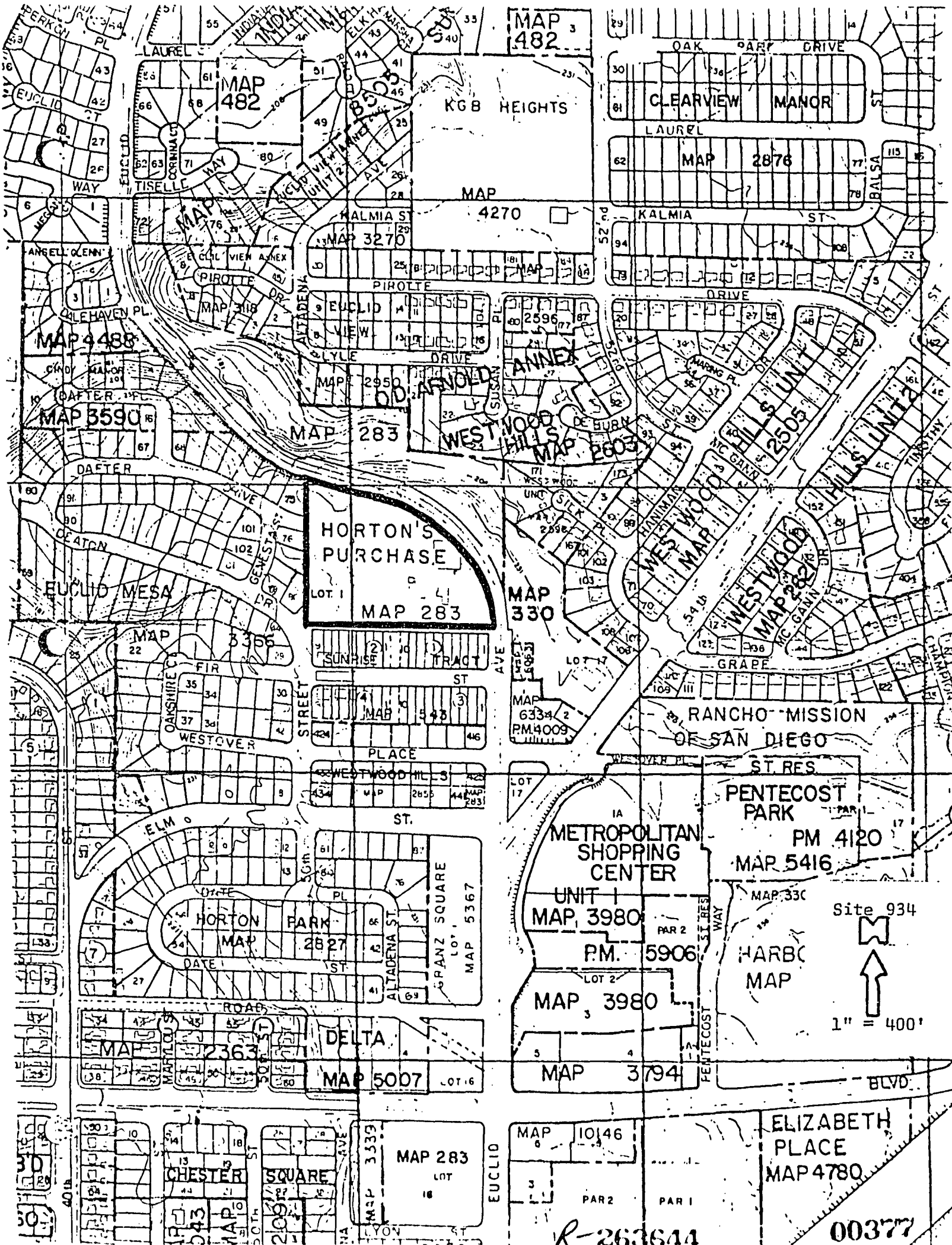
ALTERNATIVE

1. Auction the property, following normal procedures, at a minimum bid of \$400,000.
2. Hold the property with the expectation that it will be sold at a later date.

Respectfully submitted,

  
Joan P. Fowler  
Deputy City Manager

JLS:MRS:sn(8)D5  
6-11-85



MAP 482

MAP 482

MAP 2876

MAP 4270

MAP 3270

MAP 4488

MAP 3590

MAP 283

WESTWOOD HILLS MAP 2555

HORTON'S PURCHASE

MAP 283

MAP 330

MAP 3355

SUNRISE TRACT

MAP 543

RANCHO MISSION OF SAN DIEGO

PENTECOST PARK

PM 4120

MAP 5416

METROPOLITAN SHOPPING CENTER

UNIT I MAP 3980

PM 5906

MAP 3980

MAP 3794

Site 934



1" = 400'

DELTA

MAP 5007

MAP 283

MAP 10146

ELIZABETH PLACE MAP 4780

R-263644

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JUL 8 1985

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

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> VACANT
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Roger Hedgecock	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

ROGER HEDGECOCK  
Mayor of The City of San Diego, California.

(Seal)

CHARLES G. ABDELNOUR  
City Clerk of The City of San Diego, California.

By *June G. Blackwell*, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number *R-263644* Adopted JUL 8 1985

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