

(R-94-1836)

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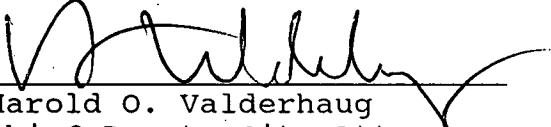
RESOLUTION NUMBER R-\_\_\_\_\_

ADOPTED ON MAY 31 1994

BE IT RESOLVED, by the Council of The City of San Diego, that the City Manager is hereby authorized to execute a purchase agreement with and grant deed to BIOPLEX RESEARCH CENTRE II, INC. for Lot 3A, and an option agreement for Lot 3B at Eastgate Technology Park, for a purchase price of \$1,404,000 and an option payment of \$171,600, as more particularly described in the Manager's Report attached hereto and made a part hereof.

APPROVED: JOHN W. WITT, City Attorney

By

  
\_\_\_\_\_  
Harold O. Valderhaug  
Chief Deputy City Attorney

HOV:ps  
05/18/94  
Or.Dept:REA  
Job:921737  
R-94-1836  
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DATE ISSUED:

REPORT NO.

ATTENTION: Honorable Mayor and City Council, Agenda of

SUBJECT: Land Sale to Bioplex Research Center II, Inc.

SUMMARY

Issue - Should Council authorize the sale of Lot 3A with an option on Lot 3B, Eastgate Technology Park to Bioplex Research Center II, Inc.?

Manager's Recommendation - Authorize the sale.

Other Recommendations - The Real Estate Advisory Committee recommends the sale.

Fiscal Impact - \$1,404,000 for 3A and an option payment of \$171,600 on Lot 3B to be deposited into the Police Decentralization Fund 302481. In addition to the above, a contribution of \$100,000 will be made to the Eastgate Child Care Center Development Fund.

BACKGROUND

At a closed session meeting, Council authorized sale negotiations with Bioplex Research Center II, Inc. (Bioplex) for Lot 3A and an option on Lot 3B, subject to a review of the lease between Bioplex and its end user, Vical. Staff has reviewed the lease and is satisfied that the City has no involvement in the transaction. Bioplex will be developing an approximate 50,000 square foot facility for Vical, a local/major biotechnology company involved in gene therapy research. The

R-283964

company presently employs 70 people and plans to double that number in 3 to 4 years.

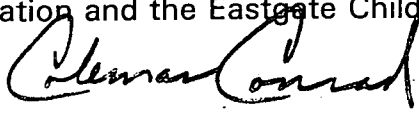
The basic terms of the agreement are as follows:

- Purchase Price, Lot 3A: \$1,404,000 - Full Fair Market Value
- Option Price, Lot 3B: \$171,600 - 10% of Fair Market Value of \$1,716,000
- Option Term: 3 years, with CPI adjustment in value after year 1 not to exceed 5% per year, and after year 2 not to exceed 5% per year.
- Escrow Period: 90 days.
- Anti-speculation Clause: If the property is sold by Bioplex or nominee during the first five years after close of escrow, the City would receive 70% of the increased value of the lot during those years.
- Eastgate Child Care Center: Bioplex will pay a one-time contribution of \$100,000 for Lots 3A and 3B.
- Lot Line Adjustment Map: Bioplex needs additional surface parking and City agrees to assist in facilitating a lot line adjustment map between Lots 3A and 3B.
- Additional Square Footage: In connection with the lot line adjustment map, City will permit Bioplex to purchase a portion of the optioned Lot 3B (not to exceed 20% of the total square footage on Lot 3B) for additional surface parking.
- Real Estate Commission: There is no Broker's Commission on this sale.

The City agrees to provide Bioplex with fast track scheduling services so that the facility can be constructed to meet Vical's schedule of construction completion in May of 1995.

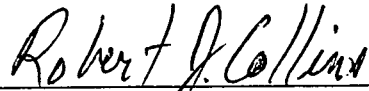
ALTERNATIVES

Do not approve the sale. This is not recommended as the sale will create new jobs within the area, create a new tax base and will provide revenue for Police Decentralization and the Eastgate Child Care Center.



Approved: \_\_\_\_\_

Coleman Conrad  
Deputy City Manager



Submitted by: Robert J. Collins  
Real Estate Assets Department  
(236-6722)

SPOTTS:RJC:LMG:dcj