

(R-2003-18)

296781

RESOLUTION NUMBER R-_____

ADOPTED ON JUL 09 2002

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE CITY MANAGER OR DESIGNEE TO CONVEY REAL PROPERTY TO THE REDEVELOPMENT AGENCY FOR THE PURPOSES OF IMPLEMENTING THE REDEVELOPMENT PLAN FOR THE BARRIO LOGAN REDEVELOPMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of the City of San Diego [Agency] is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Barrio Logan Redevelopment Project [Project]; and

WHEREAS, the City of San Diego [City] owns real property known as 1901 Main Street, APN 538-670-27, 36, 1031 Cesar E. Chavez Parkway (formally Crosby Street), APN 538-510-28, 1911 Newton Avenue, APN 538-671-01, 917 Cesar E. Chavez Parkway, APN 538-270-18, [the Property] more specifically described in Exhibit A to this resolution; and

WHEREAS, the City used TransNet funds to acquire the Property which was required to widen Crosby Street; and

WHEREAS, the Council approved by Resolution No. R-295585 on October 16, 2001, a Disposition and Development Agreement with Chuey's on Main Street Corporation and approved by Resolution No. R-294285 on November 21, 2000, a Disposition and Development Agreement with Mercado Associates LLC, [Developers] pursuant to which the Agency will sell

and/or ground lease certain property in the Project to the Developers or their assignees for the development and construction of a restaurant and retail facilities [Agreements]; and

WHEREAS, the Agreements have identified the Property as necessary for the development of the restaurant and the retail center; and

WHEREAS, the City desires to transfer the Property to the Agency pursuant to the provisions of San Diego Municipal Code section 22.0907 which permits the sale of real property belonging to the City to a public agency; and

WHEREAS, the City Council has considered all terms and conditions of the proposed conveyance of the Property, and believes that the development of the restaurant and retail center pursuant to the proposed Agreements is in the best interest of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law and requirements; NOW, THEREFORE,

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


1. That the Council finds that the Property described more fully in Exhibit A to this Resolution is required for a public purpose.
2. That the Council deems that the price and the terms of the transfer of the Property, described more fully in Exhibit A to this Resolution, to the Agency to be fair and equitable and in the public interest.
3. That all funds paid by the Agency for the Property shall be deposited into the City TransNet Fund until the TransNet Program is discontinued by the State of California.

4. That all funds paid by the Agency for the Property after the TransNet Program is discontinued by the State of California shall be deposited into the Capital Improvement Project [CIP] fund determined by the City Manager, or designee.

5. That the City Manager, or designee, is authorized and empowered to execute, for and on behalf of the City of San Diego, a grant deed, or other legal document evidencing the transfer of the Property, a copy of which is on file in the office of the City Clerk as Document No. RR- 296781, granting to the Agency, Parcel numbers APN 538-670-27, 36, APN 538-510-28, APN 538-671-01, APN 538-270-18, as more particularly described in the grant deed or other legal document.

6. That the City Clerk is authorized and directed to deliver a certified copy of this resolution, attested by him under seal, to the Real Estate Assets Department for further handling.

APPROVED: CASEY GWINN, City Attorney

By 
Elisa A. Cusato
Deputy City Attorney

EAC:ai
06/20/02
Or.Dept:REDV
Aud.Cert:n/a
R-2002-18
Redev:RA-2003-3
Form=r&t-comp.frm

Exhibit A

Rev 1/16/00

RECEIVED

CITY OF SAN DIEGO
MEMORANDUM

JUN 04 2002

ECONOMIC DEVELOPMENT
SERVICES

DATE: May 14, 2002

TO: Michael R. Steffen, Deputy Director, Acquisition and Valuation Division

FROM: Lucille Galvin, Property Agent, via
Paul G. Carrannanto, Supervisor, Valuation Division *pgc*

SUBJECT: AP2875 Appraisal of 1901 Main, 1911 Newton, 1031 Crosby, and 917 Crosby Streets, Barrio Logan, Mercado Redevelopment District

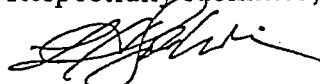
In response to your request, I have conducted the required inspection, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the market value of the fee simple interest of the properties.

Based on inspection of the property and on the investigation and analyses undertaken, I have formed the opinion that, as of May 14, 2002, subject to the assumptions and limiting conditions set forth in the report, the market value of each of the subject properties is as follows:

<u>Property</u>	<u>Address</u>	<u>Size</u>	<u>Value</u>
Parcel A	1901 Main (APN538-670-27, 36)	39,615 s.f.	\$927,000
Parcel B	1911 Newton (APN538-671-01)	10,554 s.f.	\$211,000
Parcel C	1031 Crosby (APN538-510-28)	1,040 s.f.	\$21,000
Parcel D	917 Crosby (APN538-270-18)	2,004 s.f.	\$40,000

The Restricted Use Appraisal Report that follows briefly states the property location; the data used and sets forth the analyses and opinions which serve as a basis for these conclusions. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file.

Respectfully submitted,



Lucille Galvin, SR/W

Property Agent, Valuation Division, Real Estate Assets Department
Senior Right of Way Agent, International Right of Way Association
State of California, Certified General Appraiser-AG02397

R 296781

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

This is a Restricted Use Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2c of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it presents no discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

PURPOSE OF THE APPRAISAL:

To estimate the market value.

INTENDED USE OF REPORT:

For the sole purpose of assisting the City in planning and possible negotiation purposes only.

INTEREST VALUED:

Fee Simple

EFFECTIVE DATE OF VALUE.

May 14, 2002

APPRAISAL DEVELOPMENT & REPORTING PROCESS:

The appraiser did not make any departures in the appraisal process from the Standards Rule of USPAP. This restricted appraisal report format sets forth only the appraiser's conclusions. Supporting documentation is retained in the appraiser's file.

INTEREST APPRAISED:

Fee simple.

DEFINITION OF MARKET VALUE:

The definition of Market Value relied upon in this appraisal is taken from USPAP, meaning the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

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Parcel A - 1901 Main

Land Value:	39,615 s.f.	@ \$20.00psf =	\$792,300
Improvements	9,000 sf	@ \$15.00psf=	<u>\$135,000</u>
Value (Cost/ Direct Comparison)			\$927,300
Value Rounded			\$927,000

Parcel B - 1911 Newton

Land Value:	10,554 s.f.	@ \$20.00psf =	\$211,080
(Direct Comparison)			
Value Rounded			\$211,000

Parcel C - 1031 Crosby

Land Value:	1,040 s.f.	@ \$20.00psf =	\$20,800
(Direct Comparison)			
Value Rounded			\$21,000

Parcel D - 917 Crosby

Land Value:	2,004 s.f.	@ \$20.00psf =	\$40,080
(Direct Comparison)			
Value Rounded			\$40,000

The properties were purchased for the Crosby Street widening approximately 10 years ago. They are designated BLPDD in the Barrio Logan Planned District, Mercado Redevelopment Subdistrict for mixed uses such as commercial, retail, and residential. The following comparables were used for direct sales comparison with the subjects. The comparables sales are zoned "C" for commercial uses and were purchased for use as restaurants, car rental parking and a gas station mini-market site. The market conditions required adjustment upward but the subject location is considered inferior to all of the sales. The smaller Parcels C and D were valued for the highest and best use as if joined or assembled with the surrounding vacant land. The indicated range of value after adjustment is \$17.50 psf to \$20 psf.

SALES USED FOR DIRECT COMPARISON – LAND VALUATION:

	<u>Property Address</u>	<u>Sales Price</u>	<u>Closing Date</u>	<u>Land SqFt</u>	<u>Price Per SF</u>
1	SW Cnr 52nd & University	\$285,000	5/29/2001	16,571	\$17.20
2	3577 Dalbergia St	\$500,000	7/24/2001	28,000	\$16.86
3	3841 National Ave	\$361,000	1/18/2002	18,620	\$19.39
4	SW cnr Market & 32nd	\$400,000	6/1/2001	21,000	\$19.05
5	3066 Kettner Blvd	\$1,200,000	5/18/2001	44,780	\$26.80

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ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been based upon the following assumptions and limiting conditions:

- 1) Information, estimates, and opinions furnished by others and contained in this report were obtained from sources considered reliable and believed to be true and correct; no responsibility is assumed for errors or omissions, nor for information not disclosed which might otherwise affect the valuation estimate. The right is reserved to reevaluate any such information that may be disclosed later.
- 2) No survey of the boundaries of the properties was made. All areas and dimensions furnished are accepted as being correct.
- 3) No liability is assumed for legal matters, especially any matters affecting title to the property. It is assumed that title to the property is held in fee simple interest as of the date of valuation unless otherwise stated.
- 4) It is assumed that the property is readily marketable, free of all liens and encumbrances except any specifically discussed herein, and under responsible ownership and management.
- 5) Any sketches, maps and/or photographic views in this report are included for the purpose of assisting the reader in visualizing the concerned properties; no responsibility for accuracy of these exhibits is assumed.
- 6) It is assumed that there are no legitimate environmental or ecological reasons that would prevent orderly development of the land to its highest and best use under economically feasible conditions.
- 7) No warranty is made as to the seismic stability of the subject property.
- 8) Disclosure of the contents of this appraisal report is governed by the by-laws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially reference to the Appraisal Institute) may be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communications without prior written consent and approval of the appraiser.
- 9) The date of value to which the opinions expressed in this report apply is set forth in the letter of transmittal. The appraiser assumes no responsibility for economics or physical factors occurring at some later date which may affect to opinions herein stated.
- 10) The value estimates presented in this report reflect the most probable prices either in terms of cash or in terms of financing arrangements equivalent to cash.

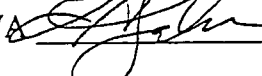
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- 11) No opinion is expressed as to the value of subsurface oil, gas, or mineral rights and it is assumed that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.
- 12) A soils analysis or soils engineering study was not provided for this appraisal. It is assumed that there are no hidden or unapparent conditions which would impact the utility of each subject property to the point of affecting value. No responsibility is assumed for such conditions or for engineering studies which might be required to discover such factors.
- 13) A Phase I Environmental Site Assessment has not been provided for review. The existence of hazardous material, which may or may not be present on each subject property, has not been observed by the appraiser. Physical inspection of revealed no apparent contamination by hazardous chemicals, toxic wastes or pesticides. No nearby land uses were noted that are commonly associated with such problems. The appraiser is not qualified to detect such potentially hazardous substances, the presence of which may affect the value of the property. The valuation estimates presented herein are predicated on the assumption that there are no significant negative environmental characteristics on-site that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. Such determinations would require investigation by a qualified expert in the field of environmental assessment. The client is urged to retain an expert in this field if so desired. The appraiser reserves the right to re-evaluate the property when and if an environmental assessment is provided.

CERTIFICATION OF VALUE

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased, professional analysis, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent on developing or reporting predetermined results.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
7. I have made a personal inspection of the property that is the subject of this report.
8. No one provided significant real property appraisal assistance to the person signing this certification.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. I have completed the requirements and have received certification from the state of California as a Certified General Real Estate Appraiser.

Lucille Galvin, SR/WA  DATE: May 14, 2002
AG023977

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SUBJECT PROPERTIES LOCATION MAP

917-19 CROSBY ST

1901 NEWTON AVE

1901 MAIN ST

R-296781

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OWNERSHIP INFORMATION

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Parcel Number : 538 670 27 00
 Owner : City Of San Diego
 CoOwner :
 Site Address: 1901 Main St San Diego 92113
 Mail Address: Public Agency
 Owner Phone :
 Tenant Phone :

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SALES AND LOAN INFORMATION

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Transferred : 10/21/1996
 Document # : 530808
 Sale Price :
 Deed Type :
 % Owned : 100

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PROPERTY DESCRIPTION

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: 1289 C5
 : Tract: 50.00 Block: 4
 : Blpdd Barrio Logan Pd Ind
 : *Unknown Use Code*
 : Open Storage Shed
 : FOX MAP OF MANNASSE & SCHILLERS SUB OF P
 : 000209
 : FOX MAP OF MANNASSE & SCHILLERS SUB
 : OF P DOC9364REC70 IN ALLEY CLSD ADJ
 : & LOTS 5-10 & 39-44 IN BLK 8

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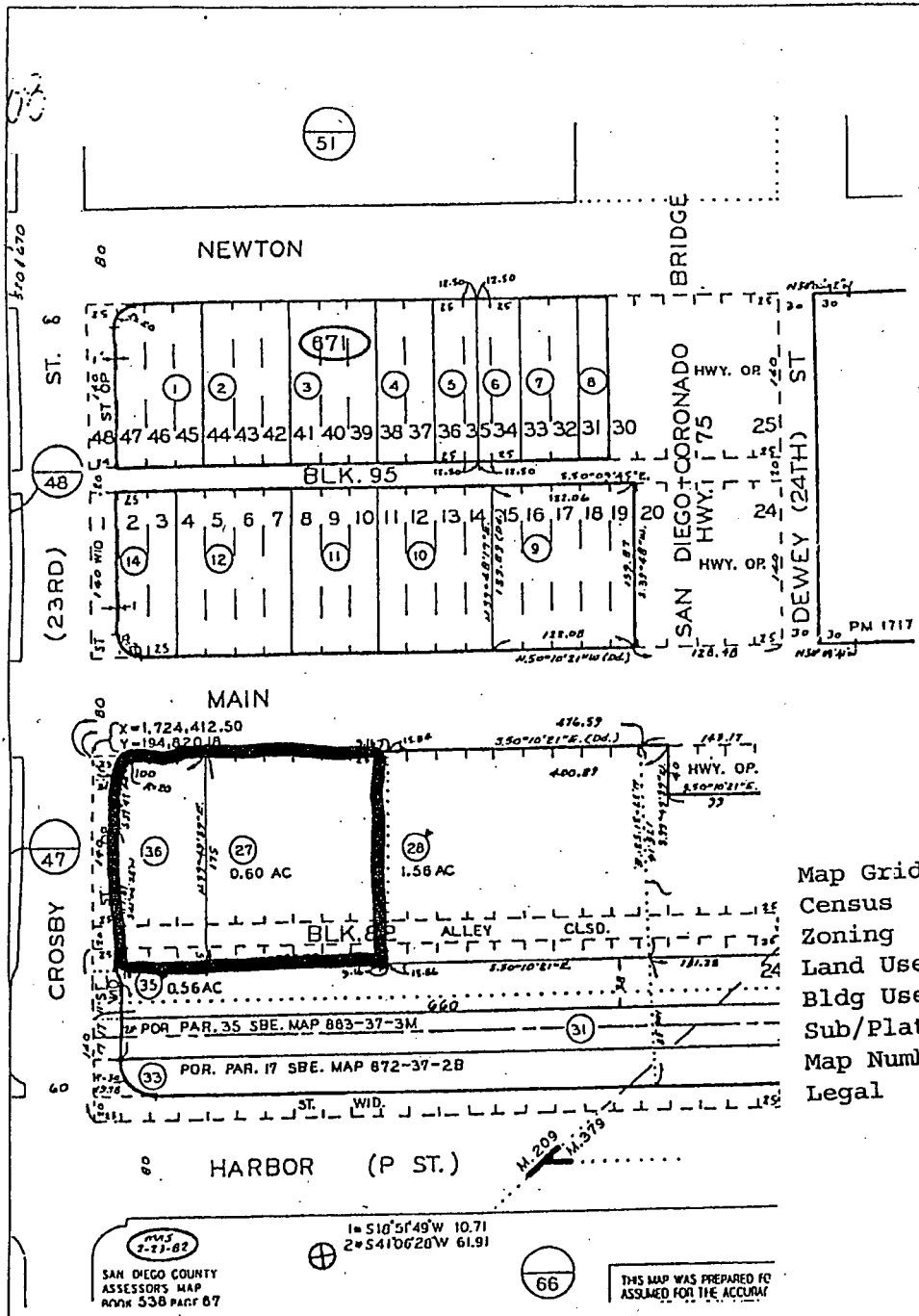
PROPERTY CHARACTERISTICS

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Bedrooms :
 Bathrooms :
 Units :
 Pool :
 Lot Acres : .60
 Garage Space :
 View :
 Stories : 1

YearBuilt: 1970
 Lot SqFt : 26,136
 Bldg SqFt: 8,650

DLK	OLD	NEW	YR	CUT
670	B-11	12	62	1536
670	E-C	12	68	1183
670	13	13	68	1211
670	13	13	68	1421
670	1	1	68	5372
670	1	1	69	601
670	1	1	70	575
670	1	1	70	1312
670	1	1	70	1317
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670	1	1	70	1400



SAN DIEGO COUNTY ASSESSOR'S MAP BOOK 538 PAGE 87

THIS MAP WAS PREPARED FOR ASSURED FOR THE ACCURACY

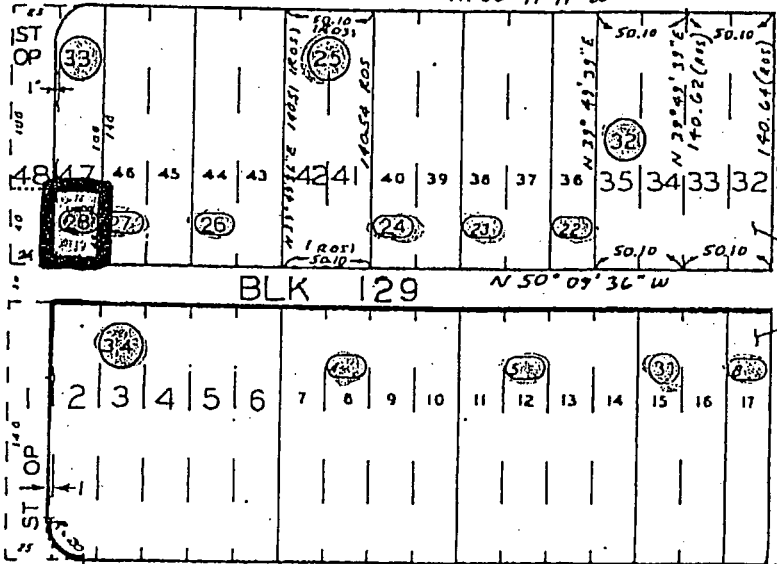
296781

NATIONAL

AVE.

N. 50° 11' 11" W

CROSBY ST



SAN DIEGO - CORONADO BRIDGE

HWY. 75

ST.

DEWEY

53

510

NEWTON

80 AVE.

OWNERSHIP INFORMATION

Parcel Number :538 510 28 00
 Owner :City Of San Diego
 CoOwner :
 Site Address:1031 Crosby St San Diego 92113
 Mail Address:Public Agency
 Owner Phone :
 Tenant Phone:

SALES AND LOAN INFORMATION

Transferred :07/17/1995
 Document # :301234
 Sale Price :
 Deed Type :
 % Owned :

Loan Amount :
 Lender :
 Loan Type :
 Interest Rate :
 Vesting Type:

PROPERTY DESCRIPTION

Map Grid :1289 C5
 Census :Tract:50.00 Block:4
 Zoning :Blpdb Barrio Logan Pd Mixed Use
 Land Use :*Unknown Use Code*
 Bldg Use :Storage Or Warehouse Bldg
 Sub/Plat :FOX MAP OF MANNASSE & SCHILLERS SUB OF P
 Map Number :000209
 Legal :FOX MAP OF MANNASSE & SCHILLERS SUB
 :OF P SWLY 40 FT OF LOT 47 & SWLY 40
 :FT OF NELY 1 FT OF LOT 48 BL

PROPERTY CHARACTERISTICS

Lot Acres :.02
 Garage Space:
 View :
 YearBuilt:
 Lot SqFt :871
 Bldg SqFt:1,860

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OWNERSHIP INFORMATION

Parcel Number :538 671 01 00
 Owner :City Of San Diego
 CoOwner :
 Site Address:Newton Ave San Diego
 Mail Address:Public Agency
 Owner Phone :
 Tenant Phone:

SALES AND LOAN INFORMATION

Transferred :06/16/1994
 Document # :387342
 Sale Price :
 Deed Type :Grant Deed
 % Owned :100

Loan Amount :
 Lender :
 Loan Type :
 Interest Rate :
 Vesting Type:Corporation

PROPERTY DESCRIPTION

Map Grid :1289 C5
 Census :Tract: Block:
 Zoning :Blpdb Barrio Logan Pd Mixed Use
 Land Use :*Unknown Use Code*
 Bldg Use :Storage Or Warehouse Bldg
 Sub/Plat :FOX MAP OF MANNASSE & SCHILLERS SUB OF P
 Map Number :000209
 Legal :FOX MAP OF MANNASSE & SCHILLERS SUB
 :OF P (EX ST) LOTS 45 THRU 48 BLK 97

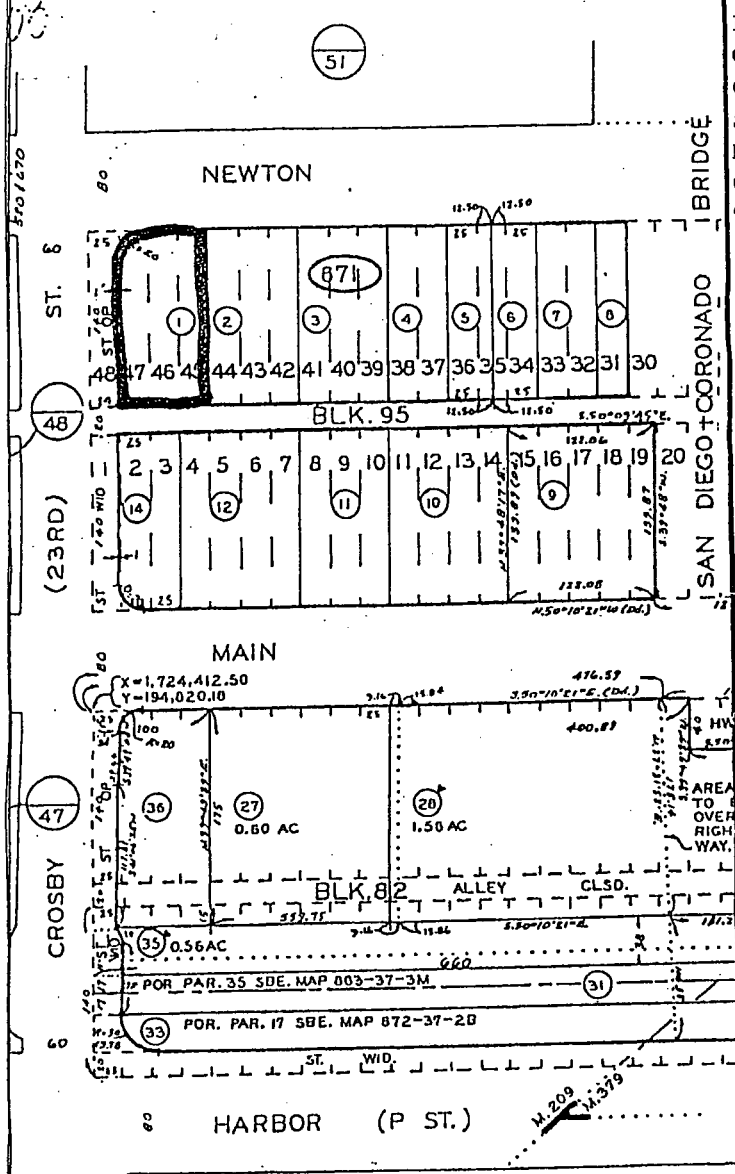
PROPERTY CHARACTERISTICS

Bedrooms :
 Bathrooms :
 Units :
 Pool :

Lot Acres :.32
 Garage Space :
 View :
 Stories :1

Year Built:
 Lot SqFt :14,000
 Bldg SqFt:9,100

CHANGES				
BLK	OLD	NEW	YR	CUT
670	B-11	12	62	153G
670	E-G	08	68	E183
670	112	13	68	47E1
670	13	38-E	68	34E
670	13	05-7L	68	537E
670	1	58-E	69	601
670	14	14-15	78	57E
670	14	16-18	80	1319
670	13 (17)			
670	13	19-23		
670	13	24		
670	13	25	62	206B
670	13	26-28		
670	13	29		
670	13	30	73	2401
670	24/25	31-34	92	1200 77
672	3	44L	93	2328
672	14E	27	74	1509
671	13	35	75	103 C
670	29	37	75	1412 C
670	31	37	75	1751 C
670	26	37	75	2030 C
670	33	37		
671	01	37	77	4637



SAN DIEGO COUNTY ASSESSOR'S MAP BOOK 538 PAGE 67
 1= S10°51'49"W 10.71
 2= S41°06'20"W 61.91
 THIS MAP WAS PREPARED ASSUMED FOR TITLE

1" = 100'
 296781