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\$ 500  
11/28

RESOLUTION NUMBER R- 302151

DATE OF FINAL PASSAGE DEC 06 2006

MULTI-HABITAT PLANNING AREA PROPERTY  
ACQUISITION

WHEREAS, The Environmental Trust, Inc. ("TET"), a California nonprofit benefit corporation, was organized in 1990 for the purpose of acquiring, maintaining and monitoring environmentally threatened and sensitive real property and engaging in environmental land mitigation and credit sales. A developer proposing to build upon environmentally sensitive lands and needing to obtain off-setting credits for the adverse consequences associated with the proposed development could obtain those credits through TET;

WHEREAS, in exchange for the credits needed to proceed with their developments, developers entered into agreements with TET that required TET to record conservation easements and to deposit 100% of the endowment funds accepted from the developers into permanent endowment accounts for the management, maintenance, and monitoring (the "3M's") of the environmentally sensitive properties in perpetuity. Not only did TET underestimate the amount of endowment funds it would need to perform the 3M's in perpetuity, it did not deposit 100% of the endowment funds it received, and poor investments and a declining securities market caused TET's assets to plunge from \$18.2 million in 1999 to just under \$7.9 in 2003. TET was left with over \$13 million in debt and only about \$3.1 million in its endowment account when it went into bankruptcy;

WHEREAS, the City's Parks and Recreation Department, the Planning Department, the Real Estate Asset Department and the City Attorney's Office have been working on this matter

and have identified the following nine (9) properties for the City to acquire out of the TET Bankruptcy:

1. Class 3.47.2 Local Governmental Unit Option (Spring Canyon)
2. Class 3.33.2 Local Governmental Unit Option (Otay 15)
3. Class 3.12.2 Local Governmental Unit Option (Del Mar Mesa)
4. Class 3.76.2 Local Governmental Unit Option (East Elliot 13)
5. Class 3.29.2 Local Governmental Unit Option (Newport 5)
6. Class 3.41.2 Local Governmental Unit Option (San Pasqual)
7. Class 3.56.2 Local Governmental Unit Option (West Otay Mesa B)
8. Class 3.57.2 Local Governmental Unit Option (West Otay Mesa C)
9. Class 3.58.2 Local Governmental unit Option (Wruck Canyon)

WHEREAS, these nine (9) properties consist of approximately 280 acres and all lie within the City's Multi-Habitat Planning Area;

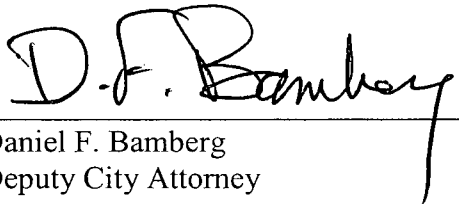
WHEREAS, acceptance of these nine properties from the TET Bankruptcy will bring an approximate endowment fund of \$335,000 to the City that will be the responsibility of the City Parks and Receptions Department's Open Space Division to use in administering the 3M's of the nine (9) properties; NOW THEREFORE

BE IT RESOLVED, that the City accept the nine (9) properties from the TET Bankruptcy with the endowment fund of \$335,000 for the continual management of these nine (9) properties;

BE IT FURTHER RESOLVED, that the City Auditor and Comptroller will establish a separate interest-bearing account for the \$335,000; and

BE IT FURTHER RESOLVED that the City Parks and Recreations Department's Open Space Division manage the approximate \$335,000 endowment fund to administer the 3M's of these nine (9) properties.

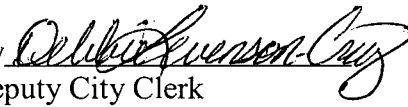
APPROVED: MICHAEL J. AGUIRRE, City Attorney

By   
Daniel F. Bamberg  
Deputy City Attorney

DFB:dmt  
11/27/2006  
Or.Dept:READ  
R-2007-627

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 28 2006.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 12.6.06  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

Passed by the Council of The City of San Diego on NOV 28 2006, by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Scott Peters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toni Atkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Maienschein	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Madaffer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage DEC 06 2006

AUTHENTICATED BY:

JERRY SANDERS

Mayor of The City of San Diego, California.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California.

(Seal)

By *[Signature]*, Deputy

Office of the City Clerk, San Diego, California

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