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RESOLUTION NUMBER R- 304571

DATE OF FINAL PASSAGE JAN 23 2009

A RESOLUTION AUTHORIZING THE SALE OF CERTAIN EXCESS CITY PROPERTY IDENTIFIED AS LOT IN BLOCK 18 OF DEL MAR HEIGHTS.

WHEREAS, this action requires the affirmative vote of five (5) members of the City Council [Council]; and

WHEREAS, the City is the fee owner of that certain real property [Property] located at **Lot 10 in Block 18 of Del Mar Heights** [Property], described as a vacant residential lot consisting of 6,000 square feet, and more particularly described in Property Information Sheet, attached hereto; and

WHEREAS, as part of an overall portfolio management plan for the City's real estate assets, the Mayor's staff is reviewing the City's property inventory to determine which properties are no longer needed and whose disposition will provide a greater public benefit; and

WHEREAS, the current property is not used by a City department nor supports a municipal function, the property is vacant and has no foreseeable use by the City, and the property is a non-performing asset and greater value can be generated by its sale; and

WHEREAS, the property was acquired in 1963 for street widening purposes at a cost of \$3,500; and

WHEREAS, an appraisal of the Property was obtained by the City's Real Estate Assets Department [READ] from an independent certified MAI appraiser which determined the fair market value [FMV] of the Property to be Five Hundred Thousand Dollars (\$500,000); and

WHEREAS, the Property will be re-appraised at least once every twelve months until sold to revise the FMV, which READ will report to Council; and

WHEREAS, the Council deems the FMV to be the minimum acceptable price to be obtained for the Property; and

WHEREAS, if after attempting to sell the Property at the FMV, the Mayor, or his designee, determines that the Property cannot be sold at or above the FMV, the Mayor shall seek review and additional direction from the Council as to the disposition of the Property; and

WHEREAS, the Council deems it in the best interests of the City to authorize the Mayor, or his designee, to sell the Property through negotiation, public auction, sealed bids, or any combination of such methods, in his discretion; and

WHEREAS, the Council deems it in the best interests of the City to authorize the Mayor, or his designee, in his discretion, to retain the services of a real estate broker to represent the City and facilitate the sale of the Property, and that the City should pay real estate brokerage participation and brokerage fees incurred thereby; and

WHEREAS, the brokerage firm shall be Realty Executives and brokerage fees shall be six percent (6%); and

WHEREAS, upon the sale of the Property at a price greater than or equal to the FMV, the Council deems it in the best interests of the City to authorize the Mayor, or his designee, to execute and deliver, on behalf of the City, a purchase and sale agreement, grant deed, and all other agreements and documents necessary and on terms and conditions deemed by the Mayor or his designee to be reasonable and in the best interests of the City to consummate the sale; and

WHEREAS, the proceeds of the sale of the Property, net of brokerage commissions and other costs of selling the Property, will be accepted by the City Comptroller and deposited into the Capital Outlay Fund; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that certain real property [Property] owned in fee by the City, located at **Lot 10 in Block 18 of Del Mar Heights**, and more particularly described in the Property Information Sheet, attached hereto, is excess City property and may be sold; and

BE IT FURTHER RESOLVED, the Property may only be sold for a price equal to or greater than Five Hundred Thousand Dollars (\$500,000); and

BE IT FURTHER RESOLVED, the Mayor, or his designee, shall have the authorization for one year; and

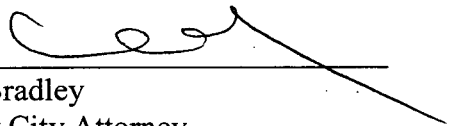
BE IT FURTHER RESOLVED, the Mayor, or his designee, is authorized and directed to sell the property through negotiation, public auction, sealed bids, or any combination of such methods, in his discretion; and

BE IT FURTHER RESOLVED, the Mayor or his designee is authorized to execute and deliver, on behalf of the City, a purchase and sale agreement, grant deed, and all other agreements and documents necessary and on terms and conditions deemed by the Mayor or his designee to be reasonable and in the best interests of the City to consummate the sale; and

BE IT FURTHER RESOLVED, the City Comptroller is authorized and directed to accept the proceeds of the sale of the Property, net of brokerage commissions and other costs of selling the Property, and deposit them into the Capital Outlay Fund 302453; and

BE IT FURTHER RESOLVED, if after attempting to sell the Property at the minimum price specified herein, the Mayor, or his designee, determines that the Property cannot be sold at or above such price, the Mayor shall seek review and additional direction from the Council as to the disposition of the Property.


APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Todd Bradley
Deputy City Attorney

TB:bas
10/2/08
Or.Dept: READ
R-2009-436
MMS #6865

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JAN 6 2009.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 1-23-09
(Date)


JERRY SANDERS, Mayor

Vetoed: _____
(Date)

JERRY SANDERS, Mayor

PROPERTY INFORMATION SUMMARY

**Del Mar Heights & Mercado
(Site 63)**

1. Legal Description: Del Mar Heights, Block 18, portion of Lot 10
2. Council District: 1
3. Assessors Parcel Number: 300-361-83
4. Thomas Bros Map: 1187-H6
5. Size of Parcel: 0.11 (5,141 square feet)
6. Improvements: none- vacant lot
7. Community Plan / Designation: Torrey Pines / Low-Density Residential (5-9 DU/AC)
8. Zoning/Allowed uses: RS-1-6 / Single-family residential on 6,000 sq ft lots.
9. Date of acquisition: 9-6-1963
10. Acquisition Purpose: street widening
11. Price at acquisition: \$3,500 including the portion currently in dedicated street ROW
12. Origin of funds at acquisition: General Fund
13. Appraised and Date of Value: Gary Rasmuson, M.A.I., 7/30/'08 for \$500,000
14. Distribution of Proceeds: General City-Capital Outlay Fund 320453
15. Reason for Sale: In excess of city needs.
16. Property file: H202-1

DUE DILIGENCE

The property will be sold "as is" with no warranties, usage or conditions (physical or otherwise), written, implied or expressed by the City of San Diego and its agents or employees. You are basing your purchase on the offered property solely on your findings and research, and that you have satisfied yourself as to the zoning, usage, physical condition inside and out, size and other information that might affect your decision to purchase this property. The information contained in the marketing materials is believed to be correct, however, the City of San Diego assumes no responsibility or liability for its completeness or accuracy.

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ATTACHMENT "A"

Municipal Code 22.0902 "Sale of Real Property (e) states that "the property will be sold by negotiations or by public auction or by sealed bids". **Council Policy 700-10 C. Sale of Real Estate 1.** states "City property designated for sale shall general by offered by public auction."

With the proposed sales of City property that we plan to be taking to Council over the next few years, we intend to be conducting these sales through negotiations. As there seems to be a bit of conflict with how the Council Policy has been written, do we need to obtain a waiver to said policy or actually propose a formal change to this policy.

Attorney Notes/Response: 01/24/2007: The Municipal Code requires (per section 22.0902) that the Council pass a resolution approving a sale of City-owned real property prior to any action by READ. The resolution would designate whether the sale is to be negotiated, by auction, or by sealed bid. The issue is taken up by the Council in advance of putting the property on the market. READ must take each property intended for sale to the Council, justify each sale, and seek direction as to how the property will be sold. Because all questions regarding the right to sell and manner of sale will be predetermined by an enabling resolution, no conflict exists between the Code and Council Policy, no waiver is needed, and no formal policy change is required.