

RESOLUTION NUMBER R- 305898
DATE OF FINAL PASSAGE JUN 21 2010

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING THE SALE OF CITY-OWNED
REAL PROPERTY LOCATED AT 811 25TH STREET.

WHEREAS, The City of San Diego [City] acquired the real property located at 811 25th Street [Property; Assessor's Parcel Number 534-404-17] for \$300,000 in February 2000 using Community Development Block Grant [CDBG] Program Funds to finance the purchase for the purpose of developing a community center in the Golden Hill community; and

WHEREAS, after several years of being unable to raise the necessary funds to construct the community center, it was determined the project was not feasible; and

WHEREAS, the property is currently being occupied by an auto repair business under a month-to-month right-of-entry permit, yielding annual rent in the amount of \$25,412, which has been deposited into the CDBG account and tracked as program income; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) regulations (24 Part CFR 570.500 (a)(1)(i)) require that CDBG grant monies be spent for the purpose for which they were granted, or the monies must be returned to the grantor; and

WHEREAS, because the construction of a community center on the Property is not a viable project, City staff recommends selling the Property and depositing the proceeds of the sale into the CDBG account to comply with federal regulations and to make those funds available for re-allocation to another CDBG-qualified project; and

WHEREAS, City staff recommend declaring the Property excess City property because the Property is not currently used by a City department, does not support a municipal function, and federal regulations require the Property to be used for a specific purpose, which is no longer feasible; and

WHEREAS, City staff recommend selling the Property through negotiation to seek the highest price through an open-market transaction; and

WHEREAS, the City may, at its discretion, pay a real estate broker's commission under the provisions of San Diego Municipal Code Section 22.0905 for the sale of the Property; and

WHEREAS, pursuant to Council Policy 700-10, CASSIDY TURLEY BRE COMMERCIAL was selected through a Request for Proposal and subsequent bid to broker the sale of the Property for a commission not to exceed 5% of the final sale price; and

WHEREAS, an appraisal of the Property prepared by the City's Real Estate Assets Department has determined the fair market value of the Property to be Four Hundred Ninety Thousand Dollars (\$490,000); and

WHEREAS, the net proceeds from the sale of the Property will be deposited into the Community Development Block Grant Program Income Fund 600100; NOW, THEREFORE,

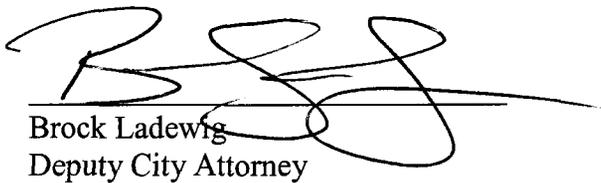
BE IT RESOLVED, by the Council of The City of San Diego:

1. That certain real property [Property] owned in fee by the City, comprised of approximately 18,000 square feet of improved land, and located at 811 25th Street, San Diego, California (Assessor's Parcel Number 534-404-17), is excess City property and may be sold because it is not currently used by a City department and does not support a municipal function.

2. The Property may only be sold for a price equal to or greater than Four Hundred Ninety Thousand Dollars (\$490,000).
3. The Mayor, or his designee, is directed to have the Property re-appraised at least once every twelve months until sold, and the resulting fair market value of the Property shall become the minimum acceptable price, which the Mayor or his designee shall report to Council; provided, however, if a re-appraisal results in a fair market value below the minimum price set by this Resolution, the Mayor shall seek Council authorization prior to lowering the minimum price.
4. Pursuant to San Diego Municipal Code [SDMC] Section 22.0902, the City may at its discretion pay a real estate broker's commission under the provisions of SDMC Section 22.0905 for the sale of the Property.
5. The Mayor or his designee is authorized to retain the services of CASSIDY TURLEY BRE COMMERCIAL to broker the sale of the Property for a commission not to exceed 5% of the final sale price, and on other terms and conditions deemed by the Mayor or his designee to be reasonable and in the best interests of the City.
6. The Property may be sold through negotiation to seek the highest price through an open-market transaction.
7. 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 to consummate the sale of the Property on terms and conditions deemed by the Mayor or his designee to be reasonable and in the best interests of the City.

8. The Chief Financial Officer is authorized 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 Community Development Block Grant Program Income Fund 600100.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Brock Ladewig
Deputy City Attorney

BL:mm
05/05/2010
Or.Dept: READ
R-2010-804
MMS #12126

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 15 2010

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 6-21-10
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor