

RESOLUTION NUMBER R- 308157

DATE OF FINAL PASSAGE MAY 16 2013

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE PURCHASE OF REAL PROPERTY ON KEARNY VILLA ROAD FOR A PARKING LOT FOR THE PUBLIC UTILITIES DEPARTMENT, PURSUANT TO THE OFFER TO PURCHASE REAL ESTATE AGREEMENT WITH MIC LIMITED.

WHEREAS, the Public Utilities Department (PUD) of the City of San Diego (City) is planning to relocate and move staff into the City-occupied office building known as "MOC II," located at 9192 Topaz Way, San Diego, California. In order to accommodate parking for the staff being relocated to MOC II, a parking area for approximately one hundred twenty two (122) vehicles is needed. There is no room to accommodate the 122 parking spaces at the MOC II location; and

WHEREAS, nearby to the MOC II location is a 1.02-acre parcel of real property with an existing paved, fenced, lighted, and landscaped parking lot, with a street address of 5515 Kearny Villa Road, San Diego, California (Property). The Property is owned by Mic Limited, a Michigan corporation; and

WHEREAS, the Property has not been publicly listed for public sale. City staff approached Mic Limited and negotiated a purchase and sale price of \$1.6 million dollars plus closing costs, on terms and conditions set forth in the Offer to Purchase Real Estate on file with the Office of the City Clerk as Document No. PP-308157. City staff received an appraisal of value of the Property in the amount of \$1,380,000. However, it is the opinion of City staff that this value assumed that the Property was available for sale by the current owner, which was not the case in City's negotiations with the current owner. The Property was not on the market

previously and the current owner had expressed no interest in selling the Property until approached by City; and

WHEREAS, City staff also considered a variety of ways in which to accommodate the parking needs for the PUD staff relocating to MOC II. A cost estimate from City's Engineering and Capital Projects Department (E&CP) concluded that the existing site improvements at the Property would typically cost over \$800,000 for the City to replicate. When added to an estimate of \$1,110,000 for the land value of comparable parcels in the same area, a replacement value of \$1,910,000 was concluded by staff. Separately, staff calculated an estimate to build a parking deck over the existing parking lot at MOC II. E&CP estimated a sufficient deck would cost over \$4.3 million dollars, well over twice the cost of the Property. Based on the foregoing, it is the opinion of City staff that purchase of the Property at the negotiated price is the most cost-effective way to meet PUD's parking needs caused by the relocation to MOC II; and

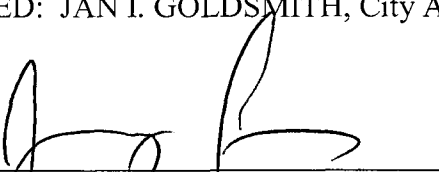
WHEREAS, based on the need to accommodate parking for the relocated PUD staff and the estimates of alternatives to provide the needed parking, the purchase of the Property upon the terms and conditions negotiated by City staff is a reasonable and cost-effective way to meet City's operational needs at the MOC II location; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, that the Mayor or his designee is authorized and directed to execute, for and on behalf of the City, the Offer to Purchase Real Estate agreement on file in the Office of the City Clerk as Document No. 12-308157, between the City of San Diego and Mic Limited, a Michigan corporation, for the acquisition of the 1.02-acre parcel of real property improved with an existing paved, fenced, lighted, and landscaped parking lot, located at 5515 Kearny Villa Road, San Diego, California.

BE IT FURTHER RESOLVED, that the Mayor or his designee is authorized and directed, to execute and deliver such agreement and other instruments to effect the transaction contemplated by this Resolution.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to appropriate and expend an amount not to exceed \$812,500 from the Municipal Sewer Revenue Fund 700000, and an amount not to exceed \$812,500 from the Water Utility Operating Fund 700011.

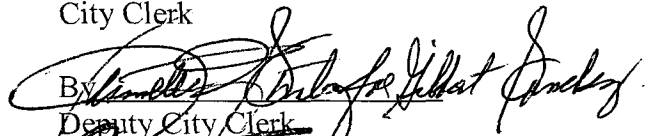
APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Jeremy M. Fonseca
Deputy City Attorney

JMF:mcm
April 30, 2013
Or.Dept:Real Estate Assets Dept.
CC No. 3000006052
Doc. No. 551111

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 14 2013

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 5/16/13
(date)


BOB FILNER, Mayor

Vetoed: _____
(date)

BOB FILNER, Mayor

MAY 14 2013

Passed by the Council of The City of San Diego on _____, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<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"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
District 4 (Vacant)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAY 16 2013

AUTHENTICATED BY:

BOB FILNER
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

(Seal)

By *Jeanette J. Prots*, Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- <u>308157</u>