

RESOLUTION NUMBER R- 308332

DATE OF FINAL PASSAGE JUL 19 2013

ITEM # 109  
SUB - A  
7/9/13

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING SALE OF CITY-OWNED LAND TO THE OTAY LAND COMPANY (VILLAGES 8 & 9), RESERVATION OF EASEMENTS AND ACQUISITION OF AN ACCESS EASEMENT IN CHULA VISTA.

WHEREAS, in 1913, the City of San Diego (City) acquired various land in what is now the City of Chula Vista, County of San Diego and these City properties are used for potable water pipelines to provide water to South San Diego, Coronado, and Imperial Beach, and to provide additional backup water service for the Otay Water District; and

WHEREAS, the City property, two portions of Assessor's Parcel Number (APN) 644-080-16, is comprised of a long, narrow strip of land containing City water pipelines, surrounded by land owned by various developers; and

WHEREAS, the area, known as Otay Ranch, is being developed with 11 urban villages containing housing, shops, workplaces, schools, parks, civic facilities, etc.; and

WHEREAS, the City property is surrounded by approximately 750 acres of property owned by Otay Land Company, LLC, a Delaware limited liability company (OLC); and

WHEREAS, OLC is planning to develop their land with approximately 6,000 residential housing units and 1.5 million square feet of commercial/retail space (Villages 8 & 9 Development) and OLC is currently undergoing the entitlement process for its properties and anticipates beginning construction in 2014; and

WHEREAS, in connection with OLC's entitlement process, OLC would like to acquire approximately 13.753 acres of City-owned land, two portions of APN 644-080-16, (the Property) for the Villages 8 & 9 Development; and

WHEREAS, the City will reserve restricted water pipeline easements from the conveyance of the Property for the City's existing water main pipelines and all related facilities and appurtenances; and

WHEREAS, the City will obtain an access easement to allow the City access to its water pipeline easements; and

WHEREAS, given that the Property is surrounded by OLC's property, coupled with its long and narrow shape, the Property has little potential value to anyone other than OLC; and

WHEREAS, in accordance with Council Policy 700-10, an exclusively negotiated sale is justified when fee interest in a pipeline or other right-of-way is no longer required and it may be sold to a contiguous property owner with the reservation of a restrictive pipeline easement; and

WHEREAS, a real estate broker's commission will not be paid in the sale of the Property; and

WHEREAS, the Property was appraised by an independent MAI appraiser and the current fair market value of the Property was determined to be Five Hundred Fifty Eight Thousand Dollars (\$558,000); and

WHEREAS, the City is reserving pipeline easements valued to be one half of the fee interest, and therefore, the purchase price for the Property with the pipeline easements reserved is Two Hundred Seventy Nine Thousand Dollars (\$279,000); and

WHEREAS, to secure access to the reserved pipeline easements, the City is acquiring an access easement from OLC on that certain real property identified as APN 644-070-14; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego that 13.753 acres of City-owned real property in the City of Chula Vista, County of San Diego (two portions of APN 644-080-16), is no longer required and may be sold by direct negotiation to a contiguous owner with the reservation of restrictive pipeline easements on the Property; and

BE IT FURTHER RESOLVED, that the Mayor, or his designee, is authorized and directed to sell 13.753 acres of City-owned real property in the City of Chula Vista, County of San Diego (two portions of APN 644-080-16) to Otay Land Company, LLC, a Delaware limited liability company, pursuant to the terms and conditions of that certain Purchase and Sale Agreement on file in the Office of the City Clerk as Document No. RR- 308332 , for the price of Two Hundred Seventy Nine Thousand Dollars (\$279,000); and

BE IT FURTHER RESOLVED, the Mayor, or his designee, is authorized to reserve easements for existing City water pipelines installed under the Property; and

BE IT FURTHER RESOLVED, the Mayor, or his designee, is authorized to obtain an access easement to allow City access to its existing City water pipelines; and

BE IT FURTHER RESOLVED, that the Mayor, or his designee, is authorized to execute and deliver all such agreements and all other instruments to effect and complete the transaction contemplated by this Resolution; and

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to accept and deposit the proceeds of the sale of the property, net of costs related to the sale, into the Capital Outlay Water Fund No. 400004.

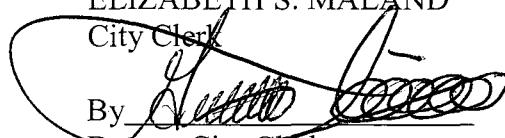
APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Hilda R. Mendoza  
Deputy City Attorney

HRM:als  
06/24/13  
Or.Dept:READ  
Doc.: 581060

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 09 2013.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 7/19/13  
(date)

  
BOB FILNER, Mayor

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

\_\_\_\_\_  
BOB FILNER, Mayor

Passed by the Council of The City of San Diego on JUL 09 2013, 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"/>
Myrtle Cole	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUL 19 2013.

AUTHENTICATED BY:

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

(Seal)

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

By , Deputy

Office of the City Clerk, San Diego, California  
Resolution Number R- 308332