

RESOLUTION NUMBER R- 308898

DATE OF FINAL PASSAGE APR 28 2014

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING CERTAIN ACTIONS RELATED TO
THE LONG-RANGE PROPERTY MANAGEMENT PLAN
GOVERNING THE DISPOSITION OF THE FORMER
REDEVELOPMENT AGENCY'S NON-HOUSING REAL
PROPERTY ASSETS.

WHEREAS, from its formation in 1958 until its elimination on February 1, 2012, the Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, the Former RDA dissolved as of February 1, 2012, in accordance with a deadline for elimination of all redevelopment agencies throughout California set forth in Assembly Bill x1 26 (AB 26), as modified by the California Supreme Court in a final opinion issued on December 29, 2011; and

WHEREAS, pursuant to Resolution No. R-307238 adopted effective January 12, 2012, the City Council of the City of San Diego (Council) designated the City to serve as the successor agency to the Former RDA and to retain the Former RDA's housing assets and assume the Former RDA's housing responsibilities; and

WHEREAS, at the time of the Former RDA's dissolution, the City, in its capacity as the successor agency to the Former RDA (Successor Agency), became vested with all of the Former RDA's authority, rights, powers, duties, and obligations under the California Community Redevelopment Law and, by operation of law, received all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former RDA; and

WHEREAS, the Successor Agency is winding down the Former RDA's affairs in accordance with AB 26, enacted on June 28, 2011, and subsequent legislation, including, but not limited to, Assembly Bill 1484 (AB 1484), enacted on June 27, 2012, and Assembly Bill 471, enacted on February 18, 2014 (collectively, the Dissolution Laws); and

WHEREAS, the Oversight Board has been formed to oversee certain actions and decisions of the Successor Agency in accordance with the Dissolution Laws; and

WHEREAS, the San Diego County Auditor-Controller (County Auditor), the State Controller, and the State Department of Finance (DOF) also possess certain rights and obligations under the Dissolution Laws with respect to the Successor Agency's administration of the Former RDA's operations; and

WHEREAS, in January 2013, the Successor Agency transferred all of the Former RDA's housing functions and assets, including real property assets, to the City in its capacity as the housing successor to the Former RDA, after the Oversight Board and the DOF approved a comprehensive list of housing assets pursuant to California Health and Safety Code (Code) section 34176(a); and

WHEREAS, based on a current inventory, the Successor Agency owns a total of 45 non-housing real property assets (each, a Property, and collectively, the Properties), some of which encompass multiple individual parcels; and

WHEREAS, the provisions of AB 26, specifically Code sections 34177(e) and 34181(a), require the Successor Agency to dispose of the Properties expeditiously and in a manner aimed at maximizing value, provided that Code section 34181(a) allows the Successor Agency to transfer certain governmental purpose assets to the appropriate public jurisdiction and Code section 34180(f) allows the City to retain ownership of certain assets for future redevelopment

purposes in exchange for the City's payment of the negotiated or appraised value of such assets to the other local taxing entities; and

WHEREAS, AB 1484 added Code sections 34191.1 through 34191.5, which immediately suspended the provisions of AB 26 related to disposition of the Properties, except with respect to transfers for governmental use under Code section 34181(a), and established a more flexible approach for disposition of the Properties; and

WHEREAS, Code sections 34191.1 and 34191.3 entitle the Successor Agency, upon the DOF's issuance of the finding of completion, to submit a long-range property management plan (PMP) for approval by the Oversight Board and the DOF, and confirm that the approved PMP will govern the disposition and use of the Properties; and

WHEREAS, Code section 34191.3 states that, if the PMP is not approved by January 1, 2015, Code sections 34177(e) and 34181(a) shall be operative with respect to the Successor Agency; and

WHEREAS, the DOF issued the finding of completion to the Successor Agency in a letter dated December 2, 2013, confirming that the Successor Agency had completed certain required payments to the County Auditor under the Dissolution Laws; and

WHEREAS, pursuant to Code section 34191.5(b), the Successor Agency must prepare and submit the PMP to the Oversight Board and DOF no later than six months following the DOF's issuance of the finding of completion, which equates to June 2, 2014 in this instance; and

WHEREAS, Code section 34191.5(c)(1) requires the PMP to identify various information as to each Property, including the acquisition date, acquisition value and current estimated value, purpose of acquisition, parcel information such as address, lot size, and zoning, any available appraisal information, estimated revenues, history of environmental contamination

and remediation efforts, description of potential for transit-oriented development and advancement of local planning objectives, history of previous development proposals and rental/lease, and proposed use or disposition; and

WHEREAS, Code section 34191.5(c)(2) requires the PMP to categorize the Properties within four permissible uses, including (i) retention for governmental use pursuant to Code section 34181(a) (Governmental Use Properties); (ii) retention for future development (Future Development Properties); (iii) sale or liquidation (Liquidation Properties); and (iv) fulfillment of an enforceable obligation (Enforceable Obligation Properties); and

WHEREAS, California Government Code section 54222 requires a public agency to provide advance notice of the proposed sale of “surplus land” to relevant governmental entities, in which event any entities who intend to acquire the land have 60 days to respond; and

WHEREAS, the Properties do not qualify as surplus land because the State Legislature, not the Successor Agency or the City, is dictating that the PMP govern the use and disposition of the Properties, and therefore, the noticing procedures for surplus land under State law do not apply to the disposition of the Properties; and

WHEREAS, in accordance with Code section 34191.5(c), the Successor Agency has prepared the proposed PMP, including a narrative summary and four exhibits (collectively, the Proposed PMP), a copy of which is included as Attachment 1 to Staff Report No. 030514 accompanying this Resolution (Staff Report); and

WHEREAS, with reference to the four permissible use categories, the Proposed PMP includes: (i) 10 Governmental Use Properties to be transferred by the Successor Agency to the City for continued use and operation; (ii) 19 Future Development Properties to be transferred by the Successor Agency to the City for future redevelopment purposes; (iii) 4 Liquidation

Properties to be sold by the Successor Agency to a third party; and (iv) 12 Enforceable Obligation Properties to be retained by the Successor Agency for fulfillment of the underlying enforceable obligation, and where appropriate, to be transferred to the City upon the earlier of expiration of the applicable redevelopment plan or fulfillment of the enforceable obligation; and

WHEREAS, the 19 Future Development Properties consist of 6 “public facility sites” on which the City will cause a future public improvement project to be constructed and 13 “opportunity sites” on which a private developer will construct the identified project after acquiring ownership of the site from the City; and

WHEREAS, the Proposed PMP contemplates that the City will pay \$1 to the Successor Agency for each of the public facility sites, but will not pay compensation to the Successor Agency upon acceptance of the opportunity sites, the Governmental Use Properties, or, where applicable) the Enforceable Obligation Properties; and

WHEREAS, the Proposed PMP envisions that certain Properties may be leased by the Successor Agency or the City, as the case may be, to a third party for revenue-generating interim uses, or for special events, pending final disposition; and

WHEREAS, Code section 34179(p) states that decisions made by the Oversight Board within its purview will supersede decisions made by the Successor Agency or Successor Agency staff; and

WHEREAS, the Oversight Board’s decision regarding approval of the Proposed PMP will not become effective until after such decision has been approved or deemed approved by the DOF in accordance with Code sections 34179(h) and 34181(f); and

WHEREAS, it is thus assumed for purposes of this Resolution that any modifications to the Proposed PMP made by the Oversight Board or the DOF will be binding on the Successor Agency; NOW, THEREFORE,

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

1. The Council approves the City's acceptance of the Successor Agency's transfer of the Governmental Use Properties, the Future Development Properties, and, where applicable, the Enforceable Obligation Properties in accordance with the final form of the Proposed PMP approved by the Oversight Board and the DOF (Final Approved PMP), provided that the only compensation to be paid by the City for such Properties will be the payment of \$1 for each of the 6 public facility sites within the category of Future Development Properties.

2. Contingent upon the City Comptroller first issuing a certificate stating that the funds are available, the Council authorizes the City's Chief Financial Officer, as delegated, to encumber and expend an amount not to exceed \$6, representing the City's aggregate payment to the Successor Agency as compensation for the 6 public facility sites, at \$1 per site.

3. Contingent upon the City Comptroller first issuing a certificate stating that the funds are available, the Council authorizes the City's Chief Financial Officer, as delegated, to encumber and expend amounts incidental to a real property transaction and customarily paid by a buyer, including fees for escrow, title, and due diligence, in order to facilitate the City's acquisition of the Governmental Use Properties and Future Development Properties.

4. The Mayor or designee is authorized to execute and record, on the City's behalf, the conveyance instruments (collectively, the Conveyance Instruments) necessary to accomplish the transfer of the Governmental Use Properties, the Future Development Properties, and, where applicable, the Enforceable Obligation Properties, from the Successor Agency to the City in

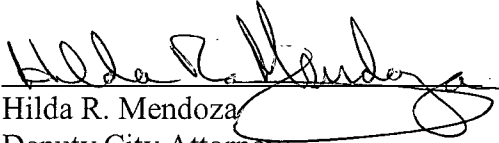
accordance with the Final Approved PMP, including: (a) the grant deeds for the transfer of fee title ownership of such Properties, in substantially the form of Attachment 2 to the Staff Report; (b) the assignment and assumption agreements for the transfer of all contracts and other items related to such Properties, in substantially the form of Attachment 3 to the Staff Report; and (c) such other conveyance instruments as may be deemed necessary or appropriate to accomplish the complete transfer of such Properties. A copy of all Conveyance Instruments, when executed and where appropriate, recorded in the San Diego County Recorder's Office, shall be placed on file with the City Clerk.

5. The Mayor or designee is authorized and directed to sign all documents on the City's behalf that are necessary and appropriate to carry out and implement the Final Approved PMP and the intent of this Resolution.

6. The City's Chief Financial Officer is authorized and directed to create an interest-bearing fund within the City's treasury for the purpose of accounting for revenues and expenses related to the Future Development Properties after their transfer to the City.

7. The Mayor or designee is requested to explore alternatives for the provision of staffing related to future implementation of the Final Approved PMP.

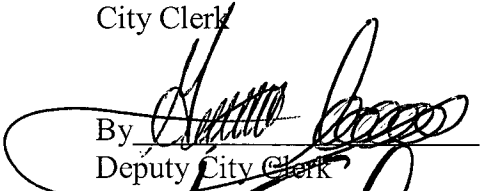
APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Hilda R. Mendoza
Deputy City Attorney

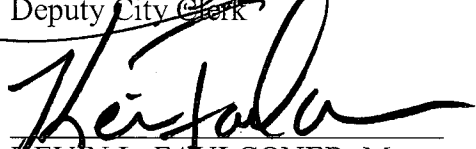
HRM:dkr
04/01/14
04/22/14 Rev. Copy
Or.Dept: Real Estate Assets
Doc. No. 754919_3
Comp. R-2014-597

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 22 2014.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 4/28/14
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on APR 22 2014, 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"/>
Ed Harris	<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage APR 28 2014

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

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

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California

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