

RESOLUTION NUMBER R- 311439

DATE OF FINAL PASSAGE DEC 08 2017

ITEM # 105A
12/5/17

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE SALE OF CITY-OWNED LAND TO HOMEFED OTAY LAND II, LLC AND RESERVATION OF EASEMENTS IN CHULA VISTA.

WHEREAS, in 1912, 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, Assessor's Parcel Numbers (APN) 644-070-20 and a portion of 644-080-19, is approximately 11.433 acres comprised of a long, narrow strip of land (Property) containing City water pipelines, and is surrounded by approximately 940 acres of property (HomeFed Property) owned by HomeFed Otay Land II, LLC, a Delaware limited liability company (HomeFed) in the Otay Ranch Community of the City of Chula Vista; and

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

WHEREAS, the City of Chula Vista has approved HomeFed's project for construction of approximately 5,300 residential dwelling units and 100,000 square feet of commercial/retail use on the HomeFed Property (Village 8 East and Village 10 Development); and

WHEREAS, HomeFed would like to acquire the Property for the Village 8 East and Village 10 Development; and

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

WHEREAS, given that the Property is surrounded by property owned by HomeFed and coupled with its long and narrow shape, the Property has little potential value to any party other than HomeFed; and

WHEREAS, in accordance with Council Policy number 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 fair market value of the Property was determined to be Five Hundred Twenty One Thousand Eight Hundred Forty Three Dollars (\$521,843); and

WHEREAS, the City is reserving a pipeline easement valued to be one half of the fee interest, and therefore, the purchase price for the Property with the pipeline easement reserved is Two Hundred Sixty One Thousand Dollars (\$261,000); NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego that 11.433 acres of City-owned real property in the City of Chula Vista, County of San Diego (APN 644-070-20 and a portion of APN 644-080-19), is no longer required and may be sold by direct negotiation to a contiguous owner with the reservation of a restrictive pipeline easement on the Property; and

BE IT FURTHER RESOLVED, that the Mayor, or his designee, is authorized and directed to sell 11.433 acres of City-owned real property in the City of Chula Vista, County of San Diego (APN 644-070-20 and a portion of APN 644-080-19) to HomeFed Otay Land II, 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.

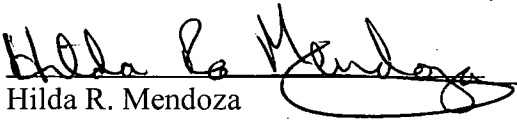
RR- **311439**, for the price of Two Hundred Sixty One Thousand Dollars (\$261,000); and

BE IT FURTHER RESOLVED, that the Mayor, or his designee, is authorized to reserve an easement for existing City water pipelines installed under the Property; 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: MARA W. ELLIOTT, City Attorney

By 
Hilda R. Mendoza
Deputy City Attorney

HRM:als
10/31/2017
Or.Dept: READ
Doc. No.: 1616013

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of DEC 05 2017.

ELIZABETH S. MALAND
City Clerk

By Steph Peadar
Deputy City Clerk

Approved: 12/8/17
(date)

Kevin L. Faulconer
KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on DEC 05 2017, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<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"/>
Chris Ward	<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"/>
Chris Cate	<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"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage DEC 08 2017

(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 *Sty Meady*, Deputy

Office of the City Clerk, San Diego, California

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