RESOLUTION NUMBER R- 312038

DATE OF FINAL PASSAGE OCT 3 0 2018

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF REAL PROPERTY INTERESTS FOR THE PURE WATER NORTH CITY PROJECT FROM ARE – NEXUS CENTRE II, LLC – APN 345-012-15; AUTHORIZING THE CITY ATTORNEY TO COMMENCE PROCEEDINGS IN EMINENT DOMAIN AND TO OBTAIN AN ORDER FOR IMMEDIATE POSSESSION; AND AUTHORIZING EXPENDITURE OF FUNDS FOR THE REAL PROPERTY INTERESTS TO BE ACQUIRED.

WHEREAS, on May 15, 2014, the City Council of the City of San Diego passed a resolution supporting the Pure Water San Diego Program; and

WHEREAS, the Pure Water San Diego Program (Program) is part of the City of San Diego's Public Utilities Department Capital Improvement Program. The Program is a phased, multi-year program that uses proven technology to produce a safe, reliable and cost-effective water supply for the City. At full implementation in 2035, the Program will provide one-third (1/3) of San Diego's water supply locally and will reduce the City's ocean wastewater discharges by approximately one-half (1/2); and

WHEREAS, on April 10, 2018, the San Diego City Council approved the North City

Pure Water Project – Phase I (Project), which included discretionary land use approvals and an

Environmental Impact Report (EIR). The Project includes expansion of the existing North City

Water Reclamation Plant and construction of an Advanced Water Purification Facility with a

purified water pipeline delivering 30 million gallons per day from Morena Boulevard to the

Miramar Reservoir. The Project will direct wastewater flows away from Point Loma to the

City's water reclamation plants for treatment. The purified water will blend with the City's

imported and local water sources in the Miramar Reservoir and be treated again at the Miramar Drinking Water Treatment Plant and distributed to the public; and

WHEREAS, the Project includes: Morena Pump Station and Pipelines which will transport approximately 32 mgd of wastewater to the North City Water Reclamation Plant (NCWRP), where it will be treated before being sent to the new NCPWF for further purification. Construction will include a new pump station on Sherman Street and two parallel 10.7-mile-long wastewater pipelines. The wastewater pipelines will start at Sherman Street, follow West Morena Boulevard to Clairemont Drive, continue to Genesee Avenue and go through University City to the NCWRP on Eastgate Mall. This portion will also include the construction of two approximately 3.5-mile water pipelines, a 16-inch water distribution pipeline and a 36-inch water transmission pipeline, which will run parallel to the wastewater pipelines along West Morena Boulevard and Morena Boulevard; North City Water Reclamation Plant Expansion will increase the amount of recycled water the NCWRP produces to meet the needs of both the recycled water system and the new NCPWF. The NCWRP is located on Eastgate Mall and treats wastewater to recycled water standards for irrigation and industrial uses. The plant capacity would increase from 30 mgd to 52 mgd. A new pump station located at the NCWRP will convey up to 42 mgd of recycled water to the new NCPWF across the street for further purification; North City Pure Water Facility will be built on Eastgate Mall across the street from the existing NCWRP to clean the recycled water further to produce 30 mgd of safe, high-quality water that meets all state and federal drinking water standards; and

WHEREAS, the acquisition of the property interests set forth in Exhibit 1 attached hereto (Acquisition Areas) is a part of a series of subsequent discretionary actions necessary to implement the Project and is not considered a separate project under CEQA; and

WHEREAS, on April 10, 2018, the Council approved Site Development Permit

No. 2092309 for the Project (Resolution R-2018-405) which also made a finding of compliance with the City's General Plan; and

WHEREAS, the Project requires a permanent pipeline easement and a temporary construction area easement from ARE – Nexus Centre II, LLC – APN 345-012-15 as described in Exhibit 1; and

WHEREAS, the Project requires a Sewer Force Main and Brine Centrate pipelines need to cross the I -805 freeway to connect to the North City Water Reclamation Plant. After evaluating several alignment options, tunneling from Executive Dr. to the ARE Nexus property poses the least cost and disturbance to the surrounding community by limiting construction on major streets such as La Jolla Village Dr. For the SDUSD property, the Genesee Ave. bridge near University City High School is too deep to feasibly tunnel underneath. With environmentally sensitive land West of Genesee Ave, the only option available is to tunnel East of Genesee Ave. around the bridge and briefly encroach onto the High School property. The Sewer Force Main and Brine Centrate pipelines will require 2 receiving pits on Genesee Ave with 1 launching pit North of the School on City property. The tunneling machine will launch from this location into Genesee Ave, only encroaching on school property while underground; and

WHEREAS, the City obtained fair market value appraisals of the Acquisition Areas and determined that the probable compensation to be paid for acquisition of the property interests sought is ARE – Nexus Centre II, LLC - 65,500.00; and

WHEREAS, the City negotiated with the property owners and made offers to purchase the Acquisition Area necessary for the Project at an amount consistent with the appraised fair

market value of each of the properties in compliance with the California Government Code section 7267.2(a) and the negotiations with the property owners have not been successful as of the date of this Resolution; and

WHEREAS, funds are available to acquire the necessary real property interests sought for the Project in the amount of \$51,090 from 700009 (Metro Sewer Fund) and \$14,410 from 700010 (Water Utility CIP); and

WHEREAS, the City is vested with the power of eminent domain by Article I, Section 19 of the California Constitution, California Government Code section 37350.5, and San Diego Charter section 220, to acquire real property interests necessary for a public purpose; and

WHEREAS, the acquisition of the real property interests proposed is the least amount of real property necessary to complete the Project; and

WHEREAS, on October 10, 2018, the City mailed a notice of hearing, and of its intent to adopt this Resolution of Necessity, to the record owners of the Acquisition Areas, and all other persons who may have an ownership interest in the property interests sought; which notice of hearing advised said persons of their right to appear and be heard on the matters referred to therein, on the date and at the time and the place stated therein, and that a waiver of their right to appear and be heard will result upon their failure to file a written notice, all in compliance with the California Code of Civil Procedure section 1245.235; and

WHEREAS, the hearing set out in said notice of hearing was held on October 30, 2018, at the time and place stated in the notice, and all interested parties were given an opportunity to appear and be heard on the following matters: (a) whether the public interest and necessity require the Project; (b) whether the Project is planned or located in a manner which is most compatible with the greatest public good and the least private injury; (c) whether the property

interests proposed to be acquired are necessary for the Project; (d) whether an offer meeting the requirements of California Government Code section 7267.2 has been given; and (e) whether all other prerequisites for the exercise of eminent domain to acquire the property rights have been met; and

WHEREAS, the Council, as a result of said hearing, has determined that the public health, safety and welfare require the City to acquire the property interests described in Exhibit 1 attached hereto for the permanent and temporary easements over portions of ARE – Nexus Centre II, LLC – APN 345-012-15 needed for the Project; and

WHEREAS, under Charter section 280(a)(2), this Resolution is not subject to veto by the Mayor because this matter requires the Council to act as a quasi-judicial body and where a public hearing was required by law implicating due process rights of individuals affected by the decision and where the Council was required by law to consider evidence at the hearing and to make legal findings based on the evidence presented; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the public interest and necessity require acquisition of the property interests as set forth in Exhibit 1 attached hereto consisting of permanent and temporary easements over a portion of ARE – Nexus Centre II, LLC – APN 345-012-15 to implement the Project.

BE IT FURTHER RESOLVED, that the Project is planned or located in a manner most compatible with the public good and the least private injury.

BE IT FURTHER RESOLVED, that the property interests proposed to be acquired as set forth in Exhibit 1 attached hereto are necessary for the Project and that such use is a public use authorized by law (*inter alia*, Charter section 220, California Code of Civil Procedure

sections 1240.010, 1240.020, 1240.030, 124.040, 1240.110, 1240.120, 1240.140, 1240.510, 1240.610 and 1255.410; California Government Code section 5023.1).

BE IT FURTHER RESOLVED, that an offer to acquire the real property interests, pursuant to California Government Code section 7267.2, at the appraised fair market value, has been made to each party claiming an ownership interest(s) in the property interests sought.

BE IT FURTHER RESOLVED, that the City Attorney of the City of San Diego is hereby authorized and directed to commence an action in the Superior Court of the State of California, in and for the County of San Diego, in the name of and on behalf of the City of San Diego, against all claimants with any interest(s) in the real property interests sought, and to seek immediate possession of the real property interests sought pursuant to California Code of Civil Procedure section 1255.410 *et seq*.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to expend funds as required from 700009 (Metro Sewer Fund) \$51,090 and \$14,410 from 700010 (Water Utility CIP) to acquire the property interests found necessary for the Project, and to deposit into the State Treasury's State Condemnation Fund, as necessary, the amount of \$65,500 as probable amount of compensation owed to the property owners to obtain possession of the Acquisition Areas. This is the probable amount of compensation to be paid by the City for the necessary real property interests to be acquired. The Chief Financial Officer is further authorized to deposit, if necessary, additional funds that the Court or the parties in the anticipated eminent domain action deem necessary to increase the probable amount of compensation due to the property owner(s) as

a result of the acquisition of the property i	nterests set forth here	ein and the resulting em	inent
domain litigation.			

APPROVED: MARA W. ELLIOTT, City Attorney

Ву

Christine M. Leone Deputy City Attorney

CML:cw 10/05/18

Or.Dept: READ CC No.: 3000011516 Doc. No.: 1852809 Attachment: Exhibit 1

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

ELIZABETH S. MALAND

City Clerk

Deputy City Clerk



Michael Flanagan Project Manager 9150 Chesapeake Drive, Suite 190 San Diego, CA 92123 Mike Flanagan@@clarklandresources.com

> C: (858) 405-6559 F: (760) 560-1662

www.clarklandresources.com

August 8, 2018

ARE-Nexus Centre II, LLC 4767 Nexus Center Drive San Diego, California 92121

Dear Sirs:

OFFER FOR GENERAL UTILITY EASEMENT

4767 Nexus Center Drive, San Diego (APN: 345-012-15)

The City of San Diego is in the process of completing its design for the Pure Water – Morena Pump Station and Pipeline project. The purpose of this project is to deliver additional wastewater to the North City Water Reclamation Plant where it will be treated by advanced treatment processes and will create up to 30 million gallons per day of local potable water.

Records show that you are the property owner of the above-numbered parcel, a portion of which will be benefitted by the project, see (Exhibit A). The City of San Diego ("City") seeks to acquire a general utility easement on your property located at 4767 Nexus Center Drive (APN: 345-012-15) in the City of San Diego, as more particularly depicted on (Exhibit B). This letter and all attachments constitute the offer.

The City had the easement appraised to determine its fair market value. The appraisal was conducted in accordance with commonly accepted appraisal standards and included consideration of the highest and best use of the land. Based on the appraisal, the City offers to purchase these easement rights for \$65,500 ("Purchase Price").

The Purchase Price is the full amount established by the appraisal as the fair market value of the easement, and the just compensation for such acquisition. A written statement of, and a summary of the basis for, the amount established as the Purchase Price is set forth in the attached Appraisal Summary Statement (Exhibit C).

The fair market value of the easement:

- a. Is the full amount believed by the City to be just compensation for the easement to be acquired;
- b. Is not less than the approved appraisal of the fair market value of the easement;
- c. Disregards any decrease or increase in the fair market value of the real property to be acquired prior to the date of valuation caused by the public improvement for the property which is to be acquired or by the likelihood that the property would be acquired for such public improvement, other than that due to physical deterioration within the reasonable control of the owner or occupant; and
- d. Does not reflect any consideration of or allowance for any relocation assistance and payments or other benefits to which the owner may be entitled to receive under an agreement with the City of San Diego.

Additional information regarding the property is provided in (Exhibit D). It is the City's hope that this offer is acceptable and we can proceed with the purchase of the easement area. However, if you are not satisfied with the City's offer of just compensation, you will be given reasonable opportunity to present relevant material, which the City will carefully consider. A response to this offer would be appreciated by September 10, 2018.

you have any questions regarding this offer, please call me at (858) 405-6559.	
ncerely, Dichael-Hanagan roject Manager lark Land Resources	
offer received: By: Izear Williams	
ate: <u>Ougust 8, 2018</u>	
ffer accepted: By:	
ate:	



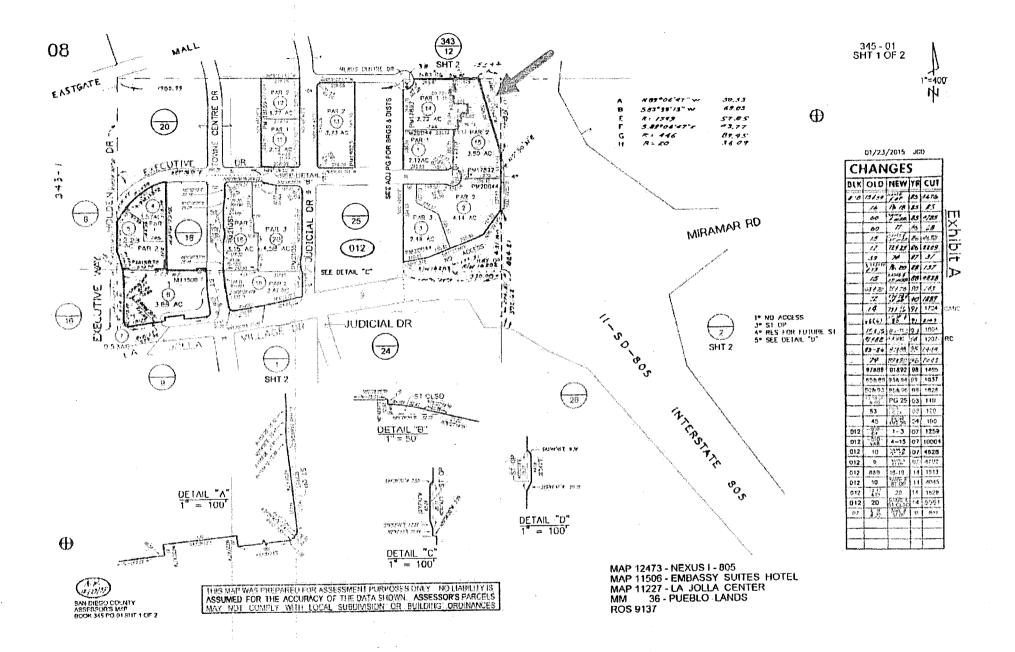


Exhibit B

EXHIBIT A LEGAL DESCRIPTION GENERAL UTILITY EASEMENT APN 345-012-15

A portion of Parcel 2 of Parcel Map 17892 in the City of San Diego, County of San Diego, State of California according to Map filed in the Office of the County Recorder of San Diego County on August 6, 1997, described as follows:

A strip of land, 30.00 feet in width, lying 15.00 feet on each side of the following described centerline:

COMMENCING at the southeast corner of said Parcel 2; thence northerly along the easterly line thereof North 00°30′31″ East, 52.11 to the TRUE POINT OF BEGINNING; thence leaving said easterly line South 82°42′45″ West, 273.90 feet to a point on a curve in the southwesterly line of said Parcel 2 having a radius of 60.00 feet to which a radial line bears North 78°13′43″ East and the POINT OF TERMINUS. Said POINT OF TERMINUS being also on the Right of Way of Executive Drive, as dedicated per Parcel Map 12473.

The sidelines of said strip shall be prolonged or shortened so as to begin on the easterly line and end on the westerly and southerly lines of Parcel 2.

Excepting therefrom any portion not within said Parcel 2. Also Excepting therefrom the portions lying within the following existing Easements granted to the City of San Diego: #8 Sewer-Drainage-Slope Easement per Map 12473 and #12 Tunnel Easement recorded March 3, 1995 as Doc. No. 1995-0093861, both of official records.

PORTIONS ACQUIRED CONTAINING: 2,620.4 square feet or 0.060 acre, more or less.

ATTACHED HERETO IS DRAWING NO. 40466-B, LABELED EXHIBIT 'B' AND BY THIS REFERENCE MADE A PART HEREOF.

This description was prepared by me or under my direction.

Mark∕Ó Macfárlane PLS 8960

MBI JN 157879 MBI-2

MAY 14, 2018

PTS 585291

I.O. B-15141.02.01

CITY DWG NO. 46466-B

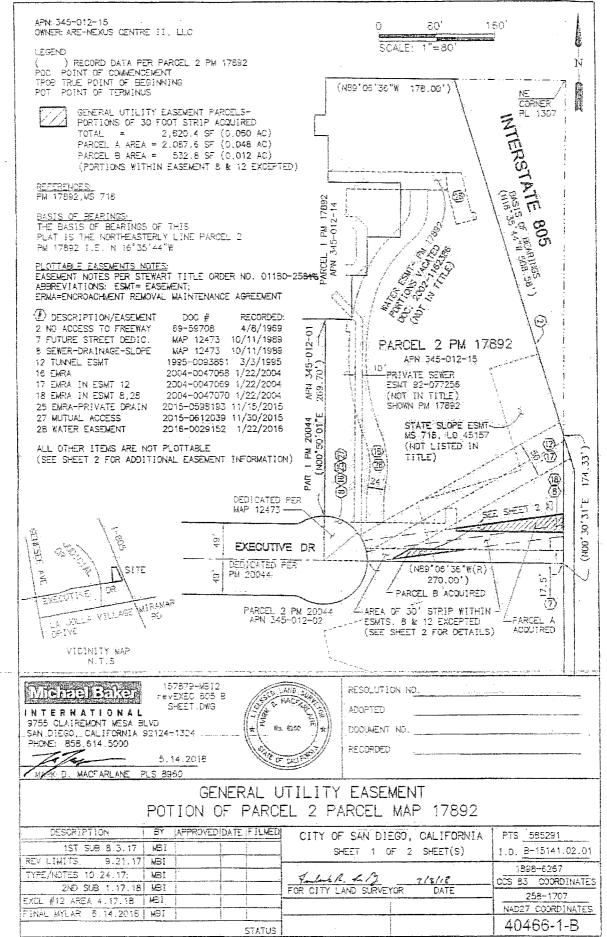
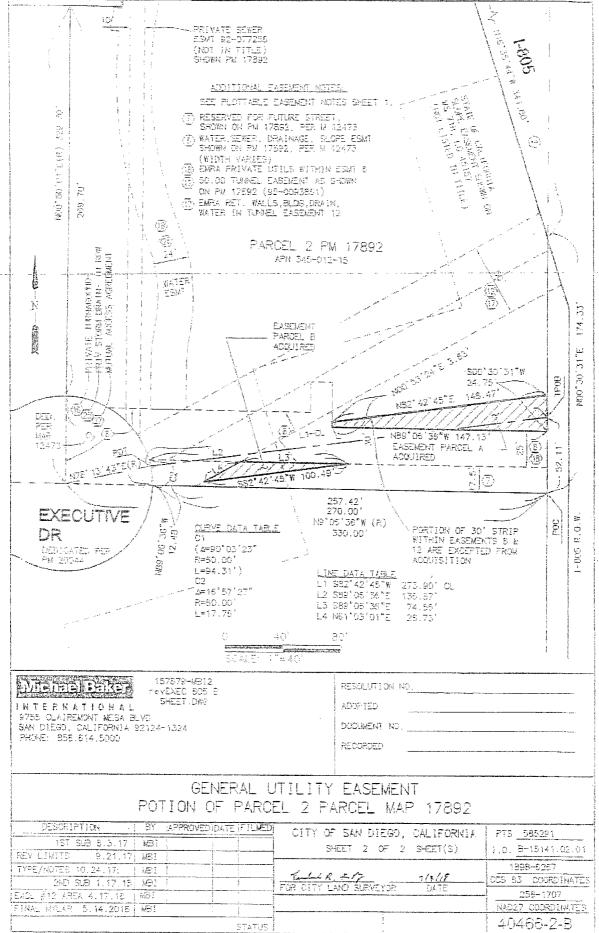


EXHIBIT 'B'



APPRAISAL SUMMARY STATEMENT

The fair market value for the property to be acquired is based upon an appraisal prepared in accordance with accepted appraisal principals and procedures. Recent sales of comparable properties were utilized to estimate value by the sales comparison approach. Full consideration is given to the subject property's zoning, development potential, and physical characteristics.

BASIC PROPERTY DATA

OWNER:

ARE - Nexus Centre II, LLC

SUBJECT PROPERTY ADDRESS:

4767 Nexus Centre Drive, San Diego, CA 92131

ASSESSOR'S PARCEL NUMBER:

345-012-15

PRESENT USE:

Single-user office/flex/R&D building

HIGHEST AND BEST USE:

As Vacant: To develop the site with office/flex/R&D

improvements consistent with zoning and land use.

As Improved: Continued use as improved with an office/flex use.

PROPERTY CONSIDERED FOR ACQUISITION:

Partial acquisition for the San Diego Pure Water Project.

INTEREST VALUED:

Fee simple interest in establishing the larger parcel; and

permanent easement.

DATE OF APPRAISAL:

June 20, 2018

APPLICABLE ZONING:

IP-1-1 (Industrial Park), City of San Diego.

APPLICABLE LAND USE:

The City of San Diego General Plan Land Use Map designates

the property for "Industrial Employment" use.

IMPROVEMENTS:

The site is improved with a two-story office/R&D building. The building's estimated gross building area was 65,280 square feet and it was constructed in 2006. The proposed project does not

impact the building improvement.

TOTAL PROPERTY AREA:

Larger Parcel:

3.796± acres

Portion Sought (Permanent Easement):

2,620 Sq. Ft; $(0.060 \pm \text{ acre})$

BASIS OF APPRAISAL

The sales comparison approach was used to develop an opinion of the fair market value of the subject land.

Sales Comparison Approach

The sales comparison approach compares sales of similar properties to the property being appraised. The following table is a summary of the sales considered most comparable to the subject property land.

	COMPARABLE	LAND SALE	SUMMARY			
Comp No.	Location	Rec. Date Doc. No.	Sale Price	Size (SF)	Price/ SF	Price/ SF*
1	9514 Towne Centre Drive San Diego	06/27/17 0288924	\$4,700,000	87,120	\$53.95	\$57.72
2	4930 Directors Place, Sorrento Mesa, -SD	4/21/16 	\$8,000,000	191,664	\$41.74	\$48.00
3	3050 Callan Road, Torrey Pines, San Diego	03/24/17 0134792	\$4,970,100	121,968	\$40.75	\$44.42
4	5902 Kearny Villa Road San Diego	02/02/15 0044736	\$10,819,000	258,311	\$41.88	\$42.55
5	SWC Van Allen Way & Faraday Ave. Carlsbad	08/22/16 0432268	\$4,100,000	133,729	\$30.66	\$33.20
6	1901 Wright Place & Palomar Oaks Carlsbad	06/29/16 0324016	\$4,350,000	167,706	\$25.94	\$29.83
7	5170 Mercury Place San Diego	12/01/16 0659268	\$1,650,000	60,113	\$27.45	\$30.74

^{*}Reflects conditions of sale and market conditions adjusted sales price

RECOMMENDED COMPENSATION FOR REQUIRED PROPERTY

Value of the Larger Parcel (Land Only)	\$8,267,700		•
Value of the Portion Sought (A)	\$65,500		\$65,500
Value of the Remainder as Part of the Whole		\$8,202,200	
Value of the Remainder in the After Condition, Before	e Benefits	\$8,202,200	
Severance Damages			\$0
Value of the Remainder in the After Condition, After	Benefits	\$8,202,200	
Total Appraised Just Compensation			\$65,500

Permanent General Utility Easement (A): The Right-of-Way map identified the permanent easement area as 2,620 square feet (SF). The portion sought was valued as follows: \$50/SF, times 2,620 SF, times 50% loss of the total ownership bundle of rights, equals \$65,500.

Site Improvements: Representatives of the City of San Diego stated that construction of this segment of the project will use tunneling to install the pipeline and there will be no impacts to the surface of the site. Therefore, no site improvements will be impacted by the project.

DEFINITION OF FAIR MARKET VALUE

(See Code of Civil Procedure 1263.320, a & b)

- (a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- (b) The fair market value of property taken for which there is no relevant comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

APPRAISED BY:

Mark Hendrickson, MAI, AG041338

Ted Hendrickson, MAI, AG004974

APPRAISAL FIRM:

Hendrickson Appraisal Company, Inc.

Real Estate Appraisers and Consultants 3530 Camino Del Rio N. Suite 205

San Diego, CA 92108

PREPARED BY (Signature):	Mark Handles
NAME (Printed):	Mark J. Hendrickson, MAI
DATE	July 27, 2018

EXHIBIT D

ADDITIONAL INFORMATION RELATING TO THE PURCHASE OF REAL PROPERTY OR AN INTEREST THEREIN

Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and the California Relocation Assistance and Real Property Acquisition Guidelines require that each owner from whom the City of San Diego purchases real property or an interest therein, or each tenant owning improvements on said property, be provided with a summary of the appraisal of the real property or interest therein, as well as the following information.

- 1. You are entitled to receive full payment prior to vacating, if applicable, the real property being purchased unless you have heretofore waived such entitlement. You are not required to pay recording fees, transfer taxes, or the pro rata portion of real property taxes which are allocable to any period subsequent to the passage of title or possession of the property, if applicable, to the City.
- 2. The holders of liens, deeds of trust or other security interests in your property, and/or any lessees or tenants of your property, may be entitled to all or a portion of the consideration to be paid by the City for your property in accordance with the particular contract(s) existing between you (the owner) and the lienholder or lessee/tenant.
- 3. Whenever a portion of a parcel of property is to be acquired by the City for public use, and the remainder, or a portion of the remainder, will be left in such size, shape or condition as to constitute an uneconomic remnant, the City shall offer to acquire the remnant if the owner so desires. An "uneconomic remnant" is a parcel of real property in which the owner retains an interest after partial acquisition of the property and which has little or no utility or value to the owner.
- 4. All buildings, structures and other improvements affixed to the land described in the reference documents and owned by the grantor(s) herein or, if applicable, owned by you as a tenant, are being conveyed unless other deposition of these improvements has been made.
- 5. The market value of the property, or rights therein, being purchased is based upon a market value appraisal which is summarized in the Appraisal Summary Statement and such amount:
 - a. Is the full amount believed by the City to be just compensation for the property, or property rights, to be acquired;
 - b. Is not less than the approved appraisal of the fair market value of the property, or property rights, as improved;

- c. Disregards any decrease or increase in the fair market value of the real property, or property rights, to be acquired prior to the date of valuation caused by the public improvement for which the property, or property rights, is to be acquired or by the likelihood that the property, or property rights, would be acquired for such public improvement, other than that due to physical deterioration within the reasonable control of the owner or occupant; and
- d. Does not reflect any consideration of or allowance for any relocation assistance and payments or other benefits to which the owner may be entitled to receive under an agreement with the City of San Diego, except for an amount to compensate the owner for loss of goodwill, if any.
- 6. Pursuant to Civil Code of Procedure Section 1263.025 should you elect to obtain an independent appraisal, the City will pay for the actual reasonable costs of the appraisal up to a maximum amount of \$5,000, subject to the following conditions;
 - a. You, not the City, must order the appraisal. Should you enter into a contract with a selected appraiser the City of San Diego will not be party to the contract.
 - b. The selected appraiser must be licensed with the Office of Real Estate Appraisers (OREA).
 - c. Appraisal cost reimbursement requests must be made in writing and submitted to the City of San Diego Real Estate Assets Department, 1200 Third Ave., Suite 1700, San Diego, CA 92120 within 90 days of the earliest of the following:

 (1) The date the selected appraiser requests payment from you for the appraisal; or, (2) the date upon which you, or someone on your behalf, remitted full payment to the selected appraiser for the appraisal. Copies of the contract (if a contract was made), appraisal report, and invoice for completed work by the appraiser must be provided to the City concurrent with submission of the appraisal cost reimbursement request. The costs must be reasonable and justifiable and reimbursement will not exceed \$5,000.
- 7. The definition of "fair market value" is defined within eminent domain law (at California Code of Civil Procedure section 1263.320) as "the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for doing so, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available."
- 8. The owner of a business being conducted on the property to be acquired, or conducted on the remaining property which will be affected by the purchase of the required property, may be entitled to compensation for the loss of good will. "Goodwill" consists of the benefits that accrue to a business as a result of its location, reputation or dependability, skill or quality, and any other circumstances resulting in probable retention of old or acquisition of new patronage. Entitlement to compensation for loss of goodwill is

contingent upon the business owner's ability to prove such loss in accordance with the provisions of sections 1263.510 and 1263.520 of the California Code of Civil Procedure, which read as follows:

§1263.510. Required Proofs.

- (a) The owner of a business conducted on a property taken or on the remainder if such property is part of a larger parcel, shall be compensated for loss of goodwill if the owner proves all of the following:
 - (1) The loss is caused by the taking of the property or the injury to the remainder.
 - (2) The loss cannot reasonably be prevented by a relocation of the business or by taking stops and adopting procedures that a reasonably prudent person would take and adopt in preserving the goodwill.
 - (3) Compensation for the loss will not be included in payments under section 7262 of the Government Code.
 - (4) Compensation for the loss will not be duplicated in the compensation otherwise awarded to the owner.
- (b) Within the meaning of this article, "goodwill" consists of the benefits that accrue to a business as a result of its location, reputation or dependability, skill or quality, and any other circumstances resulting in probable retention of old or acquisition of new patronage.

§1263.520. State Tax Returns to Be Made Available.

The owner of a business who claims compensation under this article shall make available to the court, and the court shall, upon such terms and conditions as will preserve their confidentiality, make available to the plaintiff, the state tax returns of the business for audit for confidential use solely for the purpose of determining the amount of compensation under this article. Nothing in this section affects any right a party may otherwise have to discovery or to require the production of documents, papers, books and accounts."

9. If you ultimately elect to reject the City's offer for your property or property rights therein, you are entitled to have the amount of compensation for said property, or rights therein, determined by a court of law in accordance with the eminent domain laws of the State of California.

PURCHASE AND SALE AGREEMENT

[North City Morena Blvd Pump Station and Pipeline Project, WBS #B-15141]

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is entered into by and between ARE-NEXUS CENTRE II, LLC, a Delaware limited liability company ("SELLER"), and THE CITY OF SAN DIEGO, a California municipal corporation ("BUYER"), to be effective as of the date when signed by the parties and approved by the San Diego City Attorney (the "Effective Date"), as follows:

- 1. <u>Authorization</u>. BUYER is authorized to acquire this real property interest pursuant to San Diego Municipal Code section 22.3110 and Capital Improvement Project WBS B-15141 identified and appropriated through the previously adopted Capital Improvements Program Budgets, along with the annual appropriations ordinances therefor.
- 2. <u>Purchase and Sale: Easement.</u> SELLER is the owner of that certain real property, with an address of 4767 Nexus Center Drive, San Diego California 92121, and which is identified by Assessor's Parcel No. 345-012-15 ("Property").
 - a. <u>Easement</u>. Under the terms and conditions of this Agreement, SELLER shall convey to BUYER, and BUYER shall acquire from SELLER a permanent easement and right-of-way in, upon, over, under, and across the Property (the "Easement") to construct, reconstruct, maintain, operate, repair, and replace underground utilities and pipelines and related appurtenances, as more specifically shown on the easement deed attached hereto as **Exhibit A** (the "Easement Deed").
- 3. Open Escrow. BUYER shall open an escrow (the "Escrow") with Stewart Title Company (the "Escrow Holder"), located at 7676 Hazard Center Drive, Suite 1400, San Diego, CA, within ten (10) days, or other date mutually acceptable to both parties, after the Effective Date ("Opening of Escrow") and shall deliver to Escrow Holder the fully executed Agreement (or Counterparts thereof). Escrow Holder shall provide escrow services for the transaction contemplated by this Agreement.
- 4. <u>Purchase Price</u>. The consideration for SELLER's grant of the Easement shall be the one time of payment of sixty five thousand and five hundred dollars (\$65,500) ("Purchase Price").
- 5. <u>Submissions to Escrow</u>. Within ten (10) business days after Opening of Escrow, SELLER shall deliver to Escrow the signed and notarized Easement Deed, and BUYER shall deliver to Escrow the Purchase Price.
- 6. <u>Survey: Environmental Investigation</u>. Prior to the Closing Date (as defined below), BUYER, at BUYER's sole expense, may conduct a current survey of the Property and such environmental investigations of the Property as BUYER may deem appropriate. SELLER hereby grants permission to BUYER, its officers, employees, agents and contractors to enter upon and occupy the Property prior to the Closing Date for the purpose of conducting such survey, environmental investigations, and all other reasonable investigations related to this Agreement.

- 7. <u>SELLER's Responsibilities</u>. Seller shall make reasonable efforts to comply with BUYER's reasonable requests for documents pertaining to the Property, subject to reasonable cost limitations and confidentiality restrictions.
- 8. <u>Further Cooperation</u>. Each party shall execute and deliver to the Escrow Holder all instruments and documents reasonably required by the other party or the Escrow Holder to consummate the transaction contemplated by this Agreement.
- 9. <u>Closing</u>. The closing of Escrow shall be held at the Escrow Holder's office on or before a date that is mutually satisfactory to both BUYER and SELLER (the "Closing Date").
- 10. <u>Title</u>. At the closing of Escrow, SELLER shall deliver to Escrow Holder a recordable Easement Grant Deed substantially in the form attached hereto as **Exhibit A**.
 - a) Escrow Costs. BUYER shall pay: (i) escrow fees, (ii) recording fees, (iii) title insurance charges, (iv) reconveyance fees, and (v) trustees' or forwarding fees for any reconveyance of deed of trust or release of mortgage incurred in this transaction.
- 11. <u>Amendments</u>. The terms and provisions of this Agreement may only be modified or amended pursuant to a written instrument signed by all parties hereto.
- 12. <u>Successors and Assigns</u>. This Agreement shall inure to and bind the successors and assigns of the parties. The Easement shall run with the land and the conveyance thereof shall bind and inure to the benefit of the respective successors and assigns of the parties to this Agreement.
- 13. <u>Assignment</u>. This Agreement may not be assigned in whole or in part by either party without the other party's prior written consent.
- 14. <u>Partial Invalidity</u>. If any term, covenant, condition, or provision of this Agreement is found invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.
- 15. <u>Survival</u>. Any obligation which accrues under this Agreement prior the closing of Escrow or the termination of this Agreement shall survive the closing of Escrow or such termination.
- 16. <u>Entire Agreement</u>. This Agreement represents the entire agreement between the parties for the purchase and sale of the Easement, and supersedes all prior negotiations, representations or agreements, either oral or written.
- 17. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which when executed shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 18. <u>Notices</u>. Any notice required or permitted to be given by one party to another party shall be addressed to the parties as follows:

BUYER: THE CITY OF SAN DIEGO

Attention: Cybele L. Thompson

Real Estate Assets Department

1200 Third Avenue, Suite 1700, MS51A

San Diego, California 92101-4199

SELLER: ARE-NEXUS CENTRE II, LLC

4767 Nexus Center Drive

San Diego California 92121

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, this Agreement is executed by the following individuals, who represent to the other party(ies) by their signatures below, that they are authorized to execute and bind the BUYER and SELLER to this Agreement.

Date:	ARE-NEXUS CENTRE II, LLC, a Delaware limited liability company
	BY: Name: Title:
Date:	THE CITY OF SAN DIEGO, a California municipal corporation
	BY: Name: CYBELE L. THOMPSON Title: Director, Real Estate Assets
Approved as to Form:	
MARA W. ELLIOTT, San D	riego City Attorney
BY: Name:	

Recording Requested by: City Real Estate Assets Dept. After recording mail to:

> Real Estate Assets Dept. City of San Diego 1200 Third Ave, Suite 1700 San Diego, CA 92101

			·
345	012	15	PTN

Deputy City Attorney

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GENERAL UTILITY EASEMENT DEED

NO DOCUMENTARY TAX DUE - R & T 11922 (amended) Presented for record by the CITY OF SAN DIEGO

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

ARE-NEXUS CENTRE II, LLC, a Delaware limited liability company (Grantor),

HEREBY GRANT to The City of San Diego, a California municipal corporation, in the County of San Diego, State of California (Grantee), a permanent easement and right-of-way to construct, reconstruct, maintain, operate, and repair underground utilities and pipelines, including all incidents and appurtenances thereto, together with the right of ingress and egress, in, over, under, upon, along and across all that real property situated in the City of San Diego, County of San Diego, State of California (Easement Area), described and depicted in the following:

Exhibit A attached hereto and incorporated herein and Exhibit B attached hereto and incorporated herein.

Grantor, their heirs and assigns, reserve the right to the continued use of the Easement Area for purposes not inconsistent with the rights herein granted to Grantee as long as that use does not interfere with Grantee's use of the easement, and subject to the following conditions: The erecting of buildings, masonry walls, fences and other structures; the planting or growing of trees; the changing of the surface grade; and the installation of private pipelines shall be prohibited except by written permission of the Grantee.

This is to certify that the interest in the real property conveyed by this instrument to the City of San Diego, a municipal corporation, is hereby accepted the undersigned officer on behalf of the City of San Diego pursuant to authority conferred by Resolution No. 250320, adopted by the Council of the City of San Diego on October 1, 1979.		ARE-NEXUS CENTRE II, LLC, a Delaware limited liability company
the Council of the City of San Diego on October 1, 1979, and the grantee consents to recordation thereof by its duly		
authorized officer.		Print Name and Title
Dated By Cybele L. Thompson, Director Real Estate Assets Department		
Approved as to form thisday of, 2018.		
MARA W. ELLIOT, City Attorney		
Bv:		

EXHIBIT A LEGAL DESCRIPTION GENERAL UTILITY EASEMENT APN 345-012-15

A portion of Parcel 2 of Parcel Map 17892 in the City of San Diego, County of San Diego, State of California according to Map filed in the Office of the County Recorder of San Diego County on August 5, 1997, described as follows:

A strip of land, 30.00 feet in width, lying 15.00 feet on each side of the following described centerline:

COMMENCING at the southeast corner of said Parcel 2; thence northerly along the easterly line thereof North 00°30'31" East, 52.11 to the TRUE POINT OF BEGINNING; thence leaving said easterly line South 82°42'45" West, 273.90 feet to a point on a curve in the southwesterly line of said Parcel 2 having a radius of 60.00 feet to which a radial line bears North 78°13'43" East and the POINT OF TERMINUS. Said POINT OF TERMINUS being also on the Right of Way of Executive Drive, as dedicated per Parcel Map 12473.

The sidelines of said strip shall be prolonged or shortened so as to begin on the easterly line and end on the westerly and southerly lines of Parcel 2.

Excepting therefrom any portion not within said Parcel 2.

Also Excepting therefrom the portions lying within the following existing Easements granted to the City of San Diego:

#8 Sewer-Drainage-Slope Easement per Map 12473 and

#12 Tunnel Easement recorded March 3, 1995 as Doc. No. 1995-0093861, both of official records.

PORTIONS ACQUIRED CONTAINING: 2,620.4 square feet or 0.060 acre, more or less.

ATTACHED HERETO IS DRAWING NO. 40466-B, MABELED EXHIBIT '5' AND BY THIS REFERENCE MADE A PART HEREOF.

This description was prepared by me or under my direction.

Mark∕ŏ Macfárlane PLS 8960

MBÍ JN 157879 MBI-2

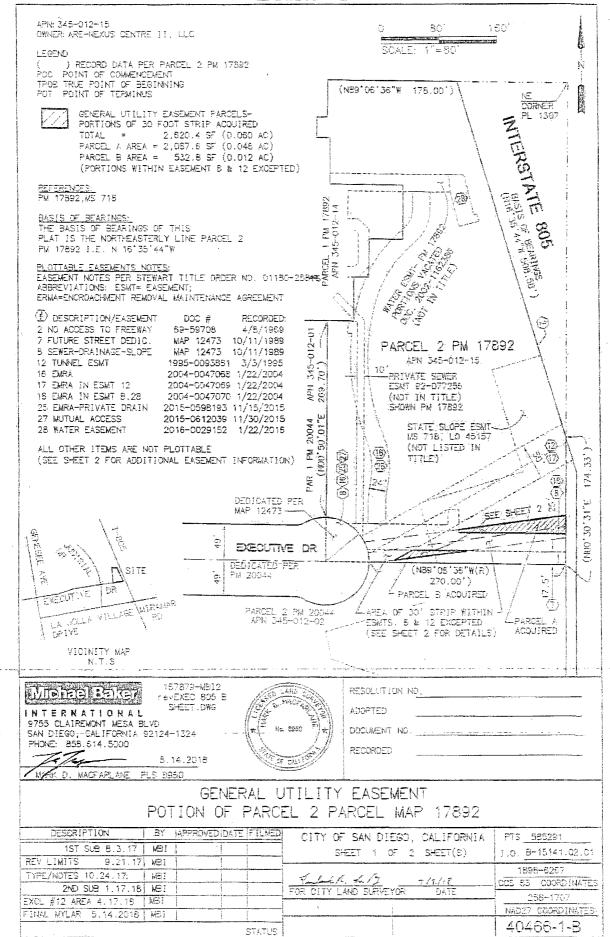
MAY 14, 2018

PTS 585291

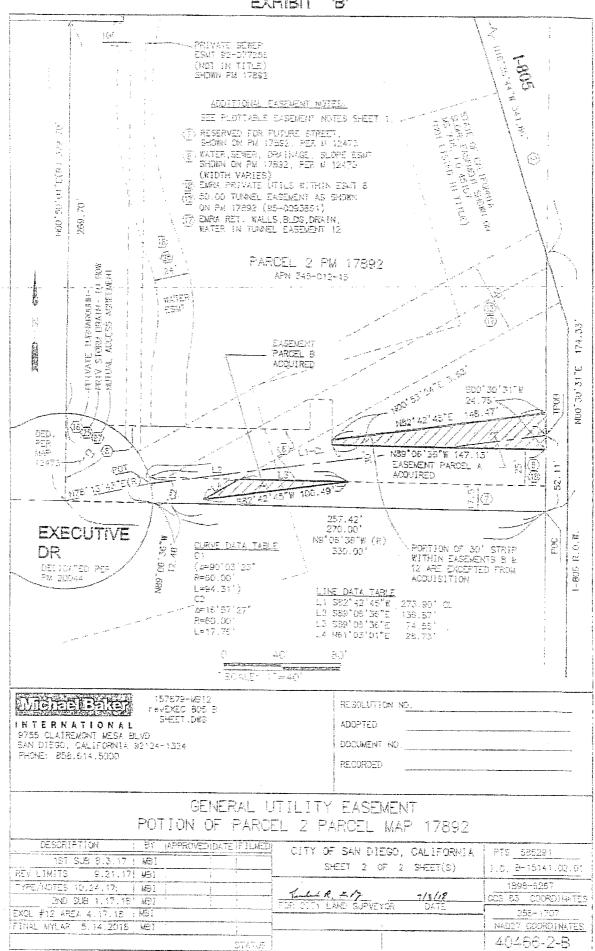
I.O. B-15141.02.01

CITY DWG NO. 40466-B

EXHIBIT 'B'



5 EXHIBIT



Recording Requested by: City Real Estate Assets Dept. After recording mail to:

> Real Estate Assets Dept. City of San Diego 1200 Third Ave, Suite 1700 San Diego, CA 92101

		1	· · · · · · · · · · · · · · · · · · ·
345	012	15	PTN

Deputy City Attorney

SPACE ABOYE THIS LINE FOR RECORDER'S USE

GENERAL UTILITY EASEMENT DEED

NO DOCUMENTARY TAX DUE - R & T 11922 (amended)
Presented for record by the CITY OF SAN DIEGO

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

ARE-NEXUS CENTRE II, LLC, a Delaware limited liability company (Grantor),

HEREBY GRANT to The City of San Diego, a California municipal corporation, in the County of San Diego, State of California (Grantee), a permanent easement and right-of-way to construct, reconstruct, maintain, operate, and repair underground utilities and pipelines, including all incidents and appurtenances thereto, together with the right of ingress and egress, in, over, under, upon, along and across all that real property situated in the City of San Diego, County of San Diego, State of California (Easement Area), described and depicted in the following:

Exhibit A attached hereto and incorporated herein and Exhibit B attached hereto and incorporated herein.

Grantor, their heirs and assigns, reserve the right to the continued use of the Easement Area for purposes not inconsistent with the rights herein granted to Grantee as long as that use does not interfere with Grantee's use of the easement, and subject to the following conditions: The erecting of buildings, masonry walls, fences and other structures; the planting or growing of trees; the changing of the surface grade; and the installation of private pipelines shall be prohibited except by written permission of the Grantee.

This is to certify that the interest in the real property conveyed by this instrument to the City of San Diego, a municipal corporation, is hereby accepted the undersigned officer on behalf of the City of San Diego pursuant to	ARE-NEXUS CENTRE II, LLC, a Delaware limited liability company By:
authority conferred by Resolution No. 250320, adopted by the Council of the City of San Diego on October 1, 1979,	
and the grantee consents to recordation thereof by its duly authorized officer.	Print Name and Title
Dated By Cybele L. Thompson, Director Real Estate Assets Department	
Approved as to form thisday of, 2018.	
MARA W. ELLIOT, City Attorney	
Rv:	

EXHIBIT A LEGAL DESCRIPTION GENERAL UTILITY EASEMENT APN 345-012-15

A portion of Parcel 2 of Parcel Map 17892 in the City of San Diego, County of San Diego, State of California according to Map filed in the Office of the County Recorder of San Diego County on August 6, 1997, described as follows:

A strip of land, 30.00 feet in width, lying 15.00 feet on each side of the following described centerline:

COMMENCING at the southeast corner of said Parcel 2; thence northerly along the easterly line thereof North 00°30′31″ East, 52.11 to the TRUE POINT OF BEGINNING; thence leaving said easterly line South 82°42′45″ West, 273.90 feet to a point on a curve in the southwesterly line of said Parcel 2 having a radius of 60.00 feet to which a radial line bears North 78°13′43″ East and the POINT OF TERMINUS. Said POINT OF TERMINUS being also on the Right of Way of Executive Drive, as dedicated per Parcel Map 12473.

The sidelines of said strip shall be prolonged or shortened so as to begin on the easterly line and end on the westerly and southerly lines of Parcel 2.

Excepting therefrom any portion not within said Parcel 2. Also Excepting therefrom the portions lying within the following existing Easements granted to the City of San Diego: #8 Sewer-Drainage-Slope Easement per Map 12473 and #12 Tunnel Easement recorded March 3, 1995 as Doc. No. 1995-0093861, both of official records.

PORTIONS ACQUIRED CONTAINING: 2,620.4 square feet or 0.060 acre, more or less.

ATTACHED HERETO IS DRAWING NO. 40456-B, LABELED EXHIBIT 'B' AND BY THIS REFERENCE MADE A PART HEREOF.

This description was prepared by me or under my direction.

Mark⁄o Macfárlane PLS 8960

MBÍ JN 157879 MBI-2

MAY 14, 2018

PTS 585291

I.O. B-15141.02.01 CITY DWG NO. 40456-B

EXHIBIT 'B'

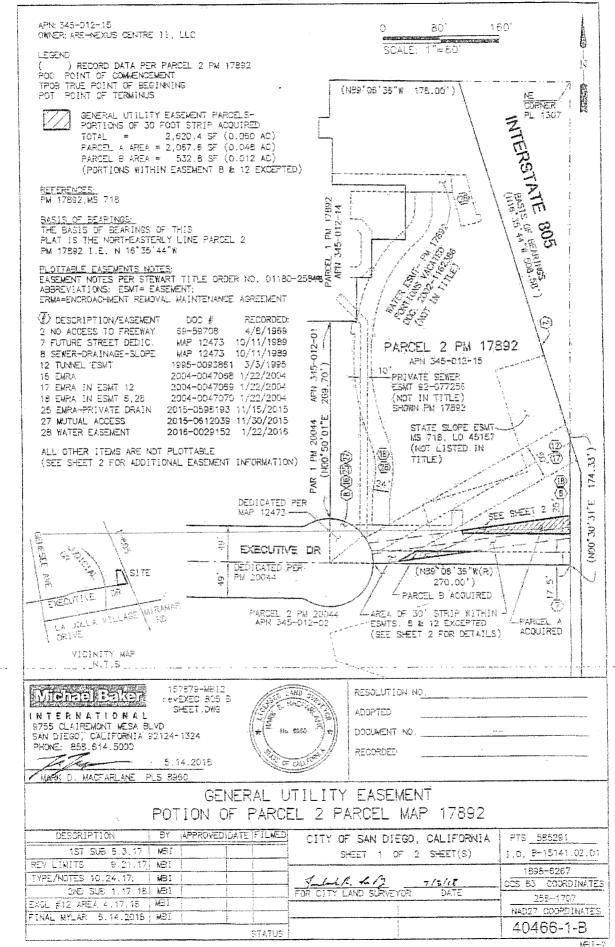
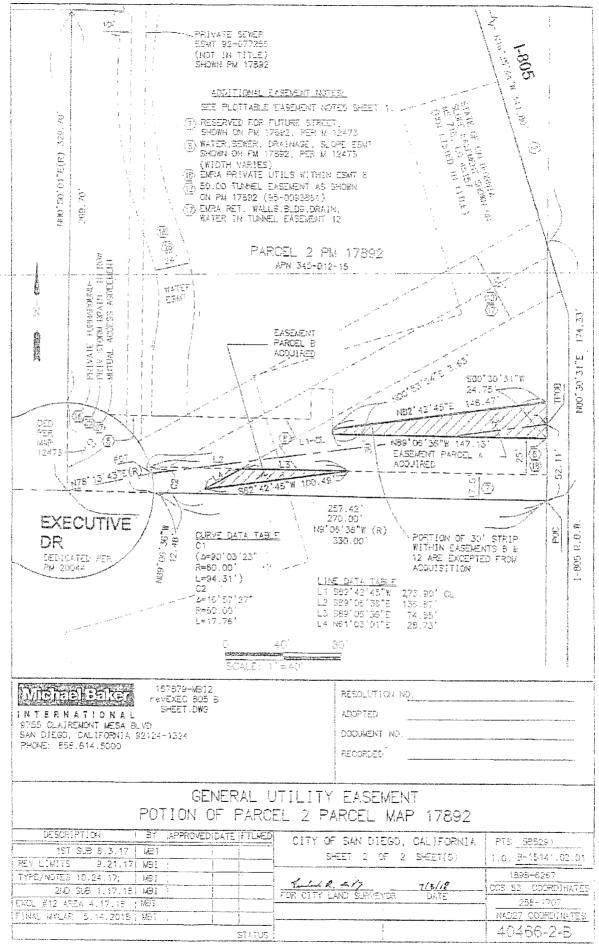


EXHIBIT 'B'



The City of San Diego COMPTROLLER'S CERTIFICATE

				CERT	IFICATE OF UNALLO	TTED BA	LANCE		CC		3000011516
								ORIGINATING	DEPT. NO.:_	1613	
n the	I HEREBY Treasury, o	CERTIF or is anti	Y that the mon cipated to come	ey required for e into the Trea	r the allotment of fur sury, and is otherwis	nds for the	e purpose set forth i ted.	n the foregoin	g reso	lution is available	
Amo	unt:										
Purp	ose:										
Date	:						Ву:				
								COMPTROLLER	t'S DEPAR	RTMENT	
										FUND OVERRIDE	
				CERTIFI	CATION OF UNENC	JMBERE	BALANCE				
rea	e into the Tre sury, togethe	easury, t er with th	to the credit of the moneys antic	cipated to com	on from which the sa e into the Treasury, \$1,612,900.00	ime are to to the cre	o be drawn, and that edit of said appropria	the said mone tion, are other	ey nov wise u	v actually in the inencumbered.	
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/end	or:	State C	ondemnation Fu	nd							
urpo	ose:	To auth	norize the expend acquisition of eas	diture of funds n sements for the	ot to exceed \$1,612.9 Pure Water North Cit	00.00 to tl y Project.	he State Condemnatio	n Fund for emin	nent do	main proceedings	
								1/	1 (Res	
oate:				September 28	, 2018		By: Yeshi Bez	uneh (AST)	'S DEPAR	TMENT THENT	
	· · · · · · · · · · · · · · · · · · ·				ACCOUNTING DA	TA					
Doc.	Funded					Business	Fund Center or Cost	Internal Order	1		
tem				17/1 Aggregat	Functional Area	Area				0-1-1-14	
1	Program	Fund	Grant Number	G/L Account			Center	WBS Eleme	-	Original Amount	
2	B16035	700010	NOT_RELEVANT_GRANT	512200	OTHR-00000000-WU	2013	2013180001	B-16035.03.	02	\$684,000.00	
2	B16035 B16035	700010 700010	NOT_RELEVANT_GRANT NOT_RELEVANT_GRANT	512200 512200	OTHR-000000000-WU OTHR-000000000-WU	2013 2013	2013180001 2013180001	B-16035.03.	02 02	\$684,000.00 \$98,100.00	
3 4	B16035	700010 700010 700010	NOT_RELEVANT_GRANT	512200	OTHR-00000000-WU	2013	2013180001	B-16035.03.	02 02 02	\$684,000.00	

700009 NOT_RELEVANT_GRANT 512200 OTHR-000000000-PR 2012 2012111215 B-15141.03.02 \$51,090.00 B15141 \$14,410.00 512200 OTHR-00000000-PR 2012 2012111215 B-15141.03.02 B15141 700010 NOT_RELEVANT_GRANT 6 512200 OTHR-00000000-PR 2012 2012111215 B-15141.03.02 \$3,432.00 B15141 700009 NOT_RELEVANT_GRANT 7 \$968.00 B-15141.03.02 B15141 700010 NOT_RELEVANT_GRANT 512200 OTHR-000000000-PR 2012 2012111215 8 \$1,482.00 B-15141.03.02 9 B15141 700009 NOT_RELEVANT_GRANT 512200 OTHR-00000000-PR 2012 2012111215 \$418.00 B-15141.03.02 700010 NOT_RELEVANT_GRANT 512200 OTHR-00000000-PR 2012 2012111215 10 B15141 TOTAL AMOUNT \$1,612,900.00

FUND OVERRIDE CC 3000011516

CC-361 (REV 7-09)

Resolution Number R-