

RESOLUTION NUMBER R- 313541

DATE OF FINAL PASSAGE MAY 19 2021

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE RELEASE OF CERTAIN USE RESTRICTIONS AND CITY REVERSIONARY RIGHTS FROM A PORTION OF THE EAST CAMPUS OF THE MAIN LA JOLLA CAMPUS SITE OF UNIVERSITY OF CALIFORNIA SAN DIEGO, MAKING RELATED FINDINGS, AND APPROVING RELATED IMPLEMENTING ACTIONS.

WHEREAS, through a series of transactions in the 1960s, the Regents of the University of California, a California corporation (UC Regents), acquired approximately 486 acres of land in the La Jolla area (1960s Acquisition Site) from the City of San Diego (City), and UC Regents subsequently used the 1960s Acquisition Site and adjacent land to develop the main campus of the University of California San Diego (UCSD); and

WHEREAS, the City's 1960s conveyance deeds to UC Regents included both: (a) use restrictions requiring the 1960s Acquisition Site to be used for educational or university purposes, with no stated expiration or sunset date; and (b) reversionary rights requiring that fee title ownership of the 1960s Acquisition Site, together with any improvements, would revert to the City if UC Regents no longer holds or uses the 1960s Acquisition Site for educational or university purposes at any future time; and

WHEREAS, the City conveyed the 1960s Acquisition Site to UC Regents, subject to the use restrictions and the City reversionary rights, after the City's voters approved the City's sale of the 1960s Acquisition Site, as required by San Diego Charter section 219, on terms and conditions deemed by the Council to be in the best interests of local citizens (in other words, the City's voters permitted the Council to prescribe the specific terms and conditions on which the Council would sell the 1960s Acquisition Site to UC Regents); and

WHEREAS, the City and UC Regents have negotiated the terms and conditions of the proposed Agreement Regarding Quitclaim and Release of Use Restrictions and Reversionary Rights from Portion of East Campus of UC San Diego La Jolla Campus Site (Master Agreement), a copy of which is included as Attachment 1 to the staff report accompanying this Resolution (Staff Report); and

WHEREAS, in accordance with the Master Agreement, the City will release the recorded use restrictions and City reversionary rights from a portion of the East Campus of UCSD's existing La Jolla campus consisting of approximately 43.4 acres (East Campus Property), which is part of the 1960s Acquisition Site; and

WHEREAS, through the Master Agreement, the City will not release the recorded restrictions or City reversionary rights from any portion of the 1960s Acquisition Site other than the East Campus Property; and

WHEREAS, the implementation of the Master Agreement will enable UCSD to pursue various development activities on its main La Jolla campus, including an initial East Campus expansion, in accordance with the 2018 Long Range Development Plan for the La Jolla campus approved by the UC Regents board of directors on November 15, 2018 (Development Plan); and

WHEREAS, the proposed new facilities to be constructed as part of the East Campus expansion under the Development Plan include: (i) an extended-stay lodging facility and conference center for UCSD-related activities, UCSD Health patients, visiting UCSD faculty, and academic symposiums; (ii) an intergenerational housing community for retired UCSD faculty; (iii) a wellness center for UCSD Health patients and the community; (iv) technology research office space; and (v) high-end health clinical research space; and

WHEREAS, the Master Agreement includes, as Attachment 1, the Quitclaim Deed, which will be signed and recorded in the San Diego County Recorder's Office to release the recorded use restrictions and City reversionary rights from the East Campus Property; and

WHEREAS, the Master Agreement also includes, as Attachment 2, the Agreement Affecting Real Property, which will be signed and recorded in the San Diego County Recorder's Office concurrently with the Quitclaim Deed; and

WHEREAS, the Master Agreement and the Agreement Affecting Real Property memorialize certain financial and other commitments being made by UCSD for the City's benefit in exchange for the City's agreement to release the recorded use restrictions and City reversionary rights, as further described in the Staff Report; and

WHEREAS, as explained in the Staff Report, although no appraisal of the City reversionary rights has been obtained due to practical challenges in determining their value, it is assumed that the City reversionary rights have a monetary value that may exceed the aggregate value of UCSD's financial and other commitments in the Master Agreement and the Agreement Affecting Real Property; and

WHEREAS, the implementation of the Master Agreement will carry out multiple public purposes beneficial to the City's interests, including promoting the growth and continued success of UCSD as a premier academic and research institution, increasing the number of local jobs as a result of the construction and operation of UCSD's expansion projects, and increasing local tax revenue and Tourism Marketing District assessment revenue accruing to the City's benefit; and

WHEREAS, the public purposes and additional benefits of the Master Agreement to the City are described in both the Staff Report and Attachment 2 to the Staff Report; and

WHEREAS, the California Surplus Land Act does not apply to the City's relinquishment of its reversionary rights to UC Regents because "surplus land" is defined in California Government Code section 54221(b)(1) to include only a local agency's fee simple title to property, whereas the City reversionary rights constitute a reversionary interest, not fee simple title, in the East Campus Property, and through the Master Agreement, the City is not disposing of any real property interest to a third party, but is instead relinquishing its reversionary interest to UC Regents, the current fee title owner; and

WHEREAS, San Diego Municipal Code section 22.0907 (Section 22.0907) states that, upon the Council's adoption of a resolution, the City may sell land to another public agency, without undertaking a competitive process, if the Council finds that the land is required for public purposes and that the sale of the land is on such price and terms as the Council deems to be fair and equitable and in the public interest; and

WHEREAS, it is assumed for purposes of this Resolution that Section 22.0907 may apply to the Council's approval of the Master Agreement, even though Section 22.0907 arguably does not apply in this unique circumstance where the City is relinquishing a reversionary interest in real property to the current fee title owner, rather than selling fee title in real property to a third party; and

WHEREAS, the Council has held a public hearing, and has reviewed and considered the written and verbal testimony and evidence presented at or before the public hearing, regarding the subject matter of this Resolution; NOW, THEREFORE,

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

1. For the reasons described in this Resolution and in both the Staff Report and Attachment 2 to the Staff Report, the Council finds as follows:

- a. The City's relinquishment of the recorded use restrictions and City reversionary rights from the East Campus Property in accordance with the Master Agreement serves valid public purposes;
- b. The City's relinquishment of the recorded use restrictions and City reversionary rights from the East Campus Property in accordance with the Master Agreement is required for public purposes related to the growth and continued success of UCSD as a premier academic and research institution;
- c. The terms and conditions of the Master Agreement, including the financial consideration and additional benefits accruing in favor of the City, are fair and equitable and in the public interest; and
- d. The terms and conditions of the Master Agreement are in the best interests of local citizens.

2. The Council approves the Master Agreement and authorizes the City's relinquishment of the recorded use restrictions and City reversionary rights from the East Campus Property in accordance with the Master Agreement.

3. The Mayor or designee is authorized, on the City's behalf, to sign and deliver the Master Agreement, the Quitclaim Deed, the Agreement Affecting Real Property, and all other documents necessary to relinquish the recorded use restrictions and City reversionary rights from the East Campus Property in accordance with the Master Agreement, and to take all such other actions as necessary or appropriate to consummate and implement all transactions contemplated by the Master Agreement and to effectuate the purposes and intent of this Resolution. A copy of

the Master Agreement, when signed by both parties, shall be placed on file in the Office of the City Clerk as Document No. RR-313541.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Kevin Reisch
Kevin Reisch
Senior Chief Deputy City Attorney

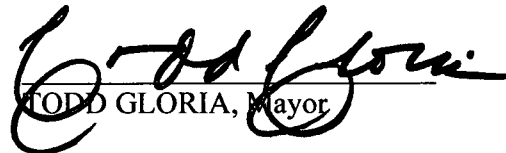
KJR:jdf
5/04/21
Or.Dept: Real Estate Assets
Doc. No. 2516101
Companion to: R-2021-245

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 05/18/2021.

ELIZABETH S. MALAND
City Clerk

By /s/ Matthew R. Hilario
Deputy City Clerk

Approved: 5/19/21
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on MAY 18 2021, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAY 19 2021

(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:

TODD GLORIA
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

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