



000939

THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: November 28, 2007 REPORT NO: 07-199
ATTENTION: Council President and City Council
Docket of Dec. 4, 2007
ORIGINATING DEPT: Real Estate Assets Department
SUBJECT: Increase the Real Estate Assets Department's Revolving Fund Limit
COUNCIL DIST.(S): All
STAFF CONTACT: B. Lane MacKenzie – X66050 or Jim Anthony – X36509

REQUESTED ACTIONS:

Authorize an increase in the Department's Revolving Account total authorization limit by \$100,000.

STAFF RECOMMENDATION:

Approve the requested actions.

SUMMARY:

The Real Estate Department (READ) is seeking to increase its Revolving Account total authorization limit from \$200,000 to \$300,000. The Revolving Account, more commonly referred to as the "Revolving Fund," provides a means to finance certain expenses associated with the sale, lease or acquisition of property before a funding source such as sale proceeds, lease revenues or project appropriations have been specifically identified to pay for those expenses. Often, there are initial administrative costs required to expedite a sale, lease, or purchase of real estate. The advanced funds are reimbursed when the revenues or project funding become available. The "total authorization" is the limit of the sum of all separate expenditures charged to the Revolving Fund before reimbursement takes place.

On May 21, 2007, Council authorized READ to sell seventeen properties. READ now needs additional funds to properly implement this directive. Some typical expenses of sales, leases, or acquisitions charged to the Revolving Fund would be, but are not necessarily limited to, the following:

- Preliminary Title Reports
- Appraisals
- Advertising (for other than broker marketed transactions)
- Printing (fliers, RFP's, etc.)
- Professional Services (i.e., engineers, surveyors, geological consultants, aerial photography, hazardous material clearance, etc.)

- Waste/Litter Removal
- Repair to Buildings
- Services from other City Departments (non-General Fund or reimbursable)
- Utility Costs

These expenses generally need to be paid when the service is provided or shortly thereafter, prior to completion of the transaction. Prices for services have also increased considerably since the Fund was last capitalized in 1992.

FISCAL CONSIDERATIONS:

The Real Estate Assets Revolving Account is funded by the existing Capital Outlay Sales Tax Fund which is reimbursed by proceeds of the anticipated sale or lease transaction or acquisition project funding. New expenditures will be offset by new sale or lease revenue, except for occasional instances when a proposed transaction does not occur such as a property does not sell or lease, or a project is canceled. The Revolving Account is used for expenses where there is an expectation that money will be available in the future to reimburse the Revolving Account. When a property does not sell or lease as anticipated, reimbursement will come out of the annual Department 601 budget of \$15,000. 601 is the "citywide" department used for the General Fund.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

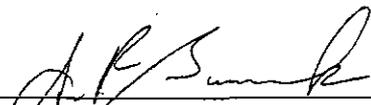
The Revolving Fund is established within the Capital Outlay Sales Tax Fund (Fund 30245, Org. 106) and has been capitalized five different times as follows:

1. Resolution 196505, adopted April 3, 1969	\$25,000
2. Resolution 201975, adopted February 23, 1971	15,000
3. Resolution 251505, adopted March 31, 1980	25,000
4. Resolution 264809, adopted January 6, 1986	35,000
5. FY 92 CIP 39-000.1	<u>100,000</u>
TOTAL	\$200,000

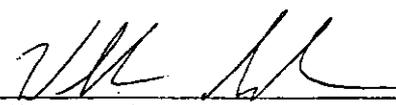
KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders would be the City of San Diego which will benefit by receipt of the sale proceeds or lease revenues or use of the public project.

Respectfully Submitted,



 James F. Barwick
 Real Estate Assets Director



 William Anderson
 Deputy Chief Land Use and Economic
 Development

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REQUEST FOR COUNCIL ACTION
CITY OF SAN DIEGO

1. CERTIFICATE FOR AUDIT 109
AC 28 12/4 3

TO: CITY ATTORNEY

2. FROM (ORIGINATING DEPARTMENT): Real Estate Assets Department

3. DATE: October 8, 2007

4. SUBJECT: INCREASE THE REAL ESTATE ASSETS DEPARTMENT'S REVOLVING FUND LIMIT

5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.)
B. Lane MacKenzie, (619) 236-6050 MS 51A
BLM

6. SECONDARY CONTACT (NAME, PHONE & MAIL STA.)
Jim Anthony, (619) 533-6509 MS51A

7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	30245			
DEPT.	3245			
ORGANIZATION	106			
OBJECT ACCOUNT	4279			
JOB ORDER	varies			
C.I.F. NUMBER				
AMOUNT	\$100,000			

9. ADDITIONAL INFORMATION / ESTIMATED COST:
Cost: None
Fiscal Impact: Possible expenditures with no offsetting revenue if transaction is not completed or project funding cancelled.
Thomas Guide Page: Citywide

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
X	ORIGINATING DEPARTMENT	[Signature]	10/8/07	X	DEPUTY CHIEF	[Signature]	10-25-07
X	DSD/EAS	[Signature]	10/9/07	X	C.O.O.		
X	C.F.O./F.M.	[Signature]	10/17/07	X	CITY ATTORNEY	[Signature]	11/13/07
X	C.F.O./AUDITOR	[Signature]	10/19/07	X	ORIGINATING DEPARTMENT	[Signature]	11/13/07
X	LIASON	[Signature]	11/2/07		DOCKET COORD: [Signature]	COUNCIL LIAISON [Signature]	

COUNCIL PRESIDENT
 SPOB CONSENT ADOPTION
 REFER TO: _____ COUNCIL DATE: 12/4/07

11. PREPARATION OF: RESOLUTION(S) ORDINANCE(S) AGREEMENT(S) DEED(S)

1. Authorizing the Auditor and Comptroller to increase the Fiscal Year 2008 Capital Improvements Program Budget in CIP #390001, Revolving Fund for Expenses in Real Estate Transactions, in Fund #30245, Capital Outlay Sales Tax Fund, Org #106, by \$100,000.
2. Authorizing the Auditor and Comptroller to appropriate and expend up to \$300,000 from CIP #390001, Revolving Fund for Expenses in Real Estate Transactions, in Fund #30245, Capital Outlay Sales Tax Fund, Org #106, for the purpose of paying certain expenses associated with the sale, lease or acquisition of property, as described in the accompanying Report to Council.
3. Authorizing the Auditor and Comptroller, upon advice from the administering department, to transfer excess funds, if any, to the appropriate reserves.

11A. STAFF RECOMMENDATIONS:
Adopt the resolution.

12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)

COUNCIL DISTRICT(S): ALL

COMMUNITY AREA(S): ALL

ENVIRONMENTAL IMPACT: This activity is not subject to CEQA pursuant to State CEQA Guidelines, Section 15060(c) (3).

CITY CLERK INSTRUCTIONS: DO NOT RECORD. Return documents to Real Estate Assets Department, Attention: Jim Anthony, M.S. 51A, for further handling.

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The City of San Diego
CERTIFICATE OF CITY AUDITOR AND COMPTROLLER

CERTIFICATE OF UNALLOTTED BALANCE

AC 2800313

ORIGINATING

DEPT. NO.: 070

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: \$100,000.00 Fund: 30245/3245/106

Purpose: Authorizing a budget increase of \$100,000 to the Real Estate Assets Dept's revolving account from unallocated fund balance reserves in the Capital Outlay Sales Tax Fund (30245).

Date: October 19, 2007

By: Faye Ponder-Price
AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
1	0	30245			9544					\$100,000.00
TOTAL AMOUNT										\$100,000.00

FUND OVERRIDE

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: _____

Vendor: _____

Purpose: _____

Date: _____

By: _____
AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
TOTAL AMOUNT										

FUND OVERRIDE

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION AUTHORIZING AN INCREASE OF
\$100,000 TO THE REVOLVING EXPENSES IN REAL
ESTATE TRANSACTIONS FUND OF THE REAL
ESTATE ASSETS DEPARTMENT

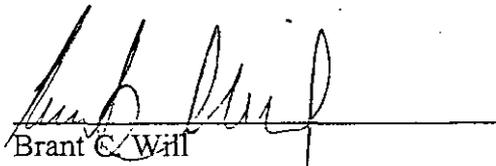
BE IT RESOLVED, by the Council of the City of San Diego that the Auditor and Comptroller is authorized to increase the Fiscal Year 2008 Capital Improvements Program Budget in CIP #390001, Revolving Fund for Expenses in Real Estate Transactions, in Fund #30245, Capital Outlay Sales Tax Fund, Org. #106, by \$100,000.

BE IT FURTHER RESOLVED, that the Auditor and Comptroller is authorized to appropriate and expend up to \$300,000 from CIP #390001, Revolving Fund for Expenses in Real Estate Transactions, Fund #30245, Capital Outlay Sales Tax Fund, Org. #106, for the purpose of paying certain expenses associated with the sale, lease or acquisition of property, as described in the accompanying Report to Council from the Real Estate Assets Department.

BE IT FURTHER RESOLVED, that the Auditor and Comptroller is authorized, upon the advice of the administering department, to transfer excess funds, if any, to the appropriated reserves.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By



Brant C. Will
Deputy City Attorney

BCW:jdf
11/13/2007
Or.Dept:Real Estate Assets
R-2008-430

I hereby 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

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor