

MEMORANDUM OF LAW

DATE: June 25, 1996

TO: Ed Ryan, City Auditor and Comptroller

FROM: City Attorney

SUBJECT: Exchange of Certain Pueblo Lands for Other Property

INTRODUCTION

On June 25, 1996, the City Council will be considering the transfer of
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Lands to a private party. This memorandum is being provided to you to assu
transfer, which is in lieu of payments of cash from the General Fund, satis
Ordinance adopted by the City Council, and ratified by the electorate, conc

QUESTION PRESENTED

May certain Pueblo Lands, commonly known as the Corporate Research
Park ("
transferred to the San Dieguito Partnership, L.P. ("Partnership"), in retur
Lands owned by the Partnership, all as part of settlement of litigation wit
Ordinance No. 12685, adopted on June 29, 1979, and ratified by the electora

("the Ordinance")?

SHORT ANSWER

The CRP may be transferred without violating the Ordinance for the reasons

Memorandum of Law issued by this office, dated January 31, 1996, enclosed a transfer, which is in lieu of payment of cash, is a reimbursement to the General Fund made by the General Fund for police decentralization, and which is authorized by the Year 1996 Appropriations Ordinance.

BACKGROUND

The effect and history of the Ordinance is set forth in Attachment 1. General

authorized the sale of certain Pueblo Lands, which lands include the CRP, with proceeds towards police decentralization improvements. As part of a comprehensive and complex litigation with the Partnership, it has been proposed that the City purchase 106 acres of property owned by the Partnership at a cost of \$6 million. Payment consideration will be the transfer of title to the CRP. The CRP has been a subject of See Attachment 2. Thus, the City will be receiving other property in return for the CRP, rather than cash paid out of the General Fund Liability Reserve in 1996. In addition, however, the City has reached an agreement with the San Diego Regional Open Space Park Joint Powers Authority ("JPA") that may result in the City acquiring property from the City at the City's cost of acquisition. The issue is whether the exchange of title to the various properties would violate the Ordinance.

ANALYSIS

For the reasons more fully set forth in Attachment 1, the proposed transaction

is consistent with the Ordinance. First, the property the City will acquire will be encumbered only by the Ordinance. In other words, if the City eventually sells or

transfers the property, the proceeds may go towards police decentralization improvements in accordance with the requirements of the Ordinance. In addition, because of the advances made by the City in the years towards the police decentralization program, the transfer of the CRP, totaling \$1.5 million from the General Fund, is properly considered a reimbursement to the General Fund.

CONCLUSION

For the reasons more fully set forth in Attachment 1, the proposed transaction meets the requirements of the Ordinance. The City will have title to an asset in the future, which can then be put towards further police decentralization. In this alternative, the transaction will result in an authorized reimbursement to expenditures previously made for police decentralization improvements from

JOHN W. WITT, City Attorney

By
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Assistant City Attorney

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Attachments
cc Jack McGrory, City Manager
Chuck Abdelnour, City Clerk
ML-96-35