



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: January 27, 2010

REPORT NO: 10-010

ATTENTION: Land Use and Housing Committee Chairman and Committee Members  
Agenda of February 3, 2010

SUBJECT: Real Estate Assets Portfolio Management Plan

REFERENCE:

REQUESTED ACTION:  
NONE: Informational Item

STAFF RECOMMENDATION:

BACKGROUND:

The City of San Diego is unique among municipalities in the size and diversity of its real estate portfolio. The City owns over 3,800 properties that total approximately 120,000 acres. These properties range in size from large tracts of open space to tiny remnant parcels too small to have an Assessor's Parcel Number. The City's portfolio includes all the facilities needed to provide the basic functions of government, such as, parks, police stations, fire stations, libraries, maintenance yards and administrative space. The portfolio also includes two airports, two stadiums and a large amount of dedicated and designated open space. In addition, a significant number of properties are leased to third parties to either generate income or provide cultural resources and other community services.

Until recently, the City's real estate was managed in a reactive rather than a proactive manner. There was little or no advanced planning and real estate transactions only occurred when triggered by an immediate need. As well as lacking direction, the department's effectiveness was hindered by cumbersome processes and antiquated technology. The department's electronic database was housed in an outdated mainframe system. Property records were contained in paper files that were sometimes inconvenient to access and susceptible to loss or damage. While the maintenance of the property records was meticulous and accurate, the properties were never

catalogued in a manner that would allow an understanding of how the individual assets fit into an overall portfolio strategy.

In the past three years, many changes have been made that have enhanced the performance of the Real Estate Assets Department (READ). As a part of these reforms, READ has produced the City's first Portfolio Management Plan (PMP). The PMP is a living document that will be updated on a yearly basis to reflect changes in the portfolio and the real estate market. The purpose of the PMP is to enable the City's management and policy makers to have a better understanding of the City's real estate assets and how they can be best utilized to benefit the citizens of San Diego.

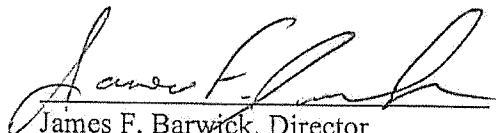
SUMMARY: The Portfolio Management Plan (PMP) describes the City's real estate portfolio and the management practices utilized by the Real Estate Assets Department. It comments on the state of the real estate market and creates a roadmap to enable READ to maximize the value of the portfolio's assets. To stay current with the changing marketplace and needs of the City, the Plan will be updated on a yearly basis.

The Plan is being presented as an informational item only. Potential transactions contained within the Plan will be brought before City Council for approval on an individual basis.

FISCAL CONSIDERATIONS: N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS: N/A

  
James F. Barwick, Director  
Real Estate Assets Department