

RESOLUTION NUMBER R- 314107DATE OF FINAL PASSAGE JUN 01 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE SALE OF THE CITY'S UNDIVIDED 51 PERCENT INTEREST AS A TENANT IN COMMON IN THE REAL PROPERTY LOCATED AT 9575 AERO DRIVE AND RELATED ACTIONS.

WHEREAS, the City of San Diego (City) currently owns an undivided 51 percent interest, as a tenant in common in with The ARC of San Diego (ARC), of the approximately 4.51 acres of land located at 9575 Aero Drive, San Diego (Property); and

WHEREAS, the City originally acquired its interest in the Property to be used for airport purposes; and

WHEREAS, the Property is improved with an approximately 48,635 square foot office building, and ARC owns both 100 percent of the improvements and an undivided 49 percent interest in the land; and

WHEREAS, in accordance with a recorded Covenant and Use Agreement between the City and ARC, ARC has notified the City that ARC wishes to sell all of its interest in the Property; and

WHEREAS, ARC has offered to sell its interest in the Property to the City in accordance with the requirements of the Covenant and Use Agreement, but the City has chosen not to accept ARC's offer; and

WHEREAS, City staff recommends proceeding with efforts to sell the City's interest in the Property simultaneously with the sale of ARC's interest, so that the entirety of the Property can be sold to a new buyer; and

WHEREAS, no City department has requested to use the Property, or retain the City's interest in the Property for a future municipal use; and

WHEREAS, the City Council adopted Resolution R-313550 on June 1, 2021, declaring the Property exempt surplus land under the Surplus Land Act (as set forth in California Government Code sections 54220 through 54236), and the California Department of Housing and Community Development (HCD) confirmed its agreement with the City Council's declaration in an August 2, 2021 e-mail; and

WHEREAS, the City received written approval in September 2021, from the Federal Aviation Administration (FAA) to sell the City's interest in the Property, provided that the City receives no less than fair market value for the City's interest, and continues to comply with other applicable Federal Grant Assurances required by the Airport Improvement Program grants; and

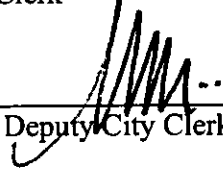
WHEREAS, in accordance with FAA requirements, the land value of the Property was appraised by two independent Member Appraisal Institute (MAI) appraisers and the two appraisals were reviewed by a third independent MAI appraiser, who concluded that the appraised value of the land is \$6,715,000, meaning that the appraised value of the City's undivided 51 percent interest in the land is equal to \$3,424,650; and

WHEREAS, the City's Principal Appraiser believes it is reasonable to conclude, based on market data, that the land and improvement components of the Property will contribute equally to the sale price, resulting in the City receiving no less than 25.5 percent of the gross sale proceeds; and

WHEREAS, the Covenant and Use Agreement states that ARC and the City shall share in the costs of the sale in proportion to their respective interests in the Property, meaning that the City will also be responsible for 25.5 percent of the seller's sales costs, including reimbursing

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 17 2022

ELIZABETH S. MALAND
City Clerk

By  _____
Deputy City Clerk

Approved: 5/31/22
(date)

 _____
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on MAY 17 2022, 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 JUN 01 2022.

(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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