



The City of San Diego

Staff Report

DATE ISSUED: August 12, 2021

TO: City Council

FROM: Department of Real Estate and Airport Management

SUBJECT: Declare 2.041 acres of City-owned real property on San Diego Mission Road, San Diego, CA "exempt surplus land" pursuant to California Government Code section 54221(f)(1)(D-E) and authorize the sale of the property to The Board of Trustees of the California State University, the State of California acting in its higher education capacity on behalf of San Diego State University.

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Council District(s): 7

OVERVIEW:

Declare 2.041 acres of City-owned real property on San Diego Mission Road, San Diego, "exempt surplus land" pursuant to California Government Code section 54221(f)(1)(D-E) and authorize the sale of the property and reservation of a sewer easement and access easement benefitting the City, to The Board of Trustees of the California State University, the State of California acting in its higher education capacity on behalf of San Diego State University (collectively "CSU").

PROPOSED ACTIONS:

1. Declare 2.041 acres of City-owned real property on San Diego Mission Road, San Diego, "exempt surplus land" pursuant to California Government Code section 54221(f)(1)(D-E).
2. Authorize the Mayor or his designee to sell the 2.041 acre City-owned real property on San Diego Mission Road and reserve a sewer easement and access easement benefitting the City, to The Board of Trustees of the California State University, the State of California acting in its higher education capacity on behalf of San Diego State University at the appraised value of \$240,000; to execute and deliver a purchase and sale agreement, and any other documents required to complete the sale of the property on terms and conditions deemed reasonable and in the City's best interest by the Mayor or his designee.

3. Authorize the Chief Financial Officer to accept and deposit the proceeds of the sale of the property, net of costs related to the sale, into the Capital Outlay Misc. Revenue Fund 400002 and deposit the Independent Consideration into the General Fund 100000.

4. Declare that the Council of the City of San Diego has determined that the City-owned real property located on San Diego Mission Road and declared "exempt surplus land" in accordance with California Government Code Section 54221 et seq., will not result a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15061(b)(2) and (3) because the sale of property declared surplus land or exempt surplus land is categorically exempt from CEQA, pursuant to State CEQA Guidelines Section 15312 (Surplus Government Property Sales), and is also exempt from CEQA under the common sense exemption that CEQA only applies to actions having the potential to cause a significant effect on the environment; and

5. Declare that the Council of the City of San Diego has determined that an exception to the exemption as set forth in CEQA Guidelines Section 15300.2 would not apply in that no cumulative impacts were identified; no significant effects on the environment were identified; the property is not adjacent to a scenic highway; no historical resources would be affected by the action; and the property was not identified on a list of hazardous waste sites pursuant to Section 65962.5 of the Government Code.

DISCUSSION OF ITEM:

CSU is processing a street vacation of 2.041 acres of City-owned property on San Diego Mission Road ("Property") with the City's Development Services Department and would like to purchase the Property from the City.

As background, City of San Diego voters approved a citizens' initiative measure, commonly known as Measure G, on November 6, 2018, governing the sale of the former stadium site in Mission Valley from the City to CSU. The Purchase & Sale Agreement for the stadium site acknowledged that CSU was simultaneously processing a Street Vacation for adjacent property on San Diego Mission Road (i.e., the Property), subject to approval by City Council in its sole discretion. The parties completed the sale of the former stadium site on August 13, 2020. CSU's proposed acquisition of the Property is not subject to the terms and conditions of the former stadium site Purchase & Sale Agreement.

Section 6.8 and 6.9 of the Purchase & Sale Agreement for the stadium requires that the City staff "...present and support the Existing Rights-of-Way Vacation Approval for...the City Council's consideration at the earliest practicable opportunity." The PSA defines "Cooperation" as a party's use of "reasonable efforts to take such steps as may be reasonably necessary to effectuate and implement the terms and conditions of this Agreement."

The Street Vacation is a separate action and will be presented to the City Council by the City's Development Services Department. Assuming the Street Vacation is approved, CSU wishes to acquire the Property to facilitate its redevelopment of the former stadium site. Traffic would be routed through SDSU Mission Valley on public roads and connect to the same destinations (i.e., the Kinder Morgan Mission Valley Energy Terminal driveway and the San Diego Mission Road bridge over Interstate 15); therefore, the purpose for which the public right-of-way was originally acquired would not be detrimentally affected by the Street Vacation.

The vacated Property is proposed to be sold at its appraised value, in compliance with Council Policy 700-10 Section G(3), which states that an exclusively negotiated sale to a contiguous owner may be justified when the fee interest in a right-of-way is no longer required. The City will not owe any brokerage commission in connection with the sale of the Property.

The Property qualifies as "exempt surplus land" in accordance pursuant to two provisions of the Surplus Land Act, including: (a) California Government Code section 54221(f)(1)(D), which pertains to the City's transfer of surplus land to a state agency for that agency's use, namely CSU's redevelopment of the former stadium site; and (b) California Government Code section 54221(f)(1)(E), which pertains to the City's conveyance of surplus land that is a former street or right-of-way to the owner of adjacent property.

The Property was appraised by the City's Principal Appraiser at \$240,000. The Property is no longer needed for the City's purposes, except for the operation of sewer facilities beneath a portion of the Property. Through the Grant Deed conveying the Property to CSU, the City will reserve a sewer easement and access easement for all existing and future replacement sewer facilities.

As such, Council is being asked to consider declaring the Property exempt surplus land and authorizing the sale to CSU. Section 10.1 of the proposed purchase and sale agreement contemplates that the City's conveyance of the Property will occur after certain contingencies are met, including the City receiving concurrence from the California Department of Housing & Community Development that the Property qualifies as exempt surplus land. This is a discretionary action and there is no staff recommendation.

City Strategic Plan Goal(s)/Objective(s):

Goal #3: Create and sustain a resilient and economically prosperous City.

Objective #1: Create dynamic neighborhoods that incorporate mobility, connectivity, and sustainability.

Fiscal Considerations:

Proceeds from the sale, net of costs related to the sale, will be deposited in the Capital Outlay Misc. Revenue Fund 400002 and the associated \$100 Independent Consideration will be deposited into the General Fund 100000. The Independent Consideration is payment for the City agreeing to enter into the contract itself and is not dependent upon the property actually being sold.

Charter Section 225 Disclosure of Business Interests:

N/A - The Board of Trustees of the California State University, the State of California acting in its higher education capacity on behalf of San Diego State University, is a public agency.

Environmental Impact:

The Council action declaring this City-owned property on San Diego Mission Road, "exempt surplus land" in accordance with California Government Code section 54221 et seq., will not result in a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15061(b)(2) and (3) because the sale of property declared surplus land or exempt surplus land is categorically exempt from CEQA, pursuant to State CEQA Guidelines Section 15312 (Surplus Government Property Sales), and is also exempt from CEQA under the common sense exemption that CEQA only applies to actions having the potential to cause a significant effect on the environment. Also, no exception set forth in CEQA Guidelines Section 15300.2 applies to the action because no cumulative impacts were identified; no significant effects

on the environment were identified; the property is not adjacent to a scenic highway; no historical resources would be affected by the action; the property is not identified on a list of hazardous waste sites pursuant to Government Code Section 65962.5.

Furthermore, the City's sale of the Property and the associated Public Right-of-Way (PROW) discretionary actions - reservation of a sewer easement and access easement benefitting the City of San Diego, PROW Vacation, Public Service Easement Vacation, and Conditional Public Service Easement Vacation (Project No. 665002) are adequately addressed in the Final Environmental Impact Report (FEIR SCH No. 2019011042, dated January 2020, prepared for the San Diego State University Mission Valley Campus Master Plan. A separate Parcel Map is being processed ministerially (Project No. 667059) in accordance with the provisions of the previously approved P&SA and is also covered in the FEIR.

Pursuant to CEQA Guidelines Section 15162 there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Because the previously certified environmental document covered this activity as a part of the previously approved project, this activity is not a separate project for purposes of CEQA review pursuant to State CEQA Guidelines Sections 15378(c) and 15060(c)(3).

Equal Opportunity Contracting Information (if applicable):

This action is exempt from EOC review per the August 7, 2019, memo from the Purchasing & Contracting Director titled 'Request for Mayoral and/or City Council Action - Actions Exempt from Equal Opportunity Contracting Program Review'.

Previous Council and/or Committee Actions:

This item will be heard at a Land Use and Housing Committee meeting.

Key Stakeholders and Community Outreach Efforts:

N/A

Penny Maus

Director, Department of Real Estate and
Airport Management

Alia Khouri

Deputy Chief Operating Officer

The Property

