



THE PRESIDENT

October 7, 2019

Dear Mayor Faulconer and members of the San Diego City Council,

SDSU and the City of San Diego have been negotiating for the past 10 months to work through the many opportunities and issues surrounding the sale of the property known as the Existing Stadium Site. We appreciate the professional efforts and manner of all City employees and consultants we have encountered. Through these many discussions, we have collectively found solutions that work for both parties and are in the best interest of the taxpayers that we collectively represent.

As you know, the City and SDSU hired an MAI appraiser to prepare a professional opinion of value and provided joint appraisal instructions. The mutually selected appraiser has a 42-year career with over 2,500 appraisals completed, and has completed multiple appraisals previously for the City of San Diego. The appraiser has experience with the Existing Stadium Site, and has interviewed and collected information from more than 90 professionals during the review and investigation of the property.

Concurrent to the negotiating process, SDSU also recently completed the public review and comment period for the Draft Environmental Impact Report for the proposed Mission Valley Campus expansion. The university has presented at or hosted dozens of meetings with the public and interested parties during this time, expanding on the more than 100 presentations last year. We have received comments from individuals, community groups, professional organizations, and local, state and federal agencies. SDSU is thoughtfully and carefully reviewing the comments and preparing responses that will be part of the Final Environmental Impact Report, and we look forward to working with the City to answer questions about the project and mitigation measures. We are committed to continuing our open and transparent process.

Our commitment also extends to implementing the will of the voters who approved Measure G (which is now codified in the San Diego Municipal Code – SDMC 22.0908), and the many commitments we made throughout the public vetting of our vision and plan for Mission Valley. Those commitments include:

- Pay Fair Market Value for the land;
- Build a world-class university research and innovation campus;
- Build and maintain the River Park;
- Build a multi-use stadium for Aztec football and other potential sports partners;
- Follow the transparent and public California Environmental Quality Act (CEQA) process;
- Build affordable (on-site), accessible, and market rate housing for students, faculty, staff and the general public interested in residing in proximity to a vibrant university village atmosphere; and
- LEED Silver or better on the entire project.

What is before you now is a Fair and Equitable price for the property. The appraised value is based on a hypothetical “highest and best” use for the property as determined by the appraiser (and is not based upon SDSU’s proposed project.) However, we are discouraged by the view recently expressed by City staff that the “fair market value” appraisal is only a “starting point” from which they now would like to seek additional proceeds. This view is based upon considerations identified in the code and utilized by the appraiser, which they feel equate to the City “paying for items”, such as the River Park which SDSU has committed to fund, construct and maintain. This is factually not the case.

In any real estate transaction, an appraiser is tasked with establishing multiple assumptions that drive value. Some influence the value in a positive direction, others in a negative direction. The idea of City staff cherry-picking individual assumptions (among many utilized by the appraiser) and seeking to remove them from consideration will invalidate the appraisal. Also, it is important to note that SDMC 22.0908 requires an appraisal to take into account River Park and Stadium Demolition costs, as well as many other factors, when determining fair market value.

SDSU is prepared to pay the appraised Fair Market Value for the property, and will provide further economic value to the City by constructing, maintaining and operating the River Park in perpetuity and relieving the City of the cost associated with maintaining and operating the existing stadium. These are commitments we have long stood by and we believe are in the best interest of San Diego's taxpayers. Additionally, your Municipal Code requires and provides a clear definition of Fair Market Value, which the appraiser followed. To ignore the appraisal or to simply use it as a starting point unfairly increases the land price for issues that will be paid for during development of the site and represents "double payment" by SDSU, which is clearly not "Fair and Equitable."

I appreciate your time and attention to this communication. My team and I are always available to answer any and all questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Adela de la Torre', written in a cursive style.

Adela de la Torre
President
San Diego State University