



Administrative Regulations

Number AR8-5
Issue 1

Subject: Establishment of a Centralized Real Estate Services Operation in the Department of Community Development

I. PURPOSE

The purpose of this regulation is to update and supersede Administrative Regulation No. 8-5 which established a centralized real estate management operation for the City. Administrative Regulation No. 8-5 also established the Department of Community Development as the single department responsible for the preparation and administration of policies and procedures governing all aspects of real estate transactions including appraisals, valuations, and the negotiation and preparation of permits, leases, and purchase sale agreements.

This Administrative Regulation is modified to take into particular account several organizational changes within the City and the current practice of using third party consultant and brokers to assist both in the structuring and negotiating of real estate transactions.

II. SCOPE

This regulation is applicable to all City departments and offices directly responsible to the City Manager.

III. EXCEPTIONS

Based upon a review of all existing leases and permits with the City as Lessor, the following department activities are specifically excepted from this regulation:

- Convention Center - Concession permits/leases
- Department of Oil Properties - Oil leases
- Department of Parks, Recreation & Marine - Concession agreements, Facility-Use Permits, and Leases, Contracts, and Permits within the jurisdiction of the Recreation Commission

The City Manager may exempt other departmental leasing and permit activities from the provisions of this regulation at any time should it be determined that such exemption is warranted by appropriate circumstances or operating requirements.

IV. POLICY

The Department of Community Development shall establish a centralized real estate services function, which is hereby assigned the authority and responsibility for the development and operation of a coordinated acquisition, sale and leasing program for all departments reporting to the City Manager except as described above. This centralized real estate program is the exclusive responsibility of the Department of Community Development and shall include the following:

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- (1) In coordination with the operating department, selection of all consultants to provide the following real estate services: economic analysis, property appraisals, structuring transactions and option negotiations, title work, environmental analyses and reports, relocation assistance, condemnation proceedings, space planning, architectural and engineering services directly related to individual real estate transactions.
- (2) Preliminary estimates of property value for acquisition, sale or lease.
- (3) Appraisal reports for properties proposed to be leased, acquired by or sold to the City.
- (4) Negotiation of terms and conditions of leases by or to the City in consultation with City personnel designated in writing by the operating department.
- (5) Definition of terms and conditions consistent with City policy and arrangements for the preparation of the required permit, rental agreement, lease, purchase and sale agreements, and all related contractual documents by the City Attorney's Office.
- (6) Uniform procedures for all real estate transactions, including negotiation, preparation and administration of permits, leases and purchase and sale agreements.
- (7) City Council letters regarding real estate transactions shall be approved by the Director of Community Development or designee and co-signed by the operating Department Head.
- (8) Procedures for the acquisition of property which is needed for public purposes including appraisals, title reports, escrows and related acquisition requirements.
- (9) Procedures for the disposition of City property which has been declared surplus to the City's needs and administration of final disposition of same.
- (10) Eminent domain proceedings for all departments in cooperation with the City Attorney's Office.
- (11) Current inventory file of leases, permits and agreements and status thereof to ensure that appropriate arrangements are made for renewals prior to their expiration.

V. PROGRAM RESPONSIBILITIES FOR OPERATING DEPARTMENTS

The responsibility for administration of permits, leases, and rental agreements shall continue to be discharged by those departments having a direct operational relationship with the respective lessees, permittees and/or concessionaires. Operating departments will be responsible for contract administration to ensure compliance with the terms and conditions of every lease, permit and rental agreement and further, shall be responsible for all insurance requirements, faithful performance bonds and the timely collection of payments due and owing to the City.

Operating departments in conjunction with Community Development Department will identify and define the project scope in sufficient detail to permit the Community Development Department to develop specific proposals and /or development plans for their consideration. It is understood that the operating departments must keep close contact with the City Manager, and other City officials, as well as any funding agencies and, therefore, close coordination with the Director of the Community Development Department is essential. To ensure that a close liaison is kept, the operating departments will assign a staff person as their liaison with Community Development Department. The operating department's liaison should be aware of all aspects of the project assigned to him/her, and be able to provide answers to or facilitate a response to problems posed by Community Development Department. The functions of the operating department's liaison, as they relate to the Community Development Department, will include:

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- (1) Working with Community Development Department to identify and define project parameters.
- (2) Securing funding for the project, as required.
- (3) Expediting all project approvals needed from other funding agencies.
- (4) Ensuring timely review of the project, as required.
- (5) Expediting funding release from granting agencies, if necessary.
- (6) Backup-up Community Development Department in presentations necessary for obtaining various approvals.
- (7) Coordinating with Community Development Department on inspections, on an as-needed basis.

VI. PROCEDURES FOR REQUESTING REAL ESTATE SERVICES FROM THE DEPARTMENT OF COMMUNITY DEVELOPMENT

All requests for real estate services shall be initiated in writing to the Director of the Community Development Department by the director of the department initiating the request. Also, the initial request shall include the account to which the services of the Community Development Department shall be charged and identification of the funding source for the project. The Director of the Community Development Department shall be responsible for the preparation and dissemination of procedural instructions to be used by operating departments requesting real estate services. These procedural guidelines will be subject to modification, as organizational requirements dictate and, therefore will not be controlled by this Administrative Regulation.

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