

# Memorandum

To: CHAIR AND MEMBERS  
Airspace Advisory Committee

Date: July 3, 2001

File: EXCESS LAND  
Airspace Advisory  
Committee

From: **DEPARTMENT OF TRANSPORTATION**  
**DIVISION OF RIGHT OF WAY**  
**Mail Station 37**

Subject: Marketing Plan for Excess Land in City of El Cajon  
DD 020741-01-02

## **Recommendation:**

It is requested that the Airspace Advisory Committee (AAC) approve the Department's marketing plan for certain property in the City of El Cajon (DD 020741-01-02), which is valued in excess of one million dollars. The City of El Cajon had sought to acquire this property by direct sale, but preliminary negotiations were unsuccessful so that a public sale in the open market is now appropriate.

## **Background:**

The property to be sold consists of approximately 6.49 acres of land with frontage along Washington Avenue near Jamacha Road near the southern boundary of El Cajon. Improvements consist of one older single family residence and miscellaneous outbuildings. The property, in the path of Route 54, was purchased for \$260,218 in 1971 as a collection of protection parcels. Planned development had included a medical office building site, for which plans had been completed. The Department has maintained the property as a rental since 1971, pending final decision as to location of the Route 54 corridor.

This area is no longer considered to be in the path of Route 54 and there is no reason to further hold this property.

The City of El Cajon approached the Department two years ago to purchase this property for redevelopment in connection with an adjacent strip shopping center. Adjacent establishments consist of a Longs Drug Store, a steakhouse, card shops, and several closed and closing stores. The City anticipated a Home Depot store would be constructed on this site, which would effectively reinvigorate the neighborhood.

On the City's General Plan, the property is still designated as "freeway," with zoning unchanged since the State's purchase. The property is zoned R-1-6, which would allow single family residential development on lots with minimum sizes of 6,000 square feet. Zoning is expected to change to conform with surrounding developments. The property adjacent to the west is currently developed with multi-residential units. With a similar scenario, the subject property could have the potential for development of 120 units. There is a current moratorium in El Cajon, however, that limits the number of units to 10 per acre. This limitation plus El Cajon's stated plans indicate that the property's future is commercial rather than multi-residential.

The Department's staff appraiser valued the property in April 2000, considering highest and best use (HABU) to be redevelopment as a commercial property, linking to the commercial properties adjacent to the east. The City of El Cajon hired an independent appraiser who considered the HABU to be redevelopment as a multi-residential property, linking to residential properties adjacent to the west. Several meetings were held between the Department and the City of El Cajon regarding the issue of highest and best use.

The City's position was that HABU is dependent on City controlled zoning and development. Valuation therefore should be based on whatever HABU is currently dictated by the City. The Department's position was that HABU is determined not by dictate but rather by the market, which clearly points to commercial use.

**Analysis:**

Because of the City's current stance, HABU may be perceived as "multi-residential," which could adversely affect the bidding. Although the El Cajon City Planner's office initially assured the Department's appraiser that rezoning for commercial use would be no problem, it is conceivable that a different answer might now be given to prospective bidders. Truly knowledgeable entities, however, would know that, for the betterment of the neighborhood as well as the tax base, the City is leaning toward commercial redevelopment. While the prospect of paying heavy development fees could dampen bidder enthusiasm, the Department's appraisal indicates the property as a commercial development would be worth more than its estimated value as a housing project.

**Marketing Plan for Excess Land (DD 020741-01-02):**

The marketing plan for this property will be to advertise extensively, commensurate with the property's value, in local newspapers such as the San Diego Union-Tribune and the San Diego Daily Transcript. Notice of public sale will also be posted on the Department's web site for upcoming sales and auctions. Sales brochures will be sent to the mailing lists of District 11, the Southern Region, and District 4, as well as to Home Depot and other potential buyers who might not yet be on the Department's mailing list. Brochures will be sent out after final approval of the marketing plan, allowing at least three months for full market exposure and bidder analysis. A public sale by sealed bid will then be held near the beginning of 2002.

While the Department's appraisal report is over one year old, recent review of the appraisal indicates that there have not been significant changes in the market which would warrant an increase in the valuation or preclude its use as a public sale estimate. The Department's appraisal report will be used to establish the minimum bid for this sale. Details of the appraised value and the minimum bid will be discussed in closed session with the Airspace Advisory Committee.

**Summary:**

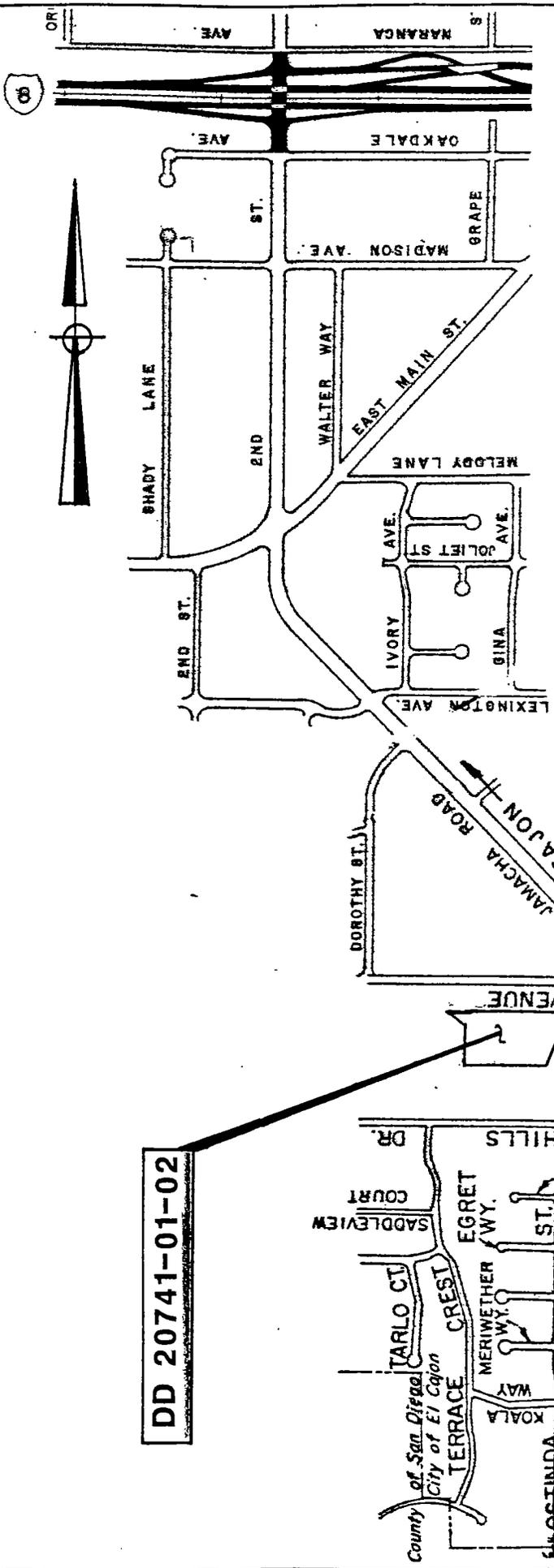
The highest return to the Department can be realized from this property by holding a public sale. Extensive advertising will expose the property to the full open market and will provide the best indication of fair market value. This sale will relieve the Department from continuing maintenance responsibilities. The sale will also decrease the Department's liability exposure and reduce its inventory of unsold excess properties. Therefore, it is recommended that the Airspace Advisory Committee approve the Department's marketing plan for this property.

BETTY LOUIE  
Senior Right of Way Agent  
Office of Real Property Services

## SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Type:	Vacant Land
Location:	The subject is located on the south side of Washington Avenue about 265 feet west of Jamacha Road.
Assessor Parcel Number:	#760-910-72-00
Abbr. Legal Description:	A Portion of Tract "A" of Rancho El Cajon and Portion of NE ¼ of SEC. 13-16-1W.
Date of Value:	April 11, 2000
Date of Report:	April 26, 2000 (District 11 review indicates no significant change in value.)
Property Rights Appraised:	Fee Simple Estate
Site:	The subject has a gross area of 6.492 acres and is generally square in shape. The site is mostly level and is bisected by a concrete lined flood channel.
Improvements:	The site is currently improved with a 20,000 square foot Park and Ride lot and a single family residence that is currently rented.
Access:	There are currently two improved access driveways to the subject property. Traffic moving in an easterly direction along Washington Avenue has direct access to both driveways.
Land Use Regulations:	<p>General Plan: The current general plan indicates the area as "Freeway". However, the El Cajon planning staff indicated the site could be utilized for most types of residential, including multi-residential, and for commercial use.</p> <p>Zoning: This property is currently zoned for single family residences on a minimum of 6,000 square foot lots.</p>

# COUNTY OF SAN DIEGO



## VICINITY MAP

STATE OF CALIFORNIA BUSINESS & TRANSPORTATION AGENCY DEPARTMENT OF TRANSPORTATION DISTRICT 1 1			
DD 20741-01-02			
RIGHT OF WAY MAP NO.	Por. 49600K		
COUNTY	ROUTE	POST MILES	SCALE
SD	54	15.0	NONE
			SHEET 1 OF 2