

CITY OF SAN DIEGO
ADMINISTRATIVE REGULATION

SUBJECT LEASING OF CITY-OWNED REAL PROPERTY AND/OR FACILITIES	Number 25.10	Issue 6	Page 1 of 3
	Effective Date November 3, 2017		

1. PURPOSE

1.1. The purpose of this Administrative Regulation is to define the responsibility for the negotiation, preparation, and administration of leases of City-owned real property and/or facilities.

2. SCOPE

2.1. This Administrative Regulation applies to City Departments that own real property and/or facilities.

3. DEFINITIONS

3.1. Lease – An agreement between the City of San Diego and another party for the use of City-owned land and/or facilities.

3.2. Long-Term Lease – A *Lease* entered into for a period of more than three years.

3.3. Non-Revenue Lease – A *Lease* that earns the City less than fair market value.

3.3. Short-Term Lease – A *Lease* entered into for a period of three years or less.

4. POLICY

4.1. *Long-Term Leases* require approval by the City Council.

4.2. *Short-Term Leases* may be authorized by the Mayor or his/her designee.

5. RESPONSIBILITY

5.1. The Real Estate Assets Department is responsible for the negotiation of all *Leases* of City-owned property and/or facilities except as set forth in Article 5.10 below. Department heads or their representatives may be present during negotiations involving property subject to their general supervision.

5.2. Except as set forth in Article 5.10, the Real Estate Assets Department is responsible for preparation of the legal document and for including such terms and provisions as are

(Supersedes Administrative Regulation 25.10, Issue 5, effective March 15, 1993)

Authorized

(Signature on File)

CHIEF OPERATING OFFICER

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necessary to protect the interests of the City. All *Lease* documents are subject to approval as to form by the Office of the City Attorney. *Leases* involving a contract percentage or other volume basis rent calculation, which differs from the approved customized *Lease* form, shall be routed to the Office of the City Treasurer’s Revenue Audit Program prior to execution to determine consistency with auditing procedures, practices, and terminology. The terms and provisions of *Leases* of property subject to the general supervision of a particular department shall be approved by the pertinent department representative prior to presentation to the City Council for approval.

- 5.3. Central files for each City-owned real property containing copies of *Lease* agreements and related documents are to be maintained in the Real Estate Assets Department. Copies of said *Leases* shall be supplied to individual departments when property subject to their control is involved.
- 5.4. Except as set forth in Article 5.10, the Real Estate Assets Department is responsible for administering the written agreement, including such coordination as may be required between the City and the lessee with regard to contract compliance, conditions and terms of the agreement, and other matters which may arise due to the existence of the agreement.
- 5.5. In those departments that have property which is subject to their control, it is the responsibility of the department head to notify the Real Estate Assets Department of any violations of the *Lease* agreement. It is the responsibility of the Real Estate Assets Department to review and remedy all such claims, insure compliance by the lessee, and provide clarification/guidance as may be needed by other departments.
- 5.6. If property is subject to an individual department’s control, the department head is responsible for determining that City-owned leased properties and/or facilities are maintained in a satisfactory state of repair. They shall conduct inspections to secure contract compliance. City maintenance responsibilities under *Lease* provisions and on unleased lands, either of which are not under the operational control or responsibility of other City departments, shall be carried out by the Real Estate Assets Department Director.
- 5.7. The Real Estate Assets Department is responsible for billing under the terms of operating leases.
- 5.8. The Real Estate Assets Department is responsible for the payment of a Real Estate Broker’s Commission for leases of City-owned real estate in accordance with Municipal Code Section 22.0905, “Real Estate Broker’s Registration and Fee”.
- 5.9. The Real Estate Assets Department shall provide the Mayor and City Council with information regarding *Short-Term Leases* under its jurisdiction upon request.
- 5.10. Notwithstanding the foregoing and subject to the approval of the Mayor or his/her designee or City Council as required, department heads may negotiate, prepare, administer,

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and bill short-term or long-term agreements when City-owned property under their immediate control is involved. This typically includes such agreements as may be required for month-to-month rentals, single events, irregular or periodic activities, and franchises. It also includes *Long-Term Leases*, *Short-Term Leases* and *Non-Revenue Leases* at Brown Field Airport and Montgomery-Gibbs Executive Airport under the jurisdiction of the Real Estate Assets Department; and long-term and short-term *Non-Revenue Leases* under the jurisdiction of the Park and Recreation Department.

APPENDIX

Legal References

Council Policy Manual, Policy Subject Classification 700-04, 700-08, 700-10, 700-11, 700-12, and 700-41 Leasing of City-owned Real Estate

San Diego Municipal Code, Sections 22.0901 and 22.0905

Forms

N/A

Subject Index

Lease, City-owned Real Property and/or Facilities
Real Property (City-owned), Lease

Administering Department

Real Estate Assets Department