

RESOLUTION NO. 215921

MAY 11 1976

WHEREAS, by Resolution No. 215164 adopted January 22, 1976, the City Council approved the execution by the City Manager of the Eighth Amendment to Option and Consent to Assignment by Recreation Specialists, Inc. to High Fliers, Ltd. (hereafter referred to as "High Fliers"), which option is for a lease of a portion of Quivira Basin, a copy of which Eighth Amendment to Option and Consent to Assignment is on file in the office of the City Clerk as Document No. 754151; and

WHEREAS, High Fliers has indicated that it is unable to obtain long term financing for developing the marina required by the lease and that High Fliers has thus been unable to enter into an agreement for assignment with Recreation Specialists, Inc.; and

WHEREAS, High Fliers has indicated that in order to obtain long term financing for the project it would be necessary for the City Council to approve a Ninth Amendment to Option Agreement which amendment would provide for a credit against rents for the cost of certain improvements to be made by lessee, which improvements are considered by lenders to be in the nature of public improvements; and

WHEREAS, a proposal has been made by High Fliers that \$1,034,772 plus interest at 10% per annum be the amount specified as the value of public improvements for which a rent credit should be given; and

WHEREAS, the proposal by High Fliers was reviewed by the Public Facilities and Recreation Committee on May 2, 1976 and at

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MAY 24 1978

01035

said meeting the Property Director produced a memo which indicated that the City staff is of the opinion that \$698,470 is the value of "publically oriented facilities" required by the Development Plan and that the Property Department feels that interest on the investment in such facilities "is not a proper deduction for rent credit and should not be allowed;" and

WHEREAS, the Committee reviewed the proposal by High Fliers together with the memo of the Property Director and determined because of time constraints regarding the approved Coastal Permit that the alternative rent credit amount of \$698,470 should be considered by the City Council together with a Ninth Amendment to Option Agreement which would provide for the rent credit together with an increased minimum rent beginning on the date when the full allowance for the rent credit has accrued; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that a rent credit to High Fliers, in the event it becomes the lessee, in the amount of \$698,740 for the publically oriented facilities required in connection with the development of a marina in the Quivira Basin area is hereby approved.

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to execute a Ninth Amendment to Option Agreement with RECREATION SPECIALISTS, INC. and HIGH FLIERS, LTD., which provides for such rent credit together with an increased minimum annual rent and other provisions involving the necessity to construct a boat repair and marine

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MAY 24 1978

01036

fuel dock and the deletion of a cancelation provision, the form of which Ninth Amendment to Option Agreement is on file in the office of the City Clerk as Document No. 755215.

APPROVED: JOHN W. WITT, City Attorney

By   
Harold Valderhaug, Deputy

HOV:n 731  
5-4-76  
Or. Dept. PF&R Committee

-3-

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MAY 24 1978

01037

**MAY 11 1976**

Passed and adopted by the Council of The City of San Diego on \_\_\_\_\_  
by the following vote:

| Councilmen          | Yeas                                | Nays                     | Excused                  | Absent                              |
|---------------------|-------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Gil Johnson         | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Maureen F. O'Connor | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Lee Hubbard         | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Leon L. Williams    | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Floyd L. Morrow     | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Tom Gade            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Jim Ellis           | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Jess D. Haro        | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |
| Mayor Pete Wilson   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |

AUTHENTICATED BY:

PETE WILSON

Mayor of The City of San Diego, California.

EDWARD NIELSEN

City Clerk of The City of San Diego, California.

By Kathleen Martinez, Deputy.

(Seal)

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SAN DIEGO, CALIF.

Office of the City Clerk, San Diego, California

Resolution Number 215921 Adopted MAY 11 1976

CC-1276 (REV. 12-75)

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MAY 24 1978

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