

RESOLUTION NUMBER R- 293815

ADOPTED ON SEP 12 2000

WHEREAS, in March of 1994, the City Council authorized exclusive negotiations with the lessee of the San Diego Hilton Resort, Hilton San Diego Corporation [Lessee], who proposed to invest \$25 million dollars in improvements to the hotel interior and exterior [Project], and requested a twenty-five year lease extension; and

WHEREAS, City staff began negotiations for a new lease with the Lessee, and the Lessee began work on the Project, which was completed in 1995; and

WHEREAS, the City and Lessee have negotiated a fifty-year Percentage Lease, retroactive to January 1996, at the initial rental rate of the greater of an annual guaranteed minimum rent ranging from \$1.1 million to \$1.4 million during the first ten lease years, or various percentage rates of the Lessee's gross revenue, the fair market rate as determined by City valuation staff; and

WHEREAS, the property to be leased consists of approximately 18 acres and is located in Mission Bay Park, and is more particularly described in the Percentage Lease; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the City Manager is authorized to execute, for and on behalf of the City, a fifty-year Percentage Lease with Hilton

San Diego Corporation under the terms and conditions set forth in that lease agreement on file in  
the office of the City Clerk as Document No. RR- 293815.

APPROVED: CASEY GWINN, City Attorney

By Lori W. Girard  
Lori W. Girard  
Deputy City Attorney

LWG:cdk  
08/30/00  
Or.Dept:REA  
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