

RESOLUTION NUMBER R- 296518

ADOPTED ON MAY 21 2002

A RESOLUTION APPROVING TEN-YEAR LEASE OF CITY-OWNED PROPERTY LOCATED AT 1220 THIRD AVENUE TO DOWNTOWN JOHNNY BROWN'S, INC.

WHEREAS, City owns property at 1220 Third Avenue, San Diego, California [the Property] which consists of commercial space currently operated as a restaurant by Downtown Johnny Brown's, Inc.; and

WHEREAS, pursuant to Land Use and Housing approval of exclusive negotiations on February 23, 2000, the City Manager has negotiated a lease of the Property to Downtown Johnny Brown's, Inc., to continue restaurant operations on the Property for ten years, with a five-year extension option; and


WHEREAS, the fair market value of the Property is estimated by City Manager staff to be \$375,000; and

WHEREAS, the City Manager has negotiated percentage rent for the lease to begin at 5.5% and escalate to 7% in year 10, which rental rate is considered by City Manager to be fair market rent based upon comparable restaurant leases in the downtown area; 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 of San Diego, a ten-year lease agreement with one five-year option with Downtown Johnny Brown's, Inc., a 3,434 square-foot building

area, 1,602 square-foot patio area 1220 Third Avenue, in the San Diego Concourse, San Diego, for a term of ten years with one five-year option to extend at an initial annual rent of \$46,750 (5.5% of gross income), which has been confirmed by the City's Valuation Division as fair market rent, and under the terms and conditions set forth in that lease agreement on file in the office of the City Clerk as Document No. RR- 296518.

APPROVED: CASEY GWINN, City Attorney

By 
Prescilla Dugard
Deputy City Attorney

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Or.Dept:REA
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