

RESOLUTION NUMBER R-296787

ADOPTED ON JULY 9, 2002

WHEREAS, the City leases to Sea World, Inc., a Delaware corporation [Lessee] certain real property in Mission Bay Park [the Premises] described in lease amendments dated December 14, 1977, January 29, 1979, December 12, 1983, June 24, 1985, September 22, 1986, and June 29, 1998 and filed in the office of the City Clerk of San Diego as Document Nos. 762304, 765767, RR-259814, RR-263507, RR-266641, and OO-18538-1, respectively [collectively, the "Lease"]; and

WHEREAS, on July 10, 2001, the City Council adopted Resolution Number R-295139 [the Resolution], which approved the SeaWorld Master Plan Update [SeaWorld Master Plan], and Local Coastal Program Amendment 2-2001-C [collectively, the LCP Amendment] and amendments to CITY's Progress Guide and General Plan and required City and Lessee to make certain modifications to the Lease; and

WHEREAS, the City submitted the LCP Amendment to the California Coastal Commission for effective certification as required by the California Coastal Act; and

WHEREAS, on February 7, 2002, the California Coastal Commission voted to certify the LCP Amendment subject to suggested modifications and required City and Lessee to make additional modifications to the Lease; and

WHEREAS, the City and Lessee have negotiated mutually acceptable terms for amendment to the Lease to address issues outlined in the Resolution and in the California Coastal Commission suggested modifications to the LCP Amendment, including, but not limited to 1) elimination of a rent credits previously available to Lessee, 2) Lessee's prepayment of traffic

mitigation funds, 3) Lessee's contribution to a future transit station on the Premises, 4) timing for submittal of a development permit application for future proposed development of a 300-room, 30-foot hotel on the Premises, 5) regulation of fireworks displays by Lessee, including an increased fireworks monitoring and reporting program; 6) the elimination of the ability to lease, rent, or sell personal watercraft on the Premises; 7) the requirement that 75% of the Theme Park, Area 1, shall contain significant animal educational and/or conservation related elements; and 8) Lessee's submittal of annual attendance figures to the City; 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, amendments to the lease agreement with SeaWorld, Inc., a Delaware corporation, under the terms and conditions set forth in that Lease Amendment on file in the office of the City Clerk as Document No.

RR-296787 to take effect upon effective certification of the LCP Amendment approved pursuant to Council Resolution Nos. 295139 and 296786 (C.A. No. R-2002-20 and R-2003-22).

BE IT FURTHER RESOLVED, that for purposes of determining the increase in value due to the substantial change in entitlements in the SeaWorld Lease, the City Council shall hold a public hearing before January 9, 2003, where the City Manager shall provide a complete analysis of the existing SeaWorld Lease provisions, including provisions related to rental increase.

APPROVED: CASEY GWINN, City Attorney

By



Prescilla Dugard
Deputy City Attorney

PD:cdk

06/26/02

07/15/02 REV.

Or.Dept:DSD/READ

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