

RESOLUTION NUMBER R- 299451

ADOPTED ON JUL 13 2004

WHEREAS, on May 18, 1951, the City entered into a master ground lease for the development and use of the "De Anza Point Tourist Area" [the Property] for use as a transient tourist and trailer park area, as amended and assigned from time to time thereafter [the Lease]; and

WHEREAS, in 1981, the California State Legislature adopted legislation permitting the mobile home residential use that had developed over the years to continue until November 23, 2003 [the Kapiloff Legislation], also being the end of the Lease term; and

WHEREAS, anticipating the end of the Lease and the cessation of the State's authorization for residential use of the tidelands at De Anza Point, the City contracted with Hawkeye Asset Management [the Management Company] to assist the City in transition of the Property to park and recreational use; and

WHEREAS, the Management Company was selected for its unique and extensive property management experience including managing mobile home parks in transition; and

WHEREAS, the Management Company currently manages fifteen mobile home parks totaling over 3,000 spaces and has twenty-five years of experience; and

WHEREAS, the Management Company has provided invaluable support to the City and residents on the Property during this transition period including: reconstructing the records necessary to continue management of the Property; obtaining the transfer of utilities and other

services necessary for continued operations; assessing the need for and arranging urgent and emergency repairs throughout the Property; facilitating settlements between the City and individual residents; maintaining facilities and services; conducting a comprehensive assessment of the water, electrical, gas and sewer systems, including their locations, and making emergency repairs; arranging for quality security services and taking security measures to ensure the safety of residents living on the Property; and the collection of rents, utility fees, and other services necessary for every day property management; and

WHEREAS, the proposed Agreement will replace the existing Manager's agreement; and

WHEREAS, the term for the proposed Agreement begins on execution of the Agreement and ends June, 1, 2008, with two options to extend (upon mutual agreement) for 1 year each, or until terminated by either party upon 180 days notice; and

WHEREAS, the management fee under the proposed Agreement is \$25,000 per month or \$300,000 per year, plus an additional 5.5% of gross revenue from the RV park area once that area is in operation; and

WHEREAS, under the proposed Agreement, the Management Company will be responsible for all aspects of operation and management of the Property during its transition including accounting, billing, collections, resident legal compliance services, litigation support, maintenance, on-site staffing, and including oversight of the repairs to the RV park area and operation and management of the RV park area; and

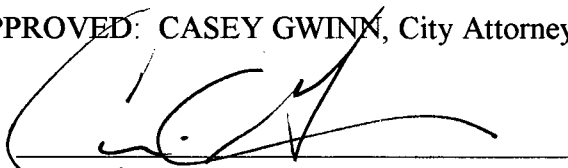
WHEREAS, under the Proposed Agreement, the City Manager must pre-approve the yearly Operating Budget for the Property and unbudgeted expenditures over \$3,500 must be submitted for City Manager approval; NOW THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the City Manager is hereby authorized and empowered to execute, for and on behalf of the City, an agreement with Hawkeye Asset Management, to manage all day to day operations and facilitate the orderly transition of De Anza to a legal park use, under the terms and conditions set forth in the Agreement on file in the office of the City Clerk as Document No. RR- 299451-1

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, that the Council approves the Operating Budget for August 1, 2004 through July 31, 2005, on file in the office of the City Clerk as Document No. RR- 299451², and authorizing the City Manager to approve the Operating Budget for each subsequent year of the contract provided the amount of each subsequent year's budget does not exceed the amount of the first year's budget.

APPROVED: CASEY GWINN, City Attorney

By



Carrie Gleeson
Deputy City Attorney

CG:mm
05/27/04
06/30/04-Revised
Dept:READ
R-2004-1326

**The City of San Diego
CERTIFICATE OF CITY AUDITOR AND COMPTROLLER**

CERTIFICATE OF UNALLOTTED BALANCE

AC 2401127

ORIGINATING

DEPT. NO.: 70

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: _____ Fund: _____

Purpose: _____

Date: May 27, 2004 By: _____

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA

ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
TOTAL AMOUNT										

FUND OVERRIDE

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Amount: \$300,000.00

Vendor: Hawkeye Asset Management

Purpose: Authorizing the City Manager to enter into an agreement with Hawkeye to operate De Anza Mobile Home Park and RV Park and to facilitate the transition of De Anza to legal park use.

Date: May 27, 2004 By: *Nancy McCleaner*

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA

ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
1			10161	2004	4153	000001				\$300,000.00
TOTAL AMOUNT										\$300,000.00

FUND OVERRIDE

AC 2401127

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JUL 13 2004