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(R-2006-532)
(COR.COPY)

RESOLUTION NUMBER R- 301205
DATE OF FINAL PASSAGE FEB 03 2006

A RESOLUTION OF THE CITY OF SAN DIEGO
AUTHORIZING THE CITY MANAGER TO ENTER INTO
AN AGREEMENT WITH NEWPORT PACIFIC CAPITAL
COMPANY, INC. FOR THE OPERATION AND
MANAGEMENT OF DE ANZA POINT TOURIST AREA.

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 [Hawkeye] from November 23, 2003, until the present to manage the Property and assist the City in transition of the Property to park and recreational use; and

WHEREAS, the City Manager issued a notice of termination to Hawkeye on July 14, 2005, with one hundred and eighty days notice, in accordance with the terms of that management agreement; and

WHEREAS, Newport Pacific Capital Company Inc, [Newport Pacific] was chosen to replace Hawkeye through a Request for Proposal [RFP] process and currently manages sixty-one

mobile home parks totaling over 11,500 spaces and has experience with managing and transitioning mobile home parks; and

WHEREAS, the proposed Agreement will replace the existing agreement with Hawkeye; and

WHEREAS, the term for the proposed Agreement is one year and begins upon the execution of the proposed Agreement, with two options to extend (upon mutual agreement) for one year each, or until terminated by either party upon 30 days notice; and

WHEREAS, the management monthly fee under the proposed Agreement is 5% of the first \$35,000 of income from the mobile home and RV park and 3.5% of income over \$35,000, or a minimum of \$10,000 per month; and

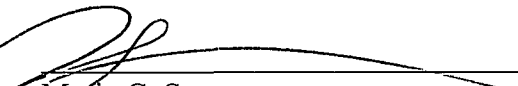
WHEREAS, under the proposed Agreement, Newport Pacific will be responsible for all aspects of operation and management of the Property during its transition including accounting, billing, collections, resident legal compliance services, litigation support, maintenance, on-site staffing, and including operation and management of the recreational vehicle 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 \$1,000 must be submitted for City Manager approval; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor be and he is hereby authorized and empowered to execute, for and on behalf of said City, an Agreement with Newport Pacific Capital Company, Inc. to manage all day to day operations and facilitate the

orderly transition of the De Anza Point Tourist Area 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- 301205 .

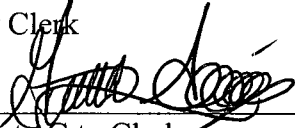
APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Maria C. Severson
Deputy City Attorney

MCS:nda
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Or Dept:READ
R-2006-532

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at its meeting of JAN 30 2006 .

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 2.3.06
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor