

ORDINANCE NUMBER O- 19983 (NEW SERIES)

DATE OF FINAL PASSAGE AUG 05 2010

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO TERMINATE A LEASE AGREEMENT WITH WAL-MART REAL ESTATE BUSINESS TRUST AND SAN DIEGO GROVE, LP, IN CONNECTION WITH A PARK AND RIDE FACILITY AT THE COLLEGE GROVE SHOPPING CENTER.

WHEREAS, this ordinance requires a majority vote of the members elected to the City Council to pass; and

WHEREAS, in 1998, the Redevelopment Agency of the City of San Diego entered into a Disposition and Development Agreement to assist with the renovation of the College Grove Shopping Center and the attraction of several new anchor commercial tenants, including Wal-Mart; and

WHEREAS, the City Council approved a Lease Agreement [Lease] filed in the Office of the City Clerk as Document No. OO-18547 on July 20, 1998, between the City and the shopping center development partners, Wal-Mart Real Estate Business Trust and Vestar Development II, L.L.C. [collectively, the Landlord], to provide 350 parking spaces at the west end of the shopping center for a Park and Ride area available to the general public to support public transit and carpooling; and

WHEREAS, the total rent under the Lease is \$2,393,000 to be paid in annual installments over 15 years, with interest to be paid on any unpaid rent at the rate of 10 percent per annum, compounded annually; and

WHEREAS, the City has not made any payments under the Lease; and

WHEREAS, the Landlord would like to terminate the Lease, and City staff have negotiated a Lease Termination Agreement, whereby the City would make a one-time payment in full satisfaction of the Lease, and for the City to be released from any further financial obligation under the Lease; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That the Mayor or his designee is authorized to execute and deliver the Lease Termination Agreement filed in the Office of the City Clerk as Document No. 00-19983.

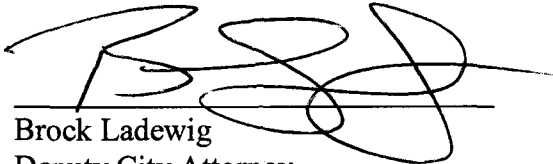
Section 2. That the Chief Financial Officer is authorized to appropriate and expend One Million Seven Hundred Thousand Dollars (\$1,700,000) from Fund No. 200414-College Grove Public Use Lease, to pay WAL-MART REAL ESTATE BUSINESS TRUST, a Delaware statutory business trust, and VESTAR DEVELOPMENT II, L.L.C., an Arizona limited liability company, as required by the Lease Termination Agreement.

Section 3. That the Mayor or his designee is authorized to execute and deliver such incidental documents on behalf of the City as are necessary and in the City's best interests to effect the transaction contemplated by the Lease Termination Agreement.

Section 4. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been available to the City Council and the public prior to its passage.

Section 5. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Brock Ladewig
Deputy City Attorney

BL:mm
04/29/10
Or. Dept.: City Planning & Comm. Invest/Redev. Div.
O-2010-100
MMS#12061

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JUL 27 2010.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 8-5-10
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor