

RESOLUTION NUMBER R- 305825
DATE OF FINAL PASSAGE MAY 18 2010

RESOLUTION AUTHORIZING THE CITY OF SAN DIEGO TO ENTER INTO A FIRST AMENDMENT TO THE CITY OF SAN DIEGO PERCENTAGE LEASE WITH BARTELL HOTELS, A LIMITED PARTNERSHIP, D/B/A DANA INN & MARINA.

WHEREAS, the City of San Diego [City] entered into a percentage lease agreement with the predecessor to Bartell Hotels, a Limited Partnership, in June of 1968. Thereafter, in December, 1986, Bartell Hotels, a Limited Partnership, d/b/a/ Dana Inn & Marina [Dana Inn] acquired the leasehold. In December, 2000, City and Dana Inn entered into a new 50-year lease. The 50-year lease agreement is filed with the Office of the City Clerk as Document No. RR-294161 [Lease Agreement]; and

WHEREAS, in 2004 Dana Inn completed a \$17 million renovation of the leasehold; the renovation added 72 new rooms, remodeled 200 existing guest rooms, and built a new restaurant, two conference rooms, a new lobby, and a pool; and

WHEREAS, between 2004 and 2009 Dana Inn has spent approximately \$3.5 million for additional improvements to the leasehold, including further renovations of existing guest rooms and a second restaurant, construction of a new playground, redesign of the landscaping, and acquisition of new equipment and fixtures; and

WHEREAS, because of Dana Inn's desire to refinance its existing \$30 million loan which encumbers the leasehold with the best possible financing, Dana Inn has requested that

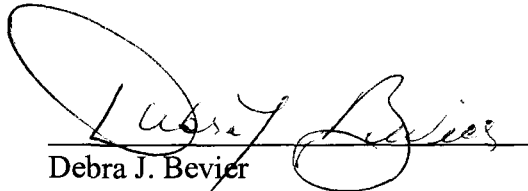
City amend the Lease Agreement to include certain lender-protection lease provisions which are not currently contained within the Lease Agreement; and

WHEREAS, the requested lender-protection lease provisions will allow Dana Inn to apply for the best possible financing options while not adversely affecting the City's interest in the Lease Agreement, and will allow the City to include other updated provisions, as more particularly set forth in the proposed First Amendment to City of San Diego Percentage Lease, which the City would otherwise not be able to implement or enforce during the term of the Lease Agreement; NOW, THEREFORE,

BE IT RESOLVED, that the Mayor, or his designee, is hereby authorized to enter into and execute the First Amendment to City of San Diego Percentage Lease between the City of San Diego and Bartell Hotels, a Limited Partnership, d/b/a/ Dana Inn & Marina.

APPROVED: JAN I. GOLDSMITH, City Attorney

By


Debra J. Bevier
Deputy City Attorney

DJB:mm
04/02/2010
Or.Dept:READ
R-2010-720R-
MMS#11878

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 11 2010.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 5/18/10
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor