

ORDINANCE NUMBER O- 20236 (NEW SERIES)

DATE OF FINAL PASSAGE JAN 23 2013

AN ORDINANCE AUTHORIZING A FIFTY YEAR PUBLIC PURPOSE LEASE BETWEEN THE CITY OF SAN DIEGO AND SAN DIEGO THEATRES, INC. FOR THE OPERATION OF THE SAN DIEGO CIVIC THEATRE AND RELATED FACILITIES.

WHEREAS, pursuant to San Diego Charter section 99, this ordinance requires a two-thirds majority vote of the Council of the City of San Diego (City Council) to pass; and

WHEREAS, the City of San Diego (City) is the owner of the San Diego Civic Theatre located at 1110 Third Avenue, San Diego, California (Civic Theatre); and

WHEREAS, San Diego Theatres Inc., a California 501(c)(3) non-profit public benefit corporation (SDTI), currently operates the Civic Theatre under an operating agreement with the City that expires on February 28, 2013; and

WHEREAS, SDTI has extensive and unique qualifications and experience managing and operating the Civic Theatre including years of performance of its obligations pursuant to the current and previous operating agreements; and

WHEREAS, SDTI was established to manage and operate publicly-owned performing arts theatres in the San Diego community; and

WHEREAS, SDTI performs a public purpose through the continued operation of the Civic Theatre as a civic enterprise on behalf of the community and through the pursuit of a significant renovation to the Civic Theatre from a major fundraising effort that will involve an investment by SDTI of at least \$30 million; and

WHEREAS, SDTI has requested a long-term fifty (50) year lease agreement to enable it to attract major donors for its fundraising effort to renovate the Civic Theatre and to allow SDTI sufficient time to recoup at least a portion of its capital investment; and

WHEREAS, under the proposed lease and consistent with the current operating agreement, the City will pay for its pro-rata share of the cost of operating Central Power situated in the basement area of Civic Theatre, which provides power and water to various City buildings including the Civic Theatre, City Administration Building, and the Concourse Building; and

WHEREAS, under the proposed lease and consistent with the current operating agreement, the City will pay SDTI all parking revenues solely generated from SDTI's events held in the Civic Theatre, net of related costs; and

WHEREAS, in compliance with all applicable labor laws, the proposed lease will also document the long-standing informal arrangement whereby SDTI will assist in the maintenance of the Concourse Building; and

WHEREAS, upon approval and execution of the proposed fifty (50) year lease, the current operating agreement will terminate; 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 50 year Public Purpose Lease between the City of San Diego and San Diego Theatres, Inc., on file in the Office of the City Clerk as Document No. OO-20236 (Lease), for the continued operation of the San Diego Civic Theatre located at 1110 Third Avenue, San Diego, California.


Section 2. That the Chief Financial Officer is authorized to appropriate and expend funds as required per the terms of the Lease, contingent upon adoption of future fiscal year appropriation ordinances by the City Council and the Chief Financial Officer certifying that funds are available.

Section 3. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been made available to the City Council and the public prior to the day of its passage.

Section 4. 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


Kenneth R. So
Deputy City Attorney

KRS:nja
11/16/2012
Or.Dept:READ
Doc. No. 466775

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JAN 8 2013.

ELIZABETH S. MALAND
City Clerk

By *Elizabeth Maland*
Deputy City Clerk

Approved: *1/23/13*
(date)

Bob Filner
BOB FILNER, Mayor

Vetoed: _____
(date)

BOB FILNER, Mayor