

ORDINANCE NUMBER O- **20430** (NEW SERIES)

DATE OF FINAL PASSAGE NOV 25 2014

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO EXECUTE AND DELIVER THAT CERTAIN FIRST AMENDMENT TO LEASE BETWEEN RUFFIN-SD, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND THE CITY OF SAN DIEGO, WHICH AMENDMENT INCLUDES ADJUSTING THE LEASE RENTAL RATE; AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO MAKE CERTAIN EXPENDITURES THEREFOR.

WHEREAS, the City of San Diego (City) entered into a lease, dated December 7, 2007, with Ruffin-SD, LLC, a California limited liability company (Lessor), for office space at 9370 Chesapeake Drive, San Diego (Lease). The Lease includes Lease Addendum Number One, Lease Addendum Number Two, and the executed Commencement Agreement; all by and between Lessor and City;

WHEREAS, the original term of the Lease was to expire on May 31, 2014; and

WHEREAS, prior to the expiration of the original term of the Lease, the City and Lessor entered into negotiations to amend the Lease, to among other terms, extend the Lease for an additional six years; and

WHEREAS, City and Lessor have agreed to amend the Lease (First Amendment to Lease), subject to City Council's approval, to among other things: (1) extend the term of the Lease for another six years, which is the same number of years the City could extend the Lease pursuant to two options in Addendum Number Two of the original Lease; (2) retroactively apply the First Amendment to Lease to June 1, 2014, to, among other factors, apply to the rent; (3) adjust the base rent from \$2.34 per square foot per month down to an initial rent of \$1.80 per

square foot per month; (4) provide for City to receive rent credits for the rent paid from June 1, 2014, to the authorization of the First Amendment to Lease, in the amount of \$9,164.45 per month, to capture the newly reduced rental rate structure; (5) provide for an extra rent abatement equal to the value of four months' rent during the extended term of the Lease, resulting in a total savings of \$108,123.00; (6) allow for the City to have a right of first offer to lease additional space in the building should it become available; (7) allow for a right to further extend the term; (8) provide a \$28,716.00 refurbishment allowance for use by the City for tenant improvements during the time period of June 1, 2016, through May 31, 2018; all as more fully set forth in the proposed First Amendment to 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 that certain First Amendment to Lease between Ruffin-SD, LLC, a limited liability company, as lessor, and the City of San Diego, as lessee, and on file with the Office of the City Clerk as Document No.

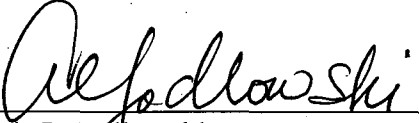
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Section 2. That the Chief Financial Officer is authorized to appropriate and expend funds up to \$2,120,789.00 for rent, including utilities, for the duration of the six-year extended term of the Lease from the General Fund, Fund No. 100000, Cost Center 9912001112, General Ledger Account 512217.

Section 3. That a full reading of this ordinance is dispensed with prior to passage, since a written copy was made available to the City Council and the public prior to the day of 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   
Alexis L. Jodkowski  
Deputy City Attorney

ALJ:dkr  
8/4/2014  
Or.Dept: Real Estate Assets Dept.  
Doc. No. 835061

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of NOV 10 2014.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 11/24/14  
(date)

  
KEVIN L. FAULCONER, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on NOV 10 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Harris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage NOV 25 2014

AUTHENTICATED BY:

KEVIN L. FAULCONER  
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

By Mary Fernandez, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

OCT 21 2014

and on

NOV 25 2014

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

By Mary Fernandez, Deputy

Office of the City Clerk, San Diego, California

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