

Jan 14th 2014

RESOLUTION NUMBER R- 308700

DATE OF FINAL PASSAGE JAN 30 2014

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE COUNCIL PRESIDENT TO ENTER INTO A FIRST AMENDMENT TO CITY OF SAN DIEGO FLAT RATE LEASE, BETWEEN THE CITY OF SAN DIEGO AND GIUMARRA OF ESCONDIDO, TO EXTEND THE EXISTING LEASE TERM FOR AN ADDITIONAL FIVE (5) YEARS AND TO UPDATE EXISTING LEASE PROVISIONS.

WHEREAS, the City of San Diego (City) currently leases four (4) acres of City-owned property in the San Pasqual Valley Agricultural Preserve to Giumarra of Escondido (Giumarra) under a 25 year flat rate lease that commenced on January 1, 1992, and that expires on December 31, 2021 (Lease); and

WHEREAS, Giumarra operates a citrus and avocado packing facility on the leasehold property; the packing facility building is approximately 40,000 square feet and is used for packing operations and cool storage; and

WHEREAS, Giumarra has a maximum of 70 employees, depending on the season, and distributes locally grown citrus and avocados to regional and national accounts throughout the United States, including specialty grocery companies such as Whole Foods, Trader Joes, Sprouts, and Northgate Markets, as well as to local purveyors and restaurants; and

WHEREAS, Giumarra desires to amend the Lease to add an additional five (5) years to the Lease term in order to amortize approximately \$960,000.00 of capital improvements to the packing facility. The capital improvements will increase the value and useful life of the existing leasehold improvements by an amount more than can be reasonably amortized over the

remaining Lease term; the proposed capital improvements are non-recurring in nature and are 41% of the value of the existing improvements, which are valued at \$2,350,000.00; and

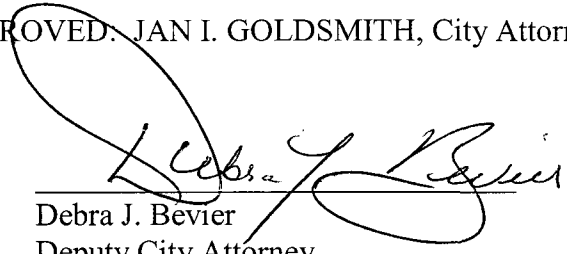
WHEREAS, the current annual rent under the Lease is \$70,787.00, which is deposited into the Public Utilities' Water Division Fund 700011. Pursuant to the terms of the Lease, a market rate adjustment was conducted in April 2007 and a CPI adjustment was conducted in January 2013. Qualified City staff has determined that the current annual rent under the Lease is a reasonable estimate of fair market rent for the leasehold property; and

WHEREAS, if the proposed five (5) year Lease term extension is approved, the new expiration date for the Lease will be December 31, 2021; NOW, THEREFORE,

BE IT RESOLVED, that the Council President in his capacity under Charter section 265(i), or his designee, is authorized and directed to enter execute that certain First Amendment to City of San Diego Flat Rate Lease with Giumarra of Escondido, a California corporation, for the purposes of extending the term of the existing lease for five (5) years, and to update the Lease to include current City language regarding indemnity, insurance and other general provisions, all as more fully set forth in Document No. RR- 308700 on file with the City Clerk.

APPROVED: JAN I. GOLDSMITH, City Attorney


By


Debra J. Bevier
Deputy City Attorney

DJB:mm
12/11/2013
Or.Dept: Real Estate Assets Dept.
Doc. No.:689307

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JAN 14 2014.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved pursuant to Charter section 265(i):

(date)

TODD GLORIA, Council President

Passed by the Council of The City of San Diego on JAN 14 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"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 JAN 30 2014

(Please note: When a resolution is approved by the Council President as interim Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

TODD GLORIA, COUNCIL PRESIDENT

as interim Mayor of The City of San Diego, California.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California.

(Seal)

By 

Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 308700