

ORDINANCE NUMBER O- 20458 (NEW SERIES)

DATE OF FINAL PASSAGE JAN 30 2015

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A LEASE CONTAINING A PURCHASE OPTION WITH AARDEMA FAMILY PARTNERSHIP, L.P., FOR THE REAL PROPERTY LOCATED AT 411 RAVEN STREET, SAN DIEGO, CALIFORNIA; AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO MAKE CERTAIN EXPENDITURES THEREFOR.

WHEREAS, Aardema Family Limited Partnership, a California Limited Partnership (Aardema) owns the 2.2 acre property improved with a 30,000 square foot industrial building located at 411 Raven Street, San Diego, California (Property). The City of San Diego (City) has leased the Property from Aardema since 2004; and

WHEREAS, the Property is used by City's Park and Recreation Department for Park Services, Maintenance, and Mower Repair operations. The Property's central location and large industrial building and surrounding yard place it into a niche, small submarket for the City's operational needs; and

WHEREAS, City staff has negotiated a new lease agreement (Lease) with Aardema for the Property. The Lease is for five (5) years, with an option for the City to extend the Lease for an additional five (5) years. The City would pay Aardema total rent of \$1,504,622 for the initial Lease term (currently estimated at FY15: \$284,400; FY16: \$292,428; FY17: \$300,687; FY18: \$309,183; and FY19: \$317,924), excluding utility costs. The Lease results in lower rents than those paid by City under the previous lease agreement, along with requiring certain improvements to be undertaken at Aardema's sole expense. The Lease also contains an option for the City to purchase the Property for \$4 Million Dollars. Any purchase of the Property pursuant to the Lease would require separate City Council authorization; 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 and directed to execute, for and on behalf of the City, that certain Lease agreement between the City, as lessee, and Aardema Family Limited Partnership, a California Limited Partnership, as landlord, that is on file in the Office of the City Clerk as Document No. 00-20458, for the lease of the real property located at 411 Raven Street, San Diego, California.

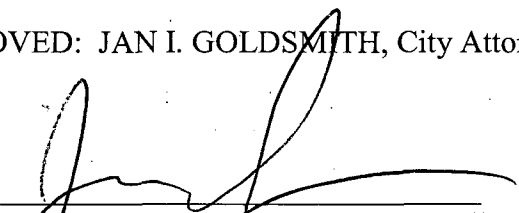
Section 2. That the Chief Financial Officer is authorized to appropriate and expend funds up to \$1,504,622 for rent and other amounts required by the subject Lease, from General Fund 100000.

Section 3. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the 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

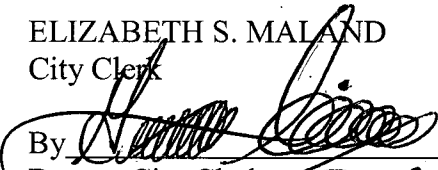
By

  
\_\_\_\_\_  
Jeremy M. Fonseca  
Deputy City Attorney

JMF:meb  
November 28, 2014  
Or.Dept: Real Estate Assets  
Doc. No.: 911197

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JAN 13 2015

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 1/28/2015  
(date)

  
KEVIN L. FAULCONER, Mayor

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

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

The date of Final Passage is January 30, 2015, which represents the day this ordinance was returned to the Office of the City Clerk with the Mayor's signature of approval.

Passed by the Council of The City of San Diego on JAN 13 2015, 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"/>
Lorie Zapf	<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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<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 2015

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 Stewart, 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

DEC 16 2014, and on JAN 30 2015

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 Stewart, Deputy

<p>Office of the City Clerk, San Diego, California</p> <p>Ordinance Number O- <u>20458</u></p>
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