

Item 102 - April 12 2016

(R-2016-481)

Sub Item 'A'

RESOLUTION NUMBER R- 310353

DATE OF FINAL PASSAGE APR 14 2016

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO TO APPROVE THE LEASE SURRENDER AND TERMINATION AGREEMENT WITH HARMONIUM, INC. FOR THE PROPERTY LOCATED AT 8450 MIRA MESA BOULEVARD AND TO APPROVE THE CLOSURE OF THE MIRA MESA TEEN FUND AND THE TRANSFER OF ALL FUNDS THEREIN TO THE MIRA MESA COMMUNITY FUND.

WHEREAS, the City of San Diego (City) is the owner of improved real property located at 8450 Mira Mesa Boulevard (Property); and

WHEREAS, Harmonium, Inc., a non-profit California corporation (Harmonium) leases the Property and has been operating the Property as a teen business center providing educational activities, community services and recreational programs at the Property since 1998. The current lease with Harmonium commenced May 1, 2012, and would expire on April 30, 2017; and

WHEREAS, on December 2, 1997, San Diego City Council, by Resolution No. R-289498, created the Mira Mesa Teen Center Fund to provide financial assistance to a teen center to be operated at the Property. The Mira Mesa Teen Center Fund was funded by a transfer of \$500,000.00 from the Mira Mesa Community Fund; and

WHEREAS, Harmonium and the City entered into that certain FY 2013 CDBG Agreement Between the City of San Diego and Harmonium, Inc. Involving CDBG Funds Allocated in FY 2012 dated August 8, 2012, (CDBG Agreement) that provided \$100,000.00 of Community Development Block Grant (CDBG) funds to Harmonium to be used for roof, flooring, and sewer line repairs at the Property. The repairs were completed and the CDBG project was closed; and

WHEREAS, the use of CDBG funds to repair the Property requires that the Property be used for a national CDBG objective until June 6, 2018, or in the alternative, that the CDBG program be reimbursed with non-CDBG funds for the current fair market value of the Property, less any portion of the Property value attributable to expenditure of non-CDBG funds for acquisition of and improvement to the Property; and

WHEREAS, Harmonium has requested to surrender the Property to City and terminate the lease early due to financial difficulties and a lack of interest in the facility and programs by the target community; and

WHEREAS, Harmonium has agreed to be responsible for any repayment required to the City's CDBG program if the City incurs financial liability as a result of Harmonium's failure to perform all obligations pursuant to the CDBG Agreement; and

WHEREAS, if the City Council approves the early surrender and termination of the lease by Harmonium, it is further requested that the City Council also authorize the Chief Financial Officer to transfer all funds in the Mira Mesa Teen Center Fund to the Mira Mesa Community Fund; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, that the Lease Surrender and Early Termination Agreement between the City of San Diego and Harmonium, Inc. for the property located at 8450 Mira Mesa Boulevard, San Diego, CA, is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is authorized to sign the Lease Surrender and Early Termination Agreement, and any other documents necessary to effectuate the surrender and early termination of said lease.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is hereby authorized to transfer all funds in the Mira Mesa Teen Center Fund 400183 to the Mira Mesa Community Fund 400182, and to thereafter close the Mira Mesa Teen Center Fund 400183.

APPROVED: JAN I. GOLDSMITH, City Attorney

By Melissa D. Ables  
Melissa D. Ables  
Deputy City Attorney

MDA:mcm  
March 10, 2016  
Or.Dept:Real Estate Assets Dept.  
Doc. No.: 1245665

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 12 2016.

ELIZABETH S. MALAND  
City Clerk

By Stacy Adams  
Deputy City Clerk  
Kevin L. Faulconer  
KEVIN L. FAULCONER, Mayor

Approved: 4/14/16  
(date)

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

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

Passed by the Council of The City of San Diego on APR 12 2016, 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Date of final passage APR 14 2016

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

AUTHENTICATED BY:

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

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

(Seal)

By *Sty Crady*, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 310353