

RESOLUTION NUMBER R- 310773

DATE OF FINAL PASSAGE NOV 17 2016

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR, OR HIS DESIGNEE, TO EXECUTE A FOUR-YEAR FLAT RATE LEASE AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND THE VICTOR J. SCHULMAN TRUST, FOR THE REAL PROPERTY LOCATED AT 3240 SPORTS ARENA BOULEVARD, IN THE CITY OF SAN DIEGO.

WHEREAS, the City of San Diego (City) owns approximately 80 acres of land in an area commonly referred to as the Sports Arena Area, which is located within the City of San Diego; and

WHEREAS, in 1993 City entered into a lease agreement (Original Lease) with Trend Furniture (Original Lessee) for the lease of City-owned real property located in the Sports Arena Area at 3240 Sports Arena Boulevard, in the City of San Diego (Premises); and

WHEREAS, the Premises is a 0.59 acre parcel, comprised of 25886 square feet of raw land; and

WHEREAS, in 2001 the Original Lessee entered into a sublease (Sublease) with the Salvation Army (Sublessee) for the use and occupancy of the building that had been built on the Premises; and

WHEREAS, subsequent to entering into the Original Lease, the Original Lessee assigned its interest in the Original Lease to the Victor J. Schulman Trust dated December 8, 1989, by First American Trust, FSB, as trustee (The Trust); The Trust is City's current lessee; and

WHEREAS, although the original Terms for the Original Lease and the Sublease have both expired, The Trust and Sublessee continue to have use and occupancy rights to the Premises through the legal holdover status of the Original Lease and the Sublease; and

WHEREAS, although the Premises has a building located on it, the building is owned by the Trust and said ownership will not revert to City at the termination of The Trust's holdover status; and

WHEREAS, the Premises has been operated for retail purposes for over thirty years and The Trust is now requesting the right to enter into a new four-year flat rate lease agreement (New Lease) in order to continue its operations at the Premises, which operations shall include allowing Sublessee to continue its operations on the Premises; and

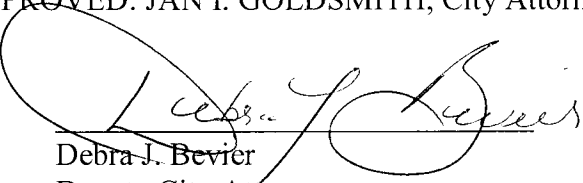
WHEREAS, the current annual rent under the Original Lease is \$56,400; and

WHEREAS, the initial annual rent under the proposed New Lease will increase the rent to \$124,296 for the first lease year, and thereafter the rent will increase annually by two percent (2%), which will result in annual rents for lease years two, three, and four of \$126,782, \$129,318, and \$131,904, respectively; and

WHEREAS, the market value of the real estate subject to the New Lease, as appraised by an independent fee appraiser, is \$1,294,000; NOW, THEREFORE,

BE IT RESOLVED, that the Mayor, or his designee, is authorized and directed to execute the new four-year Flat Rate Lease Agreement between the City of San Diego and the Victor J. Schulman Trust dated December 8, 1989, by First American Trust, FSB, as trustee, the terms and conditions of which are more fully set forth in Document No. RR-310773, which is on file with the City Clerk.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Debra J. Bevier
Deputy City Attorney

DJB:mcm
October 28, 2016
Or.Dept: Real Estate Assets Dept.
Doc. No.: 1381808

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 15 2016.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 11/17/16
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on NOV 15 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>
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 NOV 17 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 Ginda Bruen Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- 310773