

RESOLUTION NUMBER R- 310774

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 PROBUILD COMPANY LLC, FOR THE REAL PROPERTY LOCATED AT 3250 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 1992 City entered into a lease agreement (Original Lease) with Dixieline Lumber Company for the lease of City-owned real property located in the Sport Arena Area at 3250 Sports Arena Boulevard, in the City of San Diego (Premises); through a number of subsequent assignments and name changes, in 2009 Probuild Company LLC (Probuild) became the City's lessee for the Premises; and

WHEREAS, the Premises is a 3.8 acre parcel, and includes 29,095 square feet of retail/office space and 48,102 square feet of storage structures; and

WHEREAS, the original term of the Original Lease has expired, but Probuild continues to occupy the Premises on a legal holdover status; and

WHEREAS, in 2013 Probuild completed a \$1.5 million renovation of the Premises, and is now requesting a new four-year flat rate lease agreement for the Premises (New Lease) with City; and

WHEREAS, the current annual rent under the Original Lease is \$453,631; and

WHEREAS, the initial annual rent under the proposed New Lease will increase the rent to \$516,600, and thereafter the rent will increase annually by three and a half percent (3½ %), which will result in annual rents for lease years two, three and four of \$534,681, \$553,395, and \$572,764, respectively; and

WHEREAS, the market value of the real estate subject to the New Lease, as appraised by an independent fee appraiser or City staff, is \$5,298,000; 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 Probuild Company LLC, the terms and conditions of which are more fully set forth in Document No. RR-310774, 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.: 1381692

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 Linda Brown, Deputy

Office of the City Clerk, San Diego, California

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