

RESOLUTION NUMBER R- 311006

DATE OF FINAL PASSAGE APR 13 2017

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR, OR HIS DESIGNEE, TO EXECUTE THAT CERTAIN NEW THREE-YEAR PERCENTAGE LEASE BETWEEN THE CITY OF SAN DIEGO AND CAMPLAND, LLC, FOR THE CONTINUED LEASING, OPERATION AND MAINTENANCE OF THE CITY-OWNED PROPERTY COMMONLY KNOWN AS CAMPLAND ON THE BAY.

WHEREAS, the City of San Diego (City) owns that certain real property, consisting of approximately 40.14 acres of land and 5.48 acres of water, in the Mission Bay Park, which is currently leased to Campland, LLC, a Delaware Limited Liability Company, d.b.a. Campland on the Bay (Lessee) pursuant to an existing 50-year Lease Agreement (Current Lease); and

WHEREAS, under the Current Lease, Lessee has been operating a public camping facility improved with camp sites, parking, storage, boat slips, a general merchandise store, and other support facilities; and

WHEREAS, the Current Lease expires on November 7, 2017; and

WHEREAS, Lessee has requested and negotiated a new three year (Term) percentage lease (Proposed New Lease), the terms and conditions of which will include: (a) two one-year options to extend the Term; (b) the same uses as authorized in the Current Lease; and (c) an increase to the total leasehold area caused by the addition of approximately 43.89 acres of land in order to incorporate the adjacent City-owned parcels that are currently maintained by Lessee under separate permits, and the addition of approximately 6.11 acres of water in order to correct the current legal description of the leasehold; and

WHEREAS, allowing the Lessee to continue its present operations on the City-owned property during the Term of the Proposed New Lease will provide for the continued maintenance and oversight of the City's property while the City determines/finalizes its plans for the future use of the property; and

WHEREAS, the initial rent under the Proposed New Lease will be either a minimum annual rent of \$1,024,132, or percentage rents from all operations conducted on the leased premises, whichever is higher. The minimum annual rent will be adjusted on July 1, 2017. The percentage rent rates were set by an appraisal that was undated by a staff appraiser on January 19, 2017; and

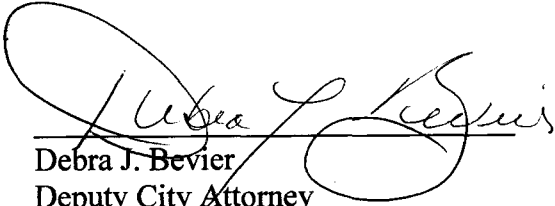
WHEREAS, because the Lessee could extend the Term of the Proposed New Lease to as long as five (5) years by exercising the options set forth in the Proposed New Lease, City Council authorization is required for the Proposed New Lease; and

WHEREAS, the market value of the real estate subject to the Proposed New Lease, as appraised by an independent fee appraiser on January 19, 2017, is \$3,000,000; NOW, THEREFORE,

BE IT RESOLVED, that the Mayor, or his designee, is authorized and directed to execute that certain City of San Diego Percentage Lease by and between the City of San Diego and Campland, LLC, the terms and conditions of which are more fully set forth in Document No. AR 311006, which is on file with the City Clerk.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to accept and deposit lease rent proceeds into General Fund 100000.

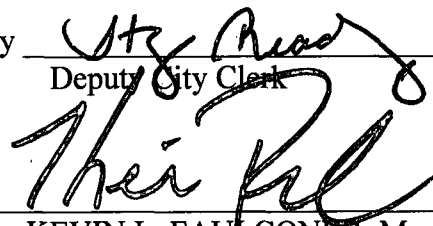
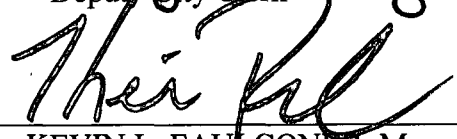
APPROVED: MARA W. ELLIOTT, City Attorney

By   
Debra J. Bevier  
Deputy City Attorney

DJB:mcm  
February 16, 2017  
Or.Dept:Real Estate Assets Dept.  
Doc. No.: 1445985

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 04 2017.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk  
  
KEVIN L. FAULCONER, Mayor

Approved: 4/12/17  
(date)

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

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

Passed by the Council of The City of San Diego on APR 04 2017, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<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"/>
Chris Ward	<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"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage APR 13 2017.

(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.

(Seal)

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

By *Sty Brady*, Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- <u>311006</u>