

RESOLUTION NUMBER R- 311118

DATE OF FINAL PASSAGE JUN 06 2017

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR, OR HIS DESIGNEE, TO UTILIZE THAT CERTAIN AUTHORIZED FLAT RATE GROUND LEASE TEMPLATE WHEN ENTERING INTO LEASES BETWEEN THE CITY OF SAN DIEGO AND UP TO NINETY-NINE (99) CURRENT TIE-DOWN AND HANGAR TENANTS LOCATED WITHIN THE FLATTOP-MARIGOLD AREAS OF THE MONTGOMERY-GIBBS EXECUTIVE AIRPORT.

WHEREAS, the City of San Diego (City) operates two general aviation airports, Montgomery-Gibbs Executive Airport and Brown Field Airport (Airports), as a user-funded enterprise system, receiving no General Fund subsidy; and

WHEREAS, Federal Aviation Administration (FAA) Grant Assurances obligate the City to maintain a fair and reasonable fee and rental structure for the facilities and services at the Airports and require that all revenue generated by the Airports be used for operating the Airports in order to make the Airports as self-sustaining as possible; and

WHEREAS, within Montgomery-Gibbs Executive Airport, the City operates: (1) the Flattop East and Flattop West tie-down and hangar areas consisting of approximately 4.45 acres of land (collectively "Flattop"); and (2) the Marigold tie-down and hangar area consisting of approximately 2.22 acres of land (Marigold); and

WHEREAS, Airports staff desires to provide all current users of Flattop and Marigold the opportunity to enter into a lease with the same terms and conditions, and to appropriately provide for the contractual protection of the City when allowing tenants to utilize space at the Airports. To efficiently effectuate the foregoing, staff recommends the use of a certain lease template

(Lease Template) which will provide the necessary contractual assurances to both the City and the tenants of the tie-down and hangar spaces at Flattop and Marigold; and

WHEREAS, staff is requesting that the City Council approve that certain Lease Template which would then be used when entering into leases with the up to ninety-nine (99) current tenants that occupy airplane tie-down and hangars spaces at Flattop and Marigold; and

WHEREAS, the Lease Template provides that no lease shall have a lease term that exceeds the time period which is 15 years from June 30, 2017. Accordingly, all such leases, regardless of when they are entered into, shall have a lease term that terminates no later than June 30, 2032; and

WHEREAS, the initial rent under each lease which is commenced in 2017, will be \$.11 per square foot; all rents will be subject to periodic rental rate increases throughout the term of each lease; and

WHEREAS, the market value of the real estate subject to the Lease Template, as appraised by City staff, is \$842,000; and

WHEREAS, staff is requesting that the portions of Council Policy 700-10 referring to the selection of lessees for new leases, and referring to minimum capital investment, be waived, so as to allow the City, utilizing the Lease Template, to enter into leases with the current tenants that occupy airplane tie-down and hangar spaces at Flattop and Marigold and, because, in lieu of the tenants providing any capital investment, the City will be entitled to 2% of any "equity" received by the tenants upon the assignment of any lease spaces or the sale of any hangars;


NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, that the Mayor, or his designee, is authorized to utilize that certain Lease Template, the terms of which are more fully

set forth therein, and which is on file in the Office of the City Clerk as Document No.

RR- 311118, to enter into leases between the City of San Diego and up to ninety-nine (99) current tenants who occupy airplane tie-down and hangar spaces within the areas known as Flattop and Marigold, located at Montgomery-Gibbs Executive Airport.

APPROVED:  MARA W. ELLIOTT, City Attorney

By 
David L. Powell
Deputy City Attorney

DLP:slo
April 24, 2017
Or.Dept: READ
Doc. No.: 1496410

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 23 2017.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 6/5/17
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on MAY 23 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 JUN 06 2017.

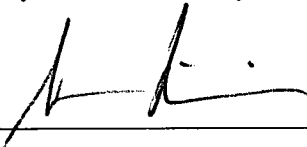
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

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

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

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California

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