Item 101 7-11-17

(R-2017-660)

RESOLUTION NUMBER R- 311220

DATE OF FINAL PASSAGE JUL 25 2017

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING AND DIRECTING THE EXECUTION OF A CITY OF SAN DIEGO PERCENTAGE GROUND LEASE WITH SNAPFRIZ, INC., FOR THE LEASE OF CITY-OWNED PROPERTY COMMONLY KNOWN AS THE MORLEY FIELD DISC GOLF COURSE, LOCATED IN BALBOA PARK.

WHEREAS, the City of San Diego owns the real property commonly known as the Morley Field Disc Golf Course, consisting of approximately 15 acres, located in Balboa Park (Property); and

WHEREAS, in 2006, the City leased the Property to Leo Pierson for a ten-year term for the operation and maintenance of a disc golf course for the public. Mr. Pierson's lease expired by its own terms on September 30, 2016. Since that date, Mr. Pierson has remained the lessee of the Property on legal holdover status; and

WHEREAS, Mr. Pierson, as president of Snapfriz, Inc., a California corporation (Snapfriz) has requested a new ten-year lease (Lease) to continue operating the disc golf course. Snapfriz proposes an investment of \$111,240 in capital improvements at the Property, which include leveling the dirt parking lot, adding parking bollards, planting trees, installing benches and electronic tee signs, and adding grass cover and new disc baskets; and

WHEREAS, pursuant to the Lease, the annual rent payable to the City will be the greater of the initial minimum annual rent of \$63,005, or a percentage of the gross revenue from Snapfriz's operations at the Property based on category rates established by an appraisal. The minimum annual rent will be adjusted every three years; and

WHEREAS, as appraised by City staff, the market value of the Property is \$800,000; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, that the Mayor or his designee is authorized to execute that certain City of San Diego Percentage Ground Lease with Snapfriz, Inc., which is on file in the Office of the City Clerk as Document No. RR-311220

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to accept and deposit all Lease revenues into General Fund 100000.

| Deputy City Attorney                                                                                           |                                   |
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| HMF:nja 06/07/17 Or.Dept: Real Estate Assets Doc. No.: 1518418                                                 |                                   |
| I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of |                                   |
|                                                                                                                | ELIZABETH S. MALAND<br>City Clerk |
|                                                                                                                | By Deputy Gity Cterk              |
| Approved: 7/24/17 (date)                                                                                       | KEVIN L. FAUI CONER, Mayor        |
| Vetoed: (date)                                                                                                 | KEVIN L. FAULCONER, Mayor         |