

#Cell/A
(R-2020-367) 4/7/2020

RESOLUTION NUMBER R- 312908

DATE OF FINAL PASSAGE APR 09 2020

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE A THIRTY-YEAR LEASE AGREEMENT WITH WEST COAST TURF, FOR THE OPERATION AND MAINTENANCE OF CITY-OWNED REAL PROPERTY LOCATED IN THE SAN PASQUAL VALLEY IN SAN DIEGO AND AUTHORIZING A WAIVER OF A PORTION OF COUNCIL POLICY 700-10.

WHEREAS, the City of San Diego (City) owns certain real property consisting of five hundred and seven acres of land currently used for agricultural purposes located in the southeast corner of San Pasqual Valley Road (State Highway 78) and Santa Ysabel Creek Road in the San Pasqual Valley, San Diego, California (Property); and

WHEREAS, West Coast Turf is an industry leader for the growing and harvesting of sod and has farmed the Property as sublessee to the City's lessee/sublessor, and in that capacity has demonstrated its capability to optimize the use of the Property; and

WHEREAS, the City has directly negotiated a thirty-year lease with West Coast Turf, on file with the City Clerk as Document No. RR- 312908 , which will require West Coast Turf to continue to operate and maintain the Property as a sod farm (Lease); and

WHEREAS, under the Lease, West Coast Turf will pay initial annual rent of \$600 per useable acre or five percent (5%) of gross income, whichever is greater; and

WHEREAS, Council policy 700-10 provides that the minimum rent shall be adjusted upward throughout the duration of the lease at intervals of not more than every five years to reflect no less than eighty percent (80%) of the average annual rent paid or accrued during the three years preceding the adjustment. City staff requests a waiver of this requirement of Council

Policy 700-10 and has negotiated upward minimum rent adjustments every five years throughout the duration of the Lease at a fixed rate of fifteen percent (15%); and

WHEREAS, City staff has determined that the Property is not material to the operation of the Water System and the Lease will not materially reduce Net System Revenues; and

WHEREAS, the market value of the Property as appraised by an independent fee appraiser is \$3,400,000; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego (Council), that the Mayor, or his designee, is authorized to execute the City of San Diego Lease with West Coast Turf, on file with the City Clerk as Document No. RR- 312908.

BE IT FURTHER RESOLVED, that the Council waives the requirement set forth in Council Policy 700-10 regarding minimum rent adjustments.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to accept and deposit all lease revenues into Fund 700011, Water Utility Operating Fund.

APPROVED: MARA W. ELLIOTT, City Attorney

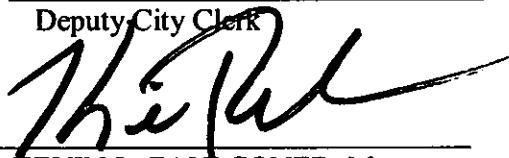
By /s/ Marco A. Verdugo
Marco A. Verdugo
Deputy City Attorney

MAV:als
03/03/2020
Or.Dept:READ
Doc. No.: 2341974

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 04/07/2020.

ELIZABETH S. MALAND
City Clerk

By /s/ Gil Sanchez
Deputy City Clerk



KEVIN L. FAULCONER, Mayor

Approved: 4/9/2020
(date)

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on APR 07 2020, 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"/>
Jennifer Campbell	<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"/>
Monica Montgomery	<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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage APR 09 2020

(Please note: When a resolution is approved/unsigned by the Mayor, the date of final passage is the date the approved/unsigned 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 Connie Patterson, Deputy
for Stacy Ready

Office of the City Clerk, San Diego, California
Resolution Number R- 312908