

#58
04/11/2023

(O-2023-126)

ORDINANCE NUMBER O- **21632** (NEW SERIES)

DATE OF FINAL PASSAGE **APR 24 2023**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING THAT CERTAIN SIXTH
AMENDMENT TO LEASE BETWEEN I & G 525 B STREET,
LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND
THE CITY OF SAN DIEGO.

WHEREAS, on July 9, 2013, the Council of the City of San Diego (Council) adopted Ordinance O-20273 approving that certain Office Lease (Original Lease) for office space at 525 B Street, San Diego, California (Property), between Hines 525 B Street LP (Hines) and the City of San Diego (City), on file with the Office of the City Clerk as Document No. OO-20273; on December 9, 2013, the Council adopted Ordinance O-20324 approving that certain First Amendment to the Original Lease (First Amendment), on file with the Office of the City Clerk as Document No. OO-20324; on June 2, 2015, the Council adopted Ordinance O-20492 approving that certain Second Amendment to the Original Lease, as amended by the First Amendment (Second Amendment), on file with the Office of the City Clerk as Document No. OO-20492; on November 17, 2016, the Council adopted Ordinance O-20754 approving that certain Third Amendment to the Original Lease, as amended by the First Amendment and Second Amendment (Third Amendment), on file with the Office of the City Clerk as Document No. OO-20754; on November 10, 2020, the Council adopted Ordinance O-21257 approving that certain Fourth Amendment to the Original Lease, as amended by the First Amendment, Second Amendment, and Third Amendment (Fourth Amendment), on file with the Office of the City Clerk as Document No. OO-21257; and on July 15, 2022, the Council adopted Ordinance O-21502 approving that certain Fifth Amendment to the Original Lease, as amended by the First Amendment, Second Amendment, Third Amendment and Fourth Amendment (Fifth

Amendment), on file with the Office of the City Clerk as Document No. OO-21502 (hereinafter, the Original Lease, as amended by, collectively, the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and Fifth Amendment is referred to as the "Lease"); and

WHEREAS, Hines sold the Property to I & G 525 B Street, Inc., a Delaware corporation, which subsequently became I & G 525 B Street, LLC, a Delaware limited liability company (I & G), the current owner of the Property and "Landlord" under the Lease; and

WHEREAS, I & G and the City have agreed to amend the Lease a sixth time (Sixth Amendment) to, among other things, all as more specifically set forth in the Sixth Amendment:

1. Provide for the City to lease an additional approximately 5,827 square feet of office space (Additional Space); and
2. Extend the Lease term to provide for the City's lease of the Additional Space for 64 months after the date on which the landlord delivers possession of the Additional Space to City with the agreed upon tenant improvements substantially completed; and
3. Provide certain rent abatement to the City relating to the Additional Space for months 2 through 6 of the extended Lease term for the Additional Space; and

WHEREAS, San Diego Charter section 99 (Section 99) generally provides that no contract, agreement, or obligation creating City indebtedness and extending for a period of more than five years may be authorized except by an ordinance adopted by a two-thirds majority of the Council; and

WHEREAS, the proposed Sixth Amendment is subject to the ordinance requirement in Section 99 because it involves the City's expenditure of funds toward a contractual obligation exceeding five years; and

WHEREAS, the Office of the City Attorney has drafted this Ordinance based on the information provided by City staff (including information provided by affected third parties and verified by City staff), with the understanding that this information is complete, true, and accurate; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. The Council approves the Sixth Amendment, including all attachments and exhibits to the Sixth Amendment.

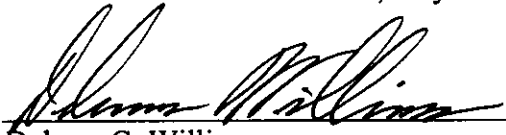
Section 2. The Mayor or designee is authorized and directed, on behalf of the City, to sign and enter into the Sixth Amendment, including all attachments and exhibits to the Sixth Amendment requiring the City's signature, and take all other actions reasonably necessary or desirable to perform the City's obligations under the Sixth Amendment. A copy of the Sixth Amendment, when fully signed, shall be placed on file with the City Clerk as Document No. 00-21632.

Section 3. The Chief Financial Officer is authorized to expend an amount not to exceed \$1,139,469.85 in base rent, and an estimated \$63,398.00 in operating expenses over the term of the Sixth Amendment, from General Fund #100000, Cost Center #9912001112. Funding for base rent and operating expenses under the Sixth Amendment in fiscal year 2024 and future fiscal years is contingent upon the Council's annual appropriation of funds for these expenses for each applicable fiscal year and the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for these expenditures, are, or will be, on deposit with the City Treasurer.

Section 4. A full reading of this Ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 5. This Ordinance shall take effect and be in force on the thirtieth day following its final passage.

APPROVED: MARA W. ELLIOTT, City Attorney

By 
Delmar G. Williams
Deputy City Attorney

DGW:nf
March 6, 2023
Or.Dept: DREAM
Doc. No. 3241106

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of APR 11 2023.

DIANA J.S. FUENTES
City Clerk

By 
Deputy City Clerk

Approved: 4/24/23
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on APR 11 2023, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<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"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kent Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage APR 24 2023.

AUTHENTICATED BY:

TODD GLORIA

Mayor of The City of San Diego, California.

(Seal)

DIANA J.S. FUENTES

City Clerk of The City of San Diego, California.

By Connie Patterson, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

MAR 21 2023

, and on APR 24 2023.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

DIANA J.S. FUENTES

City Clerk of The City of San Diego, California.

By Connie Patterson Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- 21632