

RESOLUTION NUMBER R- 315861
DATE OF FINAL PASSAGE NOV 06 2024

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING A FIRST AMENDMENT TO LEASEHOLD DEVELOPMENT AGREEMENT WITH SAN DIEGO AIRPARK, LLC RELATING TO A TOTAL OF 331 ACRES OF CITY-OWNED REAL PROPERTY AT BROWN FIELD MUNICIPAL AIRPORT, AND SECOND AMENDMENTS TO 59 FLAT RATE PARCEL GROUND LEASE AND RIGHT OF ENTRY LICENSE AGREEMENTS WITH SAN DIEGO AIRPARK, LLC RELATING TO APPROXIMATELY 207.56 ACRES OF THE PROPERTY.

RECITALS

The Council of the City of San Diego (Council) adopts this Resolution based on the following:

A. By Resolution R-308482 (Oct. 21, 2013), the Council authorized the Mayor to enter into a Leasehold Development Agreement (LDA) between the City and Brown Field International Business Park, LLC for the lease and development of approximately 331 acres of real property (Property) at Brown Field Municipal Airport (Airport). The City and Brown Field International Business Park, LLC signed the LDA, on file with the Office of the City Clerk as Document No. R-308482.

B. The LDA establishes the terms and conditions to renovate and expand the existing Airport facilities on the Property to create aviation, commercial, renewable, and industrial facilities as further described in the LDA (Project).

C. Brown Field International Business Park, LLC subsequently assigned its interests in the LDA to Metropolitan Airpark, LLC (MAP), as permitted under the terms of the LDA and documented in a City of San Diego Acknowledgement of Transfer of Rights & Agreement dated October 13, 2015.

D. By Resolution R-312021 (Oct. 26, 2018), the Council authorized the Mayor to enter into 59 Flat Rate Parcel Ground Lease and Right of Entry License Agreements (Lease Agreements) between the City and MAP as lessee covering approximately 207.56 acres of the Property. The City and MAP signed the Lease Agreements, on file with the Office of the City Clerk as Document Nos. R-312021-1 to R-312021-59.

E. By Resolution R-314287 (Aug. 10, 2022), the Council approved a City of San Diego Consent of Transfer of Rights and Agreement (Consent) consenting to the assignment of MAP's interests in the LDA to San Diego Airpark, LLC (SDA). The City, MAP, and SDA signed the Consent, on file with the Office of the City Clerk as Document No. R-314287-1. The Mayor subsequently approved an assignment of MAP's interests in the Lease Agreements to SDA under a Consent to Assignment of the Lease Agreements dated September 9, 2022.

F. By Resolution R-314287 (Aug. 10, 2022), the Council also approved 59 First Amendments to the Lease Agreements (First Amendments) between the City and SDA to add updated Federal Aviation Administration lease and use requirements to the Lease Agreements. The City and SDA signed the First Amendments, on file with the Office of the City Clerk as Document Nos. R-314287-2 to R-314287-60.

G. Due to the complexity and scope of the Project, changes in market conditions affecting the Project since 2013, and Project delays related to the eviction of prior City tenants from portions of the Property, the City and SDA have negotiated the terms of a proposed First Amendment to the LDA (LDA Amendment) and proposed Second Amendments to the Lease Agreements (Second Amendments). The LDA Amendment and several representative examples of the Second Amendments are included in the docket materials accompanying this Resolution.

H. The LDA Amendment and the Second Amendments will modify the minimum construction requirements for Phase 1 of the Project, permit SDA to obtain certificates of occupancy for Phases 2, 3, and 4 of the Project upon its completion of the modified minimum construction requirements for Phase 1, and revise the required construction timelines for Phases 2, 3, and 4 of the Project. The LDA Amendment will also extend the time period required for the City to deliver certain portions of the Property to SDA for the Project. The Second Amendments will add terms to the Lease Agreements for the benefit of a future lender of SDA, allow light industrial uses on some Project parcels, and incorporate the requirements of the City's Zero Emissions Municipal Buildings and Operations Policy.

I. On October 17, 2024, the City Council Land Use and Housing Committee conducted a public meeting to consider the proposed LDA Amendment and the proposed Second Amendments.

J. The Second Amendments are not a disposition of surplus land and are not subject to the Surplus Land Act as set forth in California Government Code section 54221(d) because the Lease Agreements were entered into before January 1, 2024, and the Second Amendments do not extend the term of the Lease Agreements.

K. The Office of the City Attorney drafted this Resolution 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 and accurate.

ACTION ITEMS

Be it resolved by the Council of the City of San Diego:

- I. The Council approves the LDA Amendment.

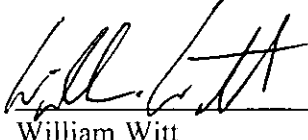
2. The Mayor or designee is authorized, on the City's behalf, to sign and deliver the LDA Amendment. When signed by both parties, the LDA Amendment will be placed on file in the Office of the City Clerk as Document No. RR- 315861.

3. The Council approves the Second Amendments as specifically identified in the attached Exhibit A.

4. The Mayor or designee is authorized, on the City's behalf, to sign and deliver the Second Amendments. When signed by both parties, the Second Amendments will be placed on file in the Office of the City Clerk as the document numbers specified in Exhibit A.

APPROVED: MARA W. ELLIOTT, City Attorney

By



William Witt
Senior Deputy City Attorney

WWW:jdf
10/01/2024
Or.Dept: READ
Doc. No. 3822074

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on
~~OCT 29 2024~~

DIANA J.S. FUENTES
City Clerk

By Krystell Medina
Deputy City Clerk

Approved: 11/1/24
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

EXHIBIT A

Second Amendments to 59 Flat Rate Parcel Ground Lease
and Right of Entry License Agreements

1. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel L-1, on file with the San Diego City Clerk as Document No. RR- 315861-1
2. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel L-2, on file with the San Diego City Clerk as Document No. RR- 315861-2
3. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel L-3, on file with the San Diego City Clerk as Document No. RR- 315861-3
4. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel L-4, on file with the San Diego City Clerk as Document No. RR- 315861-4
5. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel L-5, on file with the San Diego City Clerk as Document No. RR- 315861-5
6. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel M-6, on file with the San Diego City Clerk as Document No. RR- 315861-6
7. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel M-7, on file with the San Diego City Clerk as Document No. RR- 315861-7
8. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel M-8, on file with the San Diego City Clerk as Document No. RR- 315861-8
9. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel M-9, on file with the San Diego City Clerk as Document No. RR- 315861-9
10. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel M-10, on file with the San Diego City Clerk as Document No. RR- 315861-10
11. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel M-11, on file with the San Diego City Clerk as Document No. RR- 315861-11
12. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel M-12, on file with the San Diego City Clerk as Document No. RR- 315861-12

13. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel M-13, on file with the San Diego City Clerk as Document No. RR- 315861 -13
14. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel N-14, on file with the San Diego City Clerk as Document No. RR- 315861 -14
15. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel A-15, on file with the San Diego City Clerk as Document No. RR- 315861 -15
16. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel A-16, on file with the San Diego City Clerk as Document No. RR- 315861 -16
17. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel A-17, on file with the San Diego City Clerk as Document No. RR- 315861 -17
18. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel B-18, on file with the San Diego City Clerk as Document No. RR- 315861 -18
19. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel B-19, on file with the San Diego City Clerk as Document No. RR- 315861 -19
20. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel B-20, on file with the San Diego City Clerk as Document No. RR- 315861 -20
21. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel B-21, on file with the San Diego City Clerk as Document No. RR- 315861 -21
22. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel B-22, on file with the San Diego City Clerk as Document No. RR- 315861 -22
23. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel C-23, on file with the San Diego City Clerk as Document No. RR- 315861 -23
24. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel D-24, on file with the San Diego City Clerk as Document No. RR- 315861 -24
25. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel D-25, on file with the San Diego City Clerk as Document No. RR- 315861 -25

26. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel E-26, on file with the San Diego City Clerk as Document No. RR-315861 -26
27. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel E-27, on file with the San Diego City Clerk as Document No. RR-315861 -27
28. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel E-28, on file with the San Diego City Clerk as Document No. RR-315861 -28
29. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel E-29, on file with the San Diego City Clerk as Document No. RR-315861 -29
30. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel G-30, on file with the San Diego City Clerk as Document No. RR-315861 -30
31. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-31, on file with the San Diego City Clerk as Document No. RR-315861 -31
32. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-32, on file with the San Diego City Clerk as Document No. RR-315861 -32
33. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-33, on file with the San Diego City Clerk as Document No. RR-315861 -33
34. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-34, on file with the San Diego City Clerk as Document No. RR-315861 -34
35. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-35, on file with the San Diego City Clerk as Document No. RR-315861 -35
36. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-36, on file with the San Diego City Clerk as Document No. RR-315861 -36
37. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-37, on file with the San Diego City Clerk as Document No. RR-315861 -37
38. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-38, on file with the San Diego City Clerk as Document No. RR-315861 -38

39. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-39, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -39
40. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-40, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -40
41. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-41, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -41
42. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-42, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -42
43. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-43, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -43
44. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-44, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -44
45. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-45, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -45
46. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-46, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -46
47. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-47, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -47
48. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-48, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -48
49. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-49, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -49
50. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-50, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -50
51. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-51, on file with the San Diego City Clerk as Document No. RR- ~~315861~~ -51

52. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-52, on file with the San Diego City Clerk as Document No. RR- 315861 -52
53. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-53, on file with the San Diego City Clerk as Document No. RR- 315861 -53
54. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-54, on file with the San Diego City Clerk as Document No. RR- 315861 -54
55. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-55, on file with the San Diego City Clerk as Document No. RR- 315861 -55
56. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-56, on file with the San Diego City Clerk as Document No. RR- 315861 -56
57. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-57, on file with the San Diego City Clerk as Document No. RR- 315861 -57
58. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-58, on file with the San Diego City Clerk as Document No. RR- 315861 -58
59. Second Amendment to Flat Rate Parcel Ground Lease and Right of Entry License Agreement for Parcel I-59, on file with the San Diego City Clerk as Document No. RR- 315861 -59

OCT 29 2024

Passed by the Council of The City of San Diego on _____, 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry L. Foster III	<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 NOV 06 2024

(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:

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 Kristel Medina, Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- <u>315861</u>