S 502 11-10-26

(R-2027-160)

RESOLUTION NUMBER R- 317031

DATE OF FINAL PASSAGE NOV 13 2026

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE CITY'S GROUND LEASE TO THREE C GROWERS, INC., A NEVADA CORPORATION, OF APPROXIMATELY 45 ACRES OF REAL PROPERTY LOCATED AT 13900 SAN PASQUAL ROAD IN THE SAN PASQUAL VALLEY FOR AGRICULTURAL PURPOSES AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ACCEPT AND DEPOSIT RENTAL PAYMENTS.

RECITALS

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

A. The City of San Diego (City) owns approximately 45 acres of real property located at 13900 San Pasqual Road in the San Pasqual Valley (Property). The City and Three C Growers, Inc., a Nevada corporation (Three C Growers), previously entered into a lease for approximately 40 acres of the Property that expired on April 30, 2007. Since expiration of that lease, Three C Growers has continued to occupy the premises on a month-to-month holdover basis. City staff negotiated a proposed new Ground Lease (Lease) between the City and Three C Growers for agricultural purposes that expands the leased premises to approximately 45 acres. A copy of the proposed Lease is included as Attachment A to the staff report accompanying this Resolution (Staff Report).

B. San Diego Municipal Code section 22.0901 requires each Council resolution approving the lease of City-owned property to contain a statement of the market rental value of the subject real property. Consistent with this requirement, City staff prepared a Market Rent Memo concluding that, as of July 24, 2026, the market rental value of the Property is $1,500 per

usable acre per year, or $67,500 per year. A copy of the Market Rent Memo is included as Attachment C to the Staff Report.

C. The initial term of the Lease is 20 years. Subject to the terms of the Lease, Three C Growers may request one 5-year extension, which requires the prior written consent of the Mayor. Under the Lease, Three C Growers will pay Base Rent for the first Lease Year in the amount of $16,875 per quarter, or $67,500 per year, with Base Rent increasing annually by 3.5 percent. Three C Growers will be responsible for the expenses of operation, management, maintenance, repair, use, and occupancy of the Property, as more particularly provided in the Lease.

D. The California Surplus Land Act (SLA), Government Code sections 54220-54234, requires the Council to take formal action at a regular public meeting to declare that City-owned real property is either surplus land or exempt surplus land before the City may take any action to dispose of the real property. Under Government Code section 54221(d), a lease of land on which no development or demolition will occur is not a disposition of surplus land for purposes of the SLA. Because no development or demolition will occur under the Lease, the Lease is not a disposition of surplus land and is not subject to the SLA.

E. The City's Public Utilities Department has reviewed the Lease and determined that the uses under the Lease will not adversely impact the City's water system.

F. The Office of the City Attorney prepared 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:

1. The Lease is approved.

2. The Mayor or designee is authorized, on the City's behalf, to sign and deliver the Lease and all other documents necessary or appropriate to complete the City's leasing of the Property, and to take all other actions necessary or appropriate to carry out the intent of the Lease and this Resolution. A copy of the Lease, when signed by both parties, will be filed in the Office of the City Clerk as Document No. RR-317031.

3. The Chief Financial Officer is authorized to accept and deposit the Lease consideration, including quarterly rent payments, into Fund 700011, the Water Utility Operating Fund.

APPROVED: HEATHER FERBERT, City Attorney

By 

Julie Gough Inman
Deputy City Attorney

JGI:cw
September 28, 2026
Or. Dept: Econ. Dev.
Doc. No.: 4558141

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on NOV 10 2026.

DIANA J.S. FUENTES
City Clerk

By _____
Deputy City Clerk

Approved: 11/13/26
(date)

_____
TODD GLORIA, Mayor

Vetoed: _____
(date)

_____
TODD GLORIA, Mayor

S502

Passed by the Council of The City of San Diego on November 10, 2026, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	☒	☐	☐	☐
Jennifer Campbell	☐	☐	☒	☐
Stephen Whitburn	☒	☐	☐	☐
Henry L. Foster III	☐	☐	☒	☐
Marni von Wilpert	☐	☐	☒	☐
Kent Lee	☒	☐	☐	☐
Raul A. Campillo	☒	☐	☐	☐
Vivian Moreno	☒	☐	☐	☐
Sean Elo-Rivera	☒	☐	☐	☐

Date of final passage NOV 13 2026.

(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 _____, Deputy

Office of the City Clerk, San Diego, California

Resolution Number **R-317031**