S 505B 1H10-26

(R-2027-152)

RESOLUTION NUMBER R- 317036

DATE OF FINAL PASSAGE NOV 13 2026

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING A SEVEN-YEAR LEASE WITH JIFFY LUBE, LLC, FOR THE REAL PROPERTY LOCATED AT 5540 LAKE MURRAY BOULEVARD, LA MESA, CALIFORNIA, FOR THE OPERATION OF AN AUTOMOTIVE SERVICE FACILITY, WAIVING COUNCIL POLICY 700-10 REQUIREMENTS RELATED TO SUBLEASE REVENUE, AND RELATED ACTIONS.

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 an approximately 0.496 acre parcel of real property located at 5540 Lake Murray Boulevard, La Mesa, CA 91942 (Premises).

B. In 1978, the City entered into a 50-year lease for the Premises with La Mesa Commercial Center (Current Lease). A copy of the Current Lease is included in the staff report accompanying this resolution as (Staff Report) as Attachment C and is on file with the City Clerk as Document No. 764289.

C. In 1987, the City consented to La Mesa Commercial Center assigning the Current Lease to Jiffy Lube International of Maryland, Inc. Subsequently, through a series of corporate mergers, the tenant under the Current Lease became Jiffy Lube, LLC, a Delaware limited liability company (Jiffy Lube). Since the 1987 assignment, the Premises has been continuously used as an automotive service facility by franchisees of Jiffy Lube and Jiffy Lube's predecessors-in-interest via various subleases of the Premises.

D. Team Car Care West, LLC, a Delaware limited liability company (Sublessee), operates the automotive service facility on the Premises as Jiffy Lube's franchisee under a

sublease for the entire Premises (Sublease). Under the Sublease, the monthly subrent Sublessee pays to Jiffy Lube is an amount equal to the rent under the Current Lease plus $250.

E. The Current Lease expires on August 9, 2028. The Sublease is set to expire at the same time as the Current Lease. The City and Jiffy Lube negotiated a proposed new lease agreement (Proposed Lease) to replace and supersede the Current Lease. A copy of the Proposed Lease is included as Attachment A to the Staff Report. The Proposed Lease, among other things: (i) increases the rent to be paid to the City to the current fair market value, (ii) extends the term of Jiffy Lube's possession of the Premises to 2033, and (iii) allows for the continuation of the Sublease to a term even with the term of the Proposed Lease.

F. 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 value of the subject real property. Consistent with this requirement, City staff produced a Restricted Appraisal Report for the Premises showing that, as of August 3, 2026, the monthly market rental value of the Property is $9,133. A copy of the Restricted Appraisal Report is included as Attachment B to the Staff Report.

G. In addition, Council Policy 700-10 requires that leases of City-owned property include language that requires lessees to pay the City 50% of all sublease revenue that lessees receive from the subject property. The Current Lease predates this requirement. City staff is requesting that the Council waive application of this requirement with respect to the Sublease, and only the Sublease, because Jiffy Lube will not receive additional revenue or realize a financial windfall from the subrent paid under the Sublease with Sublessee; instead the subrent Sublessee must pay Jiffy Lube under the Sublease will continue to be the rent under the Lease plus $250 per month.

H. Under Government Code section 54221(d), the Proposed Lease is not a disposition of surplus land, and therefore is not subject to the Surplus Land Act, Government Code sections 54220 through 54234, because the Proposed Lease's term is less than 15 years and also because no demolition or development activities will occur on or about the Premises.

I. 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 Proposed Lease is approved.

2. The Mayor or designee is authorized, on the City's behalf, to sign and deliver the Proposed Lease and all other documents necessary or appropriate to complete the City's leasing of the Premises, and to take all other actions necessary or appropriate to carry out the intent of the Proposed Lease and this Resolution. A copy of the Proposed Lease, when signed by both parties, will be filed in the Office of City Clerk as Document No. RR-317036.

3. The Council waives application of the requirement in Council Policy 700-10 regarding sublease revenue sharing as to the Sublease, and only the Sublease.

4. The Chief Financial Officer is authorized to accept and deposit the Proposed Lease consideration, including monthly rent payments, into the Water Fund 700011.

APPROVED: HEATHER FERBERT, City Attorney

By _____
Andrew John Alfonso
Deputy City Attorney

AJA:nja
October 27, 2026
Or. Dept: Economic Development Department
Doc. No. 4584269

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

S505B

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-317036**