

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 2
FOR THE REGULAR MEETING OF
TUESDAY, JUNE 15, 2004 AT 10:00 A.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:

ITEM-S500: De Anza Mobile Home Park – Management Agreement.

(See memorandum from William T. Griffith dated 6/2/2004. Mission Bay Park Community Area. District-6.)

CITY MANAGER’S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1326)

Authorizing the City Manager to execute an agreement with Hawkeye Asset Management, to manage all day to day operations and facilitate the orderly transition of De Anza to a legal park use.

CITY MANAGER SUPPORTING INFORMATION:

Hawkeye Asset Management (Management Company) has been managing the De Anza mobile home park since the termination of the lease agreement on November 23, 2003. The Management Company was selected due to their unique experience managing mobile home parks in transition. They currently manage 15 parks with over 3,000 spaces and have 25 years experience. At De Anza, they have provided support to the City and park residents by maintaining the facilities and services, while assisting in the transition of the park. This includes a comprehensive assessment and emergency repairs to the water, electrical, gas and sewer systems, the replacement of pool heaters, the contracting of security services and the collection of rents.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-S500: (Continued)

CITY MANAGER SUPPORTING INFORMATION: (Continued)

In addition to the management of the mobile home park, the Management Company will be responsible for overseeing the repair and management of the RV park area. The RV park must be rehabilitated before it is suitable for use. This includes the replacement or repair of the electrical, sewer and water systems. Additionally, a security fence must be installed around the RV park area and new landscaping planted.

The details of the agreement are as follows:

Basic Fee: Twenty-Five Thousand Dollars (\$25,000) per month (\$300,000 per year for the 4-year term with two optional 1-year extension at the same rate).

RV Park Management Fee: If RV park is opened, five and one half percent (5.5%) of gross proceeds of RV park.

Term of Agreement: Ending June 1, 2008 with two options to extend for 1 year. The options must be mutually agreed upon. There is a termination for convenience clause with 180 days notice by either party.

Services Provided: Full service property management including accounting, billing, and collections, resident legal compliance services, litigation support, and maintenance of the park.

City Approvals: Any expenditures over \$3,500 must be submitted for City Manager approval. At no time during the term of this agreement is it contemplated that funds other than those generated from De Anza mobile home park will be used for compensation and all ordinary expenses required under this agreement. The City Manager will review and approve an operation budget for the Management Company each year of this agreement. The Management Company was selected pursuant to AR 25.70 as sole source contract due to their unique experience managing mobile home parks in transition, including legal support services.

FISCAL IMPACT:

\$300,00 per year.

Herring/Griffith/CPA

Aud. Cert. 2401127.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)
RESOLUTIONS: (Continued)

ITEM-S501: Informational Report on Proposition 46 and Other Sources of Funding for Affordable Housing Programs.

(See San Diego Housing Commission Report CCR04-002.)

SAN DIEGO HOUSING COMMISSION'S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1039)

Accepting San Diego Housing Commission Report No. CCR04-002 regarding the allocation of Proposition 46 revenues and other sources of funding for affordable housing programs.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-S502: In the Matter of Negotiations Between the City of San Diego and the San Diego Chargers.

CITY ATTORNEY'S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1372)

Authorizing and directing the City Manager to execute a Sixth Supplement to the Agreement which shall extend the Negotiating Period to and including July 15, 2004;

Authorizing and directing the City's negotiating team to continue negotiations with the Chargers for the specific terms of an amendment to the Agreement consistent with the Term Sheet (Amendment), to be presented to and considered by the City Council at a subsequent public hearing, and which shall not become effective until approved by the City Council as required by law;

Declaring that any Amendment must be approved by the City as required by law, and approved by the Chargers, and that if the City and the Chargers do not each approve the Amendment, then the rights and obligations of the City and the Chargers shall continue to be governed by the terms and conditions of the Agreement.

SUPPORTING INFORMATION:

On April 26, 2004, the City Council authorized the transmittal of a term sheet (Term Sheet) to the Chargers proposing terms for an amendment to the current agreement for the use of Qualcomm Stadium (Agreement) in order to settle pending litigation between the City and the Chargers. The City Council also authorized the City Manager to execute the Fifth Supplement to the Agreement, extending the negotiating period for such negotiations to and including June 15, 2004. The Fifth Supplement was executed, and the City and the Chargers began negotiations for the intended amendment to the Agreement. The City and the Chargers have been unable to reach accord on the language for the proposed amendment, but desire to continue negotiations towards that end. Accordingly, the City and the Chargers propose to enter into a Sixth Supplement to the Agreement extending the negotiating period to and including July 15, 2004.

Girard