

RESOLUTION NUMBER R- 313692

DATE OF FINAL PASSAGE AUG 03 2021

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO EXECUTE THE PROPERTY MANAGEMENT AGREEMENT BETWEEN MEISSNER JACQUET REAL ESTATE MANAGEMENT GROUP, INC. AND THE CITY OF SAN DIEGO FOR PROPERTY MANAGEMENT SERVICES FOR THE REAL PROPERTIES LOCATED AT 1200 THIRD AVENUE, 201 A STREET, AND 101 ASH STREET, SAN DIEGO, CALIFORNIA.

WHEREAS, in May 2015, the City of San Diego (City) entered into a lease-to-own agreement for the real properties located at 1200 Third Avenue, also known as Civic Center Plaza (CCP), and 201 A Street, also known as the King Chavez School (King Chavez); and

WHEREAS, that lease-to-own agreement requires the City hire a third-party property management company for CCP and King Chavez; and

WHEREAS, on January 3, 2017, the City entered into a lease-to-own agreement for the real property located at 101 Ash Street (101 Ash), which also requires the City to hire a third-party property management company for 101 Ash; and

WHEREAS, City staff currently manages 101 Ash, which is unoccupied; and

WHEREAS, CBRE, Inc. currently manages CCP and King Chavez pursuant to a property management agreement that expires on August 31, 2021; and

WHEREAS, on March 24, 2021, the City issued a Request for Proposals for Commercial Property Management Services, Solicitation number RFP 1200-A (RFP) to identify the most qualified property management company and ultimately award a new property management agreement for CCP, King Chavez, and 101 Ash. The RFP was posted on the City of San Diego's

Real Estate website and Planet Bids, and in the Daily Transcript and San Diego Business Journal; and

WHEREAS, the City's evaluation committee for this RFP deemed Meissner Jacquet Real Estate Management Group, Inc. (Meissner Jacquet) the most responsive and qualified candidate; and

WHEREAS, the initial term of the Property Management Agreement (PMA) is three (3) years with two (2) one (1) year renewal options; and

WHEREAS, the City is currently involved in litigation seeking a judicial declaration that the lease to own agreements for 101 Ash, CCP and King Chavez are void; and

WHEREAS, even though it is the City's position in litigation concerning 101 Ash, CCP, and King Chavez, that the lease to own agreements for these properties are void, the City has determined it must maintain the buildings to protect the health and safety of City employees, who have not yet vacated CCP, those who attend or work at King Chavez, and the public generally; and

WHEREAS, the City will seek to recover in litigation the fees paid in maintaining CCP, King Chavez, and Ash Street, including the fees associated with this PMA; and

WHEREAS, pursuant to the PMA, the City has the right to terminate the PMA, at any time, without cause, by providing thirty (30) days prior notice, or immediately in the case of misappropriation of City funds, fraud, malfeasance, intentional misconduct, or misrepresentation by the property manager; and

WHEREAS, if the City elects to terminate property management services at one or more of the property buildings but retain their services at the remaining property building(s), Meissner

Jacquet has reserved the right to renegotiate its fees. If an agreement cannot be reached on the adjusted fee, Meissner Jacquet has the right to terminate the PMA with one hundred eighty (180) days' notice; and

WHEREAS, pursuant to the PMA, the monthly management fees are \$10,000 for CCP and \$2,500 for King Chavez School. The monthly fee for 101 Ash Street is \$6,000 while it remains vacant. If 101 Ash Street is 50% or less occupied, the monthly fee would increase to \$10,000, and if occupancy is higher than 50%, the monthly fee would increase to \$15,000; and

WHEREAS, pursuant to the PMA, in addition to the monthly management fee, the City will also pay monthly management salaries for CCP, King Chavez School, and 101 Ash in the amount of \$9,567.57, \$2,391.89, and \$5,740.54, respectively; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego that the Mayor, or his designee, is authorized and directed to execute, for and on behalf of the City, the Property Management Agreement between Meissner Jacquet Real Estate Management Group, Inc. and the City of San Diego, to provide property management services at 1200 Third Avenue, 201 A Street, and 101 Ash Street, San Diego, California for the initial term of three (3) years with two (2) – one (1) year extensions.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to expend an amount not to exceed \$1,062,000.00 in property management salaries and \$1,560,000.00 in management fees, contingent upon the Chief Financial Officer's furnishing of one or more certificates certifying that funds necessary for expenditure are, or will be on deposit with the City Treasurer.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Kathy J. Steinman  
Kathy J. Steinman  
Deputy City Attorney

KJS:hm  
July 26, 2021  
July 30, 2021 COR. COPY  
Or.Dept:DREAM  
Doc. No.: 2724472

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 08/03/2021.

ELIZABETH S. MALAND  
City Clerk

By /s/ Matthew R. Hilario  
Deputy City Clerk

Approved: 8/6/21  
(date)

  
TODD GLORIA, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on AUG 03 2021, 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"/>
Chris Cate	<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"/>

\* Councilmember Moreno voted nay on the motion related to 101 Ash Street.

Date of final passage AUG 09 2021.

(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)

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

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