

RESOLUTION NUMBER R- 314101

DATE OF FINAL PASSAGE JUN 01 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE SECOND AMENDMENT TO FLAT RATE PARCEL GROUND LEASE WITH AIR CENTER MYF, LLC, FOR UP TO 7.69 ACRES OF UNIMPROVED LAND LOCATED AT MONTGOMERY-GIBBS EXECUTIVE AIRPORT.

WHEREAS, the City owns that certain real property consisting of approximately 7.69 acres of unimproved land (Property) generally located at 3750 John J Montgomery Drive, San Diego, California 92123, and commonly known as the Montgomery-Gibbs Executive Airport (Airport); and

WHEREAS, the Property consists of three parcels identified as a 4.72-acre lot (Parcel 1), a 1.59-acre lot (Parcel 2), and a 1.38-acre lot (Parcel 3); and

WHEREAS, on February 13, 2018, the City Council approved Resolution R-311540 authorizing that certain Flat Rate Parcel Ground Lease between the City and Air Center MYF, LLC (Lessee), on file with the San Diego City Clerk as Document No. RR-311540 (Lease), for the future construction, operation, and maintenance of a helicopter fixed based operator facility on Parcel 1 (Project) and an option for Lessee to add Parcel 2 or Parcel 3, or both, to the leasehold premises under certain conditions set forth in the Lease; and

WHEREAS, the Lease provided that the term shall commence on the first day of occupancy by Lessee, but no later than March 8, 2020; and

WHEREAS, on April 7, 2020, the City Council approved Resolution R-312911 authorizing the First Amendment to the Lease, on file with the San Diego City Clerk as Document No. RR-312911 (First Amendment); and

WHEREAS, the First Amendment amended the Lease to, among other things, provide that the term shall commence on the first day of occupancy by Lessee, but no later than March 8, 2022; and

WHEREAS, the Project requires approvals from the City and the Federal Aviation Administration (FAA), including environmental studies and analysis; and

WHEREAS, Lessee has encountered significant delays in moving forward with the Project due to the COVID-19 pandemic; and

WHEREAS, Lessee has completed the environmental studies and analysis required by the City but has not received final Project approval from the City; and

WHEREAS, Lessee is preparing additional environmental documentation required by the FAA for its approval; and

WHEREAS, the City and Lessee have negotiated the provisions of a proposed Second Amendment to the Lease (Second Amendment), which provides that the term shall commence on the first day of occupancy by Lessee, but no later than March 8, 2025, and extends the date by which Lessee must secure all required permits and approvals for work on Parcel 1 to March 8, 2026; and

WHEREAS, the Second Amendment preserves Lessee's option to add Parcel 2 or Parcel 3, or both, to the leasehold premises under specified conditions; and

WHEREAS, a copy of the Second Amendment is included in the docket materials accompanying this Resolution; and

WHEREAS, as consideration for the City agreeing to the Second Amendment, Lessee agrees to increase the required minimum investment in capital improvements for Parcel 1 to \$6 million from an original amount of \$5 million; and

WHEREAS, the Property is needed for the City's use as a general aviation airport as set forth in the Montgomery Field Airport Master Plan approved by the City Council on July 7, 1984, and as such, the City's continued leasing of the Property is not a disposition of surplus land and is not subject to the Surplus Land Act as set forth in California Government Code sections 54220 through 54234; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. The Council approves the Second Amendment.
2. The Mayor, or designee, is authorized and directed to sign the Second

Amendment on the City's behalf. The Second Amendment, once fully executed, shall be placed on file in the Office of the City Clerk as Document No. RR- 314101 .

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/William Witt  
William Witt  
Deputy City Attorney

WWW:nja  
April 25, 2022  
Or.Dept: Real Estate Assets Department  
CC No. N/A  
Doc. No.: 2962000

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 17 2022

ELIZABETH S. MALAND  
City Clerk

By [Signature]  
Deputy City Clerk

Approved: 5/31/22  
(date)

[Signature]  
TODD GLORIA, Mayor

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

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

Passed by the Council of The City of San Diego on MAY 17 2022, 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"/>

Date of final passage JUN 01 2022.

**(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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