

SAN DIEGO UNIFIED PORT DISTRICT

ORDINANCE 2749

**ORDINANCE GRANTING AN OPTION
AGREEMENT TO SHELTER ISLAND YACHTWAYS
LTD. FOR A NEW 30-YEAR LEASE**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, Section 87(b) of the Port Act grants authority to the District to lease the tidelands or submerged lands, or parts thereof, for limited periods, not exceeding 66 years, for purposes consistent with the trusts upon which those lands are held, by the State of California; and

WHEREAS, Shelter Island Yachtways, Ltd. dba Shelter Island Boatyard (SIBY) operates a boatyard on two adjoining leaseholds on Shelter Island located at 2330 and 2390 Shelter Island Drive in City of San Diego, California; and

WHEREAS, SIBY's existing leases have a term of 30 years and are coterminous on February 28, 2015, on file in the Office of the District Clerk as Document Nos. 17951 and 17953; and

WHEREAS, in accordance with BPC (Board of Port Commissioners) Policy No. 355, SIBY has submitted a redevelopment proposal to invest approximately \$3.25 million to modernize the boatyard facility; and

WHEREAS, the improvements are designed to allow SIBY to service more modern, heavier, and wider vessels that it cannot accommodate with the current facility; and

WHEREAS, this includes acquisition of new boat gantry cranes with increased lift capacities, a pier addition, removal of docks, and boatyard maintenance and repair components collectively referred to as the Shelter Island Boatyard Crane Replacement and Pier Addition Project (Project); and

WHEREAS, subject to the BPC's approval, an 18-month option has been negotiated with SIBY for a new lease; and

WHEREAS, in accordance with the administrative practices of BPC Policy No. 355, the project investment of \$3.25 million qualifies SIBY for a 30 year lease.

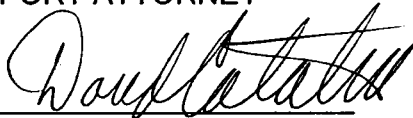
NOW, THEREFORE, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. That the option to lease agreement between the San Diego Unified Port District and Shelter Island Yachtways, Ltd., a California general partnership dba Shelter Island Boatyard, on file in the Office of the District Clerk, leasing premises located on Shelter Island Drive, in the City of San Diego, is hereby approved and granted.

Section 2. The Executive Director or his designated representative is hereby directed to execute said option to lease agreement with Shelter Island Yachtways, Ltd., a California general partnership dba Shelter Island Boatyard on behalf of the San Diego Unified Port District for a new 30 year lease.

Section 3. This Ordinance shall take effect on the 31st day from its passage by the Board of Port Commissioners.

APPROVED AS TO FORM AND LEGALITY:
PORT ATTORNEY



By: Assistant/Deputy

2749

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 10th day of December, 2013, by the following vote:

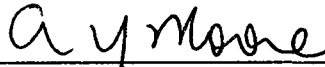
AYES: Castellanos, Malcolm, Merrifield, Moore, Nelson, Smith and Valderrama

NAYS: None.

EXCUSED: None.

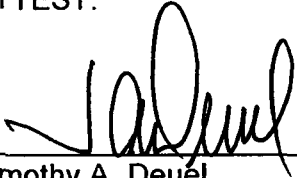
ABSENT: None.

ABSTAIN: None.



Ann Y. Moore, Chair
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)