

SAN DIEGO UNIFIED PORT DISTRICT

ORDINANCE 2768

**ORDINANCE GRANTING AMENDMENT NO. 1 TO
LEASE WITH BARTELL HOTELS DBA
HUMPHREY'S HALF MOON INN AND SUITES,
UPDATING LEASE PROVISIONS AND
POTENTIALLY EXTENDING THE TERM BY 10
YEARS FOR A TOTAL POTENTIAL TERM OF 50
YEARS**

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, Bartell Hotels, a California Limited Partnership (Bartell) dba Humphrey's Half Moon Inn and Suites (Humphrey's) operates a 182-room hotel and 180-slip marina at 2303 Shelter Island Drive; and

WHEREAS, pursuant to Ordinance No. 2746 adopted by the BPC on December 10, 2013, the District entered into a 40-year lease (Lease) with Humphrey's covering its hotel and marina operations, which expires in 2054 on file in the Office of the District Clerk as Document No. 61060; and

WHEREAS, Bartell is proposing to invest approximately \$2.3 million to upgrade both the appearance and function of the leasehold; and

WHEREAS, staff has reviewed the proposal and believes the proposal is consistent with BPC Policy No. 355 and qualifies for the 10 year lease extension; and

WHEREAS, the amendment to the Lease would update several of the Lease's provisions to the District's standard and provide the potential to extend the Lease by 10 years, for a total term of 50 years, if the proposed marina redevelopment is completed; and

WHEREAS, the proposed marina redevelopment will include:

1. Replacement of the existing wood docking system with a recycled aluminum docking system;
2. Using light emitting diode (LED) lighting as accent lighting on the main walkways of the marina;
3. Installation of a new pedestal with remote data reading for electrical collection and billing; and
4. Approximately 40 percent of the demolition debris from removal of the existing docking system shall be recycled and any materials deemed salvageable will be sold or given away.

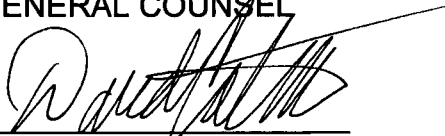
NOW, THEREFORE, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. That Amendment No. 1 to the Lease, which would update several lease provisions to the District's standard and provide the potential to extend the Lease by 10 years, for a total term of 50 years, if the proposed marina redevelopment is completed is hereby granted.

Section 2. The Executive Director or his designated representative is hereby directed to execute said Amendment No. 1 to the 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:
GENERAL COUNSEL


By: Assistant/Deputy

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PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 8th day of July 2014, by the following vote:

AYES: Bonelli, Castellanos, Malcolm, Merrifield, Nelson, and Valderrama.

NAYS: None.

EXCUSED: Moore.

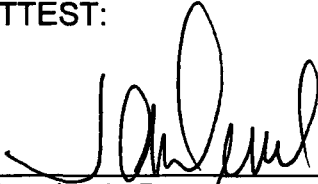
ABSENT: None.

ABSTAIN: None.



Robert E. Nelson, Chairman
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)