

SAN DIEGO UNIFIED PORT DISTRICT

ORDINANCE 2781

**ORDINANCE GRANTING AMENDMENT NO. 1 TO
THE EXCLUSIVE NEGOTIATING AGREEMENT
WITH LLP LANE FIELD, LLC TO EXTEND THE
NEGOTIATING PERIOD TO DECEMBER 31, 2014
FOR DEVELOPMENT OF THE LANE FIELD SOUTH
HOTEL PROJECT, LOCATED IN THE CITY OF SAN
DIEGO AT THE CORNER OF WEST BROADWAY
AND PACIFIC HIGHWAY**

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, LPP Lane Field, LLC (LPP) holds an Exclusive Negotiating Agreement (ENA), District Document No. 61817, to develop a 400-room dual or single-branded hotel in a single tower on the Lane Field South premises; and

WHEREAS, the ENA requires that LPP submit a lease rent proposal to the District within 90-days of the exercise of the Lane Field North option agreement; and

WHEREAS, LPP submitted a rent proposal on August 1, 2014 in accordance with this requirement; and

WHEREAS, the ENA expires on September 28, 2014; and

WHEREAS, staff is continuing to negotiate with LPP and perform additional market research on the Lane Field South site to achieve the highest feasible rent based on the current hotel market in San Diego; and

WHEREAS, staff is recommending the negotiating period of the ENA be extended to December 31, 2014 to allow staff more time to analyze and respond to the proposal; and

WHEREAS, this would allow staff time to perform more comprehensive research to establish the market for this site and to receive further negotiating direction from the Board of Port Commissioners, which could result in more precise and potentially better rent proposals; and

WHEREAS, the additional time would also allow more hotel brands to submit proposals to LPP to franchise and manage the Lane Field South Hotel if necessary.

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

Section 1. Amendment No. 1 to the exclusive negotiating agreement with LPP Lane Field, LLC to extend the negotiating period to December 31, 2014 is hereby granted.

Section 2. The Executive Director or his designated representative is hereby directed to execute said ENA Amendment No. 1.

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

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 16th day of September 2014 by the following vote:

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

NAYS: None.

EXCUSED: None.

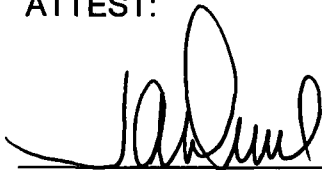
ABSENT: None.

ABSTAIN: None.



Robert E. Nelson, Chairman
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk



(Seal)