

**SAN DIEGO UNIFIED PORT DISTRICT**

**ORDINANCE 2825**

**ORDINANCE AUTHORIZING AN AMENDED AND RESTATED LEASE TO BARTELL HOTELS, A CALIFORNIA LIMITED PARTNERSHIP, DBA BEST WESTERN ISLAND PALMS WEST FOR THE LEASEHOLD LOCATED AT 1901 SHELTER ISLAND DRIVE TO UPDATE CURRENT LEASE TERMS**

**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 Best Western Island Palms Hotel and Marina (Hotel and Marina), operates a 222-room hotel and marina located at 2051 Shelter Island Drive and 1901 Shelter Island Drive; and

**WHEREAS**, the Hotel and Marina consists of one hotel operating on two separate leaseholds with two separate 50-year District leases; and

**WHEREAS**, the leasehold at 2051 Shelter Island Drive is the 97-room hotel and 198-slip marina (Island Palms) and the leasehold at 1901 Shelter Island Drive (Island Palms West) is the remaining 125-room hotel; and

**WHEREAS**, the Island Palms lease expires in 2048 and the Island Palms West lease expires in 2058; and

**WHEREAS**, the current Island Palms West lease was drafted in 2008 and had two minor amendments in 2009; therefore the majority of the lease clauses were outdated; and

**WHEREAS**, staff restated the Island Palms West lease to update it to the current standard, including such key clauses as the baseball appraisal, entitlement cost, public art policy, eminent domain, sustainable leasing policy, insurance, indemnity, labor law and prevailing wage; and

**WHEREAS**, percentage rental rates are consistent with the Board of Port Commissioner's adopted percentage rental rates and no adjustment to MAR is warranted for Island Palms West.

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

Section 1. The Amended and Restated Lease between the San Diego Unified Port District and Bartell Hotels, a California Limited Partnership, dba Best Western Island Palms Hotel and Marina for the leasehold located at 1901 Shelter Island Drive to update current lease terms is hereby granted.

Section 2. The Executive Director or her designated representative is hereby directed to execute said Amended and Restated Lease.

Section 3. This Ordinance shall take effect on the 31<sup>st</sup> 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 8<sup>th</sup> day of September, 2015, by the following vote:

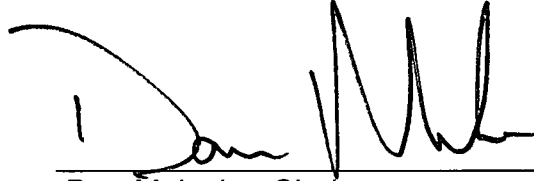
AYES: Bonelli, Malcolm, Merrifield, Moore, Nelson, and Valderrama.

NAYS: None.

EXCUSED: None.

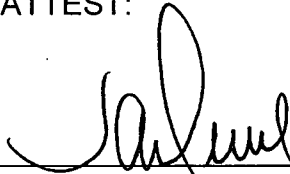
ABSENT: None.

ABSTAIN: Castellanos.



Dan Malcolm, Chairman  
Board of Port Commissioners

ATTEST:



Timothy A. Deuel  
District Clerk

