

SAN DIEGO UNIFIED PORT DISTRICT

ORDINANCE 2832

**ORDINANCE AUTHORIZING AMENDMENT NO. 2
OF AMENDED, RESTATED AND COMBINED
LEASE WITH MARINE GROUP BOAT WORKS,
LLC, A CALIFORNIA LIMITED LIABILITY
COMPANY LOCATED AT 997 G STREET IN THE
CITY OF CHULA VISTA TO UPDATE CERTAIN
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 1, (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, Marine Group Boat Works, LLC (Marine Group) has a lease with the District located at 997 G Street in the City of Chula Vista; and

WHEREAS, the leasehold covers approximately ten (10) acres of land and 8.2 acres of water, used primarily for vessel repair and construction; and

WHEREAS, the lease commenced on February 1, 1985 and on July 10, 2012, the Board of Port Commissioners (BPC) approved Amendment No. 1 to the lease with Marine Group which extended the initial term by 10 years to January 31, 2030 and includes an option to extend for an additional 11 years to January 31, 2041; and

WHEREAS, Marine Group is requesting the District's consent to an encumbrance of \$6,735,000 to refinance an existing loan with California Bank & Trust; and

WHEREAS, in connection with the proposed encumbrance, Marine Group has also agreed to a lease amendment to incorporate certain updated terms; and

WHEREAS, Marine Group's lease was last updated in 2012, therefore, the majority of the lease clauses are current; and

WHEREAS, staff recommends the BPC authorize Amendment No. 2 to update lease terms to current standard lease language, including the sustainable leasing policy, labor laws and prevailing wage requirements.

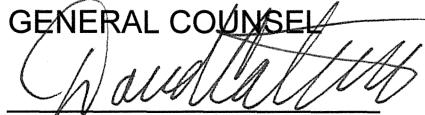
NOW, THEREFORE, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. That Amendment No. 2 to Amended, Restated and Combined Lease with Marine Group Boat Works, LLC to update certain lease terms is hereby granted.

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

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 6th day of October, 2015, by the following vote:

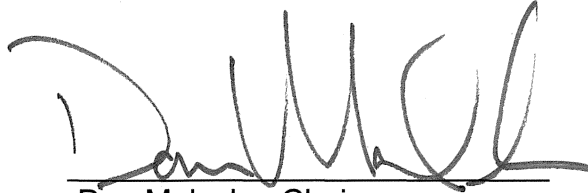
AYES: Bonelli, Castellanos, Malcolm, Merrifield, Moore, Nelson, and Valderrama.

NAYS: None.

EXCUSED: None.

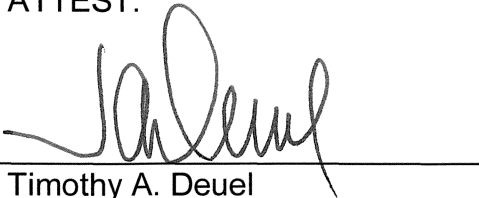
ABSENT: None.

ABSTAIN: None.



Dan Malcolm, Chairman
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk



(Seal)