

**SAN DIEGO UNIFIED PORT DISTRICT**

**ORDINANCE 2836**

**ORDINANCE GRANTING AMENDMENT NO. 1 TO  
LEASE UPDATING CERTAIN LEASE PROVISIONS  
WITH SHELTER ISLAND YACHTWAYS, LTD.,  
D.B.A. SHELTER ISLAND BOATYARD, LOCATED  
AT 2330 & 2390 SHELTER ISLAND DRIVE, SAN  
DIEGO, CA**

**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., d.b.a. Shelter Island Boatyard, operates a boatyard at 2330 and 2390 Shelter Island Drive, San Diego; and

**WHEREAS**, Shelter Island Boatyard has a 30-year lease with the District covering its boatyard operations which expires in September 2044 (Lease); and

**WHEREAS**, Shelter Island Boatyard has requested District consent to an assignment of ownership interests to add Roy Hobbs, Linda Hobbs and Wayne Morrison as limited partners; and

**WHEREAS**, pursuant to Board of Port Commissioners Policy No. 355 and the Administrative Practices—Real Estate Leasing, it is the District's practice to update out-of-date leases to the then current standard upon an assignment of ownership interests; and

**WHEREAS**, although the current Lease was drafted in 2014, the District has since updated the following paragraphs: assignment—sublease, conformance with laws and regulations, hold harmless, insurance, and "as-is" lease and waivers; and

**WHEREAS**, Shelter Island Boatyard has agreed to a lease amendment which would update the entire lease to our current standard; and

**WHEREAS**, since the District is pursuing, but has not yet adopted, a Sustainable Leasing Policy (SLP), Shelter Island Boatyard has agreed to include language regarding a future SLP; and

**WHEREAS**, the Lease provides that as a condition of an assignment, rent shall be set at market; and

**WHEREAS**, Shelter Island Boatyard recently entered into a new lease on October 1, 2014, at which time the rent was updated to market; and

**WHEREAS**, Shelter Island Boatyard currently pays \$27,095 per month in rent which equates to \$0.23 per square foot per month; and

**WHEREAS**, based on a comparison of nearby boatyards, staff has determined that Shelter Island Boatyard's rent is in line with the market and no change to rent is necessary.

**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 Lease with Shelter Island Yachtways, LTD., d.b.a. Shelter Island Boatyard, updating certain lease provisions is hereby granted.

Section 2. The Executive Director or her designated representative is hereby directed to execute said Amendment No. 1 to 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 17<sup>th</sup> day of November, 2015, by the following vote:

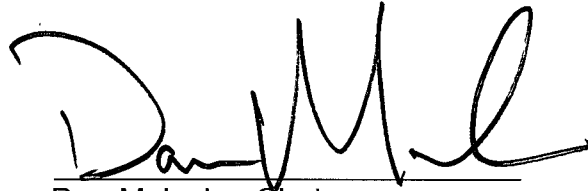
AYES: Bonelli, Castellanos, Malcolm, Merrifield, Moore, Nelson, and Valderrama.

NAYS: None.

EXCUSED: None.

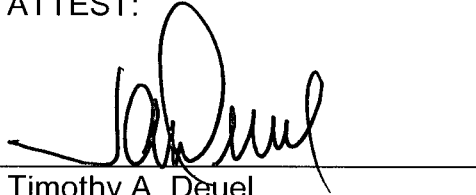
ABSENT: None.

ABSTAIN: None.

A handwritten signature in black ink, appearing to read "Dan Malcolm", written over a horizontal line.

Dan Malcolm, Chairman  
Board of Port Commissioners

ATTEST:

A handwritten signature in black ink, appearing to read "Timothy A. Deuel", written over a horizontal line.

Timothy A. Deuel  
District Clerk

(Seal)