

**RESOLUTION 2013-141**

**RESOLUTION GRANTING CONCEPT APPROVAL  
FOR WESTGROUP KONA KAI, LLC FOR  
PROPOSED EXPANSION PROJECT**

**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**, Board of Port Commissioners (Board) Policy No. 357 requires that plans for new tenant development shall be presented to the Board for approval if the project is estimated to cost more than \$500,000; and

**WHEREAS**, Westgroup Kona Kai, LLC dba Kona Kai Resort (Kona Kai), has a lease with the District for 428,927 square feet of land located at 1551 Shelter Island Drive; and

**WHEREAS**, Kona Kai has proposed a renovation project (Project) consisting of two phases that costs approximately \$14.3 million; and

**WHEREAS**, phase one of the Project is known as the "Renovation Component" and consists of (a) renovations to the existing restaurant and patio dining area; (b) upgrades to existing spa and fitness center, including the addition of a spa lobby; (c) upgrades to the existing conference and meeting facilities; (d) renovations to existing guest rooms; (e) the development of an additional 56 parking spaces in the existing parking lot; (f) enhancements to the lobby and entry areas; (g) renovations to existing marina facility and dock master buildings; (h) the addition of landscape and hardscape; and (i) upgrades to existing beach areas and the addition of a water feature; and

**WHEREAS**, phase two of the Project is known as the "Expansion Component" and consists of (a) the development of 41 new guest rooms in two new buildings; (b) the construction of a new 4,300-square-foot two-story marina facility retail building; (c) the addition of a second pool and pool deck; and (d) the expansion of the existing pool deck; and

**WHEREAS**, pursuant to Ordinance No. 2696, on October 9, 2012, the Board granted a lease option to Kona Kai and the Board determined that the Project would qualify for a new 50-year lease per Board Policy No. 355; and

**WHEREAS**, when Kona Kai exercises its option and enters into its lease, the term will initially be 35 years, based upon the investment in the Renovation Component of the Project and if the Expansion Component of the Project is



PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 13th day of August, 2013, by the following vote:

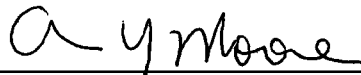
AYES: Castellanos, Merrifield, Moore, Nelson, Smith, Valderrama

NAYS: None.

EXCUSED: Malcolm.

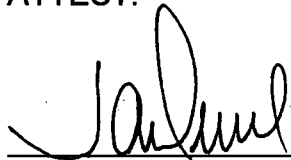
ABSENT: None.

ABSTAIN: None.



Ann Y. Moore, Chair  
Board of Port Commissioners

ATTEST:



Timothy A. Deuel  
District Clerk

(Seal)