

**RESOLUTION 2013-183**

**RESOLUTION ESTABLISHING MINIMUM ANNUAL RENT FOR WATERFRONT HARBOR GL, LLC DBA HILTON SAN DIEGO AIRPORT AT 1960 HARBOR ISLAND DRIVE IN SAN DIEGO FOR THE PERIOD JANUARY 1, 2014 THROUGH DECEMBER 31, 2018**

**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**, Waterfront Harbor GL, LLC, a Delaware limited liability company dba Hilton San Diego Airport (Hilton), operates a 209-room hotel at 1960 Harbor Island Drive in the City of San Diego, under a lease with the District expiring in 2049, on file in the Office of the District Clerk as Document No. 44786; and

**WHEREAS**, the lease requires a minimum annual rent (MAR) adjustment for the five year period from January 1, 2014 through December 31, 2018; and

**WHEREAS**, BPC Policy No. 355 provides that MAR be set at no less than 75% of the average percentage rent paid during the last three years of the preceding rental period; and

**WHEREAS**, Hilton paid the District an average of \$910,075 during the last three years; and

**WHEREAS**, 75% of this amount would be \$682,556 so staff recommends that the MAR remain at the current amount of \$713,215; and

**WHEREAS**, the current percentage rental rates under the lease are consistent with the BPC adopted percentage rental rates would also remain the same.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That the Executive Director or his designated representative is hereby authorized on behalf of the San Diego Unified Port District to establish Minimum Annual Rent of \$713,215 per year for Waterfront Harbor GL, LLC dba Hilton San Diego Airport for the period January 1, 2014 through December 31, 2018.

APPROVED AS TO FORM AND LEGALITY:

  
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PORT ATTORNEY

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 19th day of November, 2013, by the following vote:

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

NAYS: None.

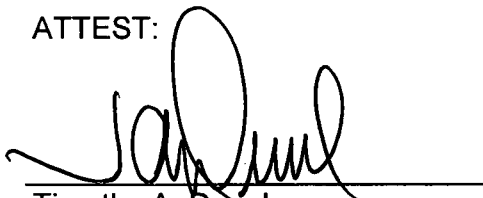
EXCUSED: Malcolm, Valderrama

ABSENT: None.

ABSTAIN: None.

  
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Ann Y. Moore, Chair  
Board of Port Commissioners

ATTEST:

  
\_\_\_\_\_  
Timothy A. Deuel  
District Clerk

(Seal)