

**RESOLUTION 2015-163**

**RESOLUTION CONSENTING TO MANAGEMENT AGREEMENT BETWEEN LFS DEVELOPMENT, LLC AND IHG MANAGEMENT (MARYLAND), LLC, WITH CONDITIONS**

**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**, LPP Lane Field, LLC (Developer) has an option to lease agreement with the District for development of a 400-room hotel on the Lane Field South site located at the corner of Broadway and Harbor Drive in the city of San Diego

**WHEREAS**, the Developer has negotiated a combined management and franchise agreement with IHG to operate a 400-room InterContinental Hotel; and

**WHEREAS**, the term of the management agreement is 25 years from the opening of the hotels plus one, five-year option to extend; and

**WHEREAS**, the proposed Management Agreement is between IHG and LFS; and

**WHEREAS**, the District's consent is required as the agreement's term is in excess of five years; and

**WHEREAS**, the District's consent to the Management Agreement will not result in a modification of the lease, and the hotel manager is required to comply with all applicable terms of the lease; and

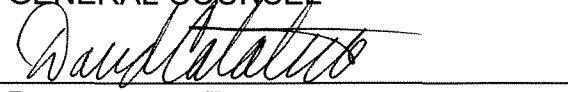
**WHEREAS**, portions of the Management Agreement not relating directly to the District's interest with respect to the lease have been redacted by IHG; and

**WHEREAS**, staff did not rely on the redacted portions in determining consistency with the District's subleasing standards or as a basis for requesting the Board of Port Commissioners' consent to this item; and

**WHEREAS**, the District's consent is conditioned on a contract for management or franchising of the hotels with IHG, as confirmed by receipt of final documents signed by both LFS and IHG, within 90 days of District's consent.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Port Commissioners of the San Diego Unified Port District, hereby consents to the Management Agreement between LFS Development, LLC and IHG Management (Maryland) LLC for the Intercontinental San Diego, with conditions as set forth above.

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 December, 2015, by the following vote:

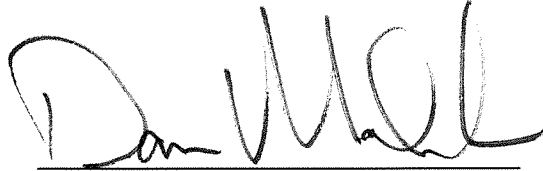
AYES: Bonelli, Castellanos, Malcolm, Merrifield, Moore, Nelson, and Valderrama.

NAYS: None.

EXCUSED: None.

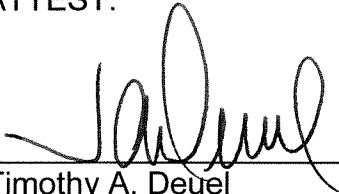
ABSENT: None.

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)