

RESOLUTION 2016-101

RESOLUTION CONSENTING TO ASSIGNMENT OF OWNERSHIP INTEREST OF THE SUBLEASE WITH IL FORNAIO AMERICA CORPORATION LOCATED AT 1333 FIRST STREET, IN THE CITY OF CORONADO TO IFCB HOLDING CORPORATION, AND AN OPTION TO EXTEND THE TERM OF THE SUBLEASE BY FIVE YEARS THROUGH NOVEMBER 1, 2028

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, the District entered into a 40-year Lease commencing on September 1, 1997 with Ferry Landing Associates, LLC (Ferry Landing) for two restaurants and an office building located at 1311 First Street, in the City of Coronado; and

WHEREAS, Ferry Landing's Lease with the District covers approximately 172,196 square feet of land area, 118,596 square feet of water area, and 12,649 square feet of utility and access easements, and is located at 1311 First Street, in the City of Coronado; and

WHEREAS, Ferry Landing entered into a sublease with Il Fornaio America Corporation (Il Fornaio) to operate an 8,800 square foot upscale Italian restaurant in November 1998 (Sublease); and

WHEREAS, Ferry Landing constructed the restaurant building at a total cost of \$1.9 million; and

WHEREAS, Il Fornaio is a part of a restaurant chain that owns and operates 21 upscale Italian restaurants mostly on the west coast of the United States; and

WHEREAS, on April 16, 1998, the BPC consented to a 15-year sublease with two 5-year options to extend (total of 25 years) to Il Fornaio to operate an Italian restaurant on Ferry Landing's leasehold; and

WHEREAS, Ferry Landing is requesting District consent to an assignment of ownership interest of the Sublease making IFCB Holding Corporation (IFCB) the sole shareholder of Il Fornaio, and an option to extend the Sublease for five additional years from 2023 to 2028; and

WHEREAS, Mike Hislop, Richard Peabody, and Blake Bernet are the executive officers of both Il Fornaio and IFCB, therefore the proposed assignment will not change the executive management team or the operation of the Il Fornaio restaurants; and

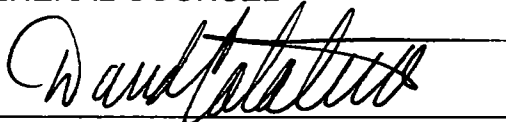
WHEREAS, the executive management team has operated the Il Fornaio restaurant for the past 18 years, and the only change resulting from this assignment is the ownership; and

WHEREAS, Ferry Landing has also requested to amend its sublease with Il Fornaio to add a third 5-year option that, if exercised, would allow for a total sublease term of 30 years; and

WHEREAS, the proposed five-year option to extend, if exercised, would expire prior to the expiration of the Lease with Ferry Landing.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District, hereby consents to the assignment of ownership interest of the Sublease with Il Fornaio America Corporation located at 1333 First Street, in the City of Coronado, to IFCB Holding Corporation and an option to extend the term of the Sublease by five years through November 1, 2028 subject to the terms and conditions set forth therein.

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 27th day of July, 2016, by the following vote:

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

NAYS: None.

EXCUSED: None.

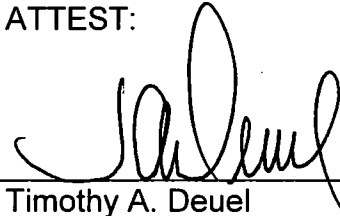
ABSENT: None.

ABSTAIN: None.



Marshall Merrifield, Chairman
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)