

RESOLUTION 2017-165

**RESOLUTION CONSENTING TO A SUBLEASE
BETWEEN LFN DEVELOPERS, LLC, DBA
MARRIOTT RESIDENCE INN/SPRINGHILL SUITES
AND ELEVATE TRAINING, LLC, DBA ELEVATE
TRAINING, FOR A FIVE-YEAR TERM WITH ONE
FOUR-YEAR OPTION, 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 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, Section V(A) of the Administrative Practices of BPC Policy No. 355, provides that a tenant may sublease all or part of its lease premises to a qualified subtenant subject to consent by the District; and

WHEREAS, LFN Developers, LLC’s (Lane Field North) Lease with the District covers approximately 92,389 square feet of land area located at 900 Bayfront Court, in the City of San Diego; and

WHEREAS, the Lease commenced on May 1, 2014 and has a term of 66 years, which expires on April 30, 2080; and

WHEREAS, Lane Field North’s leasehold is comprised of a 400-room dual-branded hotel in a single tower, with a 253-room Marriott Springhill Suites and a 147-room Marriott Residence Inn, approximately 5,600 square feet of meeting space, and 23,000 square feet of retail space; and

WHEREAS, Lane Field North’s Lease is summarized on the Lease Information Summary attached to the corresponding agenda sheet; and

WHEREAS, Elevate Training proposes to operate a boutique fitness studio within the Lane Field North Hotel providing both Lagree Fitness (a low impact, high intensity workout that is modifiable for all fitness abilities) and cycle classes; and

WHEREAS, Elevate Training, LLC has owned and operated successful Elevate Training studios in Little Italy and Solana Beach; and

WHEREAS, this site location is expected to be their flagship location with greater accessibility by tourists and visitors to San Diego; and

WHEREAS, staff discussed this sublease proposal with the California State

Lands Commission (State Lands), and State Lands has approved this proposal to be in compliance with the Public Trust Doctrine; and

WHEREAS, Lane Field North's proposed sublease with Elevate Training has a five-year term with one four-year option, conditioned upon consent of the sublease by the Board of Port Commissioners (BPC); and

WHEREAS, Lane Field North will submit plans for the tenant improvements to the sublease area for District approval upon completion of the design; and

WHEREAS, the proposed sublease is consistent with the criteria set out in Section V(A) of the Administrative Practices of BPC Policy No. 355 and therefore staff recommends that the BPC adopt a resolution consenting to the sublease between LFN Developers, LLC dba Marriott Residence Inn/Springhill Suites and Elevate Training, LLC dba Elevate Training.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District, hereby consents to sublease from LFN Developers, LLC dba Marriott Residence Inn/Springhill Suites to Elevate Training, LLC dba Elevate Training, for a five-year term with one four-year option to extend the term, with conditions.

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 5th day of December 2017, by the following vote:

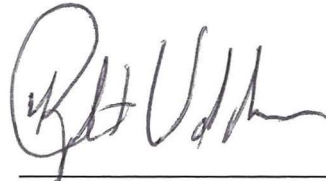
AYES: Bonelli, Castellanos, Malcolm, Merrifield, Valderrama, and Zucchet

NAYS: None.

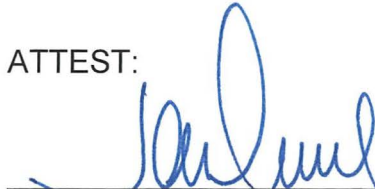
EXCUSED: Moore

ABSENT: None.

ABSTAIN: None.



Robert Valderrama, Chair
Board of Port Commissioners

ATTEST:

Timothy A. Deuel
District Clerk

(Seal)