

RESOLUTION 2018-017

RESOLUTION CONSENTING TO A SUBLEASE BETWEEN MARINA CORTEZ, INC. AND PERSONAL TOUCH DINING, INC. FOR A FIVE- YEAR TERM WITH TWO FIVE-YEAR OPTIONS, 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, Marina Cortez's Lease with the District covers approximately 165,234 square feet of land area and 840,386 square feet of water area located at 1880 Harbor Island Drive in the City of San Diego; and

WHEREAS, the Lease commenced on November 1, 2012 and has a term of 40 years, which expires on October 31, 2052; and

WHEREAS, Marina Cortez's leasehold is comprised of a 545-slip marina, parking lot, landscaping, offices, delicatessen, and restaurant/event space; and

WHEREAS, Personal Touch Dining proposes to operate an event space on the second floor of the marina building, hosting events such as corporate events, holiday parties, and other special events such as weddings and Bar/Bat Mitzvahs; and

WHEREAS, Personal Touch Dining has been operating in San Diego for 29 years and has two other successful event venues in Ramona and Carlsbad from which they produce approximately 300 events each year; and

WHEREAS, Personal Touch Dining manages all aspects of the venues including catering, rental equipment, staffing, insurance and bar service; and

WHEREAS, Marina Cortez's proposed sublease with Personal Touch Dining has a five-year term with two five-year options to extend, conditioned upon consent of the sublease by the Board of Port Commissioners (BPC); and

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

WHEREAS, for long term subleases of more than five years, BPC 355 requires the following conditions as a requirement to consent of the sublease: sublease must meet current District lease requirements; the subtenant shall be obligated to pay any master lease rent increases that are applicable to the subleased premises; and provide that in the event of a conflict between the master lease and the sublease, the master lease shall prevail; 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 Marina Cortez and Personal Touch Dining.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District, hereby consents to the sublease from Marina Cortez to Personal Touch Dining, for a five-year term with two five-year options 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 9th day of January 2018, by the following vote:

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

NAYS: None.

EXCUSED: Zucchet

ABSENT: None.

ABSTAIN: None.



Rafael Castellanos, Chairman
Board of Port Commissioners

ATTEST:



Donna Morales
District Clerk



(Seal)