RESOLUTION 2019-016

RESOLUTION ESTABLISHING RENT FOR BARTELL HOTELS, DBA HILTON SAN DIEGO AIRPORT LOCATED AT 1960 HARBOR ISLAND DRIVE, IN THE CITY OF SAN DIEGO FOR THE PERIOD OF JANUARY 1, 2019 THROUGH DECEMBER 31, 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, Bartell Hotels, dba Hilton San Diego Airport (Hilton) has a lease with the District for a 211-room hotel located at 1960 Harbor Island Drive in the City of San Diego; and

WHEREAS, the 50-year lease commenced on January 1, 1999 and terminates on December 31, 2048; and

WHEREAS, pursuant to the lease, a rent adjustment is required for the ten-year period from January 1, 2019 through December 31, 2028; and

WHEREAS, staff has reviewed the current minimum annual rent (MAR) and percentage rental rates under the lease and has proposed increases which Hilton has accepted; and

WHEREAS, Hilton currently has a MAR of $719,425 and the proposed change would increase the MAR to $764,690; and

WHEREAS, the proposed changes to the percentage rental rates would include increases to the parking sales and banquet/convention sales rental rates effective as of January 1, 2019, and an increase to room sales rental rate which would be effective as of January 1, 2024; and

WHEREAS, staff recommends the Board adopt a resolution establishing the rent for Hilton for the ten-year period ending December 31, 2028.

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 her designated representative is hereby authorized on behalf of the San Diego Unified Port District to establish percentage rental rates increasing the parking sales and banquet/convention sales rental rates effective as of January 1, 2019, and increasing the room sales rental rate which would be effective as of January 1, 2024, and Minimum Annual Rent to be increased from $719,425 to $764,690 for Bartell Hotels, dba Hilton San Diego Airport, located at 1960 Harbor Island Drive in the City of San Diego for the period of January 1, 2019 through December 31, 2028.

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 12th day of February, 2019, by the following vote:

AYES: Bonelli, Castellanos, Malcolm, Moore, and Valderrama
NAYS: None.
EXCUSED: Merrifield, and Zucchet
ABSENT: None.
ABSTAIN: None.

Garry J. Bonelli, Chairman
Board of Port Commissioners

ATTEST:

Donna Morales
District Clerk

(Seal)