

RESOLUTION 2019-090

RESOLUTION CONSENTING TO A SUBLEASE BETWEEN LFN DEVELOPERS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND MONIKER HOSPITALITY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO OPERATE AN EVENT VENUE AT THE SPRINGHILL SUITES/RESIDENCE INN AT LANE FIELD NORTH FOR A TEN-YEAR AND FOUR-MONTH TERM, 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, the Board of Port Commissioners (BPC) adopted BPC Policy No. 355 to establish general policies for leasing the San Diego Unified Port District real estate assets; and

WHEREAS, the District entered into a 66-year lease (Lease) with LFN Developers, LLC, (Lane Field North) on May 1, 2014 to operate a 400-room dual-branded hotel dba Marriott Springhill Suites and Residence Inn located at 900 Bayfront Court, in the City of San Diego; and

WHEREAS, the Lease expires on April 30, 2080; and

WHEREAS, Lane Field North's Lease with the District covers approximately 92,389 square feet of land area; 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, Moniker Hospitality, LLC, (Moniker) will operate an event venue on the currently vacant second floor of the Lane Field North hotel to be used for a combination of weddings, celebrations, corporate and convention events; and

WHEREAS, Moniker currently operates several successful event venues in downtown San Diego and Liberty Station; and

WHEREAS, Moniker anticipates future collaborations with entities such as the San Diego Tourism Authority, The Knot, and Venue Report to make the venue known to the visiting community; and

WHEREAS, Moniker's proposed sublease with Lane Field North has a ten-year and four-month term, conditioned upon District consent of the sublease; 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, Moniker expects to generate approximately \$774,000 in gross sales in their first year of operations and anticipates sales will increase annually; and

WHEREAS, for long term subleases (more than five years), BPC Policy No. 355 requires that they meet the following conditions as a requirement to consent of the sublease:

- Sublease must meet current District lease requirements; and,
- Provide that 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, staff has determined that the proposed sublease is consistent with BPC Policy 355, and

WHEREAS, the potential environmental impacts of the Lane Field site for hotel, retail and office use as part of the North Embarcadero Alliance Visionary Plan uses were analyzed in the Master Environmental Impact Report (MEIR) for the NEAVP, which was certified by the District on April 25, 2000 (Resolution 2000-82); and

WHEREAS, the District subsequently adopted an Addendum to the MEIR for the Lane Field Development project as the environmental review for a Coastal Development Permit (CDP) for development of the Lane Field North and South parcels with a total of 800 hotel rooms and 80,000 square feet of retail space; and

WHEREAS, the proposed project is consistent with the project analyzed in the Addendum; and

WHEREAS, because the California Coastal Commission (CCC) issued the Lane Field CDP and subsequent amendments thereto, it retains coastal development permitting jurisdiction for any development proposed under the CCC's previously issued Lane Field CDP and consistency with the Lane Field CDP must be obtained from the CCC staff; and

WHEREAS, on July 10, 2019, the CCC authorized a fifth amendment to the Lane Field CDP to allow an area designated as visitor-serving retail and restaurant

on Level 2 of Lane Field North to be used as an event space (A-6-PSD-08-004-A5); and

WHEREAS, no further approvals are required pursuant to the California Coastal Act or the District's CDP Regulations; and

WHEREAS, the proposed BPC action is not a separate "project" for CEQA purposes but is a subsequent discretionary approval related to a previously approved project (CEQA Guidelines Section 15378(c); *Van de Kamps Coalition v. Board of Trustees of Los Angeles Comm. College Dist.* (2012) 206 Cal.App.4th 1036); and

WHEREAS, the proposed BPC action consenting to a sublease for the operation of an event venue is merely a step in furtherance of the original project for which environmental review was performed, and no further environmental review is required; and

WHEREAS, the proposed BPC action complies with Sections 20, 35, and 87 of the Port Act, which allow the BPC to pass resolutions and to do all acts necessary and convenient for the exercise of its powers, and for visitor-serving commercial and industrial uses and purposes, and the construction, reconstruction, repair, and maintenance of commercial and industrial buildings, plants, and facilities; and

WHEREAS, the Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine; and

WHEREAS, the proposed project is consistent with the Public Trust Doctrine; and

WHEREAS, staff recommends that the BPC adopt a resolution consenting to the sublease between Lane Field North and Moniker.

NOW THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District, hereby consents to a sublease between LFN Developers, LLC, a Delaware Limited Liability Company, and Moniker Hospitality, LLC, a California Limited Liability Company to operate an event venue at the Springhill Suites/Residence Inn at Lane Field North for a ten-year four-month term, with conditions.

APPROVED AS TO FORM AND LEGALITY:



Assistant/Deputy General Counsel

2019-090

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 24th day of July, 2019, by the following vote:

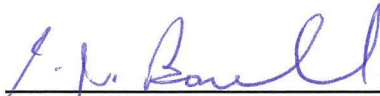
AYES: Bonelli, Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

NAYS: None.

EXCUSED: None.

ABSENT: None.

ABSTAIN: None.



Garry J. Bonelli, Chairman
Board of Port Commissioners

ATTEST:



Donna Morales
Donna Morales
District Clerk

(Seal)