

RESOLUTION 2019-128

RESOLUTION CONSENTING TO AMENDMENT NO. 1 TO SUBLEASE BETWEEN LFS DEVELOPMENT, LLC, DBA INTERCONTINENTAL SAN DIEGO, AND STOIC HOLDINGS, INC., TO INCREASE THE TERM FROM A TEN-YEAR TERM WITH TWO FIVE-YEAR OPTIONS TO A TEN-YEAR AND FIVE-MONTH TERM WITH TWO FIVE-YEAR OPTIONS

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 21 of the Port Act authorizes the Board of Port Commissioners (BPC) to pass all necessary ordinances and resolutions for the regulation of the District; 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 BPC adopted BPC Policy No. 355 to establish general policies for leasing District real estate assets; and

WHEREAS, Lane Field South's Lease, held by LFS Development LLC, with the District covers approximately 69,278 square feet of land area located between Pacific Highway and North Harbor Drive, north of Broadway, in the City of San Diego (Lease); and

WHEREAS, the District entered into a 66-year lease (Lease) with LFS Development, LLC (Lane Field South), on June 1, 2016 to operate a 400-room single-branded Intercontinental Hotel located between Pacific Highway and North Harbor Drive, north of Broadway, in the City of San Diego; and

WHEREAS, on September 12, 2017, Lane Field South received District approval to enter into a sublease with a ten (10) year term with two five (5) year options to extend with STOIC Holdings, Inc. (STOIC Holdings) to operate a rooftop bar and restaurant on the 19th floor of the hotel building (Sublease); and

WHEREAS, Lane Field South is requesting BPC consent for Amendment No. 1 (Amendment) to the Sublease with STOIC Holdings, increasing the original term of the Sublease by five (5) months from a ten (10) year term with two five (5) year options to a ten (10) year and five (5) month term with two five (5) year options (with a commencement date of January 15, 2019); and


WHEREAS, the Amendment also adds a ten and a half month rent abatement period commencing on January 15, 2019 and terminating November 30, 2019; and

WHEREAS, the limited-term rent abatement will not have a fiscal impact on the District; and

WHEREAS, the Amendment is consistent with the terms of the Lease and BPC Policy No. 355 and staff recommends that the BPC consent to the Amendment.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District, hereby consents to Amendment No. 1 to sublease between LFS Development, LLC, dba Intercontinental San Diego, and STOIC Holdings, Inc., to increase the term from a ten (10) year term with two five (5) year options to a ten (10) year and five (5) month term with two five (5) year options.

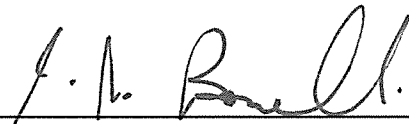
APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL



By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 5th day of November 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
District Clerk

(Seal)