

DRAFT

RESOLUTION 20xx-xxx

RESOLUTION FINDING THE BOARD ACTION EXEMPT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), INCLUDING, BUT NOT LIMITED TO, CEQA GUIDELINES SECTIONS 15301 AND 15304 AND CONSENTING TO A SECOND AMENDMENT TO RESTAURANT LEASE BETWEEN PACIFIC GATEWAY, LTD DBA SAN DIEGO MARRIOTT MARQUIS AND MARINA AND OS PACIFIC, LLC DBA ROY'S RESTAURANT, LOCATED AT 333 WEST HARBOR DRIVE, TO EXTEND THE RESTAURANT LEASE TERM BY 10 YEARS WITH TWO 5-YEAR OPTIONS TO EXTEND

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; and

WHEREAS, the Board of Port Commissioners (“Board”) adopted BPC Policy No. 355 to establish general policies for leasing the San Diego Unified Port District real estate assets; and

WHEREAS, Pacific Gateway Ltd., owned by Host Hotels & Resorts LP, dba San Diego Marriott Marquis and Marina (“Pacific Gateway”) and the San Diego Unified Port District (“District”) are parties to that certain Amended, Restated, and Combined Lease, as amended, dated December 5, 1995 and recorded in the Office of the District Clerk as Document No. 33656 (as amended, the “Lease”) for the operation of Pacific Gateway’s hotel and marina operations, which, should the applicable extension options be validly exercised, expires in 2083 (the “Master Lease”); and

WHEREAS, Pacific Gateway’s Master Lease with the District includes 17.9 acres of land and 19.0 acres of water located at 333 West Harbor Drive in San Diego on which Pacific Gateway currently operates two 25-story hotel towers with 1,362 guest rooms, meeting space, restaurants, retail shops, other ancillary hotel uses as well as a 446-slip marina (collectively, the “Premises”); and

WHEREAS, Pacific Gateway and OS Pacific LLC dba Roy’s Restaurant (“Roy’s Restaurant”) are parties to that certain Restaurant Lease dated as of August 21, 2006 (as amended by that certain First Amendment to Restaurant Lease dated June 20, 2007, the “Sublease”), pursuant to which Roy’s Restaurant operates an upscale Pacific Rim style restaurant and cocktail lounge on a portion of the Premises; and

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WHEREAS, Roy's Restaurant was founded in 1988 by Roy Yamaguchi, a James Beard award-winning chef; and

WHEREAS, currently 22 Roy's Restaurants operate within the United States and feature "Pioneered Pacific Rim cuisine;" and

WHEREAS, Roy's Restaurant subleases approximately 7,500 square feet of restaurant space from Pacific Gateway in a two-story venue at the Premises, which includes both indoor and outdoor seating options as well as table and bar seating; and

WHEREAS, the restaurant's overall seating capacity is approximately 250 in addition to a private dining area that can hold approximately 100 patrons; and

WHEREAS, Roy's Restaurant has been a successful operator at Pacific Gateway since 2008, providing upscale service and food which has contributed to its success throughout the years; and

WHEREAS, Pacific Gateway is requesting Board consent to the proposed Second Amendment to Restaurant Lease (see Attachment B to the corresponding agenda sheet to which this Resolution relates) to extend the Sublease term by ten (10) years plus two additional five (5) year extension options, among other terms; and

WHEREAS, the proposed Second Amendment requires Roy's Restaurant to invest approximately \$1,000,000 in refurbishing the interior of the restaurant premises and also includes District related terms clarifying that the Master Lease controls with respect to the various parties' rights and obligations; and

WHEREAS, the Master Lease and BPC 355 require the Board to consent to subleases that are longer than five years; and

WHEREAS, District Staff recommends that the Board adopt a resolution consenting to a Second Amendment to Restaurant Lease between Pacific Gateway, Ltd dba San Diego Marriott Marquis and Marina to OS Pacific, LLC dba Roy's Restaurant, located at 333 West Harbor Drive, to extend the Sublease term by ten (10) years plus two additional five (5) year extension options.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District hereby consents to the Second Amendment to Restaurant Lease between Pacific Gateway, Ltd dba San Diego Marriott Marquis and Marina to OS Pacific, LLC dba Roy's Restaurant, in the form attached as Attachment B to the agenda to which this Resolution relates.

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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 11th day of April 2023, by the following vote: