

DRAFT

RESOLUTION 20xx-xxx

**RESOLUTION CONSENTING TO A SUBLEASE
BETWEEN LFS DEVELOPERS, LLC, DBA
INTERCONTINENTAL HOTEL AND DEL FRISCO'S
OF CALIFORNIA, LLC, DBA DEL FRISCO'S
DOUBLE EAGLE STEAK HOUSE, FOR A
FIFTEEN-YEAR TERM WITH FOUR 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, LFS Developers, LLC's (Lane Field South) Lease 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; and

WHEREAS, the Lease commenced on June 1, 2016 and has a term of 66 years, which expires on May 31, 2082; and

WHEREAS, Lane Field South's leasehold is comprised of a 400-room single-branded Intercontinental Hotel within a single tower, meeting space and banquet rooms, 686 subterranean parking spaces, and 32,850 square feet retail space; and

WHEREAS, Del Frisco's of California, LLC (Del Frisco's) is desirous of operating a fine dining steakhouse restaurant on the first and second floors of the Intercontinental Hotel; and

WHEREAS, Del Frisco's has owned and operated thirteen successful fine dining steakhouses across the country, and has won numerous awards for excellent operations; and

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WHEREAS, Lane Field South's proposed sublease with Del Frisco's has a fifteen-year term with four five-year options to extend, conditioned upon consent of the sublease by the Board of Port Commissioners (BPC); and

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

WHEREAS, Del Frisco's expects to generate approximately \$12 million in gross sales in their first year of operations; and

WHEREAS, the 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 LFS Developers, LLC dba Intercontinental Hotel and Del Frisco's of California, LLC dba Del Frisco's Double Eagle Steak House.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District, hereby consents to sublease from LFS Developers, LLC dba Intercontinental Hotel to Del Frisco's of California, LLC dba Del Frisco's Double Eagle Steak House, for a fifteen-year term with four 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 5th day of December 2017, by the following vote: