

Attachment B to Agenda File No. 2017- 0371

EXISTING LEASE AND PROPOSED AMENDMENT INFORMATION SUMMARY

	Existing Lease	Proposed Amendment
Tenant:	Southwestern Yacht Club	Same
Location:	2702 Qualtrough Street, San Diego	Same
Area:	176,977 sq. ft. – land 491,202 sq. ft. - water	Same
Use:	Private yacht club	Same
Existing Term:	01/01/09 – 12/31/48; 40 years	Same
Minimum Annual Rent (MAR):	<p>Commencing 01/01/2017 and at the beginning of each Rental Period, the minimum rent required will be the greater of:</p> <ul style="list-style-type: none"> (i) 75% of the total percentage rents paid during the 12 month period ending (3) months prior to the commencement of the Rental Period, or; (ii) the blended percentage rental rate multiplied by the gross income during the 12 month period ending (3) months prior to the commencement of the Rental Period, or; (iii) the MAR in effect during the last year of the Rental Period immediately preceding the Rental Period for which rent is to be agreed upon 	<p>Commencing 01/01/2017 and at the beginning of each Rental Period, the minimum rent required will be the greater of:</p> <ul style="list-style-type: none"> (i) the MAR in effect immediately prior to the rental period, or; (ii) 75% of the average gross income subject to rent during the previous three years ending three months prior to the new rental period, multiplied by the new percentage rent.
Percentage Rent:	<p>Commencement of Lease – 12/31/11 8.25% of gross income*</p> <p>Calendar Year 2012 8.80% of gross income*</p> <p>Calendar Year 2013 9.35% of gross income*</p>	<p>Rental Period 01/01/17-12/31/26 11.0% of gross income*</p> <p>Rental Period 01/01/27-12/31/36 11.25% of gross income*</p> <p>Rental Period 01/01/37-12/31/46 11.35% of gross income*</p>

Attachment B to Agenda File No. 2017- 0371

	<p>Calendar Year 2014 9.90% of gross income*</p> <p>Calendar Year 2015 10.45% of gross income*</p> <p>Calendar Year 2016 11.00% of gross income*</p> <p>*Gross income includes revenue from slips, dry boat storage, lockers, dues, member food and beverages, catered food and beverages and ship stores. It does not include revenue from junior sailing programs, outstation locations not on District property, initiation fees, interest income and amounts set aside for capital improvements, or the debt on capital improvements, whether collected as special assessments, dues, percentage slip rents, or otherwise. All unauthorized use will be 20.00% of gross income.</p>	<p>Rental Period 01/01/47-03/31/49 11.45% of gross income*</p> <p>*Gross income includes revenue from slips, dry boat storage, lockers, dues, member food and beverages, catered food and beverages and ship stores. It does not include revenue from junior sailing programs, outstation locations not on District property, initiation fees, interest income and amounts set aside for capital improvements and dredging activities, or the debt on capital improvements and dredging activities, whether collected as special assessments, dues, percentage slip rents, or otherwise. All unauthorized use will be 20.00% of gross income.</p>
Next CPI Rent Adjustment:	January 1, 2022	Consumer Price Indices will not be used to determine the Minimum Annual Rent
Next Rent Review:	January 1, 2027	Rent reviews removed and replaced with fixed percentage rates