

DRAFT

SAN DIEGO UNIFIED PORT DISTRICT

ORDINANCE xxxx

**ORDINANCE GRANTING AMENDMENT NO. 1 TO
LEASE WITH DRISCOLL, INC. AT 2702 SHELTER
ISLAND DRIVE TO EXTEND THE CONSTRUCTION
COMPLETION DEADLINE OF THE LEASE TO
JANUARY 1, 2019**

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, in September 2016, the District executed a lease with Driscoll, Inc. (Driscoll) located in America's Cup Harbor; and

WHEREAS, the lease required Driscoll to complete construction of a boatyard by August 1, 2018; and

WHEREAS, although Driscoll was unsuccessful in meeting this requirement, significant progress has been made on the project with a limited number of construction improvements outstanding; and

WHEREAS, the most significant cause of the project's delay is due to the unavailability of equipment and personnel to complete the waterside concrete finger piers; and

WHEREAS, in addition to Driscoll already investing over \$800,000 of the \$1,000,000 project requirement, the District is at no financial loss due to the delayed project as Driscoll pays a flat monthly rent for this site which increased as of August 1, 2018; and

WHEREAS, given the significant progress of the project's completion, staff recommends Board approval of the Driscoll lease amendment to extend the construction completion deadline to January 1, 2019.

NOW, THEREFORE, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

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Section 1. Amendment No. 1 to lease with Driscoll, Inc. at 2702 Shelter Island Drive to extend the construction completion deadline of the lease to January 1, 2019 is hereby approved.

Section 2. The Executive Director or her designated representative is hereby directed to execute said lease amendment.

Section 3. This Ordinance shall take effect on the 31st day from its passage by the Board of Port Commissioners.

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 12th day of September, 2018, by the following vote: