

**DRAFT****SAN DIEGO UNIFIED PORT DISTRICT****ORDINANCE xxxx****ORDINANCE GRANTING A LEASE TO  
TRAVELER'S CONVENIENCE, INC. DBA SEAPORT  
MARKET (SEAPORT MARKET) FOR A SPECIALTY  
MARKET LOCATED AT 849 W. HARBOR DRIVE,  
SUITES C6A-A AND C6A-B IN SAN DIEGO FOR A  
TOTAL 10-YEAR TERM**

**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 21 of the Port Act requires that all grants, franchises, leases, permits or privileges for more than five (5) years shall be made by ordinance; and

**WHEREAS**, Seaport Village is a tourist-oriented retail shopping center consisting of approximately 90,000 square feet of specialty retailers, restaurants, outdoor entertainment, and parking on an approximately 14-acre bayfront site located at 849 West Harbor Drive in San Diego, California; and

**WHEREAS**, on October 1, 2018, the District assumed ownership of the Seaport Village assets, which consist of 32 buildings, including one over-water structure; and

**WHEREAS**, the District has made strategic operational and financial investments to improve the overall experience and success of the shopping center for both locals and visitors alike; and

**WHEREAS**, an essential component to this success is the District's ability to secure tenancies quickly to increase occupancy, attract additional foot traffic, and generate higher revenue to the District; and

**WHEREAS**, one of staff's primary objectives has been to fill the existing vacancies at Seaport Village with new high-caliber tenants with Public Trust compliant uses; and

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**WHEREAS**, staff seeks the Board of Port Commissioners' (BPC) approval of an ordinance granting a lease to Traveler's Convenience, Inc. dba Seaport Market (Seaport Market), to fill a current vacancy at Seaport Village; and

**WHEREAS**, Seaport Market is a convenience store that sells wine and alcohol for off-site consumption and will provide a much-needed use and fill two key vacancies in the Lighthouse District, Suites C6A-A and C6A-B (together, approximately 838 square feet); and

**WHEREAS**, Seaport Market's current location in the BRIC on Harbor Drive (Intercontinental Hotel) has been a hit with customers, and the owners look to continue their success at Seaport Village; and

**WHEREAS**, staff has negotiated a 10-year lease with Seaport Market, which staff estimates will result in a 10-year initial rate of return of 123% and a net present value of \$338,000 (using an 8% discount rate); and

**WHEREAS**, the lease contemplates zero tenant improvement allowance and a District termination right after Lease Year 5, with no termination fee; and

**WHEREAS**, staff recommends the BPC adopt an ordinance granting a lease to Seaport Market.

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

1. That a 10-year lease with Traveler's Convenience, Inc. dba Seaport Market for a specialty market located at 849 W. Harbor Drive, Suites C6A-A and C6A-B in San Diego, California, is hereby approved.
2. The Executive Director or her designated representative is hereby authorized to execute said lease attached as Attachment E in the corresponding agenda sheet.
3. This Ordinance shall take effect on the 31<sup>st</sup> day from its passage by the Board of Port Commissioners.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy

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PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 9<sup>th</sup> day of January 2020, by the following vote: