

DRAFT**RESOLUTION 20xx-xxx**

RESOLUTION AUTHORIZING AMENDMENT NO. 4 TO THE AGREEMENT WITH R.I. PROPERTIES, INC. DBA RETAIL INSITE (RETAIL INSITE) FOR COMMERCIAL REAL ESTATE BROKER SERVICES FOR SEAPORT VILLAGE TO INCREASE THE MAXIMUM AMOUNT PAYABLE UNDER THE AGREEMENT BY \$450,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,050,000 AND WAIVING BOARD OF PORT COMMISSIONERS POLICY NO. 114 – PAYMENT OF COMMISSIONS FOR THE LEASING OF TIDELANDS. ALL FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR’S BUDGET

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 1 (Port Act); and

WHEREAS, at the July 17, 2018 Board of Port Commissioners (BPC) meeting, the BPC selected and authorized an Agreement between the District and R.I. Properties, Inc. dba Retail Insite (Retail Insite) for Real Estate Broker Services (Agreement) to provide commercial real estate broker services for Seaport Village for the period from July 18, 2018 through June 30, 2021, with two options to extend by one year each; and

WHEREAS, on May 14, 2019, the BPC approved Amendment No. 1 to the Agreement to increase the maximum amount payable under the Agreement to a total aggregate amount not to exceed \$600,000 and to waive BPC Policy No. 114; and

WHEREAS, the BPC provided feedback to staff to consider longer lease terms of up to five (5) years and creative deal structures involving tenant improvement (TI) allowances to attract and secure leases with high caliber, prospective tenants with compatible uses; and

WHEREAS, on November 5, 2019, the BPC approved Amendment No. 2 to the Agreement to amend the commission fee structure for leases of more than five (5) years; and

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WHEREAS, on October 6, 2020, the BPC approved Amendment No. 3 to the Agreement to eliminate the annual maximum expenditure, amend the payment procedure/timing of commissions, and revise the compensation structure; and

WHEREAS, to support the District's leasing initiatives at Seaport Village and to provide for commissions on the proposed leases with Shorebird and Gladstone's, staff is seeking BPC approval of Amendment No. 4 to the Retail Insite Agreement to amend the total maximum expenditure to \$1,050,000; and

WHEREAS, under the Retail Insite Agreement, the maximum amount of commissions payable to Retail Insite over the term of the Retail Insite Agreement is \$600,000; and

WHEREAS, the proposed amendment would increase the total maximum expenditure under the Agreement to \$1,050,000 to provide for commissions on the leases with Shorebird and Gladstone's of approximately \$260,500 and support the District's leasing initiatives overall at Seaport Village; and

WHEREAS, anticipated broker commissions for both leases would be paid in FY 2023; and

WHEREAS, in accordance with BPC Policy No. 110, the existing Retail Insite Agreement must be amended and presented to the BPC for authorization; and

WHEREAS, staff recommends the BPC authorize Amendment No. 4 to the Retail Insite Agreement and waive BPC Policy No. 114 Payment of Commissions for the Leasing of Tidelands.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District hereby waives BPC Policy No. 114 and authorizes Amendment No. 4 to Agreement between San Diego Unified Port District and R.I. Properties, Inc. dba Retail Insite for Real Estate Broker Services to increase the total maximum expenditure under the Agreement to \$1,050,000.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

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PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 14th day of September 2021, by the following vote: