



COUNCILMEMBER DAVID ALVAREZ
City of San Diego
Council District Eight

MEMORANDUM

DATE: September 23, 2014

TO: Honorable Mayor Kevin Faulconer
Honorable City Attorney Jan Goldsmith

FROM: Councilmember David Alvarez

SUBJECT: Fifth Avenue Landing, LLC Loan Payment

Per the lease agreement approved by City Council, a \$12.5 million loan payment is due early next year to Fifth Avenue Landing, LLC for control of the proposed convention center expansion site. According to the Council Action Executive Summary Sheet provided to the City Council and members of the public on October 1, 2012, section 50 of the ARC lease states that if the Phase III Expansion Project does not go forward, then the expansion option expires and Fifth Avenue Landing, LLC re-acquires the leasehold, relieving the Convention Center Corporation of its obligation.

As such, I would like to know if the payment of the \$12.5 million loan payment is being planned, and if so the rationale for that decision. Additionally, I would request that the City Attorney outline the City's rights, options and obligations on this matter in writing so that the public is clear on the process moving forward.

Thank you for your prompt consideration of this critical issue.

CC:

Carol Wallace, President and CEO, San Diego Convention Center Corporation
Andrea Tevlin, Independent Budget Analyst