

DATE ISSUED: May 26, 2009

Report No.

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Docket of June 9, 2009

SUBJECT: Month-to-Month Rental Agreements for the Agency-Owned Property in the  
Linda Vista Redevelopment Project Area at 6905-6921 Linda Vista Road

REQUESTED ACTIONS: Authorize the execution of seven (7) month-to-month rental agreements with: (1) San Diego Skateworld Center Inc.; (2) Pizza Hut Inc.; (3) the Check Cashing Place Inc.; (4) Pho Hoa Restaurant; (5) Linda Vista Hair Salon & Nails; (6) Thai Binh Financial Services; and, (7) Vien Tien Video.

STAFF RECOMMENDATION: Approve the requested actions.

EXECUTIVE SUMMARY: The Redevelopment Agency owns two properties within the Linda Vista Redevelopment Project Area: (1) the Skateworld complex which houses a roller skating rink as well as six other retailers; and, (2) a vacant parcel located at the northeast corner of Linda Vista Road and Comstock Street which is adjacent to the Skateworld site.

The Skateworld site is currently being managed by San Diego Skateworld Center Inc. pursuant to a Percentage Lease Agreement with the Agency which is currently under holdover status in accordance to a Lease Termination Agreement (attached) which was executed between the Redevelopment Agency and San Diego Skateworld Center Inc. in late 2008 per direction from the Agency Board. Per the master lease agreement, San Diego Skateworld is responsible for the operation and maintenance of the premises which include the roller skating rink and the retail complex. San Diego Skateworld operates the roller skating rink and subleases the retail complex spaces to the current occupants: (1) Pizza Hut Inc.; (2) the Check Cashing Place Inc.; (3) Pho Hoa Restaurant; (4) Linda Vista Hair Salon & Nails; (5) Thai Binh Financial Services; and, (6) Vien Tien Video.

The currently proposed month-to-month lease agreements between the Redevelopment Agency and all of the current occupants of the site, including San Diego Skateworld Center Inc., would allow the Agency to have more control over the site thus ensuring its proper maintenance. During a December 2, 2008 public hearing, the Agency directed staff to not renew the Percentage Lease Agreement with San Diego Skateworld Center Inc., and to negotiate new month-to-month lease agreements with the existing tenants.

In accordance with the actions taken by the Agency at the December 2008 public hearing, Agency staff will be releasing a Request for Proposals and Qualifications (RFP/RFQ) for the redevelopment of the Skateworld site as well as the adjacent Agency-owned vacant parcel. The RFP/RFQ to be released will call for redevelopment of the site within or without the retention of the skating rink use as directed by the Agency during the December 2008 hearing. Given that it has been determined that the subject structure has the potential to be considered a *historical resource* as defined by the

Municipal Code, the RFQ/RFP will also call for the redevelopment of the site in accordance with the Secretary of Interior Standards for the Rehabilitation of Historic Properties and applicable City policies and regulations.

In accordance with the actions taken by the Agency previously and as memorialized under Resolution No. 04361, Agency staff recommends the Agency Board authorize the execution of seven (7) month-to-month rental agreements with: (1) San Diego Skateworld Center Inc.; (2) Pizza Hut Inc.; (3) the Check Cashing Place Inc.; (4) Pho Hoa Restaurant; (5) Linda Vista Hair Salon & Nails; (6) Thai Binh Financial Services; and, (7) Vien Tien Video. At this time, Agency staff believes that the recommended actions are in the best interests of the Agency and the public.

**FISCAL CONSIDERATIONS:** The Agency would receive revenue in accordance with the terms of the new agreements as shown below:

TENANT	Monthly Rent	Square Footage	CAM %
Pho Hoa	\$5,475.46	2,948	10%
Vien Tien Video	\$1,556.33	1,406	5%
Check Cashing Place	\$1,709.59	816	3%
Pizza Hut	\$2,847.76	1,344	5%
Linda Hair Salon	\$1,404.16	756	3%
Binh Financial Services	\$1,982.06	1,136	4%
Skateworld	\$6,800.00	19,281	66%
Vacant space	\$0.00	1,316	5%
TOTAL	\$21,775.36	29,003	100%

While the monthly rent for the smaller retailers will remain unchanged, the revenue received from the proposed agreements will exceed the revenue generated by the Agency under the current lease with San Diego Skateworld Center Inc. as the Agency will receive one hundred percent of the lease income generated on the subject property. The

terms of the current lease set the rent at fifteen percent of all gross income derived from operations of the premises with a minimum of \$60,000 yearly. During calendar years 2007 and 2008, the Agency collected \$120,089.88 and \$118,509.84, respectively. The annualized gross revenue from the currently proposed rental agreements is \$273,503.76.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:** As memorialized per Resolution No. 04361, attached.

**COMMUNITY PARTICIPATION & PUBLIC OUTREACH EFFORTS:** Agency staff has been attending the Linda Vista Community Planning Group meeting on a regular basis, reporting on its actions and receiving feedback.

Respectfully submitted,

*Signature on file*

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Janice L. Weinrick  
Deputy Executive Director,  
Redevelopment Agency

*Signature on file*

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William Anderson  
Assistant Executive Director,  
Redevelopment Agency

Attachments:

1. Resolution No. R-04361, December 15, 2008
2. Lease Termination Agreement By and Between the Redevelopment Agency and San Diego Skateworld Center, Inc., Document Number D-04361, December 30, 2008
3. Proposed Month to Month Rental Agreements (7)