



Agenda Date: 3/2/2016  
Agenda Placement: 7C

## Napa Sanitation District Board Agenda Letter

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**TO:** Honorable Board of Directors

**FROM:** Jeff Tucker - Director of Administrative Services/CFO  
NS-Administration

**REPORT BY:** Jeff Tucker, Director of Administrative Services/CFO - 707-258-6000

**SUBJECT:** Approve Consent to Assignment of Lease from Napa 1 LLC to Marriott International

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### **RECOMMENDATION**

Authorize the General Manager to sign a Consent to Assignment of Lease from Napa LH I, LLC, to Marriott International, Inc. for the Somky property, and to execute any associated documents necessary to facilitate the Assignment of Lease.

### **EXECUTIVE SUMMARY**

HCV Napa originated a long term lease for the District property known as the Somky Ranch starting with an Intention to Lease in 2005, for the purposes of building and operating a golf course adjacent to their resort property. HCV Napa LLC sold its resort property adjacent to the Somky Ranch to Napa LH I, LLC, in February 2015, and the District consented to HCV Napa assigning the Somky lease to Napa LH I, LLC.

Napa LH I, LLC, now intends to sell the resort property to Marriott International, Inc. Marriott International, Inc. intends to build a resort property on the site and would like to include the Somky property as part of their development. It is Marriott International's current intention either to build a golf course or to plant the property in vineyard as an amenity and to add aesthetic value to the resort.

Approval of this recommendation will authorize the General Manager to sign the Consent to Assignment of Lease, in a form substantially similar to the one that is attached to this staff report. It is Marriott International's intention to close escrow on the sale of their property as soon as possible. This action also authorizes the General Manager to execute any additional documents, such as an Estoppel Certificate, that may be necessary to facilitate the Assignment of Lease during the close of escrow process.

Napa LH I is currently up to date on all lease payments to the District, making its most recent quarterly lease payment at the end of January 2016. The new lessee, Marriott International, will begin to make lease payment upon

assignment.

**FISCAL IMPACT**

Is there a Fiscal Impact?            No

**ENVIRONMENTAL IMPACT**

None.

**BACKGROUND AND DISCUSSION**

None.

**SUPPORTING DOCUMENTS**

A . Consent to Assignment

Napa Sanitation District: Approve

Reviewed By: Jeff Tucker