

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

GOVERNMENT AUDIT AND OVERSIGHT COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Dean Preston, Chair
Government Audit and Oversight Committee

FROM: Monique Crayton, Assistant Clerk

DATE: December 6, 2024

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, December 10, 2024

The following file should be presented as COMMITTEE REPORT at the regular Board meeting on Tuesday, December 10, 2024. This ordinance was acted upon at the regular Government Audit and Oversight Committee meeting on Thursday, December 5, 2024, at 10:00 a.m., by the votes indicated.

Item No. 54 File No. 241115

Ordinance authorizing settlement of two related lawsuits filed by Park Hotels & Resorts Inc. et al. against the City and County of San Francisco concerning the real property located at 375 Battery Street, San Francisco, CA (Assessor's Parcel Block No. 0229, Lot No. 020) (the "Subject Property") for a stipulated assessed value of the Subject Property of \$220,345,336 as of September 18, 2019, contingent upon the Assessment Appeals Board's approval, and a refund of \$1,716,129 plus statutory interest; the first lawsuit was filed on August 18, 2023, in San Francisco Superior Court, Case No. CGC-23-608468; entitled Park Hotels & Resorts Inc., et al. v. City and County of San Francisco; the second lawsuit was filed on June 27, 2023, in San Francisco Superior Court, Case No. CGC-23-607304; entitled Park Hotels & Resorts Inc. v. City and County of San Francisco, et al.; the lawsuits involve the assessed value of the Subject Property for property tax purposes as of the September 18, 2019, change in ownership date and a transfer tax refund; and repealing Ordinance No. 262-24, which authorized a prior settlement of these lawsuits.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Dean Preston - Aye
Supervisor Connie Chan – Aye

Cc: Board of Supervisors
Angela Calvillo, Clerk of the Board
Alisa Somera, Legislative Deputy
Brad Russi, Deputy City Attorney

File No. 241115

Committee Item No. 7

Board Item No. 54

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: December 5, 2024

Board of Supervisors Meeting:

Date: December 10, 2024

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU - FY2022-2024 - Clean
- MOU - FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract / DRAFT Mills Act Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER

- Comm Rpt Rqst Memo 112224
- _____
- _____
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Prepared by: Monique Crayton

Date: November 26, 2024

Prepared by: Monique Crayton

Date: December 6, 2024

Prepared by: _____

Date: _____

1 [Settlement of Lawsuits - Park Hotels & Resorts Inc. - Stipulated Assessed Value of
2 \$220,345,336 and Refund of \$1,716,129, Plus Statutory Interest - Repealing Ordinance No.
3 262-24]

4 **Ordinance authorizing settlement of two related lawsuits filed by Park Hotels & Resorts**
5 **Inc. et al. against the City and County of San Francisco concerning the real property**
6 **located at 375 Battery Street, San Francisco, CA (Assessor's Parcel Block No. 0229, Lot**
7 **No. 020) (the "Subject Property") for a stipulated assessed value of the Subject**
8 **Property of \$220,345,336 as of September 18, 2019, contingent upon the Assessment**
9 **Appeals Board's approval, and a refund of \$1,716,129 plus statutory interest; the first**
10 **lawsuit was filed on August 18, 2023, in San Francisco Superior Court, Case No. CGC-**
11 **23-608468; entitled Park Hotels & Resorts Inc., et al. v. City and County of San**
12 **Francisco; the second lawsuit was filed on June 27, 2023, in San Francisco Superior**
13 **Court, Case No. CGC-23-607304; entitled Park Hotels & Resorts Inc. v. City and County**
14 **of San Francisco, et al.; the lawsuits involve the assessed value of the Subject Property**
15 **for property tax purposes as of the September 18, 2019, change in ownership date and**
16 **a transfer tax refund; and repealing Ordinance No. 262-24, which authorized a prior**
17 **settlement of these lawsuits.**

18
19 Be it ordained by the People of the City and County of San Francisco:

20
21 Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby
22 authorizes the City Attorney to settle the action entitled Park Hotels & Resorts Inc., et al. v.
23 City and County of San Francisco, San Francisco Superior Court, Case No. CGC-23-608468,
24 for a stipulated assessed value of the real property located at 375 Battery Street, San
25

1 Francisco, CA (APN 0229-020) of \$220,345,336 as of September 18, 2019, contingent upon
2 the Assessment Appeals Board's approval;

3
4 Section 2. The action in Section 1 was filed in San Francisco Superior Court on
5 August 18, 2023, and the following parties were named in the lawsuit: Park Hotels & Resorts
6 Inc., a Delaware Corporation, PK Domestic Property LLC, a Delaware Limited Liability
7 Company, CHSP San Francisco LLC, a Delaware Limited Liability Company, and CHSP TRS
8 San Francisco LLC, a Delaware Limited Liability Company, Plaintiffs; and City and County of
9 San Francisco, Defendant.

10
11 Section 3. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby
12 authorizes the City Attorney to settle the action entitled Park Hotels & Resorts Inc., et al. v.
13 City and County of San Francisco, et al., San Francisco Superior Court, Case No. CGC-23-
14 607304, for the payment of \$1,716,129, plus statutory interest. The lawsuit involves a transfer
15 tax refund.

16
17 Section 4. The action in Section 3 was filed in San Francisco Superior Court on
18 June 27, 2023, and the following parties were named in the lawsuit: Park Hotels and Resorts
19 Inc., a Delaware Corporation, PK Domestic Property LLC, a Delaware Limited Liability
20 Company, and CHSP San Francisco LLC, a Delaware Limited Liability Company, Plaintiffs;
21 and City and County of San Francisco, San Francisco Assessor-Recorder, San Francisco
22 Controller, San Francisco Board of Supervisors, San Francisco Treasurer, San Francisco Tax
23 Collector, and Does 1-10, Defendants.

24
25 Section 5. Ordinance No. 262-24 approved a prior settlement with the same parties
to resolve the actions identified in Sections 1 and 3. Ordinance No. 262-24 became effective

1 on November 14, 2024, but the City has not yet implemented the settlement authorized by
2 that ordinance. The settlement authorized by Sections 1 and 3 of this ordinance supersedes
3 the prior settlement. Accordingly, Ordinance No. 262-24 is hereby repealed.

4
5 APPROVED AS TO FORM AND
6 RECOMMENDED:

7 DAVID CHIU
8 City Attorney

9 /s/ Scott M. Reiber
10 SCOTT M. REIBER
11 Chief Tax Attorney

RECOMMENDED:

OFFICE OF THE ASSESSOR-RECORDER

/s/ Joaquín Torres
JOAQUÍN TORRES
Assessor-Recorder

12 FUNDS AVAILABLE:

13 /s/ Michelle Allersma for Greg Wagner
14 GREG WAGNER
15 Controller

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Member, Board of Supervisors
District 5



City and County of San Francisco

DEAN PRESTON

DATE: November 22, 2024

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Dean Preston, Chair, Government Audit and Oversight Committee

RE: Government Audit and Oversight Committee
COMMITTEE REPORT

Pursuant to Board Rule 4.20, as Chair of the Government Audit and Oversight Committee, I have deemed the following matters of an urgent nature and request it be considered by the full Board on Tuesday, December 10, 2024, as a Committee Report:

241115 [Settlement of Lawsuits - Park Hotels & Resorts Inc. - Stipulated Assessed Value of \$220,345,336 and Refund of \$1,716,129, Plus Statutory Interest – Repealing Ordinance No. 262-24]

These matters will be heard in the Government Audit and Oversight Committee at a regular meeting on Thursday, December 5, 2024 at 10:00 a.m.

A handwritten signature in blue ink, appearing to read "Dean Preston".