

1 [Lease Agreement - Japan Center Garage Corporation - Japan Center Public Parking Garage  
2 - \$1]

3 **Resolution approving a lease agreement between the Municipal Transportation**  
4 **Agency and the City of San Francisco Japan Center Garage Corporation for the Japan**  
5 **Center Public Parking Garage with an initial term of 10 years for a base rent of \$1 and**  
6 **two 5 year options for a base rent of \$1 for each option.**

7

8 WHEREAS, The City and County of San Francisco (City), a municipal corporation,  
9 owns the Japan Center Garage (Garage) located at 1610 Geary Boulevard, San Francisco,  
10 California; and

11 WHEREAS, The City of San Francisco Japan Center Garage Corporation  
12 (Corporation), a non-profit 501(c)3 corporation, was formed in 1998 and replace the  
13 Western Addition Parking Corporation (WAPC); and

14 WHEREAS, WAPC was originally formed for the sole purpose of issuing bonds for  
15 the construction of the Garage and WAPC was dissolved after full payment of its bonds; and

16 WHEREAS, The City leased the Garage to the Corporation under a lease agreement  
17 dated July 1, 2002 with an initial term of 15-years expiring July 1, 2017 with an option to  
18 extend the lease for an additional 15-years (Lease); and

19 WHEREAS, In July 2012, the SFMTA issued bonds to refinance any existing garage  
20 debt and to perform necessary garage capital improvements throughout SFMTA's public  
21 parking facility portfolio; and

22 WHEREAS, The SFMTA bond issuance did not trigger a termination of the current  
23 lease with the Corporation but the SFMTA was in the process of negotiating potential new  
24 leases with other non-profit garage corporations and wanted to standardize the lease form  
25 and provisions; and

1           WHEREAS, The Corporation’s board of directors agreed and voted to establish a  
2 new lease with the City; and

3           WHEREAS, SFMTA staff negotiated new terms and conditions with the Corporation  
4 that includes best practices and other required changes related to bond financing, capital  
5 improvements and SFMTA operating procedures; and

6           WHEREAS, The proposed term of the lease is 10-years with two 5-year options to  
7 extend; and

8           WHEREAS, On December 4, 2012, the SFMTA Board of Directors passed a  
9 resolution authorizing the Director of Transportation to execute the Lease Agreement and to  
10 forward to the Board of Supervisors for final approval; now, therefore, be it

11           RESOLVED, That the Board of Supervisors approves the Lease Agreement between  
12 the City and County of San Francisco and the Japan Center Garage Corporation for the  
13 Japan Center Garage for an initial term of 10-years with two 5-years options to extend.