

1 [Lease Agreement - Uptown Parking Corporation - Sutter Stockton Public Parking Garage -
2 \$1]

3 **Resolution approving a lease agreement between the Municipal Transportation**
4 **Agency and the City of San Francisco Uptown Parking Corporation for the Sutter**
5 **Stockton Public Parking Garage with an initial term of 10 years for a base rent of \$1**
6 **and with 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 Sutter Stockton Garage (Garage) located at 444 Stockton Street, San Francisco,
10 California; and

11 WHEREAS, The City of San Francisco Uptown Parking Corporation (Corporation), a
12 non-profit 501(c)2 corporation, was formed in 1956 for the sole purpose of assisting the City
13 in designing and constructing the Garage by financing the cost through the sale of bonds of
14 the Corporation secured by a lease of the Garage from the City to the Corporation; and

15 WHEREAS, The City leased the Garage to the Corporation under a lease agreement
16 dated May 5, 1959, which lease was subsequently amended and extended in March 1973
17 for facilitate the expansion of the garage then amended and extended in April 2001 with a
18 termination date of 2035 or sooner if bonds issued by the Corporation are paid (Lease); and

19 WHEREAS, On April 1, 2001, the Corporation issued certain parking revenue bonds
20 (“the Bonds”) in the amount of \$19,00,000 to finance the renovation of the Union Square
21 Garage and Plaza, and the indenture documents for said Bonds (“the Indenture”) were
22 recorded on the about May 16, 2001; and

23 WHEREAS, Section 26 of the Lease provides that the Lease shall terminate upon the
24 Corporation's payment of the debt incurred under the Bonds, and Article X of the Indenture
25 sets out the requirements for the discharge and defeasance (payment) of the Bonds; and

1 WHEREAS, In July 2012, the City, by and through the San Francisco Municipal
2 Transportation Agency (SFMTA), refinanced the remaining balance owing on the Bonds as
3 part of and as material requirement of issuing new revenue bonds that are secured in part
4 by revenues of the premises; and

5 WHEREAS, Because the Bonds issued by the Corporation have been fully paid
6 requiring the Corporation to vacate the premises, the Corporation's Board of Directors
7 therefore wish to enter into a new lease and renew its obligations and liability as the
8 leaseholder of the Garage; and

9 WHEREAS, The Corporation Board of Directors unanimously approved a lease
10 amendment extending the agreement on a month-to-month basis until a new lease can be
11 approved at its Board meeting on June 18, 2012; and

12 WHEREAS, The SFMTA negotiated new terms and conditions with the Corporation
13 that includes best practices and other required changes related to bond financing, capital
14 improvements and SFMTA operating procedures; and

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

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

20 RESOLVED, That the Board of Supervisors approves the Lease Agreement between
21 the City and County of San Francisco and the Uptown Parking Corporation for the Sutter
22 Stockton Garage for an initial term of 10-years with two 5-years options to extend.