

1 [Settlement Agreement - Bauer's Intelligent Transportation, Inc. - Port to Receive \$3,218,996]

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3 **Resolution authorizing the Port of San Francisco to execute the settlement agreement**
4 **between the Port Commission and Bauer's Intelligent Transportation, Inc. ("Bauer") to**
5 **resolve outstanding claims, satisfy two terminated agreements, settle debt in excess of**
6 **\$6,900,982 and allow Bauer to continue and extend its tenancy under Lease No. L-**
7 **15004 for premises at Pier 50 ("Premises") in exchange for Bauer: 1) paying Port**
8 **\$859,309; 2) installing a fire suppression sprinkler system in Pier 50, Shed C; 3) paying**
9 **Port \$2,430,477.56 (\$2,359,687 plus finance fee equal to 3%) over 60 months; and 4)**
10 **accepting the jurisdiction of the Superior Court of San Francisco County, which**
11 **obligations are enforceable through a stipulated judgment.**

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13 WHEREAS, California Statutes of 1968, Chapter 1333 (as amended, the "Burton Act")
14 and Charter, Sections 4.114 and B3.581, empower the San Francisco Port Commission
15 ("Port" or "Port Commission") with the power and duty to use, conduct, operate, maintain,
16 manage, regulate and control the lands within Port Commission jurisdiction in the City and
17 County of San Francisco; and

18 WHEREAS, The Port entered into Lease No. L-15004 dated November 30, 2011, with
19 Bauer's Intelligent Transportation, Inc., a California corporation ("Tenant" and "Bauer") for
20 office and operational space at Pier 50, Sheds A and C (the "Pier 50 Lease"); and

21 WHEREAS, The Port entered into Lease No. L-16206 dated November 1, 2016, with
22 Tenant for office space at 401 Terry Francois Boulevard, Suite 212 (the "401 Terry Francois
23 Boulevard Lease"), and Parking Agreement 003805 dated September 20, 2016, for bus
24 parking at Pier 96 (the "Pier 96 License"); and

25

1 WHEREAS, The 401 Terry Francois Boulevard Lease and the Pier 96 License were
2 terminated and ultimately the properties were surrendered to the Port on May 31, 2022 and
3 February 16, 2026, respectively, with outstanding balances remaining under both agreements;
4 and

5 WHEREAS, The Pier 50 Lease expired on May 10, 2022, and Tenant has remained in
6 possession of the premises in holdover status without Port consent and has failed to pay all
7 amounts due under the Pier 50 Lease; and

8 WHEREAS, The Port and Tenant have reached an agreement on the terms of a
9 settlement agreement, a copy of which is on file with the Clerk of the Board (the "Settlement
10 Agreement"), to resolve all outstanding financial obligations under the aforementioned leases
11 and license, and to establish terms for Tenant's continued occupancy at Pier 50 until May 31,
12 2032, including safety upgrades; and

13 WHEREAS, The Settlement Agreement requires that the Port file an unlawful detainer
14 case against Bauer, that Bauer affirmatively accept the jurisdiction of the Superior Court of
15 San Francisco County over the case, and that Bauer and the Port sign a stipulated judgment
16 as a mechanism to protect the Port's interests in the event of default; and

17 WHEREAS, The Port and Bauer wish to settle their dispute in a manner that allows
18 Tenant to continue its occupancy at Pier 50 under the terms and conditions detailed in the
19 Settlement Agreement to avoid protracted disputes, and the uncertainties of unsettled
20 litigation; and

21 WHEREAS, At its May 12, 2026 meeting, the Port Commission adopted Resolution No.
22 26-28, approving the Settlement Agreement, subject to approval by the Board of Supervisors
23 ("Board"); and

24 WHEREAS, The Port and Tenant now wish to enter into a settlement agreement
25 requiring Tenant to: 1) pay a settlement fee totaling \$859,309 to the Port, which will be

1 deemed to fully and finally resolve the debts related to the 401 Terry Francois Boulevard
2 Lease and the Pier 96 License, and reduce the outstanding balance under the Pier 50 Lease,
3 2) design and install a fire suppression sprinkler system in Pier 50, Shed C, for which upon
4 the Port will provide up to \$2,000,000 in rent credits upon successful completion of the
5 project, 3) pay the Port \$2,430,477.56 (\$2,359,687 plus finance fee equal to 3%) via 60
6 monthly installments, and 4) affirmatively accept the jurisdiction of the Superior Court of San
7 Francisco County over an unlawful detainer case to be filed by the Port upon execution of the
8 Settlement Agreement, all as described in the memorandum accompanying Port Commission
9 Resolution No. 26-28 and more particularly detailed in the Settlement Agreement on file with
10 the Clerk of the Board in File No. _____; now, therefore be it

11 RESOLVED, That the Board hereby approves the Settlement Agreement, and
12 authorizes the Acting Executive Director of the Port, or the Acting Executive Director's
13 designee, to execute the Settlement Agreement and related documentation, each in the form
14 approved by the City Attorney and in substantially the same form on file with the Clerk of the
15 Board in File No. _____; and, be it

16 FURTHER RESOLVED, That approval of and authorization by the Board to enter into
17 and execute the Settlement Agreement shall expire and have no further force or effect unless
18 exercised within 30 days of the effective date of this Resolution (or on the next business day if
19 the authority would otherwise expire on a Saturday, Sunday, or City holiday); and be it

20 FURTHER RESOLVED, That the Board of Supervisors authorizes the Port Executive
21 Director to enter into any other additions, amendments, or other modifications to the Pier 50
22 Lease that the Executive Director, in consultation with the City Attorney, determines, when
23 taken as a whole, to be in the best interest of the Port, do not materially increase the
24 obligations or liabilities of the City or the Port, and are necessary or advisable to complete the
25 transactions which this Resolution contemplates and effectuate the purpose and intent of this

1 Resolution, such determination to be conclusively evidenced by the execution and delivery by
2 the Executive Director of such documents; and, be it

3 FURTHER RESOLVED, That within 30 days of the execution of the Settlement
4 Agreement by all parties, the Port shall provide a copy of the Settlement Agreement to the
5 Clerk of the Board for inclusion in the official file.

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