

1 [Approval to award a three-year lease for surface parking between the Port of San Francisco  
2 and Priority Parking-CA, LLC (Lease No. L-14747) for Seawall Lots (“SWL”) 322-I, SWL 323,  
3 SWL 321, and SWL 324 located in the Northern Waterfront]

4 **Resolution approving a Port Commission Lease with Priority Parking-CA, a California**  
5 **Limited Liability Corporation in the City and County of San Francisco, for certain real**  
6 **property located at SWL 322-I bounded by Front Street and Broadway, SWL 323**  
7 **bounded by The Embarcadero and Davis Street, SWL 321 bounded by Front Street and**  
8 **Green Street, and SWL 324 bounded by Davis Street, Front Street and The**  
9 **Embarcadero for a term of 3 years.**

10 WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and the San  
11 Francisco Charter Section 4.114 and B3.581 empower the San Francisco Port Commission  
12 with the power and duty to use, conduct, operate, maintain, manage, regulate and control the  
13 lands within Port Commission jurisdiction, and

14 WHEREAS, On March 5, 2009 the Port Commission approved Resolution No. 09-13,  
15 authorizing Port staff to offer through competitive bid a three-year lease for surface parking for  
16 SWLs 322-I, SWL 323, SWL 321, and SWL 324. All of these SWL lots are located in the  
17 Northern Waterfront (the “Bid Opportunity”). The Port subsequently issued a First  
18 Amendment to the Bid on April 8, 2009 followed by a Second Amendment on April 17, 2009,  
19 and

20 WHEREAS, The submittal date for the Bid Opportunity was May 27, 2009, at which  
21 time the bids were publicly opened and ranked in order of highest bid. The Port received  
22 requests for twenty-eight (28) bid packages. Under the terms of the Bid Opportunity, the Port  
23 determined that seven (7) bids met the minimum qualifications for experience and financial  
24 standing, and

1           WHEREAS, Based on proposing the highest minimum monthly rent, Port staff selected  
2 Priority Parking California, LLC as the successful bidder, and

3           WHEREAS, Under the proposed lease, the Port will receive rent equal to the greater  
4 amount of the minimum monthly rent of \$178,244.00 or 66% of gross receipts net of the City  
5 Parking Tax required by Article 9 of the San Francisco Business and Tax Regulations Code,  
6 and

7           WHEREAS, the Port Commission, at its September 22, 2009 meeting pursuant to  
8 Resolution No. 09-53 approved the award of a three-year lease to Priority Parking-CA, LLC  
9 subject to the Board of Supervisors approval, and

10           WHEREAS, a copy of the form of lease is on file with the Clerk of the Board of  
11 Supervisors in File No. 091185 and is hereby declared to be part of this Resolution as if fully  
12 at forth herein (the "Lease"), and

13           WHEREAS, the proposed lease will increase incremental revenue to the Port for base  
14 rent by approximately \$543,024 annually or \$1.6 million for the three-year term. This  
15 represents a 35% increase over the existing leases. Port staff anticipates a corresponding  
16 increase in the percentage rent paid to the Port that may increase the net return over the  
17 three-year term of the lease to \$3 million, and

18           WHEREAS, San Francisco Charter Section 9.118 requires Board of Supervisors  
19 approval of leases having a term of ten (10) or more years or having anticipated revenue to  
20 the City of One Million Dollars (\$1,000,000.00) or more, and

21           WHEREAS, this Lease is likely to meet the One Million Dollar (\$1,000,000.00)  
22 threshold; and, therefore, be it

23           RESOLVED, THAT the Board of Supervisors approves the Lease; and, be it  
24  
25

1           FURTHER RESOLVED, that the Board of Supervisors authorizes the Executive  
2 Director of the Port (the "Executive Director") to execute the Lease in a form approved by the  
3 City Attorney and in substantially the form of the lease on file; and, be it

4           FURTHER RESOLVED, that the Board of Supervisors authorizes the Executive  
5 Director to enter into any additions, amendments or other modifications to the Lease  
6 (including, without limitation, preparation and attachment of, or changes to, any or all of the  
7 exhibits and ancillary agreements) that the Executive Director, in consultation with the City  
8 Attorney, determines is in the best interest of the Port, do not alter the rent or the Port's  
9 projected income from the Lease, do not materially increase the obligations or liabilities of the  
10 Port or City or materially decrease the public benefits accruing to the Port, and are necessary  
11 or advisable to complete the transactions contemplate and effectuate the purpose and intent  
12 of this Resolution, such determination to be conclusively evidenced by the execution and  
13 delivery by the Executive Director of any such documents; and, be it

14           FURTHER RESOLVED, that the Board of Supervisors approves, and ratifies all prior  
15 actions taken by the officials, employees and agents of the Port Commission, or the City with  
16 respect to the Lease.

