

1 [Lease of Property - Bauer Intelligent Transportation, Inc. - Pier 50]

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3 **Resolution approving Port Commission Lease No. L-15004 with Bauer Intelligent**
4 **Transportation, Inc., a California Corporation, for certain real property located at**
5 **Pier 50, Sheds A and C, in the City and County of San Francisco, for a term of ten**
6 **years.**

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

12 WHEREAS, Since August 15, 1999, Bauer Intelligent Transportation, Inc. (Bauer)
13 through its predecessor entity, Bauer California Coach Sales and Service, Inc., has
14 been a tenant of the Port of San Francisco at Pier 27 with premises comprised of shed,
15 office and exterior paved space directly related to the operation, maintenance and
16 storage of motor coach services for private, corporate and governmental use; and

17 WHEREAS, Since 1999, Bauer has been a tenant of the Port under a series of
18 leases, the latest of which expired on September 30, 2004 and has been on a mutual
19 month-to-month basis since; and,

20 WHEREAS, Pier 27 is currently occupied by a variety of maritime, office and
21 industrial tenants with often conflicting uses; and

22 WHEREAS, Due to its ability to berth large Cruise ships, Pier 27 has
23 experienced a significant increase in cruise calls in the last several years and in 2010,
24 there were over 40 scheduled visits; and

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1 WHEREAS, To accommodate passenger boarding, provisioning and security
2 mandates, significant portions of the shed and exterior yard at Pier 27 are required to be
3 vacated for an extended period; and

4 WHEREAS, Cruise ship operations have significantly impacted Bauer's
5 operations; and

6 WHEREAS, Bauer has been working closely with the Port for a suitable location
7 to accommodate their expanding operations, maintenance, storage and parking needs
8 in a way that is not possible at Pier 27 due to existing maritime uses; and

9 WHEREAS, Pier 50 was selected by both Bauer and the Port due to its large
10 contiguous shed space, central location to major highways and less traffic congestion
11 than in the Northern waterfront; and

12 WHEREAS, Bauer is a Tenant in Good Standing pursuant to Port Commission
13 policy; and

14 WHEREAS, On _____ the Port Commission approved Resolution No.
15 _____, approving Lease No. L-15004 with Bauer for 4,370 square feet of office
16 space in Pier 50 Shed A, approximately 68,777 square feet of shed space in Pier 50
17 Shed C and approximately 50,347 square feet of exterior paved fenced yard and dock
18 space adjacent to Pier 50 Shed C; and

19 WHEREAS, A copy of the form of lease is on file with the Clerk of the Board of
20 Supervisors in File No. _____ and is hereby declared to be part of this
21 Resolution as is fully set forth herein (the "Lease"); and

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

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1 WHEREAS, This Lease is likely to meet the One Million Dollar (\$1,000,000.00)
2 threshold; and

3 WHEREAS, The lease term will be ten years commencing upon Board of
4 Supervisor approval and upon full execution by the Port; and

5 WHEREAS, The lease will provide for an initial seven month rent abatement
6 period to construct tenant improvements and up to \$515,000 in rent credits for core and
7 shell improvements to Shed A and C to be deducted from the monthly rent starting in
8 the eighth month; and

9 WHEREAS, The first year's total annual rent is approximately \$610,000 and will
10 escalate incrementally on an annual basis to approximately \$1,198,000 in the tenth
11 lease year for total rent over the term of the lease of approximately \$9,000,000 inclusive
12 of rent abatement but not rent credits; now, therefore, be it

13 RESOLVED, That the Board of Supervisors approves the Lease; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
15 Director of the Port (the "Executive Director") or her designee to execute the Lease in a
16 form approved by the City Attorney and in substantially the form of the lease on file;
17 and, be it

18 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
19 Director to enter into any additions, amendments or other modifications to the Lease
20 (including, without limitation, preparation and attachment of, or changes to, any or all of
21 the exhibits and ancillary agreements) that the Executive Director, in consultation with
22 the City Attorney, determines is in the best interest of the Port, do not alter the rent or
23 the Port's projected income from the Lease, do not materially increase the obligations or
24 liabilities of the Port or City or materially decrease the public benefits accruing to the
25 Port, and are necessary or advisable to complete the transactions contemplate and

1 effectuate the purpose and intent of this Resolution, such determination to be
2 conclusively evidenced by the execution and delivery by the Executive Director of any
3 such documents.

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