

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

### BUDGET AND FINANCE COMMITTEE

### SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Malia Cohen, Chair  
Budget and Finance Committee

FROM: Linda Wong, Assistant Clerk

DATE: September 25, 2017

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**  
Tuesday, September 26, 2017

The following file should be presented as a **COMMITTEE REPORT** at the Board meeting on Tuesday, September 26, 2017, at 2:00 p.m. This item was acted upon at the Committee Meeting on Thursday, September 21, 2017, at 10:00 a.m., by the votes indicated.

**Item No. 30**      **File No. 170948**

Resolution approving (a) in accordance with Internal Revenue Code, Section 147(f) the issuance of revenue bonds or a tax-exempt loan by the California Municipal Finance Authority (the "Authority") in an aggregate issue price not to exceed \$7,000,000 (the "Tax-Exempt Bonds") to (i) refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the acquisition, construction, equipping and furnishing of facilities, within the City and County of San Francisco (the "City"), owned and managed by San Francisco Art Institute, a California nonprofit public benefit corporation (the "Borrower"), in connection with the provision of educational and other services in the City, including the instruction of students enrolled in its undergraduate and graduate fine arts degree programs, (ii) finance additional improvements to such facilities, (iii) pay capitalized interest on the Tax-Exempt Bonds, and (iv) pay certain expenses incurred in connection with the issuance of the Tax-Exempt Bonds; and (b) in accordance with the Joint Exercise of Powers Agreement, dated as of January 1, 2004, among the Authority and certain local agencies, including the City, as amended from time to time, the issuance of revenue bonds or a loan by the Authority in an aggregate issue price not to exceed \$13,000,000 (the "Taxable Bonds" and, together with the Tax-Exempt Bonds, the "Bonds") to (i) refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the construction, equipping and furnishing of facilities,

within the City, leased and occupied by the Borrower, in connection with the provision of educational and other services in the City, including the instruction of students enrolled in its undergraduate and graduate fine arts degree programs, (ii) finance additional improvements to such facilities, (iii) pay capitalized interest on the Taxable Bonds, and (iv) pay certain expenses incurred in connection with the issuance of the Bonds.

**RECOMMENDED AS COMMITTEE REPORT**

Vote: Supervisor Malia Cohen - Aye  
Supervisor Norman Yee - Aye  
Supervisor Katy Tang - Excused

- c: Board of Supervisors  
Angela Calvillo, Clerk of the Board  
Jon Givner, Deputy City Attorney  
Alisa Somera, Legislative Deputy Director



1 [Issuance of Bonds - San Francisco Art Institute, a California Nonprofit Public Benefit  
2 Corporation - Not to Exceed \$20,000,000]

3 **Resolution approving (a) in accordance with Internal Revenue Code, Section 147(f) the**  
4 **issuance of revenue bonds or a tax-exempt loan by the California Municipal Finance**  
5 **Authority (the "Authority") in an aggregate issue price not to exceed \$7,000,000 (the**  
6 **"Tax-Exempt Bonds") to (i) refinance all or a portion of certain outstanding debt**  
7 **obligations that originally financed and refinanced the acquisition, construction,**  
8 **equipping and furnishing of facilities, within the City and County of San Francisco (the**  
9 **"City"), owned and managed by San Francisco Art Institute, a California nonprofit**  
10 **public benefit corporation (the "Borrower"), in connection with the provision of**  
11 **educational and other services in the City, including the instruction of students**  
12 **enrolled in its undergraduate and graduate fine arts degree programs, (ii) finance**  
13 **additional improvements to such facilities, (iii) pay capitalized interest on the Tax-**  
14 **Exempt Bonds, and (iv) pay certain expenses incurred in connection with the issuance**  
15 **of the Tax-Exempt Bonds; and (b) in accordance with the Joint Exercise of Powers**  
16 **Agreement, dated as of January 1, 2004, among the Authority and certain local**  
17 **agencies, including the City, as amended from time to time, the issuance of revenue**  
18 **bonds or a loan by the Authority in an aggregate issue price not to exceed \$13,000,000**  
19 **(the "Taxable Bonds" and, together with the Tax-Exempt Bonds, the "Bonds") to**  
20 **(i) refinance all or a portion of certain outstanding debt obligations that originally**  
21 **financed and refinanced the construction, equipping and furnishing of facilities, within**  
22 **the City, leased and occupied by the Borrower, in connection with the provision of**  
23 **educational and other services in the City, including the instruction of students**  
24 **enrolled in its undergraduate and graduate fine arts degree programs, (ii) finance**  
25 **additional improvements to such facilities, (iii) pay capitalized interest on the Taxable**

1 **Bonds, and (iv) pay certain expenses incurred in connection with the issuance of the**  
2 **Bonds.**

3  
4 WHEREAS, The California Municipal Finance Authority (the "Authority") is authorized  
5 pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and  
6 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government  
7 Code of the State of California, and a Joint Exercise of Powers Agreement, dated as of  
8 January 1, 2004, among the Authority and certain local agencies, including the City, as  
9 amended from time to time (as so amended, the "Agreement"), to issue revenue bonds and  
10 other forms of indebtedness to assist nonprofit corporations to obtain financing, including tax-  
11 exempt financing, for certain projects and purposes; and

12 WHEREAS, The City is a member of the Authority; and

13 WHEREAS, San Francisco Art Institute, a California nonprofit public benefit corporation  
14 (the "Borrower"), and an organization described in Internal Revenue Code, Section 501(c)(3)  
15 ("Code"), has requested that the Authority issue revenue bonds or a tax-exempt loan, in one  
16 or more series, in an aggregate issue price not to exceed \$7,000,000 (the "Tax-Exempt  
17 Bonds") and loan the proceeds of the Tax-Exempt Bonds to the Borrower (the "Tax-Exempt  
18 Loan") to: (i) refinance all or a portion of certain outstanding debt obligations that originally  
19 financed and refinanced the acquisition, construction, equipping and furnishing of facilities,  
20 within the City, owned and managed by the Borrower, in connection with the provision of  
21 educational and other services in the City, including the instruction of students enrolled in its  
22 undergraduate and graduate fine arts degree programs, (ii) finance additional improvements  
23 to such facilities, (iii) pay capitalized interest on the Bonds and (iv) pay certain expenses  
24 incurred in connection with the issuance of the Bonds (collectively, the "Tax-Exempt Project");  
25 and

1           WHEREAS, The Tax-Exempt Project, located at 800 Chestnut Street, San Francisco,  
2 California 94133, is located within the territorial limits of the City; and

3           WHEREAS, The issuance of the Tax-Exempt Bonds shall be subject to the approval of  
4 and execution by the Authority of all financing documents relating thereto to which the  
5 Authority is a party; and

6           WHEREAS, Interest on the Tax-Exempt Bonds may qualify for tax exemption under  
7 Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Tax-  
8 Exempt Bonds are approved by an "applicable elected representative" of the City in  
9 accordance with Section 147(f) of the Code; and

10           WHEREAS, The Borrower has also requested that the Authority issue revenue bonds  
11 or a loan, in one or more series, in an aggregate issue price not to exceed \$13,000,000 (the  
12 "Taxable Bonds" and, together with the Tax-Exempt Bonds, the "Bonds") and loan the  
13 proceeds of the Taxable Bonds to the Borrower (the "Taxable Loan" and, together with the  
14 Tax-Exempt Loan, the "Loan") to: (i) refinance all or a portion of certain outstanding debt  
15 obligations that originally financed and refinanced the construction, equipping and furnishing  
16 of facilities, within the City, leased and occupied by the Borrower, in connection with the  
17 provision of educational and other services in the City, including the instruction of students  
18 enrolled in its undergraduate and graduate fine arts degree programs, (ii) finance additional  
19 improvements to such facilities, (iii) pay capitalized interest on the Taxable Bonds and (iv) pay  
20 certain expenses incurred in connection with the issuance of the Bonds (collectively, the  
21 "Taxable Project" and, together with the Tax-Exempt Project, the "Project"); and

22           WHEREAS, The Taxable Project, located at Herbst Pavilion, 2 Marina Boulevard, San  
23 Francisco, California 94123, is located within the territorial limits of the City; and

1           WHEREAS, The issuance of the Taxable Bonds shall be subject to the approval of and  
2 execution by the Authority of all financing documents relating thereto to which the Authority is  
3 a party; and

4           WHEREAS, Taxable Bonds issued for the Taxable Project are to be approved by the  
5 “governing body” of the City in accordance with Section 4 of the Agreement; and

6           WHEREAS, The Board of Supervisors of the City (the “Board”) is the elected legislative  
7 body of the City and is therefore an “applicable elected representative” required to approve  
8 the Tax-Exempt Bonds within the meaning of Code Section 147(f) and is the “governing body”  
9 of the City required to approve the Taxable Bonds in accordance with Section 4 of the  
10 Agreement; and

11           WHEREAS, The Authority has requested the Board to approve the issuance of the  
12 Bonds by the Authority for the purposes of financing the Project in order to satisfy the public  
13 approval requirements of Code Section 147(f) as applicable to the Tax-Exempt Bonds and the  
14 requirements of Section 4 of the Agreement; and

15           WHEREAS, The Authority is also requesting that the Board approve the issuance of  
16 any refunding bonds hereafter issued by the Authority for the purpose of refinancing the  
17 Bonds which financed the Project (the “Refunding Bonds”), but only in such cases where  
18 federal tax laws would not require additional consideration or approval by the Board; and

19           WHEREAS, On August 11, 2017, the City caused a notice to appear in the *San*  
20 *Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a  
21 public hearing with respect to the issuance of the Tax-Exempt Bonds would be held by the  
22 Office of Public Finance on August 25, 2017; and

23           WHEREAS, The Office of Public Finance held the public hearing described above on  
24 August 25, 2017, and an opportunity was provided for persons to comment on the issuance  
25 and sale of the Tax-Exempt Bonds and the plan of financing of the Tax-Exempt Project, and

1 the Office of Public Finance has forwarded any comments received by such date to this  
2 Board; and

3 WHEREAS, The Bonds will be limited obligations of the Authority, payable solely from  
4 and secured solely by amounts received from or on behalf of the Borrower, and will not  
5 constitute an indebtedness or obligation, or a pledge of the faith and credit of, the City or the  
6 Authority, and

7 WHEREAS, It is intended that this Resolution shall constitute the approval of the  
8 issuance of the Tax-Exempt Bonds required by Code Section 147(f) and the approval of the  
9 Bonds and the Project required by Section 4 of the Agreement; and

10 WHEREAS, The Director of Public Finance (the "Director") recommends approval of  
11 the issuance of the Bonds pursuant to Chapter 43, Article 9, Section 5 of the Administrative  
12 Code; now, therefore, be it

13 RESOLVED, That this Board hereby finds and declares the above recitals are true and  
14 correct; and, be it

15 FURTHER RESOLVED, That this Board hereby approves the issuance of the Bonds  
16 by the Authority for the purpose of financing the Project; and, be it

17 FURTHER RESOLVED, That it is the purpose and intent of this Board that this  
18 Resolution constitute approval of the issuance of the Bonds by the Authority and of the  
19 financing of the Project, as the applicable elected representative of the governmental unit  
20 having jurisdiction over the area in which the Project is located, for purposes of and in  
21 accordance with (a) Code Section 147(f) as applicable to the Tax-Exempt Bonds and  
22 (b) Section 4 of the Agreement; and, be it

23 FURTHER RESOLVED, That the approval by the City of the issuance of the Bonds by  
24 the Authority is neither an approval of the underlying credit of the Borrower or of the proposed  
25 Project nor an approval of the financial structure of the Bonds; and neither the City, nor any



1 department thereof, shall have any responsibility or liability whatsoever with respect to the  
2 Bonds or the Project; and, be it

3 FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation in any  
4 respect of the City, and the faith and credit of the City is not pledged to the repayment of the  
5 Bonds, and the payment of the principal, prepayment premium, if any, and interest on the  
6 Bonds shall be solely the responsibility of the Borrower; and, be it

7 FURTHER RESOLVED, That the adoption of this Resolution shall not obligate the City  
8 or any department of the City to (i) provide financing to the Borrower for the repayment of the  
9 Loan or to issue the Bonds for purposes of such financing; (ii) make any contribution or  
10 advance any funds to the Authority; or (iii) approve any application or request for, or take any  
11 other action in connection with, any environmental, General Plan, zoning or any other permit  
12 or other regulatory action sought in connection with the Project; and, be it

13 FURTHER RESOLVED, That the Controller and the Director and any other proper  
14 officers of the City are hereby authorized and directed to execute such other agreements,  
15 documents and certificates, and to perform such other acts as may be necessary or advisable  
16 to effect the purposes of this Resolution; and, be it

17 ///

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23 ///

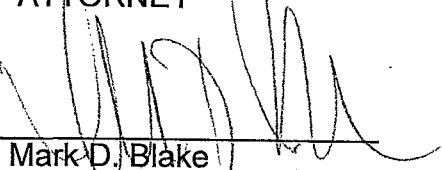
24 ///

25 ///

1 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its  
2 adoption.

3  
4 APPROVED AS TO FORM:  
5 DENNIS J. HERRERA  
6 CITY ATTORNEY

7 By:

  
8 Mark D. Blake  
9 Deputy City Attorney  
n:\financ\as2017\1300182\01216441.docx

# DECLARATION OF PUBLICATION OF SAN FRANCISCO CHRONICLE

**City and County of San Francisco  
NOTICE OF PUBLIC HEARING**  
pursuant to Section 147(f) of the  
Internal Revenue Code of 1986, as  
amended, for the FINANCING of  
certain facilities from the sale of  
tax-exempt obligations

NOTICE IS HEREBY GIVEN that on  
August 25, 2017, a public hearing  
required by Section 147(f) of the  
Internal Revenue Code of 1986, as  
amended (the "Code"), will be held  
with respect to the proposed issuance

by the California Municipal Finance  
Authority (the "Authority") of revenue  
bonds or a tax-exempt loan (the  
"Bonds") in one or more series in an  
aggregate issue price not to exceed  
\$7,000,000. The Bonds will be issued  
for the benefit of the San Francisco  
Art Institute, a nonprofit public benefit  
corporation duly organized and validly  
existing under the laws of the State  
of California (the "Borrower"), and  
exempt from tax under Section 501(c)  
(3) of the Internal Revenue Code  
of 1986 as amended (the "Code").  
Bond proceeds will be used to (i)  
refinance all or a portion of certain  
outstanding debt obligations that  
originally financed and refinanced the  
acquisition, construction, equipping  
and furnishing of facilities, within  
the City and County of San Francisco  
(the "City"), owned and managed by  
the Borrower, in connection with the  
provision of educational and other  
services in the City, including the  
instruction of students enrolled in its  
undergraduate and graduate fine arts  
degree programs, (ii) finance addi-  
tional improvements to such facilities,  
(iii) pay capitalized interest on the  
Bonds and (iv) pay certain expenses  
incurred in connection with the  
issuance of the Bonds (collectively, the  
"Project"). The Project is located in  
the City and County of San Francisco,  
at 800 Chestnut Street, San Francisco,  
California 94133.

The hearing will commence at 10:30  
a.m. on August 25, 2017, or as soon  
thereafter as the matter can be heard,  
and will be held at City and County  
of San Francisco, Controller's Office of  
Public Finance, Room 336, 1 Dr. Car-  
lton B. Goodlett Place, San Francisco,  
California 94102, at which time any  
person may be heard.

The Bonds are payable solely from  
certain revenues duly pledged thereto  
and generally representing amounts  
paid by the Borrower. Neither the full  
faith and credit nor the taxing power,  
if any, of the City, the Authority and  
its members, the State of California  
(the "State") or any other political  
corporation, subdivision or agency of  
the State is pledged to the payment  
of the principal of, premium, if any, or  
interest on the Bonds, nor shall the  
City, the Authority and its members,  
the State, or any other political  
corporation, subdivision or agency of  
the State be liable or obligated to pay  
the principal of, premium, if any, or  
interest on the Bonds.

The public hearing is being conducted  
to comply with the public approval  
requirements of Section 147(f) of  
the Code.

Those wishing to comment on the  
proposed financing of the Project may  
appear in person at the public hearing  
or submit written comments, which  
must be received by the Controller's  
Director of Public Finance, 1 Dr.  
Carlton B. Goodlett Place, Room 336,  
San Francisco, California 94102, at  
or prior to the hearing on March 20,  
2017. The Director of Public Finance  
will forward any comments received  
to the Board of Supervisors for their

consideration and the Board of Super-  
visors will consider the information  
obtained at the public hearing and  
take appropriate action that it may  
deem warranted.  
DATED this 11th day of August, 2017.  
City and County of San Francisco

Lori Gomez

Declares that:

The annexed advertisement has been regularly published  
in the  
**SAN FRANCISCO CHRONICLE**

Which is an was at all times herein mentioned  
established as newspaper of general circulation in the  
City and County of San Francisco, State of California, as  
the term is defined by Section 6000 of the Government  
Code

**SAN FRANCISCO CHRONICLE**

(Name of Newspaper)

901 Mission Street

San Francisco, CA 94103

From

8/11/17

To

8/11/17

Namely on

8/11/17

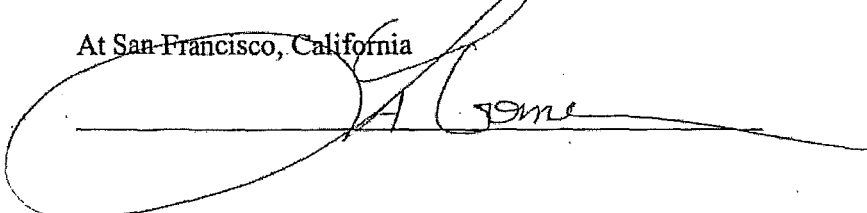
(Dates of Publication)

I declare under penalty of perjury that the foregoing is  
true and correct.

Executed on

8/11/17

At San Francisco, California



# Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2017 SEP -5 PM 4:06

Use stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [ ] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Supervisor Mark Farrell

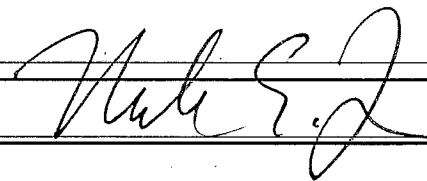
Subject:

[Issuance of Bonds - San Francisco Art Institute, a California nonprofit public benefit corporation—Not to Exceed \$20,000,000]

The text is listed:

See attached.

Signature of Sponsoring Supervisor: [ ]



**Wong, Linda (BOS)**

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**From:** Board of Supervisors, (BOS)  
**Sent:** Tuesday, September 19, 2017 4:40 PM  
**To:** Wong, Linda (BOS)  
**Subject:** FW: Follow Up on Public Comment on File 170948  
**Attachments:** SFMOMA.pdf

**From:** Thomas Busse [mailto:tjbussesf@gmail.com]  
**Sent:** Tuesday, September 19, 2017 3:57 PM  
**To:** Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>; Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>  
**Subject:** Follow Up on Public Comment on File 170948

Dear Clerk of the Board:

In support of my previously submitted public comment for Thursday's Budget and Finance Committee meeting hearing which I will be unable to attend, I request the attached highly relevant news article be added to this file which will aid the supervisors in their decision making.

Many thanks,  
Thomas J. Busse

From the San Francisco Business Times:

<https://www.bizjournals.com/sanfrancisco/news/2017/05/23/sfmoma-parking-garage-sale-soma-stockbridge-yelp.html>

## Exclusive: Art of the deal - SFMOMA parking garage sale could top \$40 million

🔒 SUBSCRIBER CONTENT:

May 23, 2017, 1:22pm PDT

Even parking garages are worth tens of millions of dollars in San Francisco.

The SFMOMA garage at 147 Minna St. is nearing a sale that could surpass \$40 million, according to a source with knowledge of the property.

About 20 prospective buyers have each submitted eight-figure bids for the 412-stall property, said the source. The demand reflects the property's prime location in between North America's largest modern art museum and 140 New Montgomery, the headquarters of Yelp Inc. (NYSE: YELP).

Stockbridge Capital is the seller and declined to comment.

"You've got such a good revenue stream. It's incredible real estate," said Bill Cumbelich, a CBRE broker who previously completed leases at 140 Montgomery on behalf of Stockbridge and partner Wilson Meany.

"You're right in between SFMOMA and Transbay...you're in the ideal location," said Cumbelich, who isn't involved in the garage sale.

The property is 145,500 square feet and was built in 1999. Its income stream isn't clear, but listed parking rates are \$35 for 24 hours and \$360 per month.

Broker Cartter Berg of Eastdil Secured is marketing the property, which is listed at the commercial real estate website Ten-X. He didn't respond to a request for comment.

The pending sale would be Stockbridge's second major deal on the block. Stockbridge and partner Wilson Meany sold the historic 295,000-square-foot 140 New Montgomery to Pembroke Real Estate for \$284 million in 2016.

It wasn't clear when the garage sale would close, but a second source said it was approaching "best and final" offers.

Marketing materials state that the garage "benefits from access to 10 office buildings within a two block radius that have virtually no tenant parking onsite...the SFMOMA Garage represents an excellent



EASTDIL SECURED/TEN-X

The SFMOMA garage is nearing a multimillion dollar sale.

opportunity to acquire an extremely secure cash flow with no additional near term capital requirements."

SFMOMA is one of the potential buyers of the garage, according to the second source tracking the sale. SFMOMA didn't immediately respond to a request for comment.

The eight-story property is zoned for up to 350 feet, but the source said it would be challenging to redevelop the site, in part because SFMOMA has an easement access through the site.

The property and its land were last assessed at \$26 million, according to city data.

**Roland Li**  
Reporter  
*San Francisco Business Times*







## Wong, Linda (BOS)

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**From:** Board of Supervisors, (BOS)  
**Sent:** Tuesday, September 19, 2017 4:39 PM  
**To:** Wong, Linda (BOS)  
**Subject:** FW: Public Comment on File 170948 for the Budget and Finance committee

**From:** Thomas Busse [mailto:tjbussesf@gmail.com]  
**Sent:** Tuesday, September 19, 2017 3:35 PM  
**To:** Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>  
**Subject:** Public Comment on File 170948 for the Budget and Finance committee

To Members of the Committee:

Although I will not be able to attend the budget and finance committee meeting on 9/20, I would like to call attention to 147 Minna's current secured assessment of \$26,363,680 paid by Stockbridge LLC. This translates into an annual cost of \$263,636 lost property tax of which the city and county retains about \$179,272, not including the additional \$47,454 collected to help reduce the city's bond indebtedness, which now must be pushed to homeowners and renters citywide.

Of course, Redevelopment dissolution throws a kink into this, but we should also consider the lost business tax revenue to the city as well as the lost State and Federal income tax, as I doubt SFMOMA will really pay UBIT. There is also the indirect impact of municipal bond subsidy and the market distortions it creates, which primarily benefits high-net-worth individuals at the expense of the revenue sources directly funding vital programs such as Medi-cal while crowding out investment in new ventures and the small business forming the backbone of our economy.

How do we know SFMOMA won't issue ridiculous Capital Appreciation bonds or descend into the dark world of OTC derivatives like the Airport Commission? Is SFMOMA's board really up to the task of bond oversight having built a museum only to have to rebuild it a few years later? Here's a fresh idea: if SFMOMA promises to cut down on annoying fundraising solicitations, why not use SF's fancy non-fiduciary JPA with no CDIAC reporting requirements to enable SFMOMA to sell \$100 bonds directly to its members instead of Well-Heeled subscribers to *The Bond Buyer*.

If SFMOMA, which can get away with its \$25 general admission charge to see its third rate collection, is sufficiently capitalized to issue \$30M in bonds to put up a parking lot right next to a brand new \$1.3B subway paid by a regressive sales tax, then it should do so on its own. If Stockbridge LLC is willing to sell the parcel to SFMOMA, it could do so through a lease-buyback arrangement. This proposal sends mixed messages about the city's priorities: we shoot the property tax base in the foot in order to eliminate the property tax component of parking space rental in a transit zone. It too hard to ask SFMOMA visitors to join the proletariat or to walk a block from the Mission garage since they can't live there anymore thanks to Mayor Moscone? Perhaps they could visit the Old Mint on the way.

Respectfully Submitted,

Thomas J. Busse

