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BY 



City and County of San Francisco
REAL ESTATE DIVISION

Andrico Q. Penick
Director of Real Estate

London N. Breed, Mayor
Naomi M. Kelly, City Administrator

June 4, 2019

Through Naomi Kelly,
City Administrator

Honorable Board of Supervisors
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place
City Hall, Room 224
San Francisco, CA 94102

RE: Master Lease at Yerba Buena Gardens between City and YBGC

Dear Board Members:

Enclosed for your consideration is a resolution authorizing the approval of a master lease between the City (as Landlord or Owner) and the Yerba Buena Gardens Conservancy, a California non-profit public benefit corporation ("YBGC" or Tenant), through 2061 (the proposed "Lease"). The Lease requires YBGC to manage and operate portions of the City-owned urban mixed-use property commonly known as "Yerba Buena Gardens", which was acquired by the City from the Office of Community Investment and Infrastructure (OCII) in June of last year.

Yerba Buena Gardens was initially established over forty years ago by the City's former Redevelopment Agency, evolving into a civic institution of parks, museums, hotels, restaurants, and performance venues. The Gardens are self-financed through revenue generating leases and assessments ("Program Income"), and Program Income is governed by Community Development Block Grant ("CDBG") funding, such that the City's direct operation since last year's acquisition, and by entering into this Lease with YBGC, creates no fiscal liability for the City other than costs which are reimbursable to City pursuant to the proposed Lease. The use of the revenues is restricted within the Gardens to operations, capital repairs, maintenance and programming. The City will still retain direct management and oversight of certain leases and properties located within Yerba Buena Gardens, including the leases that contribute to the majority of the revenues.

Through this proposed legislation, the City seeks Board of Supervisors approval and authorization to enter into the Lease with YBGC, to commence on July 1, 2019. Should you have any questions or need additional information, do not hesitate to contact me.

Respectfully,



Andrico Q. Penick
Director of Property