

1 [Lease Termination Agreement - Ellis-O'Farrell Parking Corporation - 123 O'Farrell Street -
2 January 31, 2013]

3 **Resolution authorizing the retroactively termination of the Lease Agreement with**
4 **Ellis-O'Farrell Parking Corporation and authorizing the Director of Transportation to**
5 **execute a Lease Termination Agreement for property located at 123 O'Farrell Street,**
6 **terminating on January 31, 2013.**

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8 WHEREAS, The City and County of San Francisco (City), a municipal corporation,
9 owns the Ellis-O'Farrell Garage (Garage) located at 123 O'Farrell Street, San Francisco,
10 California; and

11 WHEREAS, The City of San Francisco Ellis-O'Farrell Parking Corporation
12 (Corporation), a non-profit 501(c)(2) corporation, was formed in 1963 for the sole purpose of
13 assisting the City in acquiring and/or improving the Garage by financing the cost through the
14 sale of bonds of the Corporation secured by a lease of the Garage from the City to the
15 Corporation; and

16 WHEREAS, The City leased the Garage to the Corporation under a lease agreement
17 dated July 20, 1965, which lease was subsequently replaced with another lease agreement
18 dated June 1, 1991, and recorded on January 22, 1992 (Lease); and

19 WHEREAS, On or about October 1, 2002, the Corporation issued certain parking
20 revenue bonds (Bonds) in the amount of \$5,465,000 to refinance existing bonds issued by
21 the Corporation to finance the acquisition and improvement of the premises, and the
22 indenture documents for said Bonds (Indenture) were recorded on August 23, 2002; and

23 WHEREAS, Section 2 of the Lease provides that the Lease shall terminate upon the
24 Corporation's payment of the debt incurred under the Bonds, and Article X of the Indenture
25 sets out the requirements for the discharge and defeasance (payment) of the Bonds; and

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WHEREAS, On June 18, 2012 the Corporation’s Board of Directors executed a Lease Amendment with the SFMTA to modify and continue the term of the Lease on an interim basis until an agreement to terminate the Lease and set up an Advisory Committee was in place; and

WHEREAS, The parties agreed to terminate the existing lease and create an advisory body within 180 days of the Lease Amendment; and

WHEREAS, The SFMTA and the Corporation are developing Bylaws for an Advisory Committee; and

WHEREAS, In July, 2012, the City, by and through the SFMTA, paid the remaining balance owing on the Bonds as part of and as material requirement of issuing new revenue bonds that are secured in part by revenues of the premises; and

WHEREAS, Because the Bonds issued by the Corporation have been fully paid, the Corporation’s Board of Directors therefore wishes to be relieved of its obligations and liability as the leaseholder of the Garage; and

WHEREAS, Upon termination of the Lease, the SFMTA will assume existing agreements with contractors, vendors and service providers deemed necessary for continued operation of the Garage; and

WHEREAS, The termination of the Lease will result in complete transfer of control of the Garage and retail tenants leases to the SFMTA, eliminating redundancy and Corporation oversight expenses; and

WHEREAS, SFMTA and the Corporation negotiated the Lease Termination Agreement; which agreement is on file with the Clerk of the Board of Supervisors in File No. 130057, and is hereby declared to be a part of this motion as if set forth fully herein; and,

1 WHEREAS, On January 15, 2013 the SFMTA Board of Directors adopted Resolution
2 No. 13-009, which authorized the Director of Transportation to execute the Lease
3 Termination Agreement between the City and the Corporation, terminating the lease
4 effective January 31, 2013, subject to approval from the Board of Supervisors of this Lease
5 Termination Agreement; now, therefore, be it

6 RESOLVED, That the Director of Transportation of the SFMTA is hereby authorized,
7 on behalf of the City, to retroactively execute the Lease Termination Agreement between the
8 Ellis-O'Farrell Parking Corporation and the City and County of San Francisco; and be it

9 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
10 with respect to the Lease Termination Agreement are hereby approved, confirmed and
11 ratified; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
13 Transportation of the SFMTA to enter into any amendments or modifications to the Lease
14 Termination Agreement (including without limitation, the exhibits) that the Director of
15 Transportation determines, in consultation with the City Attorney, are in the best interest of
16 the City, do not materially increase the obligations or liabilities of the City, are necessary or
17 advisable to effectuate the purposes of the Lease Termination Agreement or this Resolution,
18 and are in compliance with all applicable laws, including the City's Charter.