

Port of SF – Ferry Plaza Limited Partnership Mutual Lease Termination Agreement

Government Audits and Oversight Committee Presentation

June 18, 2021





Background

- Lease L-8627 was entered in 1974 and is set to expire in 2040
- No active restaurant operation for at least 8 years
- Port issued Notice of Default in early 2020

Summary of Agreement Terms

- FPLP pays rent up through 12/31/20 (\$228,533.71)
- FPLP surrenders security deposit to Port (\$222,865.97)
- Facility returned in condition found during inspections
- Cooperate to ensure all permits and contractual obligations are transferred
- FPLP provides broad release of claims

Port Staff Analysis

- FPLP engaged in good faith negotiations to reach agreement; benefits to avoiding litigation
- While inspections identified items needing repair, facility is serviceable; renewal can be achieved through agreement funds combined with investments from new operator
- Port staff intends to return to Port Commission once transaction is executed to seek direction for seeking new tenant