

[Lease Amendment - Union Square Garage - 333 Post Street]

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2 **Resolution approving and authorizing an amendment to the Lease of the Union Square**
3 **Garage at 333 Post Street with the City and County of San Francisco Uptown Parking**
4 **Corporation to continue the term of the Lease for a period not to exceed 180-days**
5 **following the retirement of certain parking revenue bonds until the City and the**
6 **Corporation either execute a new lease to replace the existing Lease, or complete an**
7 **agreement to terminate the Lease and create a new advisory body in place of the**
8 **Corporation; and ratifying prior acts.**
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10 WHEREAS, The City and County of San Francisco ("the City") owns certain real
11 property located at 333 Post Street in San Francisco, California ("the Premises"), which is
12 used as an off-street parking facility commonly referenced as the "Union Square Garage,"
13 which is under the jurisdiction of the City's Recreation and Park Department and managed by
14 the San Francisco Municipal Transportation Authority ("SFMTA"); and
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16 WHEREAS, The City of San Francisco Uptown Parking Corporation ("the
17 Corporation"), a non-profit public benefit corporation whose sole shareholder is the City, was
18 formed on February 24, 1956 for the purpose of assisting the City in acquiring, financing and
19 managing off-street parking facilities; and

20 WHEREAS, The City has leased the Premises to the Corporation under a lease
21 agreement dated May 1, 1999, and recorded on April 30, 1999 ("the Lease"); and

22 WHEREAS, On or about April 1, 2001, the Corporation issued certain parking revenue
23 bonds ("the Bonds") to refinance existing bonds issued by the Corporation to finance or
24 refinance the construction and improvement of the Premises; and
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1 WHEREAS, The Lease currently provides that the City has "Buyback" rights by which
2 the City may payoff and retire the Bonds, and that the Lease shall terminate upon the
3 payment of the Bonds; and

4 WHEREAS, The City, acting by and through the SFMTA, desires to redeem and/or
5 defease the Bonds to facilitate the SFMTA's directly issuing new bonds (the "New Bonds")
6 that will be secured in part by revenues of the Premises; and

7 WHEREAS, Following redemption and/or defeasance retirement of the Bonds, the City
8 and the Corporation desire to continue the term of the Lease for an interim period not to
9 exceed 180-days pending the parties' entry to a new lease (the "New Lease"), or in the
10 alternative, entry into an agreement terminating the Lease and wrapping up the business of
11 the Corporation, and creating an advisory body to replace the Corporation; and

12 WHEREAS, The scheduling of the issuance of the New Bonds does not allow sufficient
13 time to obtain necessary approvals for the New Lease, or in the alternative, to assign
14 subleases and vendor agreements, wind-up the affairs of the Corporation, and determine the
15 structure and role of a new advisory body; and

16 WHEREAS, The City and the Corporation have negotiated a proposed amendment of
17 the Lease (the "Lease Amendment") in substantially the form on file with the Clerk of the
18 Board in File No. 120822, which includes, among other provisions, the following significant
19 terms:

20 (1) Upon payment and retirement of the Bonds, the term of the Lease shall continue
21 for a period not to exceed 180-days unless and until terminated, or replaced by approval and
22 execution of a New Lease;

23 (2) The parties agree to work cooperatively and expeditiously following redemption
24 and/or defeasance of the Bonds to either effect the New Lease or to terminate the existing
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1 Lease and create a new advisory body to replace the Corporation within 180 days from the
2 date the Board of Supervisors approves the proposed Lease Amendment;

3 (3) Upon the City's payment of the Bonds, the Corporation shall transfer all revenues
4 derived from the Premises, including but not limited to rent and garage parking fees, to the
5 City, on a monthly basis; and

6 WHEREAS, At its public meeting on June 21, 2012, the Recreation and Park
7 Commission voted to recommend that the Board of Supervisors approve the Lease
8 Amendment, and a copy of Commission Resolution No. 1206-015 is on file with the Clerk of
9 the Board of Supervisors in File No. 120822, and is incorporated herein by reference; and

10 WHEREAS, The City's Planning Department has found that the Lease Amendment is
11 not subject to the California Environmental Quality Act (a copy of this finding is on file with the
12 Clerk of the Board of Supervisors in File No. 120822, and is incorporated herein by
13 reference); now, therefore, be it

14 RESOLVED, That the Board of Supervisors hereby approves and authorizes the
15 execution, delivery and performance by the City of the Lease Amendment; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors authorizes the Recreation and
17 Park General Manager to execute and deliver the Lease Amendment in substantially the form
18 filed with the Clerk of the Board in File No. 120822, and to take any and all steps necessary or
19 appropriate to effectuate the execution, delivery and performance of the Lease Amendment.
20 The Recreation and Park General Manager, at his or her discretion and in consultation with
21 the City Attorney and the City's Controller, is authorized to enter into any additions,
22 amendments, or other modifications to the Lease Amendment that the Recreation and Park
23 General Manager determines are in the best interests of the City and do not materially
24 increase the obligations or liabilities of the City or materially decrease the payments or other
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1 benefits to the City, and are necessary or advisable to effectuate the purpose and intent of
2 this Resolution; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors authorizes an amendment to
4 Term of the Lease Amendment to be a period not more than 180-days from the date the
5 Lease Amendment is finally approved by the Board of Supervisors.

6 FURTHER RESOLVED, That any and all actions heretofore taken by City employees
7 or officials with respect to the Lease Amendment are hereby approved, confirmed and ratified.

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