

FILE NO. 111317

RESOLUTION NO.

1 [Lease of Property - Bauer Intelligent Transportation, Inc. - Pier 50]

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3 **Resolution approving Port Commission Lease No. L-15004 with Bauer Intelligent**  
4 **Transportation, Inc., a California Corporation, for certain real property located at**  
5 **Pier 50, Sheds A and C, in the City and County of San Francisco, for a term of ten**  
6 **years.**

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8 WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and the  
9 San Francisco Charter Section 4.114 and B3.581 empower the San Francisco Port  
10 Commission with the power and duty to use, conduct, operate, maintain, manage,  
11 regulate and control the lands within Port Commission jurisdiction; and

12 WHEREAS, Since August 15, 1999, Bauer Intelligent Transportation, Inc. (Bauer)  
13 through its predecessor entity, Bauer California Coach Sales and Service, Inc., has  
14 been a tenant of the Port of San Francisco at Pier 27 with premises comprised of shed,  
15 office and exterior paved space directly related to the operation, maintenance and  
16 storage of motor coach services for private, corporate and governmental use; and

17 WHEREAS, Since 1999, Bauer has been a tenant of the Port under a series of  
18 leases, the latest of which expired on September 30, 2004 and has been on a mutual  
19 month-to-month basis since; and,

20 WHEREAS, Pier 27 is currently occupied by a variety of maritime, office and  
21 industrial tenants with often conflicting uses; and

22 WHEREAS, Due to its ability to berth large Cruise ships, Pier 27 has  
23 experienced a significant increase in cruise calls in the last several years and in 2010,  
24 there were over 40 scheduled visits; and

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1 WHEREAS, To accommodate passenger boarding, provisioning and security  
2 mandates, significant portions of the shed and exterior yard at Pier 27 are required to be  
3 vacated for an extended period; and

4 WHEREAS, Cruise ship operations have significantly impacted Bauer's  
5 operations; and

6 WHEREAS, Bauer has been working closely with the Port for a suitable location  
7 to accommodate their expanding operations, maintenance, storage and parking needs  
8 in a way that is not possible at Pier 27 due to existing maritime uses; and

9 WHEREAS, Pier 50 was selected by both Bauer and the Port due to its large  
10 contiguous shed space, central location to major highways and less traffic congestion  
11 than in the Northern waterfront; and

12 WHEREAS, Bauer is a Tenant in Good Standing pursuant to Port Commission  
13 policy; and

14 WHEREAS, On December 16, 2011, the Port Commission approved Resolution  
15 No. 11-83, approving Lease No. L-15004 with Bauer for 4,370 square feet of office  
16 space in Pier 50 Shed A, approximately 68,777 square feet of shed space in Pier 50  
17 Shed C and approximately 50,347 square feet of exterior paved fenced yard and dock  
18 space adjacent to Pier 50 Shed C; and

19 WHEREAS, A copy of the form of lease is on file with the Clerk of the Board of  
20 Supervisors in File No. 111317 and is hereby declared to be part of this Resolution as is  
21 fully set forth herein (the "Lease"); and

22 WHEREAS, The environmental impacts of actions contemplated in the Lease  
23 were analyzed in a Final Environmental Impact Report ("Final EIR"), which the Planning  
24 Commission certified on December 15, 2011, by its Motion No. 18514, which  
25 certification action is now on appeal before the Board of Supervisors, and a copy of the

1 Final EIR is contained in Board File No. 111358; and

2 WHEREAS, San Francisco Charter Section 9.118 requires Board of Supervisors  
3 approval of leases having a term of ten (10) or more years or having anticipated  
4 revenue to the City of One Million Dollars (\$1,000,000.00) or more; and

5 WHEREAS, This Lease is likely to meet the One Million Dollar (\$1,000,000.00)  
6 threshold; and

7 WHEREAS, The lease term will be ten years commencing upon Board of  
8 Supervisor approval and upon full execution by the Port; and

9 WHEREAS, The lease will provide for an initial seven month rent abatement  
10 period to construct tenant improvements and up to \$515,000 in rent credits for core and  
11 shell improvements to Shed A and C to be deducted from the monthly rent starting in  
12 the eighth month; and

13 WHEREAS, The first year's total annual rent is approximately \$610,000 and will  
14 escalate incrementally on an annual basis to approximately \$1,198,000 in the tenth  
15 lease year for total rent over the term of the lease of approximately \$9,000,000 inclusive  
16 of rent abatement but not rent credits; now, therefore, be it

17 RESOLVED, That the Board of Supervisors approves the Lease; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
19 Director of the Port (the "Executive Director") or her designee to execute the Lease in a  
20 form approved by the City Attorney and in substantially the form of the lease on file;  
21 and, be it

22 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
23 Director to enter into any additions, amendments or other modifications to the Lease  
24 (including, without limitation, preparation and attachment of, or changes to, any or all of  
25 the exhibits and ancillary agreements) that the Executive Director, in consultation with  
the City Attorney, determines is in the best interest of the Port, do not alter the rent or

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1 the Port's projected income from the Lease, do not materially increase the obligations or  
2 liabilities of the Port or City or materially decrease the public benefits accruing to the  
3 Port, and are necessary or advisable to complete the transactions contemplate and  
4 effectuate the purpose and intent of this Resolution, such determination to be  
5 conclusively evidenced by the execution and delivery by the Executive Director of any  
6 such documents.

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