Resolution approving a lease agreement between the Municipal Transportation Agency and the City of San Francisco Japan Center Garage Corporation for the Japan Center Public Parking Garage with an initial term of 10 years for a base rent of $1 and two 5 year options for a base rent of $1 for each option.

WHEREAS, The City and County of San Francisco (City), a municipal corporation, owns the Japan Center Garage (Garage) located at 1610 Geary Boulevard, San Francisco, California; and

WHEREAS, The City of San Francisco Japan Center Garage Corporation (Corporation), a non-profit 501(c)3 corporation, was formed in 1998 and replace the Western Addition Parking Corporation (WAPC); and

WHEREAS, WAPC was originally formed for the sole purpose of issuing bonds for the construction of the Garage and WAPC was dissolved after full payment of its bonds; and

WHEREAS, The City leased the Garage to the Corporation under a lease agreement dated July 1, 2002 with an initial term of 15-years expiring July 1, 2017 with an option to extend the lease for an additional 15-years (Lease); and

WHEREAS, In July 2012, the SFMTA issued bonds to refinance any existing garage debt and to perform necessary garage capital improvements throughout SFMTA’s public parking facility portfolio; and

WHEREAS, The SFMTA bond issuance did not trigger a termination of the current lease with the Corporation but the SFMTA was in the process of negotiating potential new leases with other non-profit garage corporations and wanted to standardize the lease form and provisions; and
WHEREAS, The Corporation’s board of directors agreed and voted to establish a new lease with the City; and

WHEREAS, SFMTA staff negotiated new terms and conditions with the Corporation that includes best practices and other required changes related to bond financing, capital improvements and SFMTA operating procedures; and

WHEREAS, The proposed term of the lease is 10-years with two 5-year options to extend; and

WHEREAS, On December 4, 2012, the SFMTA Board of Directors passed a resolution authorizing the Director of Transportation to execute the Lease Agreement and to forward to the Board of Supervisors for final approval; now, therefore, be it

RESOLVED, That the Board of Supervisors approves the Lease Agreement between the City and County of San Francisco and the Japan Center Garage Corporation for the Japan Center Garage for an initial term of 10-years with two 5-years options to extend.