

1 [Lease Agreement - SP Plus–Hyde Parking Joint Venture - Northern Waterfront Surface
2 Parking Lots - \$2,955,607 Estimated Total Rent in First Year]

3 **Resolution approving Lease No. L-16141 between the Port and SP Plus–Hyde Parking**
4 **Joint Venture for a lease of surface parking lots in Port jurisdiction in the northern**
5 **waterfront, including: a five-year term for Seawall Lot 321; a three-year term with two**
6 **one-year Port options for Seawall Lots 323-324; and interim month-to-month parking at**
7 **Seawall Lot 322-1, Pier 19½, and Pier 29½, such terms to commence following Board**
8 **approval, with estimated total rent generated under the Lease for the first year of**
9 **operations of \$2,955,607.**

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11 WHEREAS, Charter, Section B3.581 empowers the San Francisco Port Commission
12 (“Port Commission”) with the power and duty to use, conduct, operate, maintain, manage,
13 regulate and control Port area of the City and County of San Francisco; and

14 WHEREAS, On May 26, 2015, the Port Commission, by Resolution 15-20, authorized
15 Port staff to issue a request for proposals for a leasing opportunity at Seawall Lots 321, 322-1,
16 and 323-324, Pier Sheds 19½ and 29½ located in the Northern Waterfront and other
17 expansion lots (collectively, the “Parking Sites”); and

18 WHEREAS, On November 5, 2015, Port issued the Proposal Opportunity for Lease
19 and Operation of Surface Parking Lots in the Northern Waterfront (the “Parking RFP”); and

20 WHEREAS, In an effort to create opportunities for small local businesses, the Parking
21 RFP required proposers to include a local business partner to share management
22 opportunities, profits and to create a shared power structure; and

23 WHEREAS, The Port staff recommended the proposal from the team of SP+
24 Corporation and Hyde Park Management which received the highest overall score from the
25 selection panel; and

1 WHEREAS, Hyde Park Management (HPM) is a small parking and management
2 company located and operating in San Francisco and SP+ Corporation is an industry leader in
3 providing public and private parking management, transportation and maintenance services
4 and operates in more than 4,200 locations and in over 400 cities; and

5 WHEREAS, On March 22, 2016, the Port Commission, by Resolution 16-12, awarded
6 the opportunity to the team of SP+ Corporation and HPM and authorized Port staff to
7 negotiate a lease with their joint venture partnership (“Tenant”) for the Parking Sites (“Lease”);
8 and

9 WHEREAS, The length of the term for each of the parking lots vary from a month-to-
10 month term to five years due to future developments and other needs contemplated by the
11 Port on several of the parking lots; and

12 WHEREAS, Rent under the Lease is the greater of a minimum monthly base rent
13 or 66% of the monthly gross receipts as applicable to each Parking Site; and

14 WHEREAS, The total rent generated under the Lease for the first year of operations is
15 estimated at \$2,955,607; and

16 WHEREAS, Tenant will be required to maintain the parking surfaces, utilities, lighting,
17 revenue equipment, attendant booths, bollards, signage striping in good repair and keep the
18 general appearance in a condition satisfactory to the Port; and

19 WHEREAS, The permitted use will be a continuation of the existing use and is not a
20 project subject to review under California Environmental Quality Act; and

21 WHEREAS, The Port Commission approved the Lease on June 16, 2016 in
22 Resolution 16-26; and

23 WHEREAS, San Francisco Charter, Section 9.118 requires Board of Supervisors’
24 approval of real property leases with anticipated revenue to the City of \$1,000,000 or more;
25 and

1 WHEREAS, The Lease has an anticipated revenue exceeding \$1,000,000; now,
2 therefore, be it

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

4 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
5 Director of the Port or her designee (the "Executive Director") to execute the Lease in a form
6 approved by the City Attorney and substantially the form of file with the Clerk of the Board of
7 the Supervisors in File No. 170150; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
9 Director to enter into any additions, amendments or other modifications to the Lease
10 (including, without limitation, preparation and attachment of, or changes to, any or all of the
11 exhibits and ancillary agreements) that the Executive Director, in consultation with the City
12 Attorney, determines to be in the best interest of the Port, do not materially increase the
13 obligations or liabilities of the City or Port, and are necessary or advisable to complete the
14 transactions which the Lease contemplates and effectuate the purpose and intent of this
15 Resolution, such determination to be conclusively evidenced by the execution and delivery by
16 the Executive Director of any such amendments; and, be it

17 FURTHER RESOLVED, That within thirty (30) days of the Lease being fully executed
18 by all parties, the Port shall provide copies of the Lease to the Clerk of the Board for inclusion
19 into the official file.

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