

1 [Lease Agreement - China Basin Ballpark Company, LLC - Pier 48 - Mission Rock Project]

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3 **Resolution approving a Lease Agreement between the Port and China Basin Ballpark**
4 **Company, LLC (“CBBC”) for Pier 48; with a Base Rent of \$55,416.47 per month from**
5 **April through September and \$2,916.67 per month from October through March, in**
6 **recognition of increased parking demand by ballpark patrons during the baseball**
7 **season, with 66% of gross revenues for all parking operations less parking taxes and**
8 **authorized, substantiated extraordinary expenses, as further defined in the Lease, to be**
9 **paid by CBBC, for a ten-year term to commence following approval by the Board and**
10 **the Mayor, for the proposed Mission Rock Project; and adopting findings under the**
11 **California Environmental Quality Act.**

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13 WHEREAS, California Statutes of 1968, Chapter 1333 (“Burton Act”) and Charter,
14 Sections 4.114 and B3.581 empower the City and County of San Francisco, acting through
15 the San Francisco Port Commission (“Port”), with the power and duty to use, conduct,
16 operate, maintain, manage, regulate and control the lands within Port Commission jurisdiction;
17 and

18 WHEREAS, The Port owns approximately 28 acres of real property along San
19 Francisco’s Central Waterfront comprised of (1) Seawall Lot 337, bounded by Third Street on
20 the west, Parcel P20 and Mission Rock Street on the south, Pier 48 to the east, and China
21 Basin Park on the north; (2) Pier 48; (3) China Basin Park; (4) the marginal wharf between
22 Pier 48 and Pier 50; and (5) Parcel P20 (collectively, the “Site”); and

23 WHEREAS, From 2007-2010, the Port conducted a community process that evaluated
24 the unique site conditions and opportunities at the Site and built a public consensus for its
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1 future that nested within the policies established for the South Beach/China Basin Waterfront
2 in the Port's Waterfront Land Use Plan; and

3 WHEREAS, In May 2010, by Resolution No. 10-32, the Port Commission awarded to
4 Seawall Lot 337 Associates, LLC, a Delaware limited liability company ("Developer"), through
5 a competitive process, the opportunity to negotiate exclusively for the mixed-use development
6 of Seawall Lot 337 and Pier 48, and the Port Commission later added China Basin Park, the
7 marginal wharf between Pier 48 and Pier 50, and Parcel P20 to the development (collectively,
8 the "Project"); and

9 WHEREAS, Developer is a wholly-owned subsidiary of Giants Development Services,
10 LLC, which in turn is a wholly-owned subsidiary of San Francisco Baseball Associates, LLC,
11 the Major League Baseball franchise holder of the San Francisco Giants; and

12 WHEREAS, On March 8, 2013, by Resolution No. 13-10, the Port Commission
13 endorsed the Term Sheet for the Project; and

14 WHEREAS, In May 2013, by Resolution No. 142-13, the Board of Supervisors found
15 the Project fiscally feasible under Administrative Code, Chapter 29 and endorsed the Term
16 Sheet for the Project, which is now known as "Mission Rock"; and

17 WHEREAS, Port and City staff and Developer have negotiated the terms of the
18 Disposition and Development Agreement ("DDA"), a copy of which is in Board File
19 No. 180092 and incorporated in this resolution by reference, and related transaction
20 documents that are incorporated into the DDA and provide the overall road map for
21 development of the Project, including a Financing Plan, an Infrastructure Plan, a Housing
22 Plan, a Transportation Plan and a Transportation Demand Management Plan, a Workforce
23 Development Plan, an LBE Utilization Program, and forms of an interim Master Lease, a
24 Vertical Disposition and Development Agreement and a Parcel Lease; and

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1 WHEREAS, The DDA contemplates the proposed rehabilitation and reuse of Pier 48, a
2 significant contributing resource to the Port of San Francisco Embarcadero Historic District,
3 but Developer has not yet identified a long term use for Pier 48 that would result in
4 rehabilitating the facility; and

5 WHEREAS, Port and Developer have agreed to cooperate on identifying a potential
6 long term use of Pier 48; and

7 WHEREAS, China Basin Ballpark Company, LLC (“CBBC”), an affiliate of Developer,
8 currently has a license from the Port to use portions of Pier 48 for parking and special events;
9 and

10 WHEREAS, Port and CBBC have agreed to terms for an interim lease (“Lease”) to
11 allow the current uses in Pier 48, including parking and special events, to continue; and

12 WHEREAS, The Port Commission approved the Lease on January 30, 2018 under
13 Port Commission Resolution No. 18-10, and copies of the Lease and Port Commission
14 Resolution No. 18-10 are in Board File No. 180093, and are incorporated in this resolution by
15 reference; and

16 WHEREAS, Under the Lease, the Port will lease up to approximately 212,000 square
17 feet of Pier 48 to CBBC for a term of ten (10) years; and

18 WHEREAS, Under the Lease, CBBC shall pay Base Rent of \$55,416.47 per month
19 from April through September and \$2,916.67 per month from October through March, in
20 recognition of increased parking demand by ballpark patrons during the baseball season; and

21 WHEREAS, Under the Lease, CBBC shall pay 66% of its gross revenues for all parking
22 operations less parking taxes and authorized, substantiated extraordinary expenses, as
23 further defined in the Lease; and

1 WHEREAS, Under the Lease, CBBC will be responsible for all routine maintenance of
2 the premises, with the Port and CBBC sharing responsibility for capital repairs needed to
3 allow the permissible uses to continue; and

4 WHEREAS, Under the Lease, the Port retains all rights related to the use of the aprons
5 and the berthing of vessels within the waterways adjacent to or around the aprons; and

6 WHEREAS, Under the Lease, the Port has the right to terminate the Lease before
7 expiration of the term for a Port program or project and for a Pier 48 long-term development
8 opportunity, as further described in the Lease; and

9 WHEREAS, San Francisco Charter, Section 9.118 requires Board of Supervisors
10 approval of a real property lease with a term of ten (10) or more years, or having anticipated
11 revenue to the City of One Million Dollars (\$1,000,000.00) or more when the lease is
12 executed; and

13 WHEREAS, The actions contemplated in this resolution are within the scope of the
14 project for which the Board adopted the resolution in Board File No. 171286, affirming the
15 Planning Commission’s certification of the Final Environmental Impact Report for the Seawall
16 Lot 337 and Pier 48 Mixed-Use Project (“FEIR”) and making findings in accordance with the
17 California Environmental Quality Act (California Public Resources Code section 21000 et
18 seq.) and Administrative Code Chapter 31, which resolution is incorporated herein by
19 reference; now, therefore, be it

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

21 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
22 Director of the Port or her designee to execute the Lease as approved by the City Attorney
23 and in substantially the form on file with the Clerk of the Board of the Supervisors in File
24 No. 180093; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
2 Director to enter into any additions, amendments or other modifications to the Lease
3 (including, without limitation, preparation and attachment of, or changes to, any or all of the
4 exhibits and ancillary agreements) that the Executive Director, in consultation with the City
5 Attorney, determines when taken as a whole, are in the best interests of the Port, do not
6 materially increase the obligations or liabilities of the Port or City or materially decrease the
7 public benefits accruing to the Port, and are necessary or advisable to complete the
8 transactions contemplated and effectuate the purpose and intent of this Resolution, such
9 determination to be conclusively evidenced by the execution and delivery by the Executive
10 Director of any such documents; and, be it

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

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