

1 [Lease Agreement – Uptown Parking Corporation – Public Parking Garage Lease]

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3 **Resolution approving and authorizing the General Manager of the Recreation and Park**  
4 **Department to execute a ten-year lease agreement with the Uptown Parking**  
5 **Corporation, with all revenue in excess of operating costs to be transferred to the**  
6 **Recreation and Park Department.**

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8 WHEREAS, The Union Square Parking Garage is a municipal parking garage, located  
9 beneath the public park commonly known as Union Square Plaza, under the jurisdiction of the  
10 Recreation and Park Department (“the Department”); and

11 WHEREAS the Uptown Parking Corporation (“Uptown”) is a non-profit entity created for  
12 the purpose of assisting the City in financing and managing the Union Square Parking  
13 Garage; and

14 WHEREAS, The Uptown Parking Corporation has operated the Union Square Parking  
15 Garage since May 5, 1959; and

16 WHEREAS, On May 1, 1999, the City and County of San Francisco, on behalf of the  
17 Recreation and Park Department, entered into a new lease agreement with Uptown for the  
18 purpose of issuing debt in the amount of \$19 million to fund the renovation of Union Square  
19 Plaza and Parking Garage; and

20 WHEREAS, Pursuant to section 49 of the 1999 lease agreement, the lease would be  
21 terminated 90 days after repayment of said debt; and

22 WHEREAS, In the summer of 2012, the Department and Uptown negotiated a short  
23 term extension of the contract which was approved by the Commission and Board of  
24 Supervisors to continue operation of Union Square Parking Garge while a new lease was  
25 negotiated and finalized; and

1           WHEREAS, With the negotiations now complete, the Department desires to execute a  
2 ten-year lease agreement with Uptown (“Lessee”), a copy of which is on file with the Clerk of  
3 the Board of Supervisors under File No. \_\_\_\_\_ (the “Lease”); and

4           WHEREAS, The lease agreement includes the following key terms and conditions:

- 5           (a) Term. The term of Lease is ten (10) years.
- 6           (b) Option Term. The Lease provides the City with two (2) five-year options to extend.
- 7           (c) Rent. The Lease provides the City will all revenue in excess of Lessee’s operating  
8           costs.
- 9           (d) Maintenance Fund. Beginning the second (2<sup>nd</sup>) year of the Term, Lessee is  
10           required to establish a Garage Capital Account. Each month, Lessee is obligated to  
11           transfer Twenty Thousand Eight Hundred Thirty-Three Dollars (\$28,833) into the  
12           Garage Capital Account. Each year the balance inthe Garage Capital Account shall  
13           not exceed Two Hundred Fifty Thousand Dollars (\$250,000). In no event, shall the  
14           total balance of the Garage Capital Account exceed Seven Hundred Fifty Thousand  
15           Dollars (\$750,000). In the event of a surplus in the Garage Capital Account, such  
16           excess shall be transferred to City.
- 17           (e) Supplemental Maintance. In order to ensure the foremost use and enjoyment of  
18           the Park, and preserve the premises in a first class condition, the Lease requires  
19           Lessee to provide certain supplemental maintenance services. Such supplemental  
20           maintenance services will be in addition to maitenance services currently performed  
21           by City on the Premises. The supplemental maintenance services include  
22           custodial, security, and event management.

1           WHEREAS, On May 21, 2015, the Recreation and Park Commission voted by  
2 Resolution No. \_\_\_\_\_ to recommend that the Board of Supervisors approve and  
3 authorize the General Manager of the Recreation and Park Department to execute a ten-year  
4 lease,

5           WHEREAS, Due to the character of the lease and the expected term of the agreement  
6 exceeding ten years, approval by the Board of Supervisors is required under Charter Section  
7 9.118, now, therefore, be it

8           FURTHER RESOLVED, That the Board of Supervisors authorizes the Recreation and  
9 Park Department General Manager to enter into additions, amendments, or other  
10 modifications to the Lease (including, without limitation, preparation and attachment of, or  
11 charges to, any or all of the exhibits) that the General Manager, in consultation with the City  
12 Attorney, determines are in the best interest of the City, do not materially decrease the  
13 benefits of the Lease to the City, do not materially increase the obligations or liabilities of the  
14 City, do not authorize the performance of any activities without pursuing all required regulatory  
15 and environmental review and approvals, and are necessary or advisable to complete the  
16 transactions which the Lease contemplates and effectuate the purpose and interest of this  
17 resolution, such determination to be conclusively evidenced by the executions and delivery by  
18 the General Manager of the Lease and any such additions, amendments, or other  
19 modifications to that document; and be it

20           FURTHER RESOLVED, That the Board of Supervisors approves, confirms, and ratifies  
21 all prior actions taken by the officials, employees, and agents of the City with respect to the  
22 Lease.

23           FURTHER RESOLVED, That within thirty (30) days of the lease being fully executed  
24 by all parties the Recreation and Park Department shall provide the final contract to the Clerk  
25 of the Board for inclusion into the official file.