

FILE NO. 982131

ORDINANCE NO. 34-99

1 [Union Square Public Parking Garage Lease and Bonds]  
2 APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE OF THE  
3 UNION SQUARE PUBLIC PARKING GARAGE, A SUPPLEMENTAL PARK MAINTENANCE  
4 AGREEMENT, AN AMENDMENT TO THE LEASE OF THE SUTTER-STOCKTON GARAGE  
5 AND AN AMENDMENT TO A 1993 PAYMENT AGREEMENT; APPROVING THE ISSUANCE  
6 OF CITY OF SAN FRANCISCO UPTOWN PARKING CORPORATION PARKING REVENUE  
7 BONDS AND AUTHORIZING AND RATIFYING THE EXECUTION AND DELIVERY OF  
8 DOCUMENTS REASONABLY NECESSARY FOR THE ISSUANCE, SALE AND DELIVERY  
9 OF SUCH BONDS; ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA  
10 ENVIRONMENTAL QUALITY ACT; AND ADOPTING FINDINGS OF CONSISTENCY WITH  
11 THE SAN FRANCISCO GENERAL PLAN; ALL IN CONNECTION WITH THE FINANCING OF  
12 IMPROVEMENTS TO AND THE EXPANSION OF THE UNION SQUARE PUBLIC PARKING  
13 GARAGE AND OF IMPROVEMENTS TO UNION SQUARE PARK.

14 Be it ordained by the People of the City and County of San Francisco:

15 Section 1. The Board of Supervisors hereby makes the following findings:

16 The City and County of San Francisco (the "City") has a need for and desires to make  
17 (i) certain improvements (the "Garage Improvements") to the Union Square Parking Garage  
18 (the "Garage") and (ii) certain improvements (the "Park Improvements", and together with the  
19 Garage Improvements, the "Improvements") related to the redesign and reconstruction of the  
20 Union Square Park (the "Park") to greatly enhance the use and enjoyment of the Garage and  
21 the Park by the citizens of, and visitors to, San Francisco. Conceptual designs of the  
22 Improvements are on file with the Clerk of the Board in File No. 982131.

23 The City can efficiently finance the Improvements by entering into a lease for the  
24 Garage (the "1999 Lease") with the City of San Francisco Uptown Parking Corporation (the  
25 "Corporation"), and certain other related documents described in this Ordinance, in

1 connection with the issuance by the Corporation, acting for and on behalf of the City, of  
2 certain City of San Francisco Uptown Parking Corporation Parking Revenue Bonds (the  
3 "Bonds").

4 The Corporation is a California non-profit public benefit corporation which was originally  
5 established by the City for the purpose of financing the construction and operation of the  
6 Sutter-Stockton Garage.

7 The Corporation has amended its Articles of Incorporation to provide for the operation  
8 and improvement of the Garage in addition to the Sutter-Stockton Garage.

9 The current lease between the City and the Corporation for the Sutter-Stockton Garage  
10 (the "Sutter-Stockton Lease") is scheduled to expire on May 5, 2023. However, pursuant to a  
11 certain agreement entered into between the City, the Corporation and the Downtown Parking  
12 Corporation (the "Downtown Corporation"), dated as of February 1, 1993 (the "1993 Payment  
13 Agreement"), the Sutter-Stockton Lease will be extended if necessary in order to provide for  
14 payment of certain bonds (the "Downtown Bonds") issued in 1993 by the Downtown  
15 Corporation. The Downtown Bonds were issued to finance seismic and other improvements  
16 to, and the expansion of, the public parking garage located at Fifth and Mission Streets in the  
17 City.

18 In connection with the execution and delivery of the 1999 Lease and the issuance of  
19 the Bonds, the City, in order to provide additional security to the purchasers of the Bonds, has  
20 a need for and desires to extend the lease term of the Sutter-Stockton Lease to the earlier of  
21 May 5, 2035 or the date the Downtown Bonds and the Bonds have been paid in full.

22 The Corporation, the Downtown Corporation, the Parking and Traffic Commission of  
23 the City (the "Parking Commission") and the City desire, in order to provide the additional  
24 security to the purchasers of the Bonds, to enter into an amendment to the 1993 Payment  
25 Agreement concerning transfers of surplus moneys from the Sutter-Stockton Garage to the

1 Corporation for the benefit of the purchasers of the Bonds (the "Payment Agreement  
2 Amendment").

3 The City will realize unique economic and other public benefits by entering into the  
4 1999 Lease with the Corporation to finance the Improvements on a sole-source basis, without  
5 competitive bidding or publication, including, among other things, the Corporation's pledge of  
6 additional collateral for repayment of the Bonds under the Payment Agreement Amendment  
7 and the amendment to the Sutter-Stockton Lease contemplated herein, which may only be  
8 provided by the Corporation.

9 In order to ensure the foremost use and enjoyment of the Park Improvements and to  
10 ensure the preservation and maintenance of the Park, the City, the Recreation and Park  
11 Commission of the City (the "Recreation and Parks Commission") and the Corporation desire  
12 to enter into an agreement to provide certain supplemental maintenance and repair services  
13 to the Park in addition to the services currently provided to the Park by the City (the  
14 "Supplemental Maintenance Agreement").

15 Pursuant to Section 4.113(1) of the City's Charter, construction of the Park  
16 Improvements requires approval by the Board of Supervisors by a two-thirds vote.

17 The design elements of the Park Improvements are and will remain subject to the  
18 approval of the City's Arts Commission and the Recreation and Parks Commission.

19 In Resolution No. 635-92, the Board of Supervisors requested that the Department of  
20 Parking and Traffic consider and initiate an open bidding process leading to the award of sub-  
21 concessionaire agreements for hotel parking at the Sutter-Stockton and Union Square  
22 garages, provided such agreements are financially beneficial to the City.

23 Section 2. In accordance with the recommendation of the Parking Commission, the  
24 form of 1999 Lease presented to this Board of Supervisors, copies of which are on file with  
25 the Clerk of the Board of Supervisors (the "Clerk") in File No. 982131, is hereby

1 approved. The Mayor is hereby authorized to execute and deliver, and the Clerk is hereby  
2 directed to affix the seal of the City to and to attest, the 1999 Lease in substantially the form  
3 hereby approved with such changes as may be made pursuant to Section 6.

4 Section 3. In accordance with the recommendation of the Recreation and Parks  
5 Commission, the form of the Supplemental Maintenance Agreement presented to this Board  
6 of Supervisors, copies of which are on file with the Clerk in File No. 982131, is  
7 hereby approved. The Mayor is hereby authorized to execute and deliver, and the Clerk is  
8 hereby directed to affix the seal of the City to and to attest, the Supplemental Maintenance  
9 Agreement in substantially the form hereby approved with such changes as may be made  
10 pursuant to Section 6.

11 Section 4. In accordance with the recommendation of the Parking Commission, the  
12 form of Amendment and Extension to the Sutter-Stockton Lease (the "Sutter-Stockton  
13 Amendment") presented to this Board of Supervisors, copies of which are on file with the  
14 Clerk in File No. 982131, is hereby approved. The Mayor is hereby authorized to  
15 execute and deliver, and the Clerk is hereby directed to affix the seal of the City to and to  
16 attest, the Sutter-Stockton Amendment in substantially the form hereby approved with such  
17 changes as may be made pursuant to Section 6.

18 Section 5. In accordance with the recommendation of the Parking Commission, the  
19 form of Payment Agreement Amendment presented to this Board of Supervisors, copies of  
20 which are on file with the Clerk in File No. 982131, is hereby approved. The Mayor  
21 is hereby authorized to execute and deliver, and the Clerk is hereby directed to affix the seal  
22 of the City to and to attest, the Payment Agreement Amendment in substantially the form  
23 hereby approved with such changes as may be made pursuant to Section 6.

24 Section 6. The Mayor, upon consultation with the City Attorney, is hereby authorized to  
25 make any changes to the 1999 Lease, the Supplemental Maintenance Agreement, the Sutter-

1 Stockton Amendment and the Payment Agreement Amendment that hereafter become  
2 necessary or desirable in the interests of the City, which changes do not materially affect the  
3 substance, or materially increase the obligations, of the City, including without limitation  
4 alteration of Exhibit A of the 1999 Lease to conform with any title insurance requirements, with  
5 approval of such changes to be conclusively evidenced by the execution of each such lease  
6 or agreement by the Mayor.

7 Section 7. The purposes and activities of the Corporation and the issuance of not to  
8 exceed \$19,000,000 principal amount of the City of San Francisco Uptown Parking  
9 Corporation Parking Revenue Bonds by the Corporation for the purpose of financing the  
10 Improvements are hereby approved. The Bonds may be issued at a net original issue  
11 premium or discount not to exceed 5% of the principal amount thereof.

12 Section 8. The Board of Supervisors hereby waives any competitive bidding or other  
13 requirements applicable to the 1999 Lease under the provisions of Section 7.403 of the City's  
14 (former) Charter of 1932, which provisions were incorporated in the City's Administrative Code  
15 as an uncodified ordinance in connection with the City's Charter Amendment of 1996.

16 Section 9. The authorizations and approvals contained in this Ordinance shall be  
17 deemed approvals pursuant to Section 9.118 of the Charter of the City related to contracts  
18 with revenues of greater than one million dollars or for a term in excess of ten years.

19 Section 10. The Board hereby approves the construction of the Improvements. Such  
20 approvals shall be deemed to constitute the approval required pursuant to Section 4.113 of  
21 the Charter of the City related to the construction of improvements to Union Square and the  
22 lease of subsurface space below a park for parking purposes.

23 Section 11. The Board of Supervisors, on behalf of the City, has considered and  
24 reviewed the Negative Declaration for the Union Square Improvement Project, independently  
25 prepared and certified by the City Planning Department on August 18, 1998 (the "Negative

1 Declaration"), and herein adopts the findings of the Negative Declaration to satisfy the  
2 California Environmental Quality Act ("CEQA"), Public Resources Code Section 21000 *et*  
3 *seq.*, as authorized by Section 15074 of the CEQA Guidelines (California Administrative  
4 Code, Title 14). The Board of Supervisors further finds that, on the basis of the initial study  
5 referenced in the Negative Declaration and comments received, there is no substantial  
6 evidence that any of the approvals hereunder or the Improvements to the Park and Garage  
7 financed by the sale of the Bonds will have a significant effect on the environment.

8 Section 12. The Board of Supervisors hereby makes the following findings of  
9 consistency with the San Francisco General Plan: Pursuant to Charter Section 4.105, this  
10 Board of Supervisors has reviewed and considered the Planning Department's determination  
11 that the 1999 Lease and other agreements described herein, the purposes of which are to  
12 enable the construction of the Improvements, are consistent with the General Plan and the  
13 Eight Priority Policies of Section 101.1 of the Planning Code. The Board hereby adopts as its  
14 own those findings described in the letter from the Planning Department dated February 4,  
15 1999, a copy of which is on file with the Clerk of the Board in File No. 982131.

16 Section 13. This Board of Supervisors hereby authorizes and approves the execution  
17 and delivery by the Corporation of any leasehold mortgages, deeds of trust or other security  
18 instruments with respect to the Corporation's interests under the 1999 Lease or the Sutter-  
19 Stockton Lease which may be necessary or appropriate in order to consummate the lawful  
20 issuance, sale and delivery of the Bonds.

21 Section 14. The City will accept title to the Union Square Public Parking Garage,  
22 including the Improvements financed by the Bonds and any other additions thereto, upon  
23 discharge of the Bonds.  
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1           Section 15. The Board of Supervisors urges the Parking Commission and the  
2 Department of Parking and Traffic to require the Corporation to initiate an open, competitive  
3 bidding process for management of the Union Square Garage. The Board further urges the  
4 Parking Commission and the Department of Parking and Traffic to require that, to the extent  
5 consistent with the tax-exempt status of the Bonds, respondents to that competitive bidding  
6 process (i) guarantee that net revenues from the Garage operator will be equal to or greater  
7 than \$3.5 million dollars per year, and (ii) pursuant to Board Resolution No. 635-92, provide  
8 for hotel parking at the Garage, provided such agreements are financially beneficial to the  
9 City.

10           Section 16. The Mayor, City Administrator, Clerk of the Board of Supervisors, City  
11 Attorney, City Controller, Director of Public Works, Director of Property and all other officers of  
12 the City are each hereby authorized and directed to take any and all steps and to execute and  
13 deliver any and all certificates, requisitions, agreements, notices, consents, opinions and other  
14 documents, which they or any of them might deem necessary or appropriate in order to  
15 consummate the lawful issuance, sale and delivery of the Bonds and the other transactions  
16 contemplated herein.

17           Section 17. All actions authorized and directed by this Ordinance and heretofore taken  
18 are hereby ratified, approved and confirmed by this Board of Supervisors.

19  
20 RECOMMENDED:

21 PARKING AND TRAFFIC COMMISSION

22 see file for signature


23 By: \_\_\_\_\_  
24  
25

1 RECOMMENDED:  
2 RECREATION AND PARK DEPARTMENT

3 see files for signature

4 By: \_\_\_\_\_

5  
6 APPROVED AS TO FORM:  
7 LOUISE H. RENNE, City Attorney

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9  
10 By:   
11 MICHAEL S. COHEN  
12 Deputy City Attorney

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# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails Ordinance

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**File Number:** 982131

**Date Passed:**

Ordinance approving and authorizing the execution and delivery of a lease of the Union Square Public Parking Garage, a supplemental park maintenance agreement, an amendment to the lease of the Sutter-Stockton Garage and an amendment to a 1993 payment agreement; approving the issuance of City of San Francisco Uptown Parking Corporation Parking Revenue Bonds and authorizing and ratifying the execution and delivery of documents reasonably necessary for the issuance, sale and delivery of such bonds; adopting findings pursuant to the California Environmental Quality Act; and adopting findings of consistency with the San Francisco General Plan; all in connection with the financing of improvements to and the expansion of the Union Square Public Parking Garage and of improvements to Union Square Park.

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February 17, 1999 Board of Supervisors — PASSED, ON FIRST READING

Ayes: 9 - Ammiano, Becerril, Bierman, Brown, Kaufman, Leno, Newsom, Teng,  
Yaki

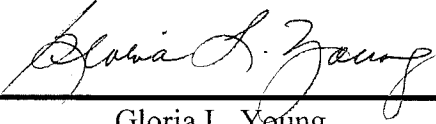
Absent: 2 - Katz, Yee

February 22, 1999 Board of Supervisors — FINALLY PASSED

Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom,  
Teng, Yaki, Yee

File No. 982131

I hereby certify that the foregoing Ordinance  
was **FINALLY PASSED** on February 22,  
1999 by the Board of Supervisors of the City  
and County of San Francisco.



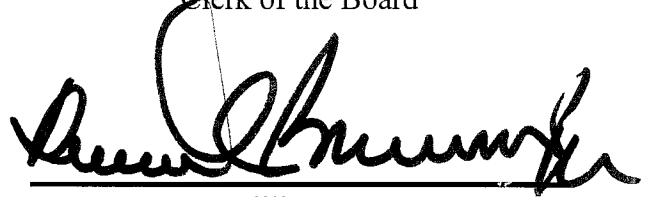
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Gloria L. Young  
Clerk of the Board

MAR - 5 1999

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Date Approved



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Mayor Willie L. Brown Jr.

File No. 982131 continued...