

1 [Settlement of Unlitigated Claims - Skyline Stables Corporation - \$650,000]

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3 **Resolution approving the settlement of the unlitigated claims by and between Skyline**
4 **Stables Corporation (Skyline) and City and County of San Francisco, related to the**
5 **lease between Skyline and the San Francisco Public Utilities Commission (SFPUC) of a**
6 **portion of the SFPUC Harry Tracy Water Treatment Plant (HTWTP) site in San Mateo**
7 **County, the SFPUC approval of the HTWTP Long Term Improvement Project to improve**
8 **water service reliability and seismic stability of the HTWTP, the SFPUC termination of**
9 **Skyline's lease and Skyline's vacation of the lease premises, and SFPUC's offer to**
10 **acquire the leasehold interest, calling for SFPUC to pay \$650,000 to Skyline, and**
11 **including other material terms and conditions in a settlement and release agreement.**

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13 WHEREAS, Disputes arose between Skyline Stables Corporation (Skyline) and the
14 City and County of San Francisco, related to Skyline's lease of a portion of the San Francisco
15 Public Utilities Commission (SFPUC) Harry Tracy Water Treatment Plant (HTWTP) site, dated
16 November 15, 2005 (Lease); the SFPUC approval, on October 15, 2010, of the HTWTP Long
17 Term Improvement Project to improve water service reliability and seismic stability of the
18 HTWTP; the SFPUC notice to terminate the Lease requiring Skyline to vacate the Lease
19 premises on or before November 30, 2010; and the SFPUC offer to acquire the leasehold
20 interest (Disputes). Skyline and the SFPUC have executed a settlement and release
21 agreement recommended by the City Attorney to resolve the Disputes (Agreement), on file
22 with the Board of Supervisors in File No. 101357, subject to this Board's approval; and

23 WHEREAS, The Agreement requires the SFPUC to pay \$650,000 to Skyline, and
24 includes other material terms, including but not limited to: (1) SFPUC forgiveness of rent due
25 under the Lease for October and November 2010, and the termination of the Lease consistent

1 with the SFPUC Lease termination notice to Skyline dated October 15, 2010, and (2) releases
2 of claims related to the Disputes; and

3 WHEREAS, The Agreement is subject to certain conditions precedent to effectiveness,
4 including but not limited to: (1) this Board's review and approval of a proposed Resolution
5 adopting findings under the California Environmental Quality Act (CEQA), including the
6 adoption of a mitigation monitoring and reporting program and a statement of overriding
7 considerations related to the HTWTP Long-Term Improvements Project No. CUW36701, part
8 of the Water System Improvement Program, and directing the Clerk of the Board of
9 Supervisors to notify the Controller if the Resolution is approved, which Resolution is on file
10 with the Board of Supervisors in File No. 101301, (2) the Board Budget and Finance
11 Committee approval of a release of the reserve on the appropriation for the HTWTP Project
12 established in Ordinance No. 092-10, (3) the Controller's certification of funds available for the
13 HTWTP Project, including the payment to Skyline under the Agreement, and (4) Skyline's
14 vacation of the lease premises by November 30, 2010, or such later date that the SFPUC
15 General Manager determines at his sole discretion is consistent with the HTWTP Project
16 schedule; now, therefore, be it

17 RESOLVED, That pursuant to Section 10.22 and 10.24 of the San Francisco
18 Administrative Code, settlement and compromise of said unlitigated Disputes by and between
19 the SFPUC and Skyline, including the SFPUC's payment to Skyline of \$650,000, is hereby
20 approved, subject to the terms and conditions in the Settlement and Release Agreement
21 between the SFPUC and Skyline, dated October 25, 2010, on file with the Board of
22 Supervisors in File No. 101357.

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Supervisor Avalos
BOARD OF SUPERVISORS

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APPROVED:

DENNIS J. HERRERA

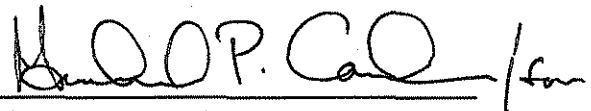
City Attorney



Noreen Ambrose
Utilities General Counsel

RECOMMENDED:

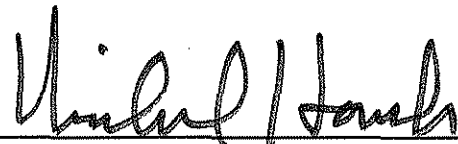
San Francisco Public Utilities Commission



Edward M. Harrington
General Manager, Public Utilities
Commission

AUTHORIZED BY SFPUC Resolution No.

10-0176



Commission Secretary Mike Housh
Public Utilities Commission



City and County of San Francisco

Tails

Resolution

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

File Number: 101357

Date Passed: November 09, 2010

Resolution approving the settlement of the unlitigated claims by and between Skyline Stables Corporation (Skyline) and City and County of San Francisco, related to the lease between Skyline and the San Francisco Public Utilities Commission (SFPUC) of a portion of the SFPUC Harry Tracy Water Treatment Plant (HTWTP) site in San Mateo County, the SFPUC approval of the HTWTP Long Term Improvement Project to improve water service reliability and seismic stability of the HTWTP, the SFPUC termination of Skyline's lease and Skyline's vacation of the lease premises, and SFPUC's offer to acquire the leasehold interest, calling for SFPUC to pay \$650,000 to Skyline, and including other material terms and conditions in a settlement and release agreement.

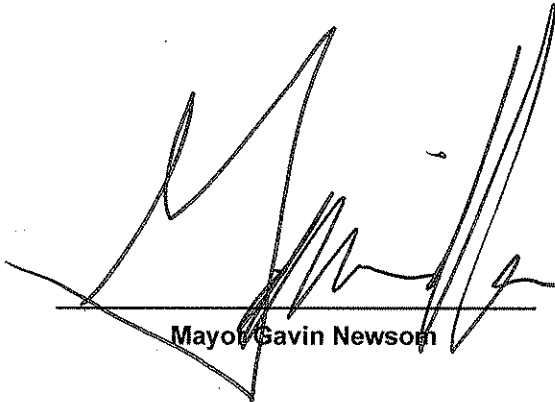
November 03, 2010 Budget and Finance Committee - RECOMMENDED

November 09, 2010 Board of Supervisors - ADOPTED


Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

File No. 101357

I hereby certify that the foregoing Resolution was ADOPTED on 11/9/2010 by the Board of Supervisors of the City and County of San Francisco.



Mayor Gavin Newsom



Angela Calvillo
Clerk of the Board

November 13, 2010
Date Approved