1   [Settlement of Lawsuits - Park Hotels & Resorts Inc. - Stipulated Assessed Value of
2   $139,800,000 and Refund of $983,430 Plus Statutory Interest - Repealing Ordinance No. 260-24]

3

4   **Ordinance authorizing settlement of two related lawsuits filed by Park Hotels & Resorts**

5   **Inc. et al. against the City and County of San Francisco concerning the real property**

6   **located at 555 North Point (Assessor's Parcel Block No. 0029, Lot No. 007) (the**

7   **"Subject Property") for a stipulated assessed value of the Subject Property of**

8   **$139,800,000 as of September 17, 2019, contingent upon the Assessment Appeals**

9   **Board's approval, and a refund of $983,430 plus statutory interest; the first lawsuit was**

10 **filed on August 7, 2023, in San Francisco Superior Court, Case No. CGC-23-608156;**

11 **entitled <u>Park Hotels & Resorts Inc., et al. v. City and County of San Francisco</u>; the**

12 **second lawsuit was filed on June 27, 2023, in San Francisco Superior Court, Case No.**

13 **CGC-23-607311; entitled <u>Park Hotels & Resorts Inc. v. City and County of San**

14 **Francisco, et al.</u>; the lawsuits involve the assessed value of the Subject Property for**

15 **property tax purposes as of the September 17, 2019 change in ownership date and a**

16 **transfer tax refund; and repealing Ordinance No. 260-24, which authorized a prior**

17 **settlement of these lawsuits.**

18

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

20

21   Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby

22 authorizes the City Attorney to settle the action entitled <u>Park Hotels & Resorts Inc., et al. v.</u>

23 <u>City and County of San Francisco</u>, San Francisco Superior Court, Case No. CGC-23-608156,

24 for a stipulated assessed value of the real property located at 555 North Point, San Francisco,

25

1   CA (APN 0029-007) of $139,800,000 as of September 17, 2019, contingent upon the

2   Assessment Appeals Board's approval;

3

4   Section 2. The action in Section 1 was filed in San Francisco Superior Court on

5   August 7, 2023, and the following parties were named in the lawsuit: Park Hotels and Resorts

6   Inc., a Delaware Corporation, Park Intermediate Holdings LLC, a Delaware Limited Liability

7   Company, CHSP Fisherman Wharf LLC, a Delaware Limited Liability Company, and CHSP

8   TRS Fisherman Wharf LLC, a Delaware Limited Liability Company, Plaintiffs; and City and

9   County of San Francisco, Defendant.

10

11   Section 3.   Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby

12   authorizes the City Attorney to settle the action entitled <u>Park Hotels & Resorts Inc., et al. v.</u>

13   <u>City and County of San Francisco, et al.</u>, San Francisco Superior Court, Case No. CGC-23-

14   607311, for the payment of $983,430, plus statutory interest. The lawsuit involves a transfer

15   tax refund.

16

17   Section 4.   The action in Section 3 was filed in San Francisco Superior Court on

18   June 27, 2023, and the following parties were named in the lawsuit: Park Hotels and Resorts

19   Inc., a Delaware Corporation, Park Intermediate Holdings LLC, a Delaware Limited Liability

20   Company, and CHSP Fisherman Wharf LLC, a Delaware Limited Liability Company, Plaintiffs;

21   and City and County of San Francisco, San Francisco Assessor-Recorder, San Francisco

22   Controller, San Francisco Board of Supervisors, San Francisco Treasurer, San Francisco Tax

23   Collector, and Does 1-10, Defendants.

24

25

Section 5. Ordinance No. 260-24 approved a prior settlement with the same parties to resolve the actions identified in Sections 1 and 3. Ordinance No. 260-24 became effective on November 14, 2024, but the City has not yet implemented the settlement authorized by that ordinance. The settlement authorized by Sections 1 and 3 of this ordinance supersedes the prior settlement. Accordingly, Ordinance No. 260-24 is hereby repealed.

APPROVED AS TO FORM AND
RECOMMENDED:

DAVID CHIU
City Attorney

/s/ Scott M. Reiber
SCOTT M. REIBER
Chief Tax Attorney

FUNDS AVAILABLE:

/s/ Michelle Allersma for Greg Wagner
GREG WAGNER
Controller

RECOMMENDED:

OFFICE OF THE ASSESSOR-RECORDER

/s/ Joaquín Torres
JOAQUÍN TORRES
Assessor-Recorder

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City and County of San Francisco

Tails

Ordinance

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

File Number: 241116

Date Passed: December 17, 2024

Ordinance authorizing settlement of two related lawsuits filed by Park Hotels & Resorts Inc. et al. against the City and County of San Francisco concerning the real property located at 555 North Point (Assessor's Parcel Block No. 0029, Lot No. 007) (the "Subject Property") for a stipulated assessed value of the Subject Property of $139,800,000 as of September 17, 2019, contingent upon the Assessment Appeals Board's approval, and a refund of $983,430 plus statutory interest; the first lawsuit was filed on August 7, 2023, in San Francisco Superior Court, Case No. CGC-23-608156; entitled Park Hotels & Resorts Inc., et al. v. City and County of San Francisco; the second lawsuit was filed on June 27, 2023, in San Francisco Superior Court, Case No. CGC-23-607311; entitled Park Hotels & Resorts Inc. v. City and County of San Francisco, et al.; the lawsuits involve the assessed value of the Subject Property for property tax purposes as of the September 17, 2019 change in ownership date and a transfer tax refund; and repealing Ordinance No. 260-24, which authorized a prior settlement of these lawsuits.

December 05, 2024 Government Audit and Oversight Committee - RECOMMENDED AS COMMITTEE REPORT

December 10, 2024 Board of Supervisors - PASSED, ON FIRST READING

    Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai and Walton
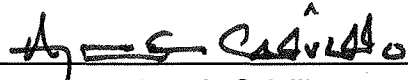
December 17, 2024 Board of Supervisors - FINALLY PASSED

    Ayes: 9 - Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai and Walton
    Excused: 1 - Chan

File No. 241116

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 12/17/2024 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Angela Calvillo
Clerk of the Board

London N. Breed

London N. Breed
Mayor

12/19/24

Date Approved