

THIS PRINT COVERS CALENDAR ITEM NO. : 10.6

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Acting as both the SFMTA Board of Directors and the Parking Authority Commission, recommending that the Board of Supervisors approve an ordinance to transfer all properties and improvements owned by the Parking Authority of the City and County of San Francisco (Parking Authority), consisting of six parking garages and one surface lot, to the San Francisco Municipal Transportation Agency (SFMTA), so that certain properties may be developed for non-parking uses.

SUMMARY:

- The San Francisco Parking Authority is a State agency whose operations are governed by the Parking Law of 1949 that owns six parking garages and one surface lot.
- Over the past 28 years, the operation of publicly owned parking facilities has been consolidated into a single agency. The Charter gives the SFMTA exclusive authority over City-owned parking facilities, with the exception of parking at the Port and the Airport.
- The SFMTA Board of Directors sits as the Parking Authority Commission. In 2007, the Parking Authority contracted with the SFMTA to manage all Parking Authority facilities.
- Several of the Parking Authority's properties may be better utilized if they were developed for non-parking uses, such as transit oriented commercial or residential development. Those uses could supplement or replace the parking functions of those properties and may better serve public needs and better generate revenue to support public transit.
- State law limits the Parking Authority's ability to use its properties for non-parking uses.
- State law authorizes the Board of Supervisors to transfer the Parking Authority's properties to the City. Upon transfer, the Charter requires that those properties come under the jurisdiction of the SFMTA and gives the SFMTA the authority to develop them for non-parking uses. No changes to the properties are proposed at this time; specific development proposals will be reviewed and vetted on a case by case basis.


ENCLOSURES:

1. SFMTAB Resolution
2. Parking Authority Commission Resolution
3. Ordinance
4. Lombard Street Garage Lease Assignment Agreement

APPROVALS:

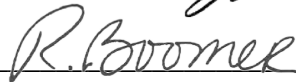
DATE

DIRECTOR



11/8/16

SECRETARY



11/8/16

ASSIGNED SFMTAB/PAC CALENDAR DATE: November 15, 2016

PAGE 2.

PURPOSE

To recommend that the Board of Supervisors approve an ordinance to transfer to the SFMTA all real property and improvements owned by the Parking Authority, consisting of six garages and one surface parking lot, so that certain of those properties may be developed for non-parking uses.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This item will meet the following goals and objectives of the SFMTA FY2013-18 Strategic Plan and Transit First Policy Principles:

Strategic Plan Goals/Objectives

- Goal 2: Make transit, walking, bicycling, taxi, ridesharing & carsharing the preferred means of travel
 - Objective 2.3: Increase use of all non-private auto modes.
 - Objective 2.4: Improve parking utilization and manage parking demand.
- Goal 3: Improve the environment and quality of life in San Francisco
 - Objective 3.2: Increase the transportation system's positive impact to the economy.
 - Objective 3.3: Allocate capital resources effectively.
 - Objective 3.5: Reduce capital and operating structural deficits.

Transit First Policy Principles

- 7. Parking policies for areas well served by public transit shall be designed to encourage travel by public transit and alternative transportation.

Furthermore, this item will also advance a number of City goals:

- The Charter directs the City to diligently seek new sources of funding for SFMTA operations (Charter §§ 8A.109(b)).
- The Administrative Code recognizes that the development of publicly owned land can help the City to meet the affordable housing goals set forth in Proposition K, passed in 2014 (Code § 23A.2(p)).
- The Housing Element of the General Plan calls for City agencies to pursue creative opportunities for affordable housing on public property, including locating housing above public parking (Policy 1.3).
- The Commerce and Industry Element of the General Plan calls for expanded employment opportunities for City residents, particularly the unemployed and economically disadvantaged (Objective 3). Commercial development on Parking Authority properties would generate economic activity and job opportunities for residents.

DESCRIPTION

The Parking Authority owns the following six parking garages and one lot:

- Lombard Garage, 2055 Lombard Street; 205 spaces, 85,206 sq. ft.
- Moscone Garage, 255 Third Street; 732 spaces, 255,444 sq. ft.
- North Beach Garage, 735 Vallejo Street; 203 spaces, 82,402 sq. ft.
- Performing Arts Garage, 360 Grove Street; 598 spaces, 213,564 sq. ft.; adjacent surface lot; 9 spaces, 4,398 sq. ft.
- Polk/Bush Garage, 1399 Bush Street; 129 spaces, 73,860 sq. ft.
- San Francisco General Hospital Garage, 2500 24th Street; 807 spaces; 480,000 sq. ft.
- Surface Lot at 2450 California Street; 48 spaces, 12,360 sq. ft.

The City created the Parking Authority in October 1949, as authorized by State law set out in the Parking Law of 1949 (the Act). The Act provides the City a means of financing and constructing off-street parking facilities without using general obligation municipal bonds, and the Act continues to govern the operations and use of Parking Authority properties.

In the first few decades after its creation, the Parking Authority played a central role in the acquisition, financing, construction, and operation of the City's 18 parking garages and 24 parking lots. But over the past 28 years, three Charter amendments have effectively merged the functions of the Parking Authority with the off-street parking functions of the City.

First, in 1988, the voters enacted Proposition D, which amended the Charter to create the Department of Parking and Traffic (DPT), and placed all City parking functions and facilities under the DPT. Under Proposition D, the members of the Parking and Traffic Commission served *ex officio* as the Parking Authority Commission, which effectively placed management of all publicly-owned off-street parking facilities within the City (except those owned by the Port and the Airport) under a single department and policy body.

Second, in 1999, the voters enacted Proposition E, which created the SFMTA and placed both the Municipal Railway and DPT under it, thereby consolidating public transit and public parking under a single agency. The SFMTA Board of Directors assumed the powers of the former Parking and Traffic Commission, and as authorized by the State law, the members of the SFMTA Board of Directors serve *ex officio* as the Parking Authority Commission.

Third, in 2007, the voters enacted Proposition A, which eliminated the DPT, formally transferring the DPT's authority over parking facilities to the SFMTA.

In 2007 the Parking Authority Commission contracted with the SFMTA to manage all Parking Authority facilities. Under the terms of that agreement, the SFMTA Board sets policies for Parking Authority facilities to mirror SFMTA parking policies, and SFMTA staff manage the Parking Authority's facilities in the same manner as they do the SFMTA's parking facilities. The Parking

PAGE 4.

Authority does not have a director nor staff of its own.

The SFMTA's Real Estate and Facilities Vision for the 21st Century (Vision Report), completed in 2013, identified several Parking Authority facilities as candidate sites for transit-oriented development that could complement or replace the present parking use. However, those properties cannot be developed for non-parking purposes as long as the Parking Authority owns them. State law restricts the Parking Authority from developing or using its properties for functions other than parking. State law requires that no more than 25 percent of the space of any Parking Authority facility may be used for non-parking uses, and then those uses must be ancillary to and necessary for the parking functions of the facility. It is not possible to develop any of the Parking Authority's facilities in any significant way within those restrictions. The Parking Authority may sell its properties, but it cannot retain an ownership interest in those properties (for example, by entering into a ground lease and development agreement) and develop the properties for primarily non-parking uses.

The Board of Supervisors has the power to transfer by ordinance the Parking Authority's properties to the City by two-thirds vote. The Board of Supervisors also has the power to wind-up the affairs of the Parking Authority and dissolve it. However, there are advantages to the City's retaining the Parking Authority as a legal entity (albeit without property), should the City in the future wish to utilize the Parking Authority again to acquire, finance, or construct parking facilities.

City law would require that upon transfer from the Parking Authority to the City, the Parking Authority's former properties would come under the SFMTA's exclusive jurisdiction over City-owned public parking facilities. The Charter also provides that the SFMTA has exclusive authority over the management, operation, use, and control of properties that are under its jurisdiction, which would include the authority to develop former Parking Authority properties for non-parking purposes. No changes to the properties are proposed at this time; specific development proposals will be reviewed and vetted on a case by case basis.

The transfer of the Lombard Garage will also require the agreement of the San Francisco Unified School District (SFUSD). The Parking Authority owns the Lombard Garage building and improvements, but the Parking Authority leases the land from SFUSD. The lease will expire in January 2044.

To effect the transfer of the Parking Authority's properties to the SFMTA, the ground lease must be assigned to the SFMTA, which would assume the obligations of the lease. The remaining term of the lease exceeds ten years, so the assignment of the lease requires Board of Supervisors' approval under Charter Section 9.118(c). Certain garages have ground floor retail spaces and telecommunications equipment sites that have been leased to private commercial entities. The leases for those properties must also be assigned from the Parking Authority to the SFMTA, which the Agency will accomplish through separate agreements to be negotiated by staff. Those lease assignment agreements must be negotiated before final action by the Board of Supervisors on the transfer of Parking Authority properties to the SFMTA.

STAKEHOLDER ENGAGEMENT

SFMTA staff have communicated extensively with City stakeholders regarding the proposed transfer of Parking Authority facilities. The Office of Economic and Workforce Development, Mayor's Office of Housing and Community Development, and SF Planning participate regularly in discussions regarding the potential development of SFMTA and Parking Authority properties. These partner agencies understand that transferring Parking Authority facilities to the SFMTA is a precondition to pursuing development opportunities at these locations. All three agencies have expressed their support for the transfer of the facilities. SFMTA staff have also reached out to the SFUSD regarding the proposed assignment of the Lombard Garage lease from the Parking Authority to the SFMTA. The SFUSD staff have expressed their support, and they have prepared a Board of Education resolution to assign the lease.

The proposed transfer of Parking Authority facilities is an administrative change that would have no immediate effect on the operations, revenues, and expenses of these facilities. No changes to the properties and no development concepts are proposed at this time. The only substantive change to these facilities would occur if the SFMTA were to determine that development is feasible at a given facility. The SFMTA is already working with partner City agencies to prepare a development process and timeline that involves extensive community outreach. As the SFMTA evaluates the feasibility of developing specific Parking Authority properties, the Agency will implement a robust community engagement strategy for the review of specific development proposals as they arise.

ALTERNATIVES CONSIDERED

SFMTA staff examined the possibility of preserving Parking Authority ownership of the six parking garages and one surface parking lot. However, because State law limits the Parking Authority's ability to develop its properties for non-parking purposes, preserving Parking Authority ownership of the properties would preclude any meaningful development of those properties. For that reason, this option was rejected.

Staff also considered whether only those individual parking garages or lots that are candidates for redevelopment might be transferred to the City. However, the Parking Law of 1949 is interpreted to require that all of the Parking Authority's properties be transferred together.

FUNDING IMPACT

The transfer of the Parking Authority's properties to the City would give the SFMTA the opportunity to generate development revenues (rent and development fees) that would supplement or replace parking revenues. The SFMTA expects that revenues from the developed properties will be greater than the parking revenues that the properties currently generate.

PAGE 6.

There would be no other financial impacts to SFMTA or to the Parking Authority arising from the transfer of the properties. SFMTA is already responsible for the management and operations of the Parking Authority properties (the costs of which are included in the SFMTA's budget), and the SFMTA already receives the revenues from those facilities.

ENVIRONMENTAL REVIEW

On October 19, 2016, the SFMTA, under authority delegated by the Planning Department, determined that the Parking Authority Property Ownership Transfer Recommendation is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and the Parking Authority Commission, and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney's Office has reviewed this calendar item.

To transfer the Parking Authority's properties to the City, State law requires that the Board of Supervisors approve by two-thirds vote an ordinance effecting that transfer. The Charter would then place those properties under the jurisdiction of the SFMTA, which has exclusive authority over off-street parking facilities, except at the Port or the Airport.

Assignment of the ground lease for the Lombard Street Garage requires approval of the Board of Supervisors under Charter Section 9.118(c), as well as approval of the SFUSD.

Assignment of the leases for the ground floor retail spaces and telecommunications equipment sites in certain garages will require approval by the lessees, the Parking Authority, and the SFMTA, which may be executed by the Director of Transportation.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors and the Parking Authority Commission request that the Board of Supervisors by ordinance transfer to the SFMTA all real property and improvements that the Parking Authority owns or leases, which consist of six garages and one surface parking lot, so that certain of those properties may be developed for non-parking uses.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The Parking Authority of the City and County of San Francisco (Parking Authority) is a State agency whose operations are governed by the Parking Law of 1949 (the Act), codified at California Streets & Highway Code section 32500 et seq., which authorizes local agencies to create parking authorities for the limited purposes of constructing and operating public parking facilities; and,

WHEREAS, The Board of Supervisors created the Parking Authority in October 1949 by Ordinance No. 9126; and,

WHEREAS, As directed by the Charter and authorized by the Act , the members of the Board of Directors of the San Francisco Municipal Transportation Agency (SFMTA) serve *ex officio* as the Parking Authority Commission; and,

WHEREAS, Proposition D of 1988, Proposition E of 1999 and Proposition A of 2007 amended the Charter to effectively consolidate the management and operation of publicly owned parking facilities under the SFMTA, which has exclusive authority over City-owned off-street public parking facilities (except parking facilities at the Airport or at the Port); and,

WHEREAS, The Parking Authority on October 18, 2007 contracted with the SFMTA to manage all Parking Authority facilities in accordance with SFMTA off-street parking policies and regulations, and SFMTA staff perform all administrative tasks for the Parking Authority, which has no staff of its own; and,

WHEREAS, The Parking Authority owns in fee the following five parking garages and underlying parcels, and one surface parking lot and underlying parcels, and the Lombard Street Garage on leased land (the Parking Authority Facilities) which provide parking to the general public:

1. Moscone Center Garage, 255 Third Street
2. North Beach Garage, 735 Vallejo Street
3. Performing Arts Garage and adjacent lot, 360 Grove Street
4. Polk/Bush Garage, 1399 Bush Street
5. San Francisco General Hospital Garage, 2500 24th Street
6. Surface Lot at 2450 California Street; and,

WHEREAS, The Parking Authority owns the Lombard Street Garage, located at 2055 Lombard Street in San Francisco, and all improvements thereof, and the Parking Authority leases the underlying property from the San Francisco Unified School District which lease will expire in 2044, the assignment of which is subject to Board of Supervisors' approval under Charter section 9.118(c); and,

WHEREAS, "The SFMTA's Real Estate and Facilities Vision for the 21st Century," a report of an extensive study of properties under SFMTA jurisdiction (including Parking Authority properties), issued in February 2013, concluded that some Parking Authority Facilities may be better utilized if developed for other uses in place of or in addition to public parking, such as transit oriented commercial or residential development, but more research and study must be done to explore further potential development opportunities and associated benefits and impacts; and,

WHEREAS, Development of non-parking uses of Parking Authority Facilities may better serve public needs, would effect a public purpose, and would generate revenue to support increasing demands for public transit, as required by the Charter, but such a determination would require further study and review as to economic feasibility, funding, demand, environmental impacts; and,

WHEREAS, The Parking Law of 1949, at Streets and Highway Code section 32804 strictly limits the Parking Authority's ability to develop or use its properties for non-parking uses; and,

WHEREAS, Streets and Highway Code section 32067 authorizes the Board of Supervisors to transfer by ordinance the Parking Authority's properties to the City by two-thirds vote; and,

WHEREAS, The transfer of the Parking Authority Facilities will not change the use of those properties for public parking and will not change the use of the revenues generated by the Parking Authority Facilities, which Charter Section 8A.105(b)1 dedicates to the SFMTA; and,

WHEREAS, Upon transfer of the Parking Authority Facilities from the Parking Authority to the City, under Charter section 8A.112(a) the Parking Authority Facilities will come under the SFMTA's exclusive jurisdiction over off-street public parking facilities; and,

WHEREAS, Investigation of non-parking uses of the Parking Authority Facilities accords with the directive of Charter Section 8A.109(b) which provides: "The Mayor, the Board of Supervisors, and the Agency diligently shall seek to develop new sources of funding for the Agency's operations, including sources of funding dedicated to the support of such operations, which can be used to supplement or replace that portion of the Municipal Transportation Fund consisting of appropriations from the General Fund of the City and County"; and

WHEREAS, Certain garages have ground floor retail spaces and telecommunications equipment sites that are leased to commercial entities, which leases must be assigned from the Parking Authority to the SFMTA as a condition of the transfer of ownership of the Parking Authority properties, which will be effected by separate agreements conditioned upon the Board of Supervisors' approval of said transfer of ownership; and

WHEREAS, Charter Section 8A.102(b)(1) grants to the SFMTA exclusive authority over the management, operation, use, and control of properties that are under its jurisdiction, which includes the authority to explore alternate, non-parking, revenue-generating uses of its properties; and,

WHEREAS, On October 19, 2016, the SFMTA, under authority delegated by the Planning Department, determined that the Parking Authority Property Ownership Transfer Recommendation is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and the Parking Authority Commission and is incorporated herein by reference; now, therefore be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors recommends that the Board of Supervisors by ordinance, in accordance with the requirements of California Streets and Highway Code Section 32067, transfer fee title to the City and County of San Francisco the following real property and all improvements and personal property located thereon that are owned by the Parking Authority:

1. Moscone Center Garage, 255 Third Street, San Francisco, Assessor's Parcel Number 3735-060;
2. North Beach Garage, 735 Vallejo Street, San Francisco, Assessor's Parcel Number 0147-029;
3. Performing Arts Garage and adjacent lot, 360 Grove Street, San Francisco, Assessor's Parcel Numbers 0792-029 and 0792-022;
4. Polk/Bush Garage, 1399 Bush Street, San Francisco; Assessor's Parcel Number 0669-012;
5. San Francisco General Hospital Garage, 2500 24th Street, San Francisco; Assessor's Parcel Number 4213-001;
6. Surface Parking Lot at 2450 California Street, San Francisco, Assessor's Parcel Numbers 0635-009A and 0635-009; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors recommends that the Board of Supervisors by ordinance, in accordance with the requirements of California Streets and Highway Code Section 32067, transfer fee title to the City and County of

San Francisco the garage facility, building and other improvements commonly known as the “Lombard Street Garage,” located at 2055 Lombard Street, Assessor’s Parcel Number 0509-009, and all personal property located thereon that are owned by the Parking Authority; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors recommends that the Board of Supervisors approve the assignment of the Parking Authority’s leasehold interest in the property under the ground lease dated January 6, 1984 between the San Francisco Unified School District, as lessor, and the Parking Authority, as lessee, for the real property located at 2055 Lombard Street, Assessor’s Parcel Number 0509-009, the benefits and obligations of which the SFMTA will assume as lessee in place of the Parking Authority; and be it further

RESOLVED, That the Director of Transportation is authorized to enter into any amendments or modifications of the Assignment Agreement between the Parking Authority, the SFMTA, and the San Francisco Unified School District that the Director of Transportation determines, in consultation with the City Attorney, are in the best interests of the City and are necessary or advisable to effect the transfer of the Lombard Street Garage and effect the purposes of this Resolution, and that do not materially alter the obligations of or costs to the SFMTA or Parking Authority; and be it further

RESOLVED, That the Director of Transportation is authorized to enter into any amendments or modifications of the leases for the ground floor retail spaces and telecommunications equipment sites in certain garages to assign said leases from the Parking Authority to the SFMTA that the Director of Transportation determines, in consultation with the City Attorney, are in the best interests of the City and are necessary or advisable to effect the transfer of those leases and effect the purposes of this Resolution, and that do not materially alter the obligations of or costs to the SFMTA or Parking Authority.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of November 15, 2016.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

PARKING AUTHORITY COMMISSION
OF THE CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION No. _____

WHEREAS, The Parking Authority of the City and County of San Francisco (Parking Authority) is a State agency whose operations are governed by the Parking Law of 1949 (the Act), codified at California Streets & Highway Code section 32500 et seq., which authorizes local agencies to create parking authorities for the limited purposes of constructing and operating public parking facilities; and,

WHEREAS, The Board of Supervisors created the Parking Authority in October 1949 by Ordinance No. 9126; and,

WHEREAS, As directed by the Charter and authorized by the Act, the members of the Board of Directors of the San Francisco Municipal Transportation Agency (SFMTA) serve *ex officio* as the Parking Authority Commission; and,

WHEREAS, Proposition D of 1988, Proposition E of 1999 and Proposition A of 2007 amended the Charter to effectively consolidate the management and operation of publicly owned parking facilities under the SFMTA, which has exclusive authority over City-owned off-street public parking facilities (except parking facilities at the Airport or at the Port); and,

WHEREAS, The Parking Authority on October 18, 2007 contracted with the SFMTA to manage all Parking Authority facilities in accordance with SFMTA off-street parking policies and regulations, and SFMTA staff perform all administrative tasks for the Parking Authority, which has no staff of its own; and,

WHEREAS, The Parking Authority owns in fee the following five parking garages and underlying parcels, and one surface parking lot and underlying parcels, and the Lombard Street Garage on leased land (the Parking Authority Facilities) which provide parking to the general public:

1. Moscone Center Garage, 255 Third Street
2. North Beach Garage, 735 Vallejo Street
3. Performing Arts Garage and adjacent lot, 360 Grove Street
4. Polk/Bush Garage, 1399 Bush Street
5. San Francisco General Hospital Garage, 2500 24th Street
6. Surface Lot at 2450 California Street; and,

WHEREAS, The Parking Authority owns the Lombard Street Garage, located at 2055 Lombard Street in San Francisco, and all improvements thereof, and the Parking Authority leases the underlying property from the San Francisco Unified School District which lease will expire in

2044, the assignment of which is subject to Board of Supervisors' approval under Charter section 9.118(c); and,

WHEREAS, "The SFMTA's Real Estate and Facilities Vision for the 21st Century," a report of an extensive study of properties under SFMTA jurisdiction (including Parking Authority properties), issued in February 2013, concluded that some Parking Authority Facilities may be better utilized if developed for other uses in place of or in addition to public parking, such as transit oriented commercial or residential development, but more research and study must be done to explore further potential development opportunities and associated benefits and impacts; and,

WHEREAS, Development of non-parking uses of Parking Authority Facilities may better serve public needs, would effect a public purpose, and would generate revenue to support increasing demands for public transit, as required by the Charter, but such a determination would require further study and review as to economic feasibility, funding, demand, environmental impacts; and,

WHEREAS, The Parking Law of 1949, at Streets and Highway Code section 32804 strictly limits the Parking Authority's ability to develop or use its properties for non-parking uses; and,

WHEREAS, Streets and Highway Code Section 32067 authorizes the Board of Supervisors to transfer by ordinance the Parking Authority's properties to the City by two-thirds vote; and,

WHEREAS, The transfer of the Parking Authority Facilities will not change the use of those properties for public parking and will not change the use of the revenues generated by the Parking Authority Facilities, which Charter Section 8A.105(b)1 dedicates to the SFMTA; and,

WHEREAS, Upon transfer of the Parking Authority Facilities from the Parking Authority to the City, under Charter section 8A.112(a) the Parking Authority Facilities will come under the SFMTA's exclusive jurisdiction over off-street public parking facilities; and,

WHEREAS, Investigation of non-parking uses of the Parking Authority Facilities accords with the directive of Charter Section 8A.109(b) which provides: "The Mayor, the Board of Supervisors, and the Agency diligently shall seek to develop new sources of funding for the Agency's operations, including sources of funding dedicated to the support of such operations, which can be used to supplement or replace that portion of the Municipal Transportation Fund consisting of appropriations from the General Fund of the City and County"; and

WHEREAS, Certain garages have ground floor retail spaces and telecommunications equipment sites that are leased to commercial entities, which leases must be assigned from the Parking Authority to the SFMTA as a condition of the transfer of ownership of the Parking Authority properties, which will be effected by separate agreements conditioned upon the Board of

Supervisors' approval of said transfer of ownership; and

WHEREAS, Charter Section 8A.102(b)(1) grants to the SFMTA exclusive authority over the management, operation, use, and control of properties that are under its jurisdiction, which includes the authority to explore alternate, non-parking, revenue-generating uses of its properties; and,

WHEREAS, On October 19, 2016, the SFMTA, under authority delegated by the Planning Department, determined that the Parking Authority Property Ownership Transfer Recommendation is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and the Parking Authority Commission and is incorporated herein by reference; now, therefore be it

RESOLVED, That the Commission of the Parking Authority of the City and County of San Francisco recommends that the Board of Supervisors by ordinance, in accordance with the requirements of California Streets and Highway Code section 32067, transfer fee title to the City and County of San Francisco the following real property and all improvements and personal property located thereon that are owned by the Parking Authority:

1. Moscone Center Garage, 255 Third Street, San Francisco, Assessor's Parcel Number 3735-060;
2. North Beach Garage, 735 Vallejo Street, San Francisco, Assessor's Parcel Number 0147-029;
3. Performing Arts Garage and adjacent lot, 360 Grove Street, San Francisco, Assessor's Parcel Numbers 0792-029 and 0792-022;
4. Polk/Bush Garage, 1399 Bush Street, San Francisco; Assessor's Parcel Number 0669-012;
5. San Francisco General Hospital Garage, 2500 24th Street, San Francisco; Assessor's Parcel Number 4213-001;
6. Surface Parking Lot at 2450 California Street, San Francisco, Assessor's Parcel Numbers 0635-009A and 0635-009; and be it further

RESOLVED, That the Commission of the Parking Authority of the City and County of San Francisco recommends that the Board of Supervisors by ordinance, in accordance with the requirements of California Streets and Highway Code Section 32067, transfer fee title to the City and County of San Francisco the garage facility, building and other improvements commonly known as the "Lombard Street Garage," located at 2055 Lombard Street, Assessor's Parcel Number 0509-009, and all personal property located thereon that are owned by the Parking Authority; and be it further

RESOLVED, That the Parking Authority Commission of the City and County of San Francisco recommends that the Board of Supervisors approve the assignment of the Parking Authority's leasehold interest in the property under the ground lease dated January 6, 1984 between the San Francisco Unified School District, as lessor, and the Parking Authority, as lessee, for the real property located at 2055 Lombard Street, Assessor's Parcel Number 0509-009, the benefits and obligations of which the SFMTA will assume as lessee in place of the Parking Authority; and be it further

RESOLVED, That the Director of Transportation is authorized to enter into any amendments or modifications of the Assignment Agreement between the Parking Authority, the SFMTA, and the San Francisco Unified School District that the Director of Transportation determines, in consultation with the City Attorney, are in the best interests of the City and are necessary or advisable to effect the transfer of the Lombard Street Garage and effect the purposes of this Resolution, and that do not materially alter the obligations of or costs to the SFMTA or Parking Authority; and be it further

RESOLVED, That the Director of Transportation is authorized to enter into any amendments or modifications of the leases for the ground floor retail spaces and telecommunications equipment sites in certain garages to assign said leases from the Parking Authority to the SFMTA that the Director of Transportation determines, in consultation with the City Attorney, are in the best interests of the City and are necessary or advisable to effect the transfer of those leases and effect the purposes of this Resolution, and that do not materially alter the obligations of or costs to the SFMTA or Parking Authority.

I certify that the foregoing resolution was adopted by the San Francisco Parking Authority Commission at its meeting of November 15, 2016.

Secretary to the Commission
San Francisco Parking Authority

1 [Administrative Code - Transfer of Parking Authority Property to the Municipal Transportation
Agency]

2

3 **Ordinance amending the Administrative Code to transfer to the Municipal**
4 **Transportation Agency all property owned by the Parking Authority of the City and**
5 **County of San Francisco; approving an assignment of the ground lease for the**
6 **Lombard Street Garage from the Parking Authority to the Municipal Transportation**
7 **Agency; affirming the Planning Department’s determination under the California**
8 **Environmental Quality Act; and making findings of consistency with the General Plan**
9 **and the eight priority policies of Planning Code Section 101.1.**

10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
13 **Board amendment additions** are in double-underlined Arial font.
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.
15 **Asterisks (* * * *)** indicate the omission of unchanged Code
16 subsections or parts of tables.

14

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

16

Section 1.

17

(a) The San Francisco Municipal Transportation Agency (“SFMTA”), under authority
18 delegated to it by the Planning Department, has determined that the transfer of ownership of
19 San Francisco Parking Authority property to the City and County of San Francisco under the
20 jurisdiction of the SFMTA is not a “project” under the California Environmental Quality Act
21 (“CEQA”) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and
22 15378(b); said determination is on file with the Clerk of the Board of Supervisors in File No.
23 ____ and is incorporated herein by reference. The Board affirms this determination.

24

(b) On November 15, 2016, the Commission of the Parking Authority of the City and
25 County of San Francisco (“Parking Authority”), a State agency governed by California Streets

1 and Highway Code Sections 32500 et seq., in Resolution No. _____, recommended that
 2 the Board of Supervisors transfer the property of the Parking Authority to the SFMTA. A copy
 3 of said Resolution No. ____ is on file with the Clerk of the Board of Supervisors in File No.
 4 _____ and is incorporated herein by reference.

5 (c) On November 15, 2016, the Board of Directors of the SFMTA, a department of
 6 the City established in Article VIIIA of the San Francisco Charter, in Resolution No.
 7 _____, recommended that the Board of Supervisors transfer the property of the Parking
 8 Authority to the SFMTA. A copy of said Resolution No. ____ is on file with the Clerk of the
 9 Board of Supervisors in File No. _____ and is incorporated herein by reference.

10 (d) The transfer of the Parking Authority properties to the Municipal Transportation
 11 Agency is not a conveyance subject to Administrative Code Section 23.3 (which requires that
 12 the City obtain an appraisal of the of the value of properties the City owns prior to conveyance
 13 to another party).

14
 15 Section 2. The Administrative Code is hereby amended by adding Section 17.4, to
 16 read as follows:

17 **SEC. 17.4. TRANSFER OF PARKING AUTHORITY PROPERTY TO THE MUNICIPAL**
 18 **TRANSPORTATION AGENCY.**

19 *(a) As authorized by Streets and Highway Code Section 32067, the real property and all*
 20 *improvements and personal property thereon of the parking facilities listed below, which are owned by*
 21 *the Parking Authority, are transferred in fee to the Municipal Transportation Agency:*

22 *(1) Moscone Center Garage, 255 Third Street, San Francisco, Assessor's Parcel*
 23 *Number 3735-060;*

24 *(2) North Beach Garage, 735 Vallejo Street, San Francisco, Assessor's Parcel*
 25 *Number 0147-029;*

1 (3) Performing Arts Garage and adjacent lot, 360 Grove Street, San Francisco,
2 Assessor's Parcel Numbers 0792-029 and 0792-022;

3 (4) Polk/Bush Garage, 1399 Bush Street, San Francisco; Assessor's Parcel
4 Number 0669-012;

5 (5) San Francisco General Hospital Garage, 2500 24th Street, San Francisco;
6 Assessor's Parcel Number 4213-001; and

7 (7) Surface Parking Lot at 2450 California Street, San Francisco, Assessor's Parcel
8 Numbers 0635-009A and 0635-009.

9 (b) As authorized by Streets and Highway Code Section 32067, the garage facility building,
10 and other improvements and personal property appurtenant thereto that are owned by the Parking
11 Authority, commonly known as the "Lombard Street Garage," located at 2055 Lombard Street,
12 Assessor's Parcel Number 0509-009, are transferred to the Municipal Transportation Agency.

13 (c) The Assignment Agreement effecting the assignment of the Lease dated January 6, 1984
14 between the San Francisco Unified School District, as lessor, and the Parking Authority, as lessee, for
15 the real property located at 2055 Lombard Street, Assessor's Parcel Number 0509-009, on which the
16 Lombard Street Garage is located, is approved. The Municipal Transportation Agency, as assignee,
17 shall assume all obligations and benefits of said Lease, which the Parking Authority, as assignor,
18 transfers under that Assignment Agreement to the Municipal Transportation Agency. A copy of the
19 Assignment Agreement and Lease is on file with the Clerk of the Board of Supervisors in File No.
20 _____ and is incorporated herein by reference.

21 (d) For purposes of Administrative Code Section 23.3, the transfer of the Parking Authority
22 properties to the Municipal Transportation Agency is a donation, which does not require an appraisal
23 of the value of the property to be conveyed. The transfer of the Parking Authority's properties to the
24 Municipal Transportation Agency is authorized by California Streets and Highway Code Section
25 32067. Said transfer will effect a public purpose, will not change the use of the properties as a parking

1 facilities, and will not change the use of the revenues of the properties, which Charter Section
 2 8A.105(b)1 requires be used to support the Municipal Transportation Agency.

3

4 Section 3. Effective Date. This ordinance shall become effective 30 days after
 5 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
 6 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
 7 of Supervisors overrides the Mayor’s veto of the ordinance.

8

9 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
 10 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
 11 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
 12 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
 13 additions, and Board amendment deletions in accordance with the “Note” that appears under
 14 the official title of the ordinance.

15 APPROVED AS TO FORM:
 16 DENNIS J. HERRERA, City Attorney

17 By: _____
 18 ROBERT K. STONE
 Deputy City Attorney

19

20

21

22

23

24

25

ASSIGNMENT AND ASSUMPTION AGREEMENT
In re Lease Agreement between
Parking Authority of the City and County of San Francisco
and the San Francisco Unified School District

This Assignment and Assumption Agreement ("**Assignment**") is dated for convenience as of November ____, 2016 between the Parking Authority of the City and County of San Francisco, a public entity ("**Parking Authority**" or "**Assignor**") and the City and County of San Francisco ("**City**"), a municipal corporation, acting by and through its Municipal Transportation Agency ("**SFMTA**" or "**Assignee**"), and the San Francisco Unified School District ("**SFUSD**" or "**Lessor**").

RECITALS

- A. The Parking Authority is a State agency created under and governed by the California Parking Law of 1949, California Streets and Highway Code section 32500 et seq. The Parking Authority is the lessee of certain real property owned by the SFUSD generally described as the real property on which is constructed the parking facility known as the "**Lombard Street Garage**," located at 2055 Lombard Street, in San Francisco, California, San Francisco Assessor's Parcel Number 0509-009.
- B. The Parking Authority and the SFUSD entered into a lease agreement titled "Joint Powers Ground Lease Agreement between the Parking Authority of the City and County of San Francisco and the San Francisco Unified School District for Operation of a Parking Facility Located on the Yerba Buena School Yard Site" ("**the Lease**"), dated January 6, 1984.
- C. Under the Lease, the Parking Authority constructed the parking facility and other improvements commonly known as the Lombard Street Garage, and the SFUSD leased to the Parking Authority for a term of 60 years the property on which the Lombard Street Garage is constructed. The Parking Authority owns and has continued to operate the Lombard Street Garage. The SFUSD continues to own the real property on which the Lombard Street Garage is located, and leases said real property to the Parking Authority. The net revenues of the Lombard Street Garage are shared between the Parking Authority and the SFUSD in accordance with provisions of the Lease.
- D. The Parking Authority desires to transfer its properties to the SFMTA, as provided in Streets and Highway Code section 32667, so that the SFMTA may explore non-parking uses of some of those properties. The SFMTA will continue to utilize the Lombard Street Garage as a parking facility and will not seek to develop it for other purposes without the express agreement and authority of the SFUSD.
- E. The Parking Authority desires to assign the Lease, the SFMTA desires to assume the Lease, and the SFUSD agrees to said assignment, each on the terms and conditions set forth herein.

NOW, THEREFORE, for in consideration of the promises and mutual covenants contained in this Assignment, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor and Assignee agree as follows:

- 1. Definitions.** The following definitions shall apply to this Assignment:
 - a. **Effective Date.** "Effective Date" shall mean the latest date on which a party to this Assignment approves this Assignment.
 - b. **Other Terms.** Terms used and not defined in this Assignment shall have the meanings assigned to such terms in the Lease.
- 2. Assignment.** The Parking Authority, as Assignor, hereby assigns, conveys and transfers to the SFMTA, as Assignee, all of Assignor's right, title and interest in and to the Lease and all of Assignor's duties and obligations thereunder, to the extent arising on or after the Effective Date. This Assignment effects only an assignment and assumption of the Lease from the Parking Authority to the SFMTA, and effects no other changes to the Lease.
- 3. Assumption.** The SFMTA, as Assignee, hereby accepts the assignment, transfer and conveyance set forth in Section 2 and agrees to perform all of the Parking Authority's duties and obligations under the Assignment, to the extent arising on or after the Effective Date.
- 4. Lessor Approval.** The SFUSD, as Lessor, approves the assignment of the Assignor's duties and benefits under the Lease to the Assignee, and further approves the assumption of the duties and benefits under the Lease by the Assignee.
- 5. Mutual Indemnities.**
 - a. **Assignor.** Assignor shall indemnify, defend and protect Assignee, and hold Assignee harmless from and against, and all liabilities, losses, damages, claims, costs or expenses (including attorney's fees) arising out of (1) any failure of Assignor to convey its interest pursuant to Section 2, free and clear of all third-party liens, claims or encumbrances or (2) any breach by Assignor of the Lease or any other failure to perform or observe any of the duties or obligations of Assignor thereunder, to the extent such breach or failure arises prior to the Effective Date.
 - b. **Assignee.** Assignee shall indemnify, defend and protect Assignor, and hold Assignor harmless from and against, any and all liabilities, losses, damages, claims, costs or expenses (including attorney's fees) arising out of any breach by Assignee of the Lease or any other failure to perform or observe any of the duties or obligations thereunder assumed by Assignee pursuant to this Assignment.
- 6. Governing Law.** This Assignment shall be governed by the laws of the State of California, without regard to its conflict of laws principles.
- 7. Headings.** All section headings and captions contained in this Assignment are for reference only and shall not be considered in construing this Assignment.
- 8. Entire Agreement.** This Assignment sets forth the entire agreement between Assignor and Assignee relating to the Assignment and supersedes all other oral or written provisions.
- 9. Further Assurances.** From and after the date of this Assignment, Assignor, Assignee and Lessor agree to do such things, perform such acts, and make, execute, acknowledge and

deliver such documents as may be reasonably necessary or proper and usual to complete the conveyance contemplated by this Assignment or as may be required by any party.

10. Severability. Should the application of any provision of this Assignment to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Assignment shall not be affected or impaired thereby and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the Assignor, Assignee and Lessor.

11. Successors; Third-Party Beneficiaries. Subject to the terms of the Lease, this Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Assignment, whether express or implied, shall be construed to give any person or entity (other than the parties hereto and their respective successors and assigns) any legal or equitable right, remedy or claim under or in respect of this Assignment or any covenants, conditions or provisions contained herein.

12. Notices. All notices, consents, directions, approvals, instructions, requests and other communications regarding this Assignment or the Lease shall be in writing, shall be addressed to the person and address set forth below and shall be (a) deposited in the U.S. mail, first class, certified with return receipt requested and with appropriate postage, (b) hand delivered or (c) sent via facsimile (if a facsimile number is provided below). All communications sent in accordance with this Section shall become effective on the date of receipt. From time to time, Assignor or Assignee may designate a new address for purposes of this Section by notice to the other signatory to this Assignment.

If to Assignor: Secretary to the Parking Authority Commission
1 South Van Ness Avenue, 7th floor
San Francisco, CA 94103

If to Assignee: Director of Off-Street Parking
SFMTA
1 South Van Ness Avenue, 7th floor
San Francisco, CA 94103

If to Lessor: Superintendent of Schools
SFUSD
135 Van Ness Avenue
Dan Francisco, CA 94102

13. Construction. The parties to this Assignment acknowledge that they have fully read the contents of this document and that they have had opportunity to be advised by counsel of their choice and that they have full, complete and total comprehension of the provisions contained in this document and are in full agreement with each and every one of those terms, conditions and provisions. As such, the parties agree to waive any and all rights to apply, in the interpretations of any and all terms, provisions or condition of this Assignment, the rule of construction that ambiguities are to be resolved against the drafter of the agreement. For the purposes of this instrument, the parties to this Assignment agree that ambiguities, if any, are to be resolved in the same manner as would have been the case if this instrument had been jointly conceived and drafted.

SIGNATURES ON FOLLOWING PAGES

IN WITNESS WHEREOF, Assignor, Assignee and Lessor have each duly executed this Assignment as of the date first referenced above.

Lessor: **San Francisco Unified School District**

By: _____
Title:

Assignor: **Parking Authority of the City and County of San Francisco**

By: _____
Edward D. Reiskin
Acting as Administrator of the Parking Authority

APPROVED BY:

San Francisco Parking Authority Commission
Resolution No: _____
Adopted: _____
Attest:

Secretary, San Francisco Parking Authority Commission

Assignee:

**City and County of San Francisco
Municipal Transportation Agency**

By _____
Edward D. Reiskin
Director of Transportation

APPROVED BY:

San Francisco Municipal Transportation Agency
Board of Directors
Resolution No: _____
Adopted: _____
Attest:

Secretary, SFMTA Board of Directors

Approved as to Form

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney