

RESOLUTION NO. 30-2011

Adopted March 15, 2011

**AUTHORIZING A THREE-YEAR GARAGE MANAGEMENT AGREEMENT
WITH PACIFIC PARK MANAGEMENT INC., A CALIFORNIA
CORPORATION, FOR A BASE FEE OF \$12,000 A YEAR FOR THE
OPERATION AND MANAGEMENT OF THE AGENCY-OWNED PUBLIC
PARKING GARAGE, CONSISTENT WITH THE AGENCY'S
MAY 18, 2004 DISPOSITION AND DEVELOPMENT AGREEMENT
FOR THE SITE, AT THE FILLMORE HERITAGE CENTER AT
1310 FILLMORE STREET**

BASIS FOR RESOLUTION

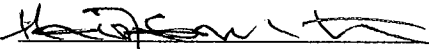
1. The Redevelopment Agency of the City and County of San Francisco ("Agency") owns a 112-space public parking garage that serves the commercial uses at the Fillmore Heritage Center, a mixed-use development at 1310 Fillmore Street in the Western Addition neighborhood (the "Garage"). Consistent with the Agency's May 18, 2004 Disposition and Development Agreement for the site, the Agency is managing and operating the Garage until it is sold or transferred to another entity.
2. The current operator has been managing the Garage for the Agency for more than three years. Due to limited demand and high operating expenses, the Garage has not been profitable. The operating deficit currently averages about \$8,500 a month.
3. In October 2010, the Agency issued a Request for Proposals ("RFP") for a garage operator that was designed to better incentivize the Garage's manager to increase revenues and reduce costs. The Agency's ultimate goal is to maximize the Garage's value for a sale on the open market or a transfer to the City and County of San Francisco ("City"). Toward that end, the RFP required a performance-based fee structure and asked proposers for innovative ideas to increase revenues and reduce costs at the Garage. The Agency received seven proposals. The selection panel determined that Pacific Park Management Inc. ("Pacific Park") was the most qualified respondent based on the selection criteria outlined in the RFP.
4. Pacific Park, based in San Francisco, was founded in 1995 by Behailu Mekbib and Sam Tadesse. With over thirty years combined experience between them, both men have worked in every capacity of the parking business from valet attendant to facility and operation manager. In total, Pacific Park has more than 35,000 spaces under management. The facilities range from single location surface lots to complex multi-level indoor/outdoor facilities.
5. Agency staff proposes to enter into a three-year garage management agreement with Pacific Park (the "Garage Management Agreement"). It includes a base fee of \$12,000 a year, and an incentive fee based on the performance of the Garage. It also includes provisions that require Pacific Park to finance any operating deficits, with reimbursement from the Agency, if necessary, at the end of each six-month period.

6. Authorizing a three-year Garage Management Agreement that will allow for the continued operation of the public parking garage at the Fillmore Heritage Center will not independently result in a physical change in the environment. This action is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3).
7. Staff recommends authorization of the three-year Garage Management Agreement with Pacific Park.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a three-year Garage Management Agreement with Pacific Park Management Inc., a California corporation, for a base fee of \$12,000 a year for the operation and management of the Agency-owned public parking garage, consistent with the Agency's May 18, 2004 Disposition and Development Agreement for the site, at the Fillmore Heritage Center at 1310 Fillmore Street, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


← James B. Morales
Agency General Counsel