MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee
Executive Director

SUBJECT: Pursuant to Section 20.1 of the May 1, 2011 Fillmore Heritage Garage Management Agreement (the "Management Agreement") with Pacific Park Management, Inc., a California corporation ("Pacific Park"), consenting to Pacific Park's assignment of the Management Agreement to Imperial Parking (U.S.), LLC, a Delaware limited liability company ("Impark"), as part of Impark's purchase of Pacific Park

EXECUTIVE SUMMARY

Pacific Park Management, Inc. ("Pacific Park") manages the 112-stall public parking garage at the Fillmore Heritage Center, a mixed-use project that also includes condominiums and commercial space at 1310 Fillmore Street (the "Garage"). Pacific Park manages the Garage under a garage management agreement (the "Management Agreement") with the successor entity to the now-dissolved San Francisco Redevelopment Agency (the "Successor Agency"), also known as the Office of Community Investment and Infrastructure ("OCII"). The Management Agreement expires on June 30, 2015, with one 12-month extension at the discretion of the Successor Agency’s Commission.

Pacific Park is in the process of selling its business to Imperial Parking (U.S.), LLC, a Delaware limited liability company ("Impark"), which is one of the largest garage/parking lot operators in North America and also in San Francisco. Pacific Park’s business includes more than 50 managed locations (including the Garage), which total more than 50,000 parking spaces that generate more than $50 million in parking revenue annually.

Pursuant to the assignment provisions in the Management Agreement, Pacific Park is requesting the Successor Agency’s consent to the assignment of the Management Agreement to Impark, as part of Impark’s larger purchase of Pacific Park’s business. Impark and Pacific Park have signed an Assignment and Assumption of Fillmore Heritage Garage Management Agreement (the “Assignment and Assumption Agreement”), and it is attached to this memorandum as Exhibit A. Staff is requesting the Commission’s consent to the Assignment and Assumption Agreement.

Impark is a highly qualified garage operator. Founded in 1962, Impark is now the third largest parking operator in North America. The company currently operates more than 2,300 parking facilities in the United States and Canada and employs more than 4,500 people. They manage (under a joint venture) about 2,000 spaces for the City and County of San Francisco (the "City"),
including the Golden Gateway Garage and St. Mary’s Garage. They also manage the garage in the City-owned building at One South Van Ness where OCII’s offices are located, and more than 2,000 parking spaces for the San Francisco Giants. More information about Impark’s qualifications can be found in Exhibit B.

By signing the Assignment and Assumption Agreement, Impark has agreed to enforce and abide by all provisions of the Management Agreement, including the Successor Agency’s equal opportunity program. Impark’s signed declarations certifying compliance with the Successor Agency’s Minimum Compensation Policy and Healthcare Accountability Policy are attachments to the Assignment and Assumption Agreement.

In addition, as part of Impark’s assumption of the Management Agreement, Impark intends to retain the two part-time employees currently employed at the Garage and, at a minimum, pay them according to the same compensation rates and weekly schedule as Pacific Park during the term of the Management Agreement, so long as said employees are performing satisfactorily.

Given the above commitments from Impark, staff recommends consenting to the Assignment and Assumption Agreement between Pacific Park and Impark.

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DISCUSSION

On March 15, 2011, the Commission of the former San Francisco Redevelopment Agency (the “SFRA”) approved the three-year Management Agreement with Pacific Park by Resolution No. 30-2011. Pacific Park was selected after a competitive public procurement process.

Pacific Park continued to manage the Garage after the SFRA was dissolved on February 1, 2012, pursuant to California Assembly Bill 26 (“AB 26”) and the California Supreme Court’s decision and order in the case entitled California Redevelopment Association et al. v. Ana Matosantos. Subsequent state legislation (“AB 1484”) clarified provisions in AB 26 and made the Successor Agency a separate legal entity from the City (AB 26 and AB 1484 are together referred to as “Redevelopment Dissolution Law”). As a result of these legislative acts, the Successor Agency owns the Garage and is a party to the Management Agreement.

On April 15, 2014, the Successor Agency Commission approved, by Resolution No. 26-2014, a First Amendment to the Management Agreement that extended the term to June 30, 2015, with one 12-month option to extend at the Commission’s discretion (the “First Amendment”).

Proposed Assignment and Assumption Agreement

Pacific Park is in the process of selling its business to Impark and now wishes to assign the Management Agreement to Impark, as part of the larger business merger. Pursuant to Section 20.1 of the Management Agreement, Pacific Park “shall not assign, transfer or encumber its
interest in this Management Agreement or any other right, privilege or license conferred by this Management Agreement, either in whole or in part, without obtaining the prior written consent of the [Successor] Agency which [Successor] Agency may give or withhold in its sole and absolute discretion."

Pacific Park and Impark have executed the Assignment and Assumption Agreement (See Exhibit A) and are requesting the Commission’s consent to the Assignment and Assumption Agreement. By executing the Assignment and Assumption Agreement, Impark agrees to assume all right, title, interest, obligations, duties, and responsibilities of Pacific Park under the Management Agreement, including Section 8 which covers staffing, employees and contracting and the Successor Agency’s equal opportunity program, including the Minimum Compensation Policy, the Health Care Accountability Policy, the Small Business Enterprise Agreement, the Nondiscrimination in Contracts and Benefits Policy, the Permanent Workforce Agreement, the Construction Workforce Agreement, and Prevailing Wage Provisions.

Toward that end, Impark has submitted signed declarations certifying compliance with the Successor Agency’s Minimum Compensation Policy and Health Care Accountability Policy, both of which are attached to the Assignment and Assumption Agreement. In addition, as of June 3, 2014, Impark was certified for equal benefits under Chapter 12B of the San Francisco Administrative Code (commonly called the City’s Equal Benefits Ordinance) as shown on the City’s website at http://www.sfgsa.org/Modules/ShowDocument.aspx?documentID=11784 and the Successor Agency recognizes this certification as compliance with the Successor Agency’s Nondiscrimination in Contracts and Benefits Policy.

As part of Impark’s assumption of the Management Agreement, Impark intends to retain the two part-time employees currently employed at the Garage and, at a minimum, pay them according to the same compensation rates and weekly schedule as Pacific Park during the term of the Management Agreement, so long as the two employees are performing satisfactorily. The two part-time employees are:

(1) One Customer Service Ambassador (18 hours per week). The Customer Service Ambassador is a female African-American who lives in the Western Addition. She was hired through a referral from a Western Addition community member. Her job is to provide customer service to parkers, conduct hourly patrols of the Garage, observe unusual behavior and safety hazards, check for and report any damage to parking equipment, and traffic control.

(2) One Supervisor (20 hours per week). The Supervisor is a male African-American who lives in the Western Addition. The Supervisor has been working for Pacific Park for 14 years. His job is to supervise the Customer Service Ambassador, maintain the functionality of the Garage’s parking equipment, maintain an inventory of supplies, file accident claims and reports, monitor the Garage’s surveillance cameras, distribute marketing flyers, and coordinate activity with the two commercial tenants.

Impark also will continue Pacific Park’s efforts to hire locally if there are any open positions at the Garage in the future.
About Imperial Parking ("Impark")

Founded in 1962 in Vancouver, B.C., Canada, Impark is one of the largest parking management companies in North America with approximately 2,400 locations in the United States and Canada and over 4,000 employees. Impark operates parking facilities on behalf of property owners and asset managers under parking management agreements. Impark's parking and transportation services include full parking management (i.e., staffing, operating, reporting and improving parking and transportation systems and services), technology enhancements (i.e., card processing interfaces, pay-by-phone, and customer support), and valet services. About 50% of Impark's locations are fully automated.

The company manages more than 40 locations in the San Francisco Bay Area. In San Francisco, Impark manages (as part of a joint venture) the Golden Gateway Garage and the St. Mary's Square Garage for the San Francisco Municipal Transportation Authority. Impark also manages lots for the Port of San Francisco and the garage at One South Van Ness for the City's Department of Real Estate. The company also manages other garages and lots for private clients, including the San Francisco Giants. More information about Impark's qualifications can be found in Exhibit B.

California Environmental Quality Act ("CEQA")

Consenting to the Assignment and Assumption Agreement, which will assign the Management Agreement to Impark and 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 CEQA pursuant to CEQA Guidelines Section 15061(b)(3).

STAFF RECOMMENDATION

Given Impark's commitment to all the terms of the Management Agreement, including the Successor Agency's equal opportunity program, and Impark's intention to retain all existing staff at the Garage, staff recommends consenting to the Assignment and Assumption Agreement between Pacific Park and Impark.

(Originated by Tracie Reynolds, Manager, Real Estate and Development Services)

Tiffany Boice
Executive Director

Exhibit A: Assignment and Assumption Agreement (with Attachments)
Exhibit B: Impark's Qualifications