

September 15, 2011



**AUTHORIZE EXECUTION OF A SUBLEASE RELATIVE TO
CONTRACT NO. 2012-BT-3, SUBLEASE OF LOT LOCATED AT THIRD, FOURTH,
PERRY AND STILLMAN STREETS IN SAN FRANCISCO CA,
WITH IMPERIAL PARKING (US), INC., DBA IMPARK**

Recommendation

The Building and Operating Committee recommends that the Board of Directors authorize the General Manager to execute a sublease relative to Contract No. 2010-BT-3, *Sublease of Lot located at Third, Fourth, Perry and Stillman Streets in San Francisco, CA*, with Imperial Parking (US), Inc., dba Impark, for \$47,008 per month, for a period of one year, effective October 1, 2011, or upon completion of paving improvements currently underway, with two six-month renewal options.

Summary

The District lease with Caltrans for the permanent San Francisco Mid-Day Bus Lot at Third, Fourth, Perry and Stillman Streets was executed on December 1, 2010. The lease contemplated that the lot would be subleased for operation as a paid public parking lot until the District was prepared to move its San Francisco mid-day bus operations onto the lot on or about January 1, 2013. The lease for the current San Francisco Mid Day Bus Lot at 8th and Harrison expires on December 31, 2012.

The lease with Caltrans also contemplated that the District would offer the lot for sublease by a competitive public bid process and that any sublease rent offered over the District's monthly contract rent of \$41,922 per month would be split on a 50/50 basis between Caltrans and the District.

The District issued Solicitation No. 2012-BT-3 seeking a Sublease of its San Francisco Mid-Day Bus Lot for operation of a paid public parking lot on August 16, 2011, with bids due on August 30, 2011. The minimum bid required was \$42,000 per month. Two bids were received. One bidder subsequently withdrew its bid. Imperial Parking (US), Inc., dba Impark is the most qualified, responsive, responsible, highest bidder.

Staff recommends the Board authorize the General Manager to execute a sublease with Imperial Parking (US), Inc. dba Impark, for the lot at Third, Fourth, Perry and Stillman Streets in San Francisco in the amount of \$47,008 per month for one year, with two six-month renewal options, with an effective date of October 1, 2011, or upon completion of paving improvements.

Fiscal Impact

This favorable net adjustment is the result of the District's rental expense of \$41,922 per month offset by the new sublease rent of \$47,008 per month. Per previous agreement with Caltrans, the \$5,086 per month differential between the rent owed to Caltrans and the sublease rent collected will be split 50/50 with Caltrans. This represents approximately \$2,500 per month net income to the District in excess of that budgeted. The FY 11/12 Operating Budget will be amended to include \$503,000 for San Francisco bus lot lease expense, offset by \$533,000 in revenue for a favorable net budget adjustment of \$30,000. This item will be taken up separately at the Finance-Auditing Committee meeting of October 13, 2011.