



Agenda Item No. 3

To: Building and Operating Committee/Committee of the Whole
Meeting of March 27, 2008

From: Ewa Z. Bauer, Deputy District Engineer
Denis J. Mulligan, District Engineer
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE EXECUTION OF AN AMENDMENT TO THE LEASE AGREEMENT WITH THE PRESIDIO TRUST RELATIVE TO A CONSTRUCTION STAGING AREA FOR GOLDEN GATE BRIDGE IMPROVEMENT PROJECTS**

Recommendation

The Building and Operating Committee recommends that the Board of Directors authorize execution of an amendment to the Lease Agreement with the Presidio Trust to lease a parcel located near Storey Avenue and Lincoln Boulevard in the Presidio of San Francisco for use as a construction staging area for Golden Gate Bridge improvement projects, for a five year lease term, at a monthly lease rate of \$7,750, subject to annual CPI adjustment.

Summary

At its April 12, 2002, meeting, the Board of Directors authorized the execution of a Lease Agreement with The Presidio Trust (Trust) for three parcels in the Presidio of San Francisco for construction staging areas for the Golden Gate Bridge Seismic Retrofit Project and, at the District's request, other Bridge improvement projects. The term of the Lease Agreement is now up but the District still requires the use of staging areas for the Seismic Retrofit Project and has requested from the Trust an extension to the lease. The Trust responded that it has a number of its own projects in both the planning stage and under construction which will require the use of these parcels. Representatives from the District and the Trust met to discuss the District's and Trust's construction and staging area needs and agreed that an amendment to the lease was appropriate. The amendment will revise the lease by reducing the lease area from three parcels to one, will extend the lease for the parcel until 2013, and will increase the monthly rental rate for the parcel to \$7,750, plus yearly CPI adjustments. The Trust has a mandate from Congress to be self-sufficient, so they must charge fees for the use of the parcels, and initially requested a market rate of \$14,294 for the parcel. In consideration of the importance of the Seismic Retrofit Project, the District's funding constraints, and the limited staging areas available in the vicinity of the Bridge, the District and the Trust were able to agree to the lower rate.

Fiscal Impact

The cost of the five-year lease of the parcel is estimated to be \$465,000, plus yearly CPI increases. This cost will be allocated to the Bridge capital improvement projects using the parcels.

In particular, a portion of the cost will be paid out of the contingency funds from Contract No. 2006-B-1, *Golden Gate Bridge Seismic Retrofit Phase IIIA, North Anchorage Housing/North Pylon*.

Background

The Golden Gate Bridge capital improvement projects, including the Golden Gate Bridge Seismic Retrofit Project, require staging areas for contractors' offices, and equipment and materials storage in close proximity to the construction site.

One of the conditions of the seismic retrofit environmental clearance is for such staging areas to be located away from the Bridge to minimize visual impacts on the Golden Gate National Recreation Area surrounding the Bridge. Hence, in 1995 the National Park Service, having jurisdiction over the entire Presidio of San Francisco at that time, designated three parcels in the vicinity of Lincoln Boulevard as approved construction staging sites for the project. The agreement regarding the use of these three parcels was then documented in the Special Use Permit executed between the District and the National Park Service. The Special Use Permit was executed in 1996 for an initial term of five years. Subsequently, however, the portion of the Presidio of San Francisco where the parcels are located was transferred to the jurisdiction of the Trust.

The Trust agreed to grant the District a right to use the three parcels as construction staging areas for the Golden Gate Bridge Seismic Retrofit Project and, at the District's request, other Bridge improvement projects, and in 2002, entered into a Lease Agreement with the District. The lease provided that the parties will meet and discuss extending the term of the parcels if the District still needs to use it after the term expired.

There are insufficient staging areas on or under the Bridge to accommodate the scheduled Bridge capital improvement projects. Therefore, the continuation of use of the parcel near Lincoln Boulevard is necessary for implementation of these projects, especially the seismic retrofit construction.