



MEMORANDUM

May 5, 2023

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Ed Harrington
Hon. Steven Lee

FROM: Elaine Forbes
Executive Director

SUBJECT: Request approval of a proposed License 17036 with GSW Arena, LLC, a Delaware limited liability company (“GSW”), for 3 separate white zone curb spaces totaling approximately 624 linear feet, 2 separate yellow zone curb spaces totaling approximately 337 linear feet and 80 metered parking spaces on game and special event dates located in and around Chase Center for a term of 10 years with two (2) five-year options to extend, subject to Board of Supervisor’s approval.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 23-24

On April 28, 2023, the Port Commission heard an information item on a proposed license between the Port and GSW Arena, LLC (“GSW”). The only substantive change to this memorandum compared to the informational memorandum is the recommended approval and inclusion of a resolution at the end of this document.

EXECUTIVE SUMMARY

The Port and GSW entered into Port License to Use Property No. 16688 which commenced on August 22, 2019 and will expire on June 30, 2023, for the non-exclusive use of white zones and yellow zones and reservation of metered parking spaces on Port streets in and around the Chase Center on game and special event

dates. Port and GSW wish to enter a new License 17036 (the “License”) for an initial 10-year term with two (2) five-year extension options for the non-exclusive use of the same area and use under License No. 16688. This new license will continue GSW’s use of these white and yellow zones and metered parking spaces.

This is being brought to the Port Commission because the term exceeds five years (10-year License term) and will generate more than \$1 million (\$1,524,272) in License fees for the initial term with total estimated License fees equaling \$3,572,765 if the extension options are exercised. In addition to the monthly License fee, GSW will pay the Port \$1,008 for use of eighty (80) metered parking spaces for each game and special event. This rate will increase as the City’s parking meter rate for and around the License area increases. All other terms and conditions, including License fees, conform to the Port Commission’s approved FY 22/23 parameter terms and conditions (Port Resolution 22-41).

Under Charter Section 9.118, the License will also require approval by the Board of Supervisors because the length of term is over ten years and anticipated rent revenue exceeds \$1 million over the term of the License.

STRATEGIC OBJECTIVE

The proposed License is consistent with the Economic Growth and Evolution objectives of the Strategic Plan by maintaining a rent-paying tenant in place for 10 years with annual rent increases over the term and improving access to the waterfront and transportation service along Port jurisdiction.

BACKGROUND

Since the opening of Chase Center in 2019, GSW has been licensing approximately 624 linear feet of white zone curb space, 337 linear feet of yellow zone curb space and 80 metered parking spaces on Terry Francois Boulevard, Warriors Way, and 16th Street. On game and special event days, GSW also pays Port a parking fee to reserve (80) metered parking spaces, the locations which have been identified and agreed upon between the parties, on Terry Francois Boulevard, 16th Street and Illinois Street.

The initial term for License 16688 commenced on August 22, 2019 and will expire on June 30, 2023. License fees under the current License are: (1) \$11,080.25 per month (current parameter at \$325 per linear feet) with a 3% annual increase for the white zones and (2) \$1,008 each game or special event for the metered parking spaces (\$12 per space per game or event).

GSW is a tenant in good standing, and Port staff proposes GSW’s continued use of the loading zones and metered spaces which will allow a continual revenue stream to Port over 10 years, improve traffic flow, pedestrian and vehicular safety and parking enforcement on Port streets in and around Chase Center.

PORT’S TRAFFIC HARBOR CODE AND ENVIRONMENTAL REVIEW

On November 3, 2015, the San Francisco Commission on Community Investment and Infrastructure (OCII), the successor agency to the former San Francisco Redevelopment Agency, reviewed and considered the Final Subsequent Environmental Impact Report for the Golden State Warriors Event Center and Mixed-Use Project at Mission Bay Blocks 29-32 (FSEIR) and, by OCII Resolution No. 12 69-2015, certified the FSEIR in compliance with California Environmental Quality Act. On December 8, 2015, the Board of Supervisors upheld OCII’s certification of the FSEIR (Board of Supervisors File No. 150991). The uses permitted by the License are within the scope of the project evaluated in the FSEIR.¹

On December 13, 2022, the Port Commission approved amendments to the Port’s Harbor Traffic Code that designated passenger and commercial loading zones and installation of parking meters in and around Chase Center (Port Resolution 22-67). GSW’s proposed use of the passenger and commercial loading zones and metered spaces are permitted under the Port’s Harbor Traffic Code as amended on December 13, 2022. The proposed use has also been brought to the Southern Advisory Committee.

PROPOSED LICENSE TERMS

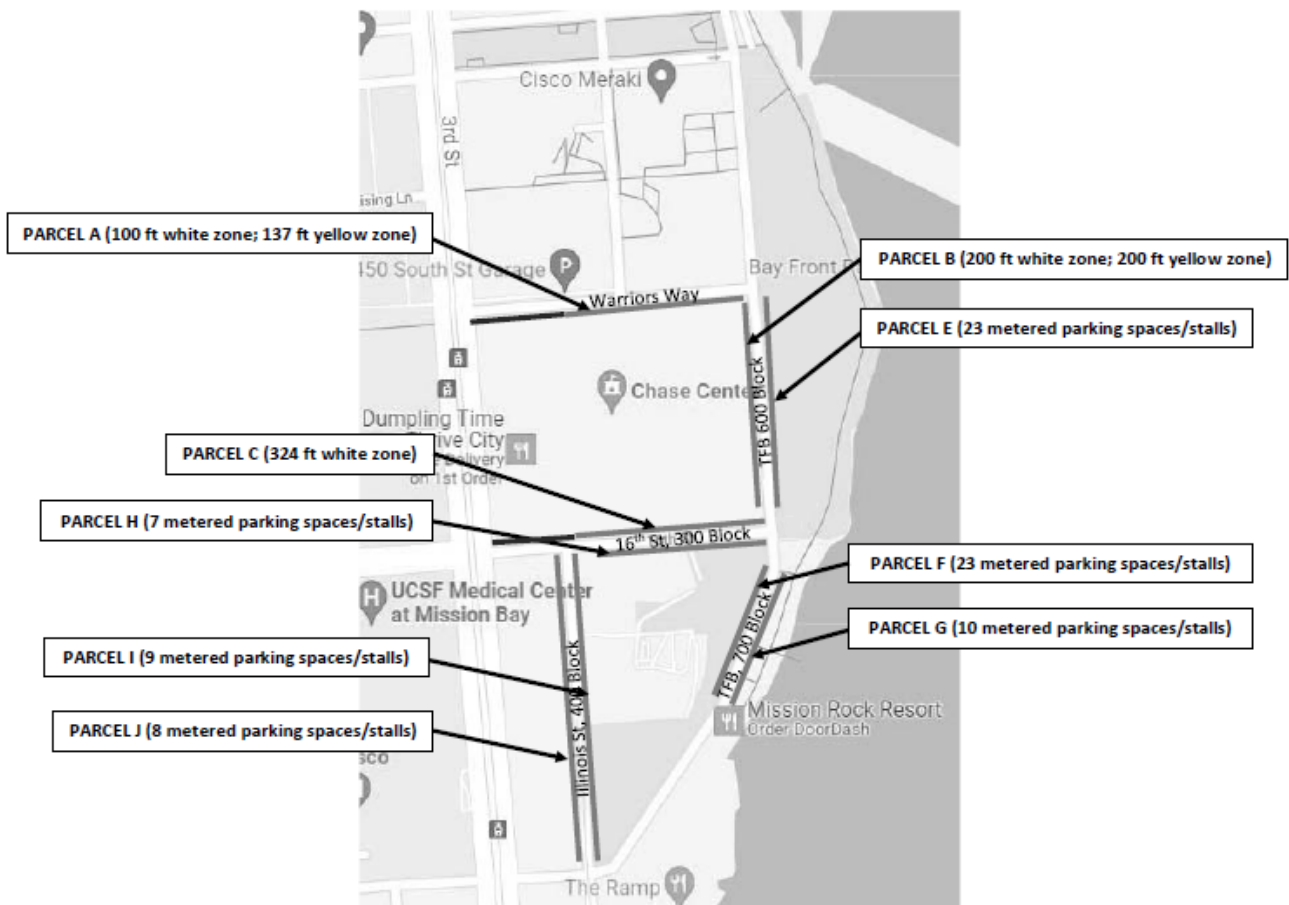
The schedule below is an outline of the important terms and conditions of the License:

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| <i>License Area:</i> | <p>The License Area is comprised of the following Parcels A-C and Parcels E-J:</p> <p><u>Curb Space:</u> Parcel A: Approx. 100 rentable linear feet of white zone curb space and 137 rentable linear feet of yellow zone curb space located on the south side of Warriors Way between Bridgeview and Terry Francois Blvd. Parcel B – Approx. 200 rentable linear feet of white zone curb space and 200 rentable linear feet of yellow zone curb space located on the west side of Terry Francois Blvd between Warriors Way and 16th Street. Parcel C - Approx. 324 rentable linear feet of white zone curb space located on the north side of 16th Street between Illinois Street and Terry Francois Blvd. <u>Parking Stalls and Spaces:</u> Parcel E –Twenty-three (23) metered parking spaces on the east side of Terry Francois between 16th Street and Warriors Way.</p> |
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| | <p>Parcel F - Twenty-three (23) metered parking spaces on the west side of Terry Francois Blvd., south of 16th Street.</p> <p>Parcel G – Ten (10) metered parking spaces on the east side of Terry Francois Blvd. south of 16th Street.</p> <p>Parcel H - Seven (7) metered parking spaces on the south side of 16th Street.</p> <p>Parcel I - Nine (9) metered parking spaces on the east side of Illinois Street.</p> <p>Parcel J - Eight (8) metered parking spaces on the west side of Illinois.</p> |
| <i>Permitted Activity:</i> | <p>All uses are non-exclusive:</p> <p>Parcels A, B and C (White and Yellow Curb Space) – White Curbs shall be used solely for passenger loading and unloading during events at Chase Center or Thrive City. The Yellow Curbs shall be used for commercial loading for Chase Center and Thrive City and for no other purpose.</p> <p>Parcels E – J (Metered Parking Spaces) – shall be used solely for Transportation Network Company (“TNC”) passenger drop off and pick up, SFMTA bus staging and/or other vehicles associated with and directly supporting games and Special Events at Chase Center or Thrive City during, before, and after games and Special Events at the Chase Center or Thrive City General vehicle parking and all other uses authorized by Port are allowed at all other times.</p> |
| <i>Length of Term:</i> | Ten (10) Years |
| <i>Extension Option:</i> | Licensee shall have two (2) consecutive options to extend the term for a period of (5) years |
| <i>Commencement Date:</i> | July 1, 2023 |
| <i>Expiration Date:</i> | June 30, 2033 |
| <i>Monthly License Fee:</i> | <p><u>White Zone Curb Space Fee</u></p> <p>Parcel A - \$1,775.68 per month Parcel B - \$3,551.36 per month Parcel C - \$5,753.21 per month</p> <p>On each Anniversary Date on which this License is in effect, the Monthly White Zone Curb Space Fee shall increase by three percent (3%).</p> |

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| | <p>License Fees for Parcels A-C During Extension Terms During the first year of each Extension Term (7/1/2033 and 7/1/2038), the License Fee for Parcels A-C shall be equal to the higher of: (a) the License Fee payable in the month immediately preceding the expiration of this License multiplied by three percent (3%) or (b) the then current rate for similar spaces in the general vicinity of the License Area approved by the Port Commission. Each succeeding year during an Extension Term, the License Fee for Parcels A-C will increase by 3%.</p> <p><u>Parking Stalls and Spaces Fee</u> Parcels E-J - \$12 per meter per event (not to exceed \$1,008 per event for all metered spaces)</p> |
| <p><i>Security Deposit:</i></p> | <p><u>No less than</u> two-times the Monthly License Fee</p> |

PROPOSED LICENSE AREA



RECOMMENDATION

Port staff recommends that the Port Commission approve the attached resolution authorizing the Executive Director or her designee to: forward the License to the Board of Supervisors for approval and, upon the effectiveness of such approval, execute the License on the terms described in this memorandum and substantially in the form of the License on file with the Commission Secretary.

Prepared by: Jennifer Gee, Senior Property Manager
Real Estate and Development

For: Rebecca Benassini, Deputy Director
Real Estate and Development

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 23-24

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco; and
- WHEREAS, GSW Arena, LLC is in good standing under its current License 16688 for passenger and commercial loading zones and metered parking spaces and stalls on game and special event days for Port streets in and around Chase Center, in the City and County of San Francisco; and
- WHEREAS, Port Staff has negotiated the terms of a new 10-year proposed License 17036 (the "License") with two (2) five-year options to extend with GSW Arena, LLC for the non-exclusive license of 3-separate white zone curb spaces totaling 624 linear feet, 2-separate yellow zone curb spaces totaling 337 linear feet and 80 metered parking spaces and stalls on game and special event days in and around Chase Center; and
- WHEREAS, On November 3, 2015, the San Francisco Commission on Community Investment and Infrastructure (OCII), the successor agency to the former San Francisco Redevelopment Agency, reviewed and considered the Final Subsequent Environmental Impact Report for the Golden State Warriors Event Center and Mixed-Use Project at Mission Bay Blocks 29-32 (FSEIR) and, by OCII Resolution No. 12 69-2015, certified the FSEIR in compliance with California Environmental Quality Act; and
- WHEREAS, December 8, 2015, the Board of Supervisors upheld OCII's certification of the FSEIR (Board of Supervisors File No. 150991); and
- WHEREAS, The uses permitted by the License are within the scope of the FSEIR; and
- WHEREAS, Port staff recommends approval of the proposed License with GSW Arena, LLC on terms described in the Memorandum to the Port Commission dated May 5, 2023 and substantially in the form of the License on file with the Commission Secretary; and now therefore be it
- RESOLVED, The Port Commission determines that the uses permitted by the proposed License are within the scope of the project evaluated in the FSEIR, and hereby approves the terms of the proposed License with GSW Arena, LLC on terms described in the Memorandum to the Port Commission dated May 5, 2023 and substantially in the form of the

License on file with the Commission Secretary and authorizes the Executive Director or her designee to forward the License to the Board of Supervisors ("Board") for approval, pursuant to the Board's authority under Charter Section 9.118, and upon the effectiveness of such approval, to execute the License; and be it further

RESOLVED,

That the Port Commission authorizes the Executive Director or her designee, to enter into any additions, amendments or other modifications to the License that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the Port or materially decrease the public benefits accruing to the Port, and are necessary and advisable to complete the transaction and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of any such documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 9, 2023.

Secretary