



**City and County of San Francisco**  
**Meeting Minutes**  
**Budget and Finance Sub-Committee**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

*Members: Malia Cohen, Sandra Lee Fewer, Catherine Stefani*

*Clerk: Linda Wong (415) 554-7719*

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Thursday, May 17, 2018

1:00 PM

City Hall, Legislative Chamber, Room 250

**Rescheduled Meeting**

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**Present:** 3 - Malia Cohen, Sandra Lee Fewer, and Catherine Stefani

*The Budget and Finance Sub-Committee met in a rescheduled session on Thursday, May 17, 2018, with Chair Malia Cohen presiding.*

**ROLL CALL AND ANNOUNCEMENTS**

*Chair Cohen called the meeting to order at 2:45 p.m. On the call of the roll, Chair Cohen, Vice Chair Fewer, and Member Stefani were noted present. There was a quorum.*

**AGENDA CHANGES**

*There were no agenda changes.*

## REGULAR AGENDA

Chair Cohen requested that File Nos. 180357 and 180358 be called and heard together.

### **180357 [Real Property Lease - Bridgeton 945 Bryant Fee LLC - 945 Bryant Street - Adult Probation - \$1,763,968 Initial Maximum Annual Base Rent]**

Resolution approving a Lease for approximately 41,744 square feet consisting of the entire three floors of 945 Bryant Street, for the Adult Probation Office, with Bridgeton 945 Bryant Fee LLC, a limited liability corporation, for 20 years, to be occupied in phases, for the period of August 1, 2018, through July 31, 2038, at an initial monthly base rent not to exceed \$146,997.33 for a total annual initial maximum base rent of \$1,763,968 in the initial year with annual increases of three percent for the initial ten year term of the Lease, an adjustment to market rate in Year 11 of the Lease, and subsequent annual increases of three percent thereafter; and finding the proposed Lease is in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

(Real Estate Department)

(Fiscal Impact)

04/09/18; RECEIVED FROM DEPARTMENT.

04/17/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Director John Updike (Department of Real Estate); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.*

**Chair Cohen moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, to urge the Real Estate Division, Adult Probation, Sheriff's Department, and Police Department to collocate Police Department and/or Sheriff's Department units at 945 Bryant Street. The motion carried by the following vote:**

Ayes: 3 - Cohen, Fewer, Stefani

(Fiscal Impact)

**Chair Cohen moved that this Resolution be RECOMMENDED AS AMENDED AS A COMMITTEE REPORT. The motion carried by the following vote:**

Ayes: 3 - Cohen, Fewer, Stefani

**180358 [Real Property Lease - LCL Global - 777 Brannan Street, LLC - 777 Brannan Street - Police Department - \$1,004,698 Initial Annual Base Rent]**

Resolution authorizing a Lease for approximately 27,154 square feet consisting of entire three floors of 777 Brannan Street, for the Police Department, with LCL Global - 777 Brannan Street, LLC, a limited liability corporation, for ten years with two five-year options for renewal, for the period of July 1, 2018, to June 30, 2028, at an initial monthly base rent not to exceed \$83,724.83 for a total annual initial base rent of \$1,004,698 in the initial year with annual increases of three percent; and finding the Lease is in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Real Estate Department)  
(Fiscal Impact)

04/09/18; RECEIVED FROM DEPARTMENT.

04/17/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Director John Updike (Department of Real Estate); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.*

**Chair Cohen moved that this Resolution be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:**

Ayes: 3 - Cohen, Fewer, Stefani

**180377 [Real Property Lease - Raul and Denise Arriaza and The Olson Family Trust Dated October 16, 2014 - 1305, 1309 Evans Street - \$456,840 Annual Base Rent]**

Resolution authorizing the lease of approximately 12,690 square feet at 1305, 1309 Evans Street with 13 parking stalls, with Raul and Denise Arriaza, as to an undivided 50% interest and The Olson Family Trust dated October 16, 2014, as to an undivided 50% interest, for a five year term commencing upon approval by the Board of Supervisors and Mayor, with one option to extend for five years, at the monthly base rent of \$38,070, for a total annual base rent of \$456,840. (Public Health Department)  
(Fiscal Impact)

04/12/18; RECEIVED FROM DEPARTMENT.

04/24/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

*Heard in Committee: Speakers: Director John Updike and Andrico Penick (Department of Real Estate); Severin Campbell (Office of the Budget and Legislative Analyst); Speaker (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.*

**Chair Cohen moved that this Resolution be RECOMMENDED. The motion carried by the following vote:**

Ayes: 3 - Cohen, Fewer, Stefani

**180373 [Initiative Ordinance - Business and Tax Regulations Code - Gross Receipts Tax on Transportation Network Company Services, Private Transit Vehicle Services, and Autonomous Vehicle Passenger Services]**

**Sponsor: Peskin**

Motion ordering submitted to the voters at an election to be held on November 6, 2018, an Ordinance amending the Business and Tax Regulations Code to add a new gross receipts tax category for transportation network company services and private transit vehicle services, revise the application of the gross receipts tax for persons engaged in multiple business activities, and eliminate the payroll expense tax exclusion and the gross receipts tax limit for certain persons in the Central Market Street and Tenderloin Area; and increasing the City's appropriations limit by the amount collected under the new gross receipts tax category for four years from November 6, 2018.

(Economic Impact; No Economic Analysis Report)

04/10/18; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 5/10/2018.

04/19/18; REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review; Office of the Controller for financial analysis report; Small Business Commission for comment and recommendation; and Mayor's Office, Office of the City Attorney, Department of Elections, Ethics Commission, Office of the City Administrator, and Office of the Treasurer and Tax Collector for reports and/or comments, pursuant to Rules of Order 2.22.4.

05/01/18; RESPONSE RECEIVED. Response received from the Planning Department stating that this is a project under CEQA Guidelines Sections 15378 and 15060 (c) (2) because it does not result in physical change in the environment.

*Heard in Committee. Speakers: Sunny Angulo (Office of Supervisor Aaron Peskin); provided an overview and responded to questions raised throughout the discussion. Randy Shaw (Tenderloin Housing Associates); Emily Low (Bay Area Council); DeeDee Workman (San Francisco Chamber of Commerce); spoke in opposition of the matter.*

**Chair Cohen moved that this Motion be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. The motion carried by the following vote:**

Ayes: 3 - Cohen, Fewer, Stefani

Motion ordering submitted to the voters at an election to be held on November 6, 2018 an Ordinance amending the Business and Tax Regulations Code to add a new gross receipts tax category for transportation network company services, private transit vehicle services, and autonomous vehicle passenger services, revise the application of the gross receipts tax for persons engaged in multiple business activities, and eliminate the payroll expense tax exclusion and the gross receipts tax limit for certain persons in the Central Market Street and Tenderloin Area; and increasing the City's appropriations limit by the amount collected under the new gross receipts tax category for four years from November 6, 2018.

(Economic Impact; No Economic Analysis Report)

**Chair Cohen moved that this Motion be CONTINUED TO CALL OF THE CHAIR AS AMENDED. The motion carried by the following vote:**

Ayes: 3 - Cohen, Fewer, Stefani

**180340 [Hearing - Mayor's Municipal Broadband Proposal]****Sponsor: Cohen**

Hearing to examine the true cost of Mayor Farrell's municipal broadband proposal; and requesting the Mayor's Office of Civic Innovation, Department of Technology, and the Budget and Legislative Analyst to report.

04/03/18; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

04/11/18; REFERRED TO DEPARTMENT. Referred to the Mayor's Office of Civic Innovation, Department of Technology, and the Budget and Legislative Analyst for informational purposes.

*Heard in Committee: Jennifer Sakovich (SF City); Director Linda Gerull (Department of Technology); Ben Rosenfield, City Controller (Office of the Controller); Kelly Kirkpatrick (Mayor's Budget Office); Connor Kennedy (Mayor's Office of Civic Innovation); Jon Givner (Office of the City Attorney); Patrick Rivera (Public Works); Fred Russo (Budget and Legislative Analyst Office); Ashley Groffenberger (Mayor's Budget Office); Jeremy Spitz (Public Works); provided an overview and responded to questions raised throughout the discussion. Chris Whitteman; Jolie Ho; Speaker; DeeDee Workman (San Francisco Chamber of Commerce); Yuki; Tim Posar; Erik Brookes (San Francisco Green Party); Mike McCarthy; spoke on various concerns relating to the hearing matter.*

**Chair Cohen moved that this Hearing be HEARD AND FILED. The motion carried by the following vote:**

Ayes: 3 - Cohen, Fewer, Stefani

**ADJOURNMENT**

*There being no further business, the Budget and Finance Sub-Committee adjourned at the hour of 5:13 p.m.*

*N.B. The Minutes of this meeting set forth all actions taken by the Budget and Finance Committee on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.*