



City and County of San Francisco
Meeting Minutes
Budget and Finance Committee

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

Members: Mark Farrell, Eric Mar, John Avalos

Clerk: Linda Wong (415) 554-7719

Wednesday, November 19, 2014

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 2 - Mark Farrell, and John Avalos

Absent: 1 - Eric Mar

MEETING CONVENED

The meeting convened at 10:00 a.m.

REGULAR AGENDA

File Nos. 141102, 141103, and 141104 were heard together.

141102 [Mills Act Historical Property Contract - 68 Pierce Street]

Sponsor: Wiener

Resolution approving a Mills Act historical property contract under Administrative Code, Chapter 71, between Diarmuid R. Russell and Heather Podruchny, the owners of 68 Pierce Street, and the City and County of San Francisco for an initial term of ten years and for an amount to be defined to commence following Board approval; and authorizing the Planning Director and the Assessor to execute the historical property contract.

10/21/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Supervisor Scott Wiener (Board of Supervisors); Eiliesh Tuffy and Tim Frye (Planning Department); Harvey Rose (Budget and Legislative Analyst's Office); presented information concerning the matter and answered questions raised throughout the hearing.

REFERRED WITHOUT RECOMMENDATION to the Board of Supervisors, by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

141103 [Mills Act Historical Property Contract - 563-567 Waller Street]**Sponsor: Wiener**

Resolution approving a Mills Act historical property contract under Administrative Code, Chapter 71, between Brandon Miller and Jay Zalewski, the owners of 563-567 Waller Street, and the City and County of San Francisco for an initial term of ten years and for an amount to be defined to commence following Board approval; and authorizing the Planning Director and the Assessor to execute the historical property contract.

10/21/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Supervisor Scott Wiener (Board of Supervisors); Eiliesh Tuffy and Tim Frye (Planning Department); Harvey Rose (Budget and Legislative Analyst's Office); presented information concerning the matter and answered questions raised throughout the hearing.

REFERRED WITHOUT RECOMMENDATION to the Board of Supervisors, by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

141104 [Mills Act Historical Property Contract - 621 Waller Street]**Sponsor: Wiener**

Resolution approving an historical property contract under Administrative Code, Chapter 71, between Renee and Claude Zellweger, the owners of 621 Waller Street, and the City and County of San Francisco for an initial term of ten years and for an amount to be defined to commence following Board approval; and authorizing the Planning Director and the Assessor to execute the historical property contract.

10/21/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Supervisor Scott Wiener (Board of Supervisors); Eiliesh Tuffy and Tim Frye (Planning Department); Harvey Rose (Budget and Legislative Analyst's Office); presented information concerning the matter and answered questions raised throughout the hearing.

REFERRED WITHOUT RECOMMENDATION to the Board of Supervisors, by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

141121 [Contract Requirements - Municipal Transportation Agency Armed and Unarmed Security Services]**Sponsor: Avalos**

Ordinance authorizing the Municipal Transportation Agency to include, in any contract for security services it executes within the next year after issuing a competitive solicitation, provisions that require: payment of prevailing wages by both the contractor and subcontractors to any individual providing security services under the contract, and transitional employment and retention for the prior contractor's employees as set forth in Administrative Code, Section 21C.7.

(Fiscal Impact)

10/28/14; ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Chris Grabarkiewctz (SFMTA); Harvey Rose (Budget and Legislative Analyst's Office); presented information concerning the matter and answered questions raised throughout the hearing.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

141101 [Multifamily Housing Revenue Note - Hunters View Phase IIA - Not to Exceed \$41,000,000]

Sponsor: Cohen

Resolution authorizing the issuance and delivery of a multifamily housing revenue note in an aggregate principal amount not to exceed \$41,000,000 for the purpose of providing financing for the acquisition and construction of a 107-unit multifamily rental housing project known as Hunters View Phase IIA; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the note and authorizing the execution and delivery thereof; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the forms of and authorizing the execution of certain loan documents; authorizing the collection of certain fees; ratifying and approving any action heretofore taken in connection with the note and the project; granting general authority to City officials to take actions necessary to implement this Resolution; and related matters.

10/21/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Pam Sims (Mayor's Office of Housing); presented information concerning the matter and answered questions raised throughout the hearing.

RECOMMENDED by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

File Nos. 141035 and 141151 were heard together.

141035 [Engineering Services Agreement Amendment - URS Corporation - New Irvington Tunnel Project - \$14,873,561]

Resolution approving and authorizing the General Manager of the San Francisco Public Utilities Commission to execute Amendment No. 4 to the professional services agreement for the New Irvington Tunnel Project with URS Corporation to increase the amount by \$500,000 for a total revised agreement amount of \$14,873,561 and extend the agreement term by one year for a total revised agreement term of ten years, through June 30, 2016, pursuant to Charter, Section 9.118. (Public Utilities Commission)

(Fiscal Impact)

10/06/14; RECEIVED FROM DEPARTMENT.

10/21/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Emilio Criz (SFPUC); Harvey Rose (Budget and Legislative Analyst's Office); presented information concerning the matter and answered questions raised throughout the hearing.

RECOMMENDED by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

141151 [Planning and Engineering Services Contract - Carollo Engineers, Inc. - New Southeast Plant Headworks Facility - Not to Exceed \$14,000,000]**Sponsor: Mayor**

Resolution authorizing the General Manager of the Public Utilities Commission to execute an agreement with Carollo Engineers, Inc., for specialized planning and engineering services for the proposed new headworks facility at the Southeast Water Pollution Control Plant for an amount not-to-exceed \$14,000,000 and a six-year term to commence following Board approval.

(Fiscal Impact)

11/04/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Emilio Criz (SFPUC); Harvey Rose (Budget and Legislative Analyst's Office); presented information concerning the matter and answered questions raised throughout the hearing.

RECOMMENDED by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

141155 [Approval of First Amendment to Option Agreement for the Purchase and Sale of Real Property - Transbay Joint Powers Authority - Consent to Conditions of Transbay Joint Power Authority's Bridge Loan - \$171,000,000]**Sponsor: Kim**

Resolution authorizing the Director of Property to execute the First Amendment to Option Agreement for the Purchase and Sale of Real Property between the City, Transbay Joint Powers Authority, and Successor Agency to the Redevelopment Agency of City and County of San Francisco; execute a consent to the conditions of the Transbay Joint Powers Authority's Bridge Loan with a value of \$171,000,000; and acknowledge the Subordination of the Option Agreement for the Purchase and Sale of Real Property for Transbay Parcels F, O, O', and O''.

11/04/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Claudia Gorham (Office of Real Estate); Harvey Rose (Budget and Legislative Analyst's Office); presented information concerning the matter and answered questions raised throughout the hearing.

RECOMMENDED to December 9, 2014, by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

141033 [Real Property Lease - Tenant Improvements - Bayview Plaza, LLC - 3801 Third Street - \$373,304 Rent in the Base Year - \$865,098 Estimated Improvements Cost]

Resolution authorizing the lease of 15,083 square feet at 3801 Third Street for the Human Services Agency with Bayview Plaza, LLC, merging Suites 200, 205, 210, 230, 235, 240, and adding Suite 220, commencing upon approval by the Board of Supervisors and Mayor, in their respective sole and absolute discretion, at the monthly rent of \$39,215.80 during improvements and alterations, and then \$41,478.25 per month for five years after substantial completion of the tenant improvements, for a base year's rent total of \$373,304; and Construction of Tenant Improvements in an estimated cost to the City of \$685,098.10. (Real Estate Department)
(Fiscal Impact)

09/30/14; RECEIVED FROM DEPARTMENT.

10/21/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Claudia Gorham (Office of Real Estate); presented information concerning the matter and answered questions raised throughout the hearing.

AMENDED to state the revised estimate of the City's costs for tenant improvements of \$865,098 by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

Resolution authorizing the lease of 15,083 square feet at 3801 Third Street for the Human Services Agency with Bayview Plaza, LLC, merging Suites 200, 205, 210, 230, 235, 240, and adding Suite 220, commencing upon approval by the Board of Supervisors and Mayor, in their respective sole and absolute discretion, at the monthly rent of \$39,215.80 during improvements and alterations, and then \$41,478.25 per month for five years after substantial completion of the tenant improvements, for a base year's rent total of \$373,304; and Construction of Tenant Improvements in an estimated cost to the City of \$865,098. (Real Estate Department)
(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

141014 [Construction Management Services Agreement Modification - Jacobs Project Management, Co. - General Hospital Rebuild Program - Not to Exceed \$20,813,950]

Resolution authorizing the Director of Public Works to execute Modification No. 6 to a professional construction management services agreement with Jacobs Project Management, Co., for the General Hospital Rebuild Program, and increasing the contract not to exceed amount from \$16,400,000 to \$20,874,706. (Public Works)
(Fiscal Impact)

09/26/14; RECEIVED FROM DEPARTMENT.

10/07/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Ron Alameida (Public Works); presented information concerning the matter and answered questions raised throughout the hearing.

AMENDED to reduced the total not-to-exceed contract amount to 20,813,950 by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

Resolution authorizing the Director of Public Works to execute Modification No. 6 to a professional construction management services agreement with Jacobs Project Management Co. for the General Hospital Rebuild Program, increasing the contract not to exceed amount from \$16,400,000 to \$20,813,950. (Public Works)
(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

141079 [Fixed Base Operator Lease and Operating Agreement Modification - Signature Flight Support Corporation - \$70,511,537 Estimated Minimum Guarantee]

Resolution approving Modification No. 1 to Fixed Base Operator Lease and Operating Agreement No. 07-0106 between Signature Flight Support Corporation, and the City and County of San Francisco, acting by and through its Airport Commission, to extend the lease by five years, for a new expiration date of September 30, 2022, for an estimated minimum guarantee of \$70,511,537 during the extension of the term. (Airport Commission)

10/14/14; RECEIVED FROM DEPARTMENT.

10/28/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Harvey Rose (Budget and Legislative Analyst's Office); presented information concerning the matter and answered questions raised throughout the hearing.

RECOMMENDED by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

141124 [Issuance of Tax-Exempt Obligation - California College of the Arts - Not to Exceed \$26,000,000]

Sponsor: Cohen

Resolution approving in accordance with the Internal Revenue Code, Section 147(f), the issuance of tax-exempt obligations by the California Statewide Communities Development Authority in an aggregate principal amount not to exceed \$26,000,000 to finance and refinance various capital facilities owned by California College of the Arts or an affiliate.

10/28/14; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speaker: Visha Trivedi (Controller's Office); presented information concerning the matter and answered questions raised throughout the hearing.

RECOMMENDED by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

File Nos. 141120 and 141117 were heard together.

141120 [Conditional Purchase Agreement - Goodwill SF Urban Development, LLC - 1500-1580 Mission Street - \$326,690,953 Anticipated Project Cost]

Sponsor: Mayor

Ordinance approving and authorizing the Director of Property to execute a Conditional Land Disposition and Acquisition Agreement with Goodwill SF Urban Development, LLC, a Delaware limited liability company ("Developer") for the proposed City acquisition of a portion of the real property at 1500-1580 Mission Street, located at the corner of South Van Ness Avenue and Mission Street (Assessors Block No. 3506, Lot Nos. 2 and 3), for approximately \$30,296,640 plus approximately \$25,884,132 in predevelopment costs, together with a Construction Management Agreement for the completion of an approximately 466,400 gross square foot office building anticipated to cost \$270,510,181 for a total anticipated project cost of \$326,690,953; exempting the project from contracting requirements in Administrative Code, Chapter 6, and Chapter 14B; and approving the Developer, architect, and general contractor without competitive bidding, but requiring the payment of prevailing wages, implementation of a local business enterprise utilization program, and compliance with the City's local hire policy and first source hiring Ordinance.

(Fiscal Impact)

10/28/14; ASSIGNED to Land Use and Economic Development Committee.

11/12/14; REFERRED TO DEPARTMENT. Referred to the Planning Department for environmental review; to the Planning Commission for public hearing and recommendation; Real Estate, City Administrator and Public Works for informational purposes.

11/14/14; TRANSFERRED to Budget and Finance Committee.

Heard in Committee. Speakers: John Updike, Director (Office of Real Estate); Bill Woody, CEO (Goodwill SF Urban Development, LLC.); Harvey Rose (Budget and Legislative Analyst's Office); presented information concerning the matter and answered questions raised throughout the hearing.

AMENDED to change to 463,300 gross square feet by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

Ordinance approving and authorizing the Director of Property to execute a Conditional Land Disposition and Acquisition Agreement with Goodwill SF Urban Development, LLC, a Delaware limited liability company ("Developer") for the proposed City acquisition of a portion of the real property at 1500-1580 Mission Street, located at the corner of South Van Ness Avenue and Mission Street (Assessors Block No. 3506, Lot Nos. 2 and 3), for approximately \$30,296,640 plus approximately \$25,884,132 in predevelopment costs, together with a Construction Management Agreement for the completion of an approximately 463,300 gross square foot office building anticipated to cost \$270,510,181 for a total anticipated project cost of \$326,690,953; exempting the project from contracting requirements in Administrative Code, Chapter 6, and Chapter 14B; and approving the Developer, architect, and general contractor without competitive bidding, but requiring the payment of prevailing wages, implementation of a local business enterprise utilization program, and compliance with the City's local hire policy and first source hiring Ordinance.

(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

141117 [Appropriation - Site Development and a Conditional Loan for an Office Project on Van Ness Avenue - Department of Building Inspection - \$8,072,300 - FY2014-2015]**Sponsor: Mayor**

Ordinance appropriating \$8,072,300 from reserves to the Department of Building Inspection in FY2014-2015, for site development and a conditional loan for an office project on Van Ness Avenue. (Fiscal Impact)

10/28/14; ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: John Updike, Director (Office of Real Estate); Bill Woody, CEO (Goodwill SF Urban Development, LLC.); Harvey Rose (Budget and Legislative Analyst's Office); presented information concerning the matter and answered questions raised throughout the hearing.

RECOMMENDED by the following vote:

Ayes: 2 - Farrell, Avalos

Absent: 1 - Mar

ADJOURNMENT

The meeting adjourned at 11:25 a.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.