



**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: Mark Farrell, Katy Tang, Eric Mar*

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

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Wednesday, July 22, 2015

10:00 AM

City Hall, Legislative Chamber, Room 250

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**Regular Meeting**

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**Present:** 3 - Mark Farrell, Katy Tang, and Eric Mar

## MEETING CONVENED

*Chair Mark Farrell convened the meeting at 10:04 a.m. Chair Farrell, Vice-Chair Tang, and Member Mar were noted present. There was a quorum.*

## AGENDA CHANGES

*There were no agenda changes.*

## REGULAR AGENDA

### **150597 [Hearing - Reserved Funds - Arts Commission - \$50,000]**

Hearing to consider the release of reserved funds, Arts Commission (FYs 2014-2016 Annual Appropriation Ordinance) in the amount of \$50,000 to fund the build out of secure basement storage space and the related relocation costs for the City's civic art collection. (Arts Commission)

06/01/15; RECEIVED FROM DEPARTMENT.

06/05/15; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Tom DeCaigny, Director (Arts Commission); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.*

**APPROVED the release of \$50,000 on Budget and Finance Committee Reserve, HEARD, AND FILED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150736 [Accept and Expend Grant - San Francisco Parks Alliance - \$133,961]****Sponsor: Christensen**

Resolution retroactively authorizing the Recreation and Park Department to accept and expend a grant in the amount of \$133,961 from the San Francisco Parks Alliance to support various Recreation and Park Department operations for FY2013-2014.

07/07/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/14/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speaker: Daliah Khoury (Recreation and Park Department); provided an overview and responded to questions raised throughout the discussion.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150740 [Accept and Expend Grant - California Department of Water Resources - Recycled Water Facility - San Francisco International Airport Mel Leong Wastewater Treatment Plant - \$750,000]****Sponsor: Wiener**

Resolution retroactively authorizing the San Francisco Airport Commission to accept and expend a grant in the amount of \$750,000 from the California Department of Water Resources for a new recycled water facility at the San Francisco International Airport Mel Leong Industrial Wastewater Treatment Plant for the four-year term of January 1, 2015, through December 31, 2018. (Fiscal Impact)

07/07/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/14/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150741 [Accept and Expend Grant - Public Health Foundation Enterprises - San Francisco Bay Clinical Trials Unit - \$211,225]****Sponsor: Wiener**

Resolution retroactively authorizing the San Francisco Department of Public Health to accept and expend a grant in the amount of \$211,225 from Public Health Foundation Enterprises to participate in a program entitled "San Francisco Bay Clinical Trials Unit" for the period of December 1, 2014, through November 30, 2015.

07/07/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/16/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speaker: Female Representative (Department of Public Health); provided an overview and responded to questions raised throughout the discussion.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150699 [Agreement - California Department of Health Care Services - County Children's Health Initiative Program - Up to \$397,405]**

Resolution retroactively authorizing the Department of Public Health to enter into a six-month agreement with the California Department of Health Care Services to receive reimbursement for children enrolled in the Healthy Kids Program, and expend funds in the amount of up to \$397,405 to finance the program for the period of January 1, 2015, through June 30, 2015. (Public Health Department)  
(Fiscal Impact)

06/22/15; RECEIVED FROM DEPARTMENT.

06/30/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/14/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Stella Chan (Department of Public Health); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150669 [Bookstore Lease - Books, Inc. - \$575,000 Minimum Annual Guarantee]**

Resolution approving the Terminal 3 East Bookstore Lease No. 15-0085 between Books, Inc., and the City and County of San Francisco, acting by and through its Airport Commission, for a five-year term with two one-year options to extend, to commence following Board approval, with a Minimum Annual Guarantee of \$575,000 during the first year of the lease. (Airport Commission)

06/15/15; RECEIVED FROM DEPARTMENT.

06/30/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/14/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150510 [Lease Agreement Amendment - Hudson Group (HG) Retail, LLC - Terminal 3 News and Specialty Store - \$554,925.98 Minimum Annual Guarantee]**

Resolution approving Amendment No. 1 to Terminal 3 News and Specialty Store Lease No. 11-0210 between Hudson Group (HG) Retail, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a reduction in square footage to one concession space; relocation of another concession space; and reduction of the minimum annual guarantee of the rent from \$711,000 to \$554,925.98 to occur following approval by the Board of Supervisors. (Airport Commission)

05/15/15; RECEIVED FROM DEPARTMENT.

06/02/15; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: None.*

**CONTINUED to September 9, 2015, by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150670 [Lease Amendment - Bayport Concessions, LLC - San Francisco International Airport]**

Resolution approving Amendment No. 2 to Domestic Terminal Food and Beverage Program Lease No. 03-0183 with Bayport Concessions, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for replacement premises, a modified lease term, and a new Minimum Annual Guarantee of \$127,465. (Airport Commission)

06/15/15; RECEIVED FROM DEPARTMENT.

06/30/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/14/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.*

**Member Tang moved that this Resolution be AMENDED to delete reference to the new minimum annual guarantee of \$127,465. The motion carried by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

Resolution approving Amendment No. 2 to Domestic Terminal Food and Beverage Program Lease No. 03-0183 with Bayport Concessions, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for replacement premises, and a modified lease term. (Airport Commission)

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150671 [Lease Amendment - Gotham Enterprise, LLC - San Francisco International Airport]**

Resolution approving Amendment No. 1 to Specialty Coffee Facilities in Domestic Terminal Buildings Lease No. 03-0069 with Gotham Enterprise, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for replacement premises in Terminal 1 for an extended term of approximately two years, and any adjustment to the Minimum Annual Guarantee of \$26,892. (Airport Commission)

06/15/15; RECEIVED FROM DEPARTMENT.

06/30/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/14/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Cathy Widener (San Francisco International Airport); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.*

**Vice-Chair Tang moved that this Resolution be AMENDED to delete reference to the minimum annual guarantee of \$26,892. The motion carried by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

Resolution approving Amendment No. 1 to Specialty Coffee Facilities in Domestic Terminal Buildings Lease No. 03-0069 with Gotham Enterprise, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for replacement premises in Terminal 1 for an extended term of approximately two years. (Airport Commission)

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150700 [Real Property Acquisition - Easements from the Kaiser Foundation Hospitals - Regional Groundwater Storage and Recovery Project, San Mateo County - \$53,900]**

Resolution approving and authorizing the acquisition of one permanent subsurface easement and one temporary construction easement from Kaiser Foundation Hospitals District, a California non-profit public benefit corporation, for \$53,900 to be used by the City and County of San Francisco under the Water System Improvement Program for the access, installation, modification, removal, inspection, maintenance, repair, replacement, periodic scheduled maintenance, emergency repairs, and construction of the project known as the Regional Groundwater Storage and Recovery Project, Project No. CUW30103; adopting findings under the California Environmental Quality Act; adopting findings that the conveyance is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and approving the Agreement and authorizing the Director of Property and/or the San Francisco Public Utilities Commission General Manager to execute documents, make certain modifications, and take certain actions in furtherance of this Resolution, as defined herein. (Real Estate Department)

06/22/15; RECEIVED FROM DEPARTMENT.

06/30/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/14/15; TRANSFERRED to Budget and Finance Sub-Committee.

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

**RECOMMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150734 [Real Property Acquisition - 490 South Van Ness Avenue - South Van Ness 490, LP, Benicia Lake LLC, and Maurice Casey - \$18,037,500]**

**Sponsor: Mayor**

Resolution approving the acquisition of real property at 490 South Van Ness (Assessor's Block No. 3553, Lot No. 008) from South Van Ness 490, LP, Benicia Lake LLC, and Maurice Casey for the purchase price of \$18,500,000; adopting findings under the California Environmental Quality Act; and adopting findings that the acquisition is consistent with the City's General Plan, and the eight priority policies of City Planning Code, Section 101.1. (Fiscal Impact)

07/07/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/14/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Kevin Kitchingham (Mayor's Office of Housing and Community Development); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.*

**Vice-Chair Tang moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. That motion carried by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

Resolution approving the acquisition of real property at 490 South Van Ness (Assessor's Block No. 3553, Lot No. 008) from South Van Ness 490, LP, Benicia Lake LLC, and Maurice Casey for the purchase price of \$18,037,500; adopting findings under the California Environmental Quality Act; and adopting findings that the acquisition is consistent with the City's General Plan, and the eight priority policies of City Planning Code, Section 101.1. (Fiscal Impact)

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150759 [Sale of Easement - 212 Square Feet at Northeast Corner of 23rd Street and Potrero Avenue - Pacific Gas and Electric Company - \$10,600]****Sponsor: Cohen**

Resolution approving and authorizing the sale of an easement on the City's property, consisting of 212 square feet of land at the northeast corner of 23rd Street and Potrero Avenue, to the Pacific Gas and Electric Company for the price of \$10,600; adopting findings under the California Environmental Quality Act; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of this Resolution, as defined herein.

07/14/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/16/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speaker: John Updike, Director (Division of Real Estate); provided an overview and responded to questions raised throughout the discussion.*

**RECOMMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150673 [Emergency Contracts - Cotton, Shires and Associates, Inc.; ARUP North America Limited; and Geostabilization International - Not to Exceed \$5,920,709]**

Resolution approving three emergency public work contracts under Administrative Code, Section 6.60, with Cotton, Shires and Associates, Inc.; ARUP North America Limited; and Geostabilization International for the Telegraph Hill Rock Slope Improvement Project to provide design support and stabilization and construction of the Northwest face of Telegraph Hill above Lombard and Winthrop Streets below Pioneer Park and Coit Tower with a total aggregate amount not to exceed \$6,094,016.  
(Public Works)

(Fiscal Impact)

06/19/15; RECEIVED FROM DEPARTMENT.

06/30/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/14/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Male Representative (Public Works); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.*

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

Ayes: 3 - Farrell, Tang, Mar

Resolution approving three emergency public work contracts under Administrative Code, Section 6.60, with Cotton, Shires and Associates, Inc.; ARUP North America Limited; and Geostabilization International for the Telegraph Hill Rock Slope Improvement Project to provide design support and stabilization and construction of the Northwest face of Telegraph Hill above Lombard and Winthrop Streets below Pioneer Park and Coit Tower with a total aggregate amount not to exceed \$5,920,709.  
(Public Works)

(Fiscal Impact)

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150727 [Appropriation and De-Appropriation - Surplus Expenditures of \$5,033,384 Supporting Increased Overtime Expenditures - FY2014-2015]****Sponsor: Mayor**

Ordinance appropriating \$4,150,023 to overtime and de-appropriating \$4,150,023 from permanent salaries, premium pay, and fringe benefits in the Sheriff's Department, Police Department, and the Public Utilities Commission operating budgets in order to support the Department's projected increases in overtime, as required per Ordinance No. 194-11 in FY2014-2015.

(Fiscal Impact)

07/07/15; ASSIGNED to Budget and Finance Committee. President Breed waived the 30-day rule on July 8, 2015.

07/14/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Kate Howard (Mayor's Office); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.*

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

Ayes: 3 - Farrell, Tang, Mar

Ordinance retroactively appropriating \$5,033,384 to overtime and de-appropriating \$5,033,384 from permanent salaries, premium pay, and fringe benefits in the Sheriff's Department, Police Department and the Public Utilities Commission's operating budgets in order to support the Departments projected increases in overtime as required per Ordinance No. 194-11 in FY2014-2015.

(Fiscal Impact)

**RECOMMENDED AS AMENDED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150765 [Hearing - Department of the Environment's Landfill Disposal Agreement with Recology San Francisco]****Sponsor: Farrell**

Hearing on the proposed Landfill Disposal Agreement between the City and County of San Francisco and Recology San Francisco, for information and review pursuant to Board Resolution No. 171-05, including discussion of the terms of the agreement, elements that support the City's Zero Waste Goal, and timeline; and requesting the Department of the Environment to report.

07/14/15; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/16/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Debbie Raphael, Director (Department of the Environment); provided an overview and responded to questions raised throughout the discussion. Kevin Carroll; Joshua Arce; Samantha Higgins; Paul Pintercast; spoke in support of the hearing matter. John Winston; David Pilpel; spoke neither in support nor opposition to the hearing matter.*

**HEARD AND FILED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**150418 [Hearing - Streamlining the Restaurant Business Permitting Process and Report]****Sponsor: Tang**

Hearing on the Controller's report regarding streamlining of the permitting process for restaurants, including the next steps to address permitting challenges for businesses and how to improve customer experience for small business owners; and requesting the Office of Economic and Workforce Development, the Office of Small Business, the Controller, the Planning Department, the Department of Building Inspection, and other City departments involved with the permitting process for businesses to report.

04/21/15; RECEIVED AND ASSIGNED to Government Audit and Oversight Committee.

04/27/15; REFERRED TO DEPARTMENT. Referred to the Office of the Controller, Office of Economic and Workforce Development, Planning Department, Department of Public Health, Office of Small Business, and Department of Building Inspection for informational purposes.

06/24/15; TRANSFERRED to Budget and Finance Committee. 6/24/2015 - President London Breed transferred this item from Government Audit and Oversight Committee to Budget and Finance Committee.

07/14/15; TRANSFERRED to Budget and Finance Sub-Committee.

*Heard in Committee. Speakers: Todd Rufo, Director (Office of Economic and Workforce Development); Jane Gong (Department of Technology); Ryan Hunter (Controller's Office); Regina Dick-Endrizzi (Office of Small Business); Amanda Fried (Office of the Treasurer and Tax Collector); Richard Lee (Department of Public Health); Elizabeth Purl (Planning Department); Ron Tom (Department of Building Inspection); Female Representative (Fire Department); provided an overview and responded to questions raised throughout the discussion. Laren Kraft; Samatha Higgins; Jim Lazaus; Male Speaker; spoke on the hearing matter.*

**HEARD AND FILED by the following vote:**

Ayes: 3 - Farrell, Tang, Mar

**ADJOURNMENT**

*The meeting adjourned at 12:24 p.m.*

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