



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

Supervisors: Carmen Chu, John Avalos, Jane Kim

Clerk: Victor Young (415) 554-7723

Wednesday, July 18, 2012

12:00 PM

City Hall, Legislative Chamber, Room 250

Rescheduled Meeting

Present: 3 - Carmen Chu, John Avalos, and Jane Kim

MEETING CONVENED

The meeting convened at 12:15 p.m.

REGULAR AGENDA

120487 [Appropriating \$155,000,000 of Certificate of Participation Proceeds for the Department of War Memorial in FY2012-2013]

Sponsors: Mayor; Olague

Ordinance appropriating \$155,000,000 of Certificate of Participation for the Veterans Building Seismic Upgrade and Improvement Project of the Department of War Memorial for FY2011-2012.
(Fiscal Impact)

06/26/12; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 7/26/2012.

07/02/12; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Elizabeth Murray, Director (War Memorial); Kate Howard (Mayor's Office); Harvey Rose (Budget and Legislative Analyst's Office); Anthony Abanon (Controller's Office); John Updike, Acting Director (Real Estate); provided an overview and responded to questions raised throughout the discussion. Walter Paulson; spoke neither in support nor opposition on the matter.

07/18/12 - Amended on Page 1, Lines 1, 5 and 11, to replace 'FY2011-2012' with 'FY2012-2013'.

AMENDED on Page 1, Lines 1, 5 and 11, to replace 'FY2011-2012' with 'FY2012-2013'.

Ordinance appropriating \$155,000,000 of Certificate of Participation for the Veterans Building Seismic Upgrade and Improvement Project of the Department of War Memorial for FY2012-2013.
(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Chu, Avalos, Kim

120540 [Airport Concession Leases - Subway, Jalapeno Grill, Guava & Java, and Mission Bar & Grill]

Resolution approving Amendment No. 2, to Domestic Terminal Food and Beverage Lease No. 03-0185 with Baysubway Airport (Subway); No. 03-0187 with Luna Azul Corporation (Jalapeno Grill); No. 03-0191 with Guava & Java (SFO), Inc. (Guava & Java); and No. 03-0199 with Burger Joint, Inc. (Mission Bar & Grill), and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)
(Fiscal Impact)

05/11/12; RECEIVED FROM DEPARTMENT.

05/22/12; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Cathey Widener (Airport Commission); Harvey Rose (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion. Walter Paulson; spoke neither in support nor opposition on the matter.

RECOMMENDED by the following vote:

Ayes: 3 - Chu, Avalos, Kim

120583 [Real Property Lease Expansion - KLW, LLC - 3120 Mission Street]

Resolution authorizing the amendment of an existing lease at 3120 Mission Street with KLW, LLC, to expand the premises by approximately 5,000 square feet for the Human Services Agency. (Real Estate Department)
(Fiscal Impact)

05/21/12; RECEIVED FROM DEPARTMENT.

06/05/12; RECEIVED AND ASSIGNED to Land Use and Economic Development Committee.

06/18/12; TRANSFERRED to Budget and Finance Committee.

07/10/12; TRANSFERRED to Budget and Finance Sub-Committee.

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

RECOMMENDED by the following vote:

Ayes: 3 - Chu, Avalos, Kim

120585 [Real Property Sublease - 1440 Harrison Street Development Group, LLC - 1440 Harrison Street]

Resolution authorizing the exercise of a five year option to extend the Sublease of the 52,200 square foot building at 1440 Harrison Street for the Human Services Agency. (Real Estate Department)
(Fiscal Impact)

05/23/12; RECEIVED FROM DEPARTMENT.

06/05/12; RECEIVED AND ASSIGNED to Land Use and Economic Development Committee.

06/18/12; TRANSFERRED to Budget and Finance Committee.

07/10/12; TRANSFERRED to Budget and Finance Sub-Committee.

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

7/18/12 - Amended on Page 1, Line 5, after 'Agency' to insert 'retroactively to July 1, 2012' and on Page 2, Line 3 after 'janitorial services' to insert 'with an effective date of July 1, 2012'.

AMENDED on Page 1, Line 5, after 'Agency' to insert 'retroactively to July 1, 2012' and on Page 2, Line 3 after 'janitorial services' to insert 'with an effective date of July 1, 2012'.

Resolution authorizing the exercise of a five year option to extend the Sublease of the 52,200 square foot building at 1440 Harrison Street for the Human Services Agency, retroactively to July 1, 2012.
(Real Estate Department)
(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Chu, Avalos, Kim

120610 [Declaration of Emergency Contract - South Fork Adit - Not to Exceed \$115,250]

Resolution approving Declaration of Emergency Construction Contract of an amount not-to-exceed \$319,000 to address a rockslide near South Fork Adit. (Public Utilities Commission)
(Fiscal Impact)

06/04/12; RECEIVED FROM DEPARTMENT.

06/12/12; RECEIVED AND ASSIGNED to Land Use and Economic Development Committee.

06/21/12; TRANSFERRED to Budget and Finance Committee.

07/10/12; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Mr. Richie (Public Utilities Commission); Harvey Rose (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion.

7/18/12 – Amendment of the whole bearing a new title to reduce the not to exceed amount from \$319,000 down to \$115,250.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE to reduce the not to exceed amount from \$319,000 down to \$115,250.

Resolution approving Declaration of Emergency Construction Contract of an amount not-to-exceed \$115,250 to address a rockslide near South Fork Adit. (Public Utilities Commission)
(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Chu, Avalos, Kim

120547 [Contract Amendment - Community Awareness and Treatment Services - \$35,699,175]

Sponsor: Mayor

Resolution amending the contract between the San Francisco Department of Public Health and Community Awareness and Treatment Services, Inc., for behavioral health services to \$35,699,175. (Fiscal Impact)

06/26/12; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/11/12; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Ann Bacuco (Department of Public Health); Harvey Rose (Budget and Legislative Analyst's Office); Male Speaker; provided an overview and responded to questions raised throughout the discussion.

7/18/12 - Amendment of the whole bearing a new title, to insert a reporting requirement for Department of Public Health concerning update on implementation and RFP plans due by May 2013.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE, to insert a reporting requirement for Department of Public Health concerning update on implementation and RFP plans due by May 2013.

Resolution retroactively amending the contract between the San Francisco Department of Public Health and Community Awareness and Treatment Services, Inc., for behavioral health services to \$35,699,175. (Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Chu, Avalos, Kim

120630 [Contract between the Department of Public Health and the San Francisco Community Health Authority to Provide Provider Payment Services for the Healthy San Francisco Program - \$30,940,000]

Sponsor: Mayor

Resolution authorizing the Director of Public Health and the Director of the Office of Contract Administration/Purchaser to contract with the San Francisco Community Health Authority to provide Provider Payment services for the Healthy San Francisco Program from July 1, 2012, through June 30, 2014, for an amount of \$31,940,000. (Fiscal Impact)

06/05/12; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/11/12; TRANSFERRED to Budget and Finance Sub-Committee.

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

7/18/12 – Amendment of the whole bearing a new title to allow for retroactive approval to July 1, 2012, and to reduce the not to exceed amount from \$31,940,000 down to \$30,940,000.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE to allow for retroactive approval to July 1, 2012, and to reduce the not to exceed amount from \$31,940,000 down to \$30,940,000.

Resolution authorizing the Director of Public Health and the Director of the Office of Contract Administration/Purchaser to retroactively contract with the San Francisco Community Health Authority to provide Provider Payment services for the Healthy San Francisco Program from July 1, 2012, through June 30, 2014, for an amount of \$30,940,000.
(Fiscal Impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Chu, Avalos, Kim

120754 [Administrative Code - Health Service System Plans and Contribution Rates for Calendar Year 2013]

Sponsor: Chu

Ordinance amending the San Francisco Administrative Code, Chapter 16, Article XV, Part 1, Section 16.703 regarding Board approval of health service system plans and contribution rates.
(Fiscal Impact)

07/10/12; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Catherine Dodd (Health Service System); Male Speaker; Harvey Rose (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Chu, Avalos, Kim

120755 [Establishing Monthly Contribution Amount - Health Service Trust Fund]

Sponsor: Chu

Resolution establishing monthly contribution amount to Health Service Trust Fund.
(Fiscal Impact)

07/10/12; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Catherine Dodd (Health Service System); Male Speaker; Harvey Rose (Budget and Legislative Analyst's Office); provided an overview and responded to questions raised throughout the discussion.

RECOMMENDED by the following vote:

Ayes: 3 - Chu, Avalos, Kim

120407 [Business and Tax Regulations, Police Codes - Parking Tax Exemption for Special Parking Events Operated by Volunteers on SFUSD Property]
Sponsors: Mayor; Mar, Wiener, Chiu, Farrell, Chu, Olague, Kim, Campos, Cohen and Avalos

Ordinance amending: 1) the San Francisco Business and Tax Regulations Code, Article 9, Section 604, and adding Section 608, to exempt a limited number of special parking events operated by the volunteers of non-profit organizations on SFUSD property for the sole benefit of San Francisco public schools and earning less than \$10,000 in gross revenue per event from rent, from the requirement to pay parking tax and other requirements; and 2) the San Francisco Police Code Section 1215 to exempt said organizations from the requirement to obtain a commercial parking permit, establishing an alternative permitting process, and establishing a sunset date.

(Fiscal Impact)

04/24/12; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Sub-Committee, expires on 5/24/2012.

04/30/12; REFERRED TO DEPARTMENT. Referred to the Police Department and the SFUSD for informational purposes.

Heard in Committee. Speakers: Supervisor Eric Mar (Board of Supervisors); Harvey Rose (Budget and Legislative Analyst's Office); Greg Kato (Treasurer/Tax Collector); provided an overview and responded to questions raised throughout the discussion. Rachael Gordon; Male Speaker; Sam Rodriguez; Chris Wright; spoke in support of the matter.

7/18/12 - Amendment of the whole bearing a new title.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Ordinance amending the San Francisco Business and Tax Regulations Code, Article 9, by amending Section 604, and adding Section 608, to exempt a limited number of special parking events operated by volunteer led non-profit organizations on SFUSD property for the sole benefit of San Francisco public schools and earning less than \$10,000 in gross revenue per event from rent, from the requirement to pay parking tax and other requirements, establishing Special School Parking Event Permits issued by the Tax Collector and making findings; and amending the San Francisco Police Code by amending Section 1215 to exclude from the definitions of Parking Garage and Parking Lot special event parking on SFUSD property operated by a qualified nonprofit pursuant to a Special School Parking Event Permit, and establishing a sunset date.

(Fiscal Impact)

Continued to July 25, 2012.

CONTINUED AS AMENDED July 25, 2012, by the following vote:

Ayes: 3 - Chu, Avalos, Kim

120681 [Initiative Ordinance - Business and Tax Regulations Code - Enact Gross Receipts Tax and Phase Out Payroll Expense Tax]**Sponsors: Mayor; Chiu**

Motion ordering submitted to the voters an: "Ordinance amending the Business and Tax Regulations Code to: 1) enact a new Article 12-A-1 (Gross Receipts Tax Ordinance) to impose a gross receipts tax and an administrative office tax on persons engaging in business activities in San Francisco; 2) amend Article 12-A (Payroll Expense Tax Ordinance) to reduce business payroll expense tax rates based on the amount of gross receipts tax collected under Article 12-A-1 (Gross Receipts Tax Ordinance); 3) amend Article 12 (Business Registration Ordinance) to establish business registration fees based on gross receipts and amend the current business registration fees to generate approximately \$13 million in estimated additional revenue; 4) amend Article 12-A (Payroll Expense Tax Ordinance) to add a sunset date to the surplus business tax revenue credit; and 5) amend Article 6 (Common Administrative Provisions) to establish requirements for filing a tax return under Article 12-A-1 (Gross Receipts Tax Ordinance), establish penalties for non-filing, and amend the requirements for filing payroll expense tax returns and penalties for non-filing to conform to the new gross receipts tax" at an election to be held on November 6, 2012.

(Economic Impact)

06/12/12; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 7/12/2012.

06/26/12; REFERRED TO DEPARTMENT. Referred to the Small Business Commission for review and comment. Referred to the Planning Department for determination of environmental impact. Referred to the Controller for informational purposes.

06/28/12; RESPONSE RECEIVED.

07/03/12; TRANSFERRED to Budget and Finance Sub-Committee.

07/05/12; RESPONSE RECEIVED. Exempt from CEQA per Section 15273.

07/12/12; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Supervisor David Chiu (Board of Supervisors); Ben Rosenfield, Controller; Julie Van Nostern (City Attorney's Office); provided an overview and responded to questions raised throughout the discussion. Jim Lazurus; spoke neither in support nor opposition on the matter.

07/12/12; CONTINUED AS AMENDED. Continued as Amended to July 18, 2012.

Heard in Committee. Speakers: Supervisor David Chiu (Board of Supervisors); Ted Egan (Controller's Office); Ms. Austurn (City Attorney's Office); Tony Winiker (Mayor's Office); provided an overview and responded to questions raised throughout the discussion. Gordon Mar; Connie Ford; Chrissy Leuma; Arielle Aiken; Christina Carneval; Raymond Castillo; Mr. Martin; Peter Cohen; Kathe Burick; Debbie Larmin; Angelica Cabande; Holland; spoke in support of the matter. Andy Hansen; Dave Barsotti; Fred Toronto; spoke in opposition of the matter.

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

Ayes: 3 - Chu, Avalos, Kim

120682 [Initiative Ordinance - Business and Tax Regulations Code - Enact Gross Receipts Tax and Phase Out Payroll Expense Tax]**Sponsors: Avalos; Campos, Kim, Mar and Olague**

Motion ordering submitted to the voters an: "Ordinance amending the Business and Tax Regulations Code to: 1) enact a new Article 12-A-1 (Gross Receipts Tax Ordinance) to impose a gross receipts tax and an administrative office tax on persons engaging in business activities in San Francisco; 2) amend Article 12-A (Payroll Expense Tax Ordinance) to reduce business payroll expense tax rates based on the amount of gross receipts tax collected under Article 12-A-1 (Gross Receipts Tax Ordinance); 3) amend Article 12 (Business Registration Ordinance) to establish business registration fees based on gross receipts and amend the current business registration fees to generate approximately \$40 million in estimated additional revenue; 4) amend Article 12-A (Payroll Expense Tax Ordinance) to add a sunset date to the surplus business tax revenue credit; and 5) amend Article 6 (Common Administrative Provisions) to establish requirements for filing a tax return under Article 12-A-1 (Gross Receipts Tax Ordinance), establish penalties for non-filing, and amend the requirements for filing payroll expense tax returns and penalties for non-filing to conform to the new gross receipts tax" at an election to be held on November 6, 2012.

(Economic Impact)

06/12/12; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 7/12/2012.

06/26/12; REFERRED TO DEPARTMENT. Referred to the Small Business Commission for review and comment. Referred to the Planning Department for determination of environmental impact. Referred to the Controller for informational purposes.

06/28/12; RESPONSE RECEIVED.

07/03/12; TRANSFERRED to Budget and Finance Sub-Committee.

07/05/12; RESPONSE RECEIVED. Exempt from CEQA per Section 15273.

07/12/12; AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Supervisor David Chiu (Board of Supervisors); Ben Rosenfield, Controller; Julie Van Nostern (City Attorney's Office); provided an overview and responded to questions raised throughout the discussion. Jim Lazurus; spoke neither in support nor opposition on the matter.

07/12/12; CONTINUED AS AMENDED. Continued as Amended to July 18, 2012.

Heard in Committee. Speakers: Supervisor David Chiu (Board of Supervisors); Ted Egan (Controller's Office); Ms. Austurn (City Attorney's Office); Tony Winiker (Mayor's Office); provided an overview and responded to questions raised throughout the discussion. Gordon Mar; Connie Ford; Chrissy Leuma; Arielle Aiken; Christina Carneval; Raymond Castillo; Mr. Martin; Peter Cohen; Kathe Burick; Debbie Larmin; Angelica Cabande; Holland; spoke in support of the matter. Andy Hansen; Dave Barsotti; Fred Toronto; spoke in opposition of the matter.

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

Ayes: 3 - Chu, Avalos, Kim

120710 [Hearing - Initiative Ordinance - Business and Tax Regulations Code - Increase Real Property Transfer Tax on Certain Transfers]**Sponsors: Avalos; Campos, Kim and Mar**

Hearing held to consider the proposed initiative ordinance to be submitted by four or more Supervisors to the voters at the November 6, 2012, Election entitled "Ordinance amending the San Francisco Business and Tax Regulations Code, Article 12-C, Real Property Transfer Tax, by amending Section 1102, to increase the Real Property Transfer Tax on certain transfers."

(Economic Impact)

06/19/12; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/11/12; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Supervisor David Chiu (Board of Supervisors); Ted Egan (Controller's Office); Ms. Austurn (City Attorney's Office); Tony Winiker (Mayor's Office); provided an overview and responded to questions raised throughout the discussion. Gordon Mar; Connie Ford; Chrissy Leuma; Arielle Aiken; Christina Carneval; Raymond Castillo; Mr. Martin; Peter Cohen; Kathe Burick; Debbie Larmin; Angelica Cabande; Holland; spoke in support of the matter. Andy Hansen; Dave Barsotti; Fred Toronto; spoke in opposition of the matter.

FILED by the following vote:

Ayes: 3 - Chu, Avalos, Kim

120713 [Hearing - Initiative Ordinance - Business and Tax Regulations Code - Increase Real Property Tax on Transfers of \$1,000,000 or Greater]**Sponsor: Mayor**

Hearing held to consider the proposed initiative ordinance to be submitted by the Mayor to the voters at the November 6, 2012, Election entitled "Ordinance amending the San Francisco Business and Tax Regulations Code, Article 12-C, Real Property Transfer Tax, by amending Section 1102, to increase the Real Property Transfer Tax on transfers of \$1,000,000 or greater."

(Economic Impact)

06/19/12; RECEIVED AND ASSIGNED to Budget and Finance Committee.

07/11/12; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Supervisor David Chiu (Board of Supervisors); Ted Egan (Controller's Office); Ms. Austurn (City Attorney's Office); Tony Winiker (Mayor's Office); provided an overview and responded to questions raised throughout the discussion. Gordon Mar; Connie Ford; Chrissy Leuma; Arielle Aiken; Christina Carneval; Raymond Castillo; Mr. Martin; Peter Cohen; Kathe Burick; Debbie Larmin; Angelica Cabande; Holland; spoke in support of the matter. Andy Hansen; Dave Barsotti; Fred Toronto; spoke in opposition of the matter.

FILED by the following vote:

Ayes: 3 - Chu, Avalos, Kim

ADJOURNMENT

The meeting adjourned at 4:30 p.m.