



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

Wednesday, May 6, 2015

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 2 - Mark Farrell, and Katy Tang

Absent: 1 - Eric Mar

MEETING CONVENED

Chair Mark Farrell convened the meeting at 10:01 a.m. Chair Farrell and Vice-Chair Tang were noted present. Member Mar was not present. There was a quorum.

REGULAR AGENDA

150210 [Lease Agreement - Menzies Aviation (USA), Inc. - West Field Cargo Building 632 and Related Areas on Plot 9 - \$7,546,780]

Resolution approving Lease Agreement No. 15-0033 between Menzies Aviation (USA), Inc., and the City and County of San Francisco, acting by and through its Airport Commission, for approximately 50,319 square feet of exclusive use space in West Field Cargo Building 632 and related areas on Plot 9, with an estimated minimum rent of \$6,434,187 for a three-year term, with three one-year options to extend. (Airport Commission)

02/23/15; RECEIVED FROM DEPARTMENT.

03/10/15; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

04/29/15; CONTINUED. Heard in Committee. Speakers: None.

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

Vice-Chair Tang moved that this Resolution be AMENDED to state the correct estimated minimum rent payable by Menzies to the Airport over the lease term ending April 30, 2021, to be \$7,546,780. The motion carried by the following vote:

Ayes: 2 - Farrell, Tang

Absent: 1 - Mar

Resolution approving Lease Agreement No. 15-0033 between Menzies Aviation (USA), Inc., and the City and County of San Francisco, acting by and through its Airport Commission, for approximately 50,319 square feet of exclusive use space in West Field Cargo Building 632 and related areas on Plot 9, with an estimated minimum rent of \$7,546,780 for a three-year term with three one-year options to extend. (Airport Commission)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Farrell, Tang

Absent: 1 - Mar

150212 [Lease Agreement Termination - Buth-na-Bodhaige, Inc., dba The Body Shop]

Resolution approving the Termination of Lease Agreement between Buth-na-Bodhaige, Inc., dba The Body Shop, and the City and County of San Francisco, for the Boarding Area "F" Pharmacy, Health, and Beauty Store, Lease No. 08-0133, acting by and through its Airport Commission, to occur following Board approval. (Airport Commission)

02/24/15; RECEIVED FROM DEPARTMENT.

03/10/15; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

04/29/15; CONTINUED. Heard in Committee. Speakers: None.

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

RECOMMENDED by the following vote:

Ayes: 2 - Farrell, Tang

Absent: 1 - Mar

150408 [Purchase and Sale of Electricity and Related Products and Services - Public Utilities Commission]

Sponsors: Mayor; Breed, Avalos and Mar

Ordinance authorizing the Public Utilities Commission (PUC) to use pro forma agreements to purchase and sell electricity and related products and services to operate the City's municipal electric utility and community choice aggregation program; authorizing the General Manager of the PUC, in such agreements, to deviate from certain otherwise applicable requirements of City law, under certain circumstances; and authorizing the PUC, within specified parameters, to approve agreements with terms in excess of ten years or requiring expenditures of \$10,000,000 or more for renewable and greenhouse-gas-free power and related products and services.

(Fiscal Impact); (Economic Impact pending further Office of Economic Analysis Review)

04/21/15; ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Barbara Hale (Public Utilities Commission); Harvey Rose (Office of the Budget & Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Jason Fried (SF LAFCo); spoke in support of the hearing matter.

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

Ayes: 2 - Farrell, Tang

Absent: 1 - Mar

(Fiscal Impact); (Economic Impact pending further Office of Economic Analysis Review)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Farrell, Tang

Absent: 1 - Mar

150411 [Accept and Expend Grant - Preterm Birth Initiative Project - \$213,369]**Sponsor: Christensen**

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the amount of \$213,369 from The Regents of the University of California, San Francisco to participate in a program entitled "Preterm Birth Initiative Project" for the period of July 1, 2014, through May 31, 2015.

04/21/15; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

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

RECOMMENDED by the following vote:

Ayes: 2 - Farrell, Tang

Absent: 1 - Mar

150342 [Lease of Real Property - BRCP 1390 Market, LLC - 1390 Market Street - \$479,031.70 in Initial Year]

Resolution authorizing the exercise of a five-year option to extend the lease with BRCP 1390 Market, LLC, as Landlord, for approximately 10,846 square feet of space at 1390 Market Street at \$47,903.17 monthly in the initial year, with the base rent for the first two months abated, for a total rent of \$479,031.70 in the initial year, for use by the Department of Children, Youth, and their Families from December 1, 2015, through November 30, 2020. (Real Estate Department) (Fiscal Impact)

04/06/15; RECEIVED FROM DEPARTMENT.

04/14/15; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

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

RECOMMENDED by the following vote:

Ayes: 2 - Farrell, Tang

Absent: 1 - Mar

150312 [Commercial Lease Agreement - Les Joulins, USA - 44 Ellis Street - \$5,127,000]**Sponsor: Christensen**

Resolution retroactively authorizing the San Francisco Municipal Transportation Agency to execute a Commercial Lease Agreement with Les Joulins, USA, Inc., and Osman Uner for approximately 5,368 square feet of restaurant/night club space at 44 Ellis Street, for a 10-year term to commence on March 1, 2015, plus two five-year options to extend, which includes a rent schedule for the 10-year base term that will result in \$5,127,000 in revenue to the City.

03/24/15; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Rob Malone (Municipal Transportation Agency); Harvey Rose (Office of the Budget & Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Vice-Chair Tang moved that this Resolution be AMENDED to specify a 3 percent per year rent increase in rent during the two five-year extension terms in the lease agreement. The motion carried by the following vote:

Ayes: 2 - Farrell, Tang

Absent: 1 - Mar

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Farrell, Tang
Absent: 1 - Mar

ADJOURNMENT

The meeting adjourned at 10:43 a.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.