



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: Matt Haney, Ahsha Safai, Gordon Mar

Clerk: Linda Wong (415) 554-7719

Wednesday, April 7, 2021

10:30 AM

Regular Meeting

Present: 3 - Matt Haney, Ahsha Safai, and Gordon Mar

The Budget and Finance Committee met in regular session through videoconferencing, and provided public comment through teleconferencing, on Wednesday, April 7, 2021, with Chair Matt Haney presiding. Chair Haney called the meeting to order at 10:32 a.m.

Remote Access to Information and Participation

In accordance with Governor Newsom's Executive Order No. N-33-20 declaring a State of Emergency regarding the COVID-19 outbreak and Mayor London N. Breed's Proclamation declaring a Local Emergency issued on February 25, 2020, including the guidance for gatherings issued by the San Francisco Department of Public Health Officer, aggressive directives were issued to reduce the spread of COVID-19. On March 17, 2020, the Board of Supervisors authorized their Board and Committee meetings to convene remotely (via Microsoft Teams) and will allow remote public comment via teleconference. Visit the SFGovTV website at (www.sfgovtv.org) to stream the live meetings, or to watch meetings on demand. Members of the public are encouraged to participate remotely via detailed instructions on participating via teleconference available at: <https://sfbos.org/remote-meeting-call>.

Members of the public may participate by phone or may submit their comments by email to: linda.wong@sfgov.org; all comments received will be made a part of the official record. Regularly-scheduled Budget and Finance Committee Meetings begin at 10:30 a.m. every Wednesday of each month. Committee agendas and their associated documents are available at <https://sfbos.org/committees>.

ROLL CALL AND ANNOUNCEMENTS

On the call of the roll, Chair Haney, Vice Chair Safai, and Member Mar were noted present. A quorum was present.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

210001 [Amendments to Real Property Leases - Forgive Tenant Rent During COVID-19 Pandemic]

Ordinance authorizing the City Administrator to amend certain leases and forgive rent due between April 2020 and December 2020 with nonresidential tenants, and waiving Administrative Code and Environmental Code requirements enacted after the most recent modification of each lease, in order to allow for expeditious rent forgiveness necessitated by the financial hardship caused by the public health emergency related to the COVID-19 pandemic; authorizing the City Administrator to further amend leases and forgive rent due between January 2021 and June 2021, and waiving Administrative Code and Environmental Code requirements enacted after the most recent modification of each lease, without further Board of Supervisors approval under Charter, Section 9.118, and Administrative Code, Chapter 23. (City Administrator)
(Fiscal Impact)

12/28/20; RECEIVED FROM DEPARTMENT.

01/05/21; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 2/4/2021.

03/12/21; RECEIVED FROM DEPARTMENT.

03/23/21; SUBSTITUTED AND ASSIGNED to Budget and Finance Committee. City Administrator introduced a substitute Ordinance bearing the same title.

Heard in Committee. Speakers: Andrico Penick, Director (Real Estate Department); Brad Russi (Office of the City Attorney); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Ordinance be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE on Page 1, Lines 8-12, by striking 'authorizing the City Administrator to further amend leases and forgive rent due between January 2021 and June 2021, and waiving Administrative Code and Environmental Code requirements enacted after the most recent modification of each lease, without further Board of Supervisors approval under Charter, Section 9.118 and Administrative Code Chapter 23'; on Page 3, Line, 24, through Page 4, Line 6, by striking '(h) By waiving the requirement of Board of Supervisors approval of future lease amendments regarding rent forgiveness between January 1, 2021 through June 30, 2021 and also waiving Administrative Code and Environment Code requirements, if any, imposed on leases and lease amendments when said requirements were enacted after execution of the tenant's lease, or if applicable, most recent lease amendment, this ordinance will increase the chances that a tenant will be able to effectively sustain operations or reopen, thereby avoid the cascade of negative impacts to the City, the tenant and the tenant's employees, if rent forgiveness is denied or delayed.'; on Page 7, Lines 23-25, by striking 'and other leases under the control or jurisdiction of the City Administrator, without approval of the amendment by the Board of Supervisors under Charter Section 9.118 (c) or Chapter 23, section 23.30, and'; on Page 8, Lines 5-13, by striking 'The Lease has already been approved by the Board of Supervisors under Chapter 23 if required; (b) The Lease amendment, which must be in the appropriate standardized form without exception and without negotiation, and modifies the Lease only to forgive some or all of the rent owed during the time period between January 1, 2021 and June 30, 2021; (c) The Tenant must be in compliance with all other existing lease provisions; (d) Rent may be forgiven during the time period of January 2021 up to June 30, 2021, at the discretion of the City Administrator and this ordinance does not mandate that the City amend the Lease, grant any further rent forgiveness, or require the City Administrator or Director of Property to take any other action; (e)'; and to make other clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Ordinance authorizing the City Administrator to amend certain leases and forgive rent due between April 2020 and December 2020 with nonresidential tenants, and waiving Administrative Code and Environmental Code requirements enacted after the most recent modification of each lease, in order to allow for expeditious rent forgiveness necessitated by the financial hardship caused by the public health emergency related to the COVID-19 pandemic. (City Administrator)
(Fiscal Impact)

Chair Haney moved that this Ordinance be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210159 [Transmission Facilities Agreement - Pacific Gas and Electric Company - Electric Grid Interconnection - \$21,165,000]

Ordinance approving a Transmission Facilities Agreement with Pacific Gas and Electric Company to interconnect City-owned transmission facilities to the electric grid for a total cost of \$21,165,000 and a term of four years and three months commencing in April 2021 and ending in June 2025, and waiving certain provisions of the Administrative and Environment Codes. (Public Utilities Commission)
(Fiscal Impact)

02/02/21; RECEIVED FROM DEPARTMENT.

02/23/21; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 3/25/2021.

Heard in Committee. Speakers: Ramon Abueg (Public Utilities Commission); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Ordinance be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210289 [Accept and Expend Grant - Retroactive - California Department of Justice - Tobacco Grant Program Award - \$1,780,842]

Sponsor: Mayor

Resolution retroactively authorizing the Department of Public Health to accept and expend a grant in the amount of \$1,780,842 from the California Department of Justice for participation in a program, entitled "Tobacco Grant Program Award," for the period of January 1, 2021, through December 31, 2023. (Public Health Department)

03/16/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

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

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

Ayes: 3 - Haney, Safai, Mar

210068 [Lease Amendment - Domestic Terminal 3 Common Use Club Lease No. 13-0006 - American Express Travel Related Services Company, Inc. - Minimum Annual Guarantee \$3,226,546 - Annual Promotional Charge \$15,287]

Resolution approving Amendment No. 2 to the Domestic Terminal 3 Common Use Club Lease No. 13-0006 between American Express Travel Related Services Company, Inc. and the City and County of San Francisco, acting by and through its Airport Commission, to increase the square footage of the Lounge premises to approximately 15,287 square feet, establish a new Minimum Annual Guarantee amount of \$3,226,546 for the newly expanded premises, increase the annual Promotional Charge to \$15,287 in proportion to the net increase in square footage of the premises and to extend the ten year term by seven years with a new expiration date of November 5, 2031, to commence upon Board approval. (Airport Commission)

01/15/21; RECEIVED FROM DEPARTMENT.

02/02/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Cathy Widener (Airport Department); Severin Campbell (Office of the Budget and Legislative Analyst); Brad Russi (Office of the City Attorney); provided an overview and responded to questions raised throughout the discussion. Dylan Slinger (American Express); spoke on various concerns relating to the hearing matter.

Vice Chair Safai moved that this Resolution be CONTINUED TO CALL OF THE CHAIR. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210069 [Lease Amendment No. 2 - Retroactive - Airport Travel Agency, Inc - Airport Amenities and Business Services - Term Extension]

Resolution approving Amendment No. 2 to the Airport Amenities and Business Services Lease No. 13-0202 between Airport Travel Agency, Inc. and the City and County of San Francisco, acting by and through its Airport Commission, to extend the Lease by two years and six months, for a total term of January 1, 2014, through June 30, 2023, with a condition that the Airport Director, at his sole and absolute discretion, may terminate earlier by providing six months' advance written notice, with no change to the current minimum annual guarantee, subject to adjustment in accordance with the terms and conditions of the Lease, effective upon the approval of the Board of Supervisors. (Airport Commission)

01/20/21; RECEIVED FROM DEPARTMENT.

02/02/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Cathy Widener (Airport Department); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Haney moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE to state that the Amendment No. 2 is retroactive to January 1, 2021. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Resolution retroactively approving Amendment No. 2 to the Airport Amenities and Business Services Lease No. 13-0202 between Airport Travel Agency, Inc. and the City and County of San Francisco, acting by and through its Airport Commission, to extend the Lease by two years and six months, beginning January 1, 2021, for a total term of January 1, 2014, through June 30, 2023, with a condition that the Airport Director, at his sole and absolute discretion, may terminate earlier by providing six months' advance written notice, with no change to the current minimum annual guarantee, subject to adjustment in accordance with the terms and conditions of the Lease, effective upon the approval of the Board of Supervisors. (Airport Commission)

Chair Haney moved that this Resolution be RECOMMENDED AS AMENDED. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

210190 [Lease Amendment - Increasing City Allowance Provided for Tenant Improvements - Volunteers in Medicine - 35 Onondaga Avenue - Reimbursement of Up to \$1,660,000]

Sponsor: Safai

Resolution authorizing the Director of Property to execute a first amendment to a restated ten-year commercial lease, with two five-year extension options, between the City and County of San Francisco, as landlord, and Volunteers in Medicine, DBA Clinic By the Bay, as tenant, for the City-owned property located at 35 Onondaga Avenue; authorizing the reimbursement of up to a total of \$1,660,000 for tenant improvements, to commence following Board approval upon execution of the lease.

(Fiscal Impact)

02/23/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Sarah Gordon, Executive Director (Clinic by the Bay); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 3 - Haney, Safai, Mar

210291 [Accept and Expend Grant - Retroactive - U.S. Department of the Treasury - Emergency Rental Assistance Program - \$26,209,982.70]

Sponsors: Mayor; Safai, Haney and Mar

Resolution retroactively authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's Emergency Rental Assistance funding from the U.S. Department of the Treasury, in the amount of \$26,209,982.70 for a period beginning January 8, 2021, through December 31, 2021.

03/16/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Eric Shaw, Director (Mayor's Office of Housing and Community Development); provided an overview and responded to questions raised throughout the discussion. Michelle Anton; Luis Avalos; Gabriella Mendina; Speaker; Speaker; spoke in support of the hearing matter.

Supervisors Safai, Haney and Mar requested to be added as co-sponsors.

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

Ayes: 3 - Haney, Safai, Mar

210175 [Contract Amendment - Retroactive - TEGSCO, LLC, dba San Francisco AutoReturn - Vehicle Towing, Storage and Disposal Services for Abandoned and Illegally-Parked Vehicles - Not to Exceed \$88,200,000]

Resolution approving the third amendment with TEGSCO, LLC, dba San Francisco AutoReturn, for services related to the towing, storage, and disposal of abandoned and illegally-parked vehicles, to increase the contract amount by \$23,200,000 for the first two years of the five-year extension for a total amount not to exceed \$88,600,000 to commence on April 1, 2021. (Municipal Transportation Agency)
(Fiscal Impact)

02/22/21; RECEIVED FROM DEPARTMENT.

03/02/21; RECEIVED AND ASSIGNED to Budget and Finance Committee.

03/17/21; CONTINUED. Heard in Committee. Speakers: Steven Lee and Tom Maguire (Municipal Transportation Agency); provided an overview and responded to questions raised throughout the discussion.

Heard in Committee. Speakers: Steve Lee (Municipal Transportation Agency); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion. Bruce Cally; spoke in support of the hearing matter.

Chair Haney moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE to state that the contract amendment is for retroactive approval; on Page 1, Lines 4-10, to read 'Resolution retroactively approving the third amendment with TEGSCO, LLC, dba San Francisco AutoReturn, for services related to the towing, storage, and disposal of abandoned and illegally-parked vehicles, to authorize an increase to the contract amount by \$11,200,000 for the first year of the five-year extension, with the option to increase the contract amount by an additional \$11,600,000 in the second year of the extension, for a total amount not to exceed \$88,200,000 to commence on April 1, 2021.'; on Page 2, Line 10, by replacing 'will extend' with 'Board has extended'; on Page 3, Lines 1-4, by removing 'WHEREAS, The Planning Department has determined that the actions contemplated in this Resolution comply with the California Environmental Quality Act (California Public Resources Code, Sections 21000 et seq.), and said determination is on file with the Clerk of the Board of Supervisors in File No. ; now, therefore, be it'; on Page 3, Lines 5-16, to read 'RESOLVED, That the Board of Supervisors retroactively authorizes the Director of Transportation of the SFMTA, on behalf of the City, to execute the third amendment with TEGSCO, LLC, dba San Francisco AutoReturn, for services related to the towing, storage, and disposal of abandoned and illegally-parked vehicles, to increase the contract amount by \$23,200,000 to fund the first two years of the five-year extension to increase the contract amount by \$11,200,000 for the first year of the five-year extension retroactive to commence on April 1, 2021 and, with the approval of the Director of Transportation, to increase the contract amount by an additional \$11,600,000 in the second year of the extension, for a total amount not to exceed \$88,2600,000; and, be it FURTHER RESOLVED, That SFMTA will provide a comprehensive report on the tow program and cost containment strategies to the Board of Supervisors by March 31, 2022, and be it'; to reduce the contract amendment not to exceed amount from \$88,600,000 to \$88,200,000; and to make other clarifying and conforming amendments. The motion carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

Resolution retroactively approving the third amendment with TEGSCO, LLC, dba San Francisco AutoReturn, for services related to the towing, storage, and disposal of abandoned and illegally-parked vehicles, to authorize an increase to the contract amount by \$11,200,000 for the first year of the five-year extension, with the option to increase the contract amount by an additional \$11,600,000 in the second year of the extension, for a total amount not to exceed \$88,200,000 to commence on April 1, 2021. (Municipal Transportation Agency)
(Fiscal Impact)

Chair Haney moved that this Resoluton be RECOMMENDED AS AMENDED. The moton carried by the following vote:

Ayes: 3 - Haney, Safai, Mar

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 12:33 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.