



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: Malia Cohen, Norman Yee, Katy Tang

Clerk: Linda Wong (415) 554-7719

Thursday, March 16, 2017

10:00 AM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Present: 2 - Malia Cohen, and Norman Yee

Excused: 1 - Katy Tang

The Budget and Finance Sub-Committee met in regular session on Thursday, March 16, 2017, with Chair Malia Cohen presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Cohen called the meeting to order at 10:09 a.m. On the call of the roll, Chair Cohen and Vice Chair Yee were noted present. Member Tang was noted not present. There was a quorum.

Supervisor Tang Excused from Attendance

Member Yee moved to excuse Supervisor Tang from the Regular Budget and Finance Sub-Committee meeting of March 16, 2017. The motion carried by the following vote:

Ayes: 2 - Cohen, Yee

Excused: 1 - Tang

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

170150 [Lease Agreement - SP Plus-Hyde Parking Joint Venture - Northern Waterfront Surface Parking Lots - \$2,955,607 Estimated Total Rent in First Year]

Resolution approving Lease No. L-16141 between the Port and SP Plus-Hyde Parking Joint Venture for a lease of surface parking lots in Port jurisdiction in the northern waterfront, including: a five-year term for Seawall Lot 321; a three-year term with two one-year Port options for Seawall Lots 323-324; and interim month-to-month parking at Seawall Lot 322-1, Pier 19½, and Pier 29½, such terms to commence following Board approval, with estimated total rent generated under the Lease for the first year of operations of \$2,955,607. (Port)

01/30/17; RECEIVED FROM DEPARTMENT.

02/14/17; RECEIVED AND ASSIGNED to Budget and Finance Committee.

03/08/17; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Jay Edwards (Port of San Francisco); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Cohen, Yee

Excused: 1 - Tang

Chair Cohen requested Files No. 170174, 170173, and 170172 be heard together.

170174 [2011 Lease and Use Agreement - Redding Aero Enterprises, Inc.]

Resolution approving the terms of 2011 Lease and Use Agreement No. 16-0326 between the City and County of San Francisco, acting by and through its Airport Commission, and Redding Aero Enterprises, Inc., to conduct flight operations at the San Francisco International Airport, for a term to commence following Board approval through June 30, 2021. (Airport Commission)

01/30/17; RECEIVED FROM DEPARTMENT.

02/14/17; RECEIVED AND ASSIGNED to Budget and Finance Committee.

03/08/17; 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 Yee moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Cohen, Yee

Excused: 1 - Tang

170173 [2011 Lease and Use Agreement - Turk Hava Yollari Anonim Ortakligi]

Resolution approving the terms of 2011 Lease and Use Agreement No. 16-0301 between the City and County of San Francisco, acting by and through its Airport Commission, and Turk Hava Yollari Anonim Ortakligi to conduct flight operations at the San Francisco International Airport, for a term to commence following Board approval through June 30, 2021. (Airport Commission)

01/30/17; RECEIVED FROM DEPARTMENT.

02/14/17; RECEIVED AND ASSIGNED to Budget and Finance Committee.

03/08/17; 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 Yee moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Cohen, Yee

Excused: 1 - Tang

170172 [2011 Lease and Use Agreement - Aer Lingus, Limited]

Resolution approving the terms of 2011 Lease and Use Agreement No. 16-0298 between the City and County of San Francisco, acting by and through its Airport Commission, and Aer Lingus, Limited, to conduct flight operations at the San Francisco International Airport, for a term to commence following Board approval through June 30, 2021. (Airport Commission)

01/30/17; RECEIVED FROM DEPARTMENT.

02/14/17; RECEIVED AND ASSIGNED to Budget and Finance Committee.

03/08/17; 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 Yee moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 2 - Cohen, Yee

Excused: 1 - Tang

170242 [Apply for Grant - State of California, Department of Housing and Community Development - Various Parks and Community Centers - \$7,500,000]

Sponsor: Mayor

Resolution authorizing the Recreation and Park Department to apply for a grant in an amount up to \$7,500,000 from the State of California, Department of Housing and Community Development for the planning and development of various parks and community facilities in San Francisco. (Recreation and Park Department)

03/07/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

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

Vice Chair Yee moved that this Resolution be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 2 - Cohen, Yee

Excused: 1 - Tang

170193 [Supplemental Authorizations for Interdepartmental Property Transfer - MOU Amendment No. 1 - Central Shops Relocation - Increasing Transfer Price by \$8,578,429 to an Amount Not to Exceed \$82,278,429; Authorizing Notice to Proceed - Oryx Development I, LLC]

Resolution approving supplemental authorizations for the jurisdictional transfer of 1800 Jerrold Avenue (portions of Assessor's Parcel Block Nos. 5262 and 5270) from the General Services Agency's Office of Contract Administration ("OCA") to the San Francisco Public Utilities Commission ("SFPUC") Wastewater Enterprise; and the jurisdictional transfer of 555 Selby Street and 1975 Galvez Avenue (Assessor's Parcel Block No. 5250, Lot Nos. 15 and 16), and the leasehold of 450 Toland Street (Assessor's Parcel Block No. 5230, Lot No. 18), from SFPUC to OCA (collectively "Project Site"), subject to Amendment No. 1 to the Memorandum of Understanding previously entered into between the Real Estate Division, OCA, and SFPUC to create the functionally-equivalent facilities for the relocation of the City's Central Fleet Maintenance Shop ("Central Shops") from 1800 Jerrold Avenue; increasing the total transfer price by \$8,578,429 to an amount not to exceed \$82,278,429 from SFPUC Wastewater Enterprise funds; authorizing the issuance of a Notice to Proceed for the next construction phase under a Board-authorized design-build Project Delivery Agreement with Oryx Development I, LLC, for the construction of facilities to relocate Central Shops to the Project Site; and finding the proposed transactions are in conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Public Utilities Commission) (Fiscal Impact)

02/17/17; RECEIVED FROM DEPARTMENT.

02/28/17; RECEIVED AND ASSIGNED to Budget and Finance Committee.

03/08/17; TRANSFERRED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Shelly Campbell (Public Utilities Commission); Samuel Chui (Public Works); John Updike, Director (Real Estate Division); Harvey Rose (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

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

Ayes: 2 - Cohen, Yee

Excused: 1 - Tang

Chair Cohen requested File Nos. 170213 and 170214 be heard together.

170213 [Purchase and Sale Agreement - SF Prosperity 2, LLC - 1660 Mission Street and 1680 Mission Street - \$52,000,000]

Sponsor: Mayor

Resolution approving a purchase and sale agreement by and between the City and County of San Francisco and SF Prosperity 2, LLC, for the sale of City-owned properties located at 1660 Mission Street and 1680 Mission Street for \$52,000,000; including a City lease-back at an annual rent expense of \$3,362,220 increasing by 3% per year for each year after the initial period, with rent to be set at the then fair market rental value prior to the beginning of each extension option exercised, if any, for a period of not more than three years in the initial term, with two one-year options to extend; affirming the Planning Department's determination under the California Environmental Quality Act; and adopting findings that the sale is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

02/28/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Supervisor Jane Kim (Board of Supervisors); Harvey Rose (Office of the Budget and Legislative Analyst); John Updike, Director (Real Estate Division); Alexa Arena, Project Developer (Lendlease Development, Inc.); provided an overview and responded to questions raised throughout the discussion. Jim Haas; spoke in support of the hearing matter.

Vice Chair Yee moved that this Resolution be AMENDED to add a finding that the public interest or necessity will not be inconvenienced by the conveyance of 1660 Mission Street and 1680 Mission Street from the City to SF Prosperity 2, LLC. The motion carried by the following vote:

Ayes: 2 - Cohen, Yee

Excused: 1 - Tang

Vice Chair Yee moved that this Resolution be RECOMMENDED AS AMENDED AS A COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 2 - Cohen, Yee

Excused: 1 - Tang

170214 [Purchase and Sale Agreement - Lendlease Development, Inc. - 30 Van Ness Avenue - \$70,000,000]**Sponsors: Mayor; Kim**

Resolution approving a purchase and sale agreement by and between the City and County of San Francisco and Lendlease Development, Inc. for the sale of City-owned property located at 30 Van Ness Avenue for \$70,000,000; including a City lease-back at an annual rent expense of \$4,500,000 increasing by 3% per year after each year of the initial period and at the beginning of each extension option exercised, if any, for a period of not more than three years in the initial term, with two one-year options to extend; affirming the Planning Department's determination under the California Environmental Quality Act; adopting findings that the sale is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and urging the Mayor's Office of Housing and Community Development and the Planning Department to explore certain development strategies relating to affordable housing at the site in connection with any future development.

02/28/17; RECEIVED AND ASSIGNED to Budget and Finance Sub-Committee.

Heard in Committee. Speakers: Supervisor Jane Kim (Board of Supervisors); Harvey Rose (Office of the Budget and Legislative Analyst); John Updike, Director (Real Estate Division); Alexa Arena, Project Developer (Lendlease Development, Inc.); provided an overview and responded to questions raised throughout the discussion. Jim Haas; spoke in support of the hearing matter.

Member Yee moved that this Resolution be RECOMMENDED AS COMMITTEE REPORT. The motion carried by the following vote:

Ayes: 2 - Cohen, Yee

Excused: 1 - Tang

ADJOURNMENT

There being no further business, the Budget and Finance Sub-Committee adjourned at the hour of 11:45 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.