



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: Sandra Lee Fewer, Catherine Stefani, Rafael Mandelman

Clerk: Linda Wong (415) 554-7719

Wednesday, January 30, 2019

9:30 AM

City Hall, Legislative Chamber, Room 250

Rescheduled Meeting

Present: 3 - Sandra Lee Fewer, Catherine Stefani, and Rafael Mandelman

The Budget and Finance Committee met in a rescheduled session on Thursday, January 30, 2019, with Chair Sandra Lee Fewer presiding.

ROLL CALL AND ANNOUNCEMENTS

Chair Fewer called the meeting to order at 9:43 a.m. On the call of the roll, Chair Fewer, Vice Chair Stefani, and Member Mandelman were noted present. There was a quorum.

AGENDA CHANGES

There were no agenda changes.

REGULAR AGENDA

Chair Fewer requested File Nos. 190021 and 190024 be called together.

190021 [Lease Agreement - Marshall Retail Group, LLC - Airport Concession - \$440,000 Minimum Annual Guarantee]

Resolution approving the Terminal 1 Retail Concession Lease 5 - Lease No. 18-0206, between Marshall Retail Group, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of ten years, and a minimum annual guarantee of \$440,000 for the first year of the Lease, to commence following Board approval. (Airport Commission)

12/21/18; RECEIVED FROM DEPARTMENT.

01/15/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

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

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

Ayes: 3 - Fewer, Stefani, Mandelman

190024 [Lease Agreement - Paradies Lagardere @ SFO 2018, LLC - Airport Concession - \$700,000 Minimum Annual Guarantee]

Resolution approving the Terminal 1 Retail Concession Lease 2 - Lease No. 18-0204, between Paradies Lagardere @ SFO 2018, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of seven years with two one-year options to extend, and a minimum annual guarantee of \$700,000 for the first year of the Lease, to commence following Board approval. (Airport Commission)

12/14/18; RECEIVED FROM DEPARTMENT.

01/15/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

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

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

Ayes: 3 - Fewer, Stefani, Mandelman

Chair Fewer requested File Nos. 181176, 181177, and 181178 be called together.

181176 [Lease Agreement - InMotion Entertainment Group, LLC - Terminal 1 Retail Concession - \$405,000 Minimum Annual Guarantee]

Resolution approving the Terminal 1 Retail Concession Lease 1 - Lease No. 18-0203, between Inmotion Entertainment Group, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of ten years, and a minimum annual guarantee of \$405,000 for the first year of the Lease, to commence following Board approval. (Airport Commission)

11/26/18; RECEIVED FROM DEPARTMENT.

12/11/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

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

Member Mandelman moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

181177 [Lease Agreement - InMotion Entertainment Group, LLC - Terminal 3 Boarding Areas E and F Electronics Stores - \$500,000 Minimum Annual Guarantee]

Resolution approving the Electronics Stores Lease in Terminal 3 Boarding Areas E and F - Lease No. 18-0232, between InMotion Entertainment Group, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of ten years, and a minimum annual guarantee of \$500,000 for the first year of the Lease, to commence following Board approval. (Airport Commission)

11/26/18; RECEIVED FROM DEPARTMENT.

12/11/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

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

Member Mandelman moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

181178 [Lease Agreement - InMotion Entertainment Group, LLC - International Terminal Boarding Area A Electronics Store - \$340,000 Minimum Annual Guarantee]

Resolution approving the Electronics Store Lease in International Terminal Boarding Area A - Lease No. 18-0231, between InMotion Entertainment Group, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of ten years, and a minimum annual guarantee of \$340,000 for the first year of the Lease, to commence following Board approval. (Airport Commission)

11/26/18; RECEIVED FROM DEPARTMENT.

12/11/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

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

Member Mandelman moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

190020 [Lease Agreement - Airport Concession - Spa BR SFO, LLC - \$250,000 Minimum Annual Guarantee]

Resolution approving Terminal 3 Boarding Area E and International Terminal Boarding Area G Wellness Concession Lease, between Spa BR SFO, LLC, and the City and County of San Francisco, acting by and through its Airport Commission, for a term of ten years, and a minimum annual guarantee of \$250,000 for the first year of the Lease, to commence following Board approval. (Airport Commission)

12/21/18; RECEIVED FROM DEPARTMENT.

01/15/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

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

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

Ayes: 3 - Fewer, Stefani, Mandelman

190011 [Emergency Declaration - Repair Southeast Treatment Plant Final Effluent Force Main - Total Estimated Cost Not to Exceed \$4,912,000]

Resolution approving an emergency declaration of the San Francisco Public Utilities Commission pursuant to Administrative Code, Sections 6.60 and 21.15, to repair the Southeast Treatment Plant Final Effluent Force Main for a total estimated cost not to exceed \$5,000,000. (Public Utilities Commission)

(Fiscal Impact)

01/07/19; RECEIVED FROM DEPARTMENT.

01/15/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

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

Chair Fewer moved that this Resolution be AMENDED to reduce the not-to-exceed amount by \$88,000, from \$5,000,000 to \$4,912,000. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

Resolution approving an emergency declaration of the San Francisco Public Utilities Commission pursuant to Administrative Code, Sections 6.60 and 21.15, to repair the Southeast Treatment Plant Final Effluent Force Main for a total estimated cost not to exceed \$4,912,000. (Public Utilities Commission)

(Fiscal Impact)

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

Ayes: 3 - Fewer, Stefani, Mandelman

181072 [Prevailing Wage Rates - Various Workers Performing Work in Connection with City Contracts or Property]

Resolution fixing prevailing wage rates for 1) workers performing work under City contracts for public work and improvement; 2) workers performing work under City contracts for janitorial services; 3) workers performing work in public off-street parking lots, garages, or storage facilities for automobiles on property owned or leased by the City; 4) workers engaged in theatrical or technical services for shows on property owned by the City; 5) workers engaged in the hauling of solid waste generated by the City in the course of City operations, pursuant to a contract with the City; 6) workers performing moving services under City contracts at facilities owned or leased by the City; 7) workers engaged in exhibit, display, or trade show work at special events on property owned by the City; 8) workers engaged in broadcast services on property owned by the City; 9) workers engaged in loading or unloading into or from a commercial vehicle on City property of materials, goods, or products in connection with a show or special event, or engaged in driving a commercial vehicle into which or from which materials, goods, or products are loaded or unloaded on City property in connection with a show or special event; 10) workers engaged in security guard services under City contracts or at facilities or on property owned or leased by the City; and 11) motor bus service contracts. (Civil Service Commission)

(Fiscal Impact)

11/02/18; RECEIVED FROM DEPARTMENT.

11/13/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: None.

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

Ayes: 3 - Fewer, Stefani, Mandelman

181151 [Appropriation from 2006 and 2007 Lease Revenue Bond Reserves - Rossi Pool Project - \$4,000,000 - De-Appropriation and Re-Appropriation - Rossi Pool Project - GGP Golf Course Clubhouse Project - \$4,000,000 - Recreation and Park Department - FY2018-2019]

Sponsor: Mayor

Ordinance appropriating \$4,000,000 consisting of other non-operating revenue from 2006 and 2007 Lease Revenue Bond Reserves to the Recreation and Park Department to support the Rossi Pool Project, and de-appropriating \$4,000,000 of Open Space funding from the Rossi Pool Project and re-appropriating \$4,000,000 to the Golden Gate Park Golf Course Clubhouse Project in FY2018-2019.

(Fiscal Impact)

11/27/18; ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 12/27/2018.

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

Member Mandelman moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

190056 [Multifamily Housing Revenue Note - 1990 Folsom Street - Not to Exceed \$62,132,500]

Sponsor: Mayor

Resolution authorizing the execution and delivery of a multifamily housing revenue note in one or more series in an aggregate principal amount not to exceed \$62,132,500 for the purpose of providing financing for the construction of an 143-unit multifamily rental housing project known as "1990 Folsom;" approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the loan from the funding lender to the City and the execution and delivery of the note; approving the form of and authorizing the execution of a borrower loan agreement providing the terms and conditions of the loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; authorizing the collection of certain fees; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the note and the project; and granting general authority to City officials to take actions necessary to implement this Resolution, and related matters, as defined herein.

01/15/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Sarah Nusser (Mayor's Office of Housing and Community Services); provided an overview and responded to questions raised throughout the discussion. Felicino D. Vera; spoke in support of the hearing matter.

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

Ayes: 3 - Fewer, Stefani, Mandelman

181133 [Agreement Amendment - State Department of Health Care Services - Substance Use Disorder Services - FYs 2017-2019 - \$144,811,227]

Resolution retroactively authorizing the Department of Public Health, Behavioral Health Services, to enter into Amendment No. A02 to a multi-year organized delivery system intergovernmental agreement for substance use disorder services with the State Department of Health Care Services, in the amount of \$144,811,227 for the term of June 15, 2017, through June 30, 2019; and authorizing and designating the Department of Public Health County Alcohol and Drug Administrator to sign said Agreement and to approve amendments for less than 10% of the contracted amount. (Public Health Department)

11/19/18; RECEIVED FROM DEPARTMENT.

11/27/18; RECEIVED AND ASSIGNED to Budget and Finance Committee.

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

Member Mandelman moved that this Resolution be RECOMMENDED. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

Chair Fewer recessed the meeting at 10:23 a.m., and reconvened the meeting at 10:38 a.m.

190055 [Vertical Disposition and Development Agreement - TMG Partners and Presidio Bay Ventures - Parcel K North/Pier 70]

Sponsor: Mayor

Resolution approving a Vertical Disposition and Development Agreement between the Port and a joint venture between TMG Partners and Presidio Bay Ventures for the sale of Parcel K North, located at 20th Street and Illinois Street, by the Port Commission; and adopting findings under the California Environmental Quality Act, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101(b). (Port)
(Fiscal Impact)

01/15/19; RECEIVED AND ASSIGNED to Budget and Finance Committee.

Heard in Committee. Speakers: Christine Maher and Brad Benson (Port of San Francisco); Severin Campbell (Office of the Budget and Legislative Analyst); provided an overview and responded to questions raised throughout the discussion.

Chair Fewer moved that this Resolution be AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE, on Page 6, Lines 9-19, by striking 'WHEREAS, On July 24, 2018, by Resolution No. 264-18, the Board of Supervisors approved the form and substance of a 75 year lease between the Port and 88 Broadway Family, LP, to construct and operate 125 units of affordable housing on Seawall Lot 322-1 located at 88 Broadway at Front Street, affordable to individuals and families earning from 30-120% of Area Median Income, under a Memorandum of Understanding between the Port and MOHCD; and WHEREAS, the Memorandum of Understanding obligates MOHCD to pay the \$14.9 million cost for the Seawall 322-1 lease with the Port with affordable housing fees paid from the development of Parcel K North, with the condition that if the sale of Parcel K North or the construction of the Parcel K North project is delayed or never materializes, MOHCD will need to pay the Port fair market value for Seawall Lot 322-1 from another source; and'; and on Page 8, Lines 9-13, by adding ';and, be it FURTHER RESOLVED, That the Board of Supervisors urges the Executive Director of the Mayor's Office of Housing and Community Development to return to the Budget and Finance Committee with her proposed plan to expend affordable housing fees generated by the development of Parcel K North.' The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

(Fiscal Impact)

Chair Fewer moved that this Resolution be REFERRED WITHOUT RECOMMENDATION to the Board of Supervisors. The motion carried by the following vote:

Ayes: 3 - Fewer, Stefani, Mandelman

ADJOURNMENT

There being no further business, the Budget and Finance Committee adjourned at the hour of 10:59 a.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.