

RESOLUTION NO. 55-2007

Adopted June 5, 2007

AUTHORIZING A SECOND AMENDMENT TO THE MAINTENANCE AND MANAGEMENT AGREEMENT WITH THE PORT OF SAN FRANCISCO FOR MAINTENANCE AND MANAGEMENT SERVICES FOR RINCON PARK, EXTENDING THE TERM FROM JULY 1, 2007 TO JUNE 30, 2010; AND APPROVING AN OPERATING BUDGET FOR JULY 1, 2007 THROUGH JUNE 30, 2008 IN AN AMOUNT NOT TO EXCEED \$285,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,622,514; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On January 10, 1995, by Resolution No. 9-95, the Agency Commission authorized a Disposition and Development Agreement ("DDA") between the Redevelopment Agency of the City and County of San Francisco ("Agency") and The Gap, Inc. for the construction of a headquarters office building on Site C-1 and the development of a public park on Site C-2 ("Park Site") in the Rincon Point - South Beach Redevelopment Project Area ("Project Area"). The Gap, Inc. assigned all of its rights, title and interest in the DDA to GPS Management Services, Inc., a California corporation ("GPS" or "Developer"), pursuant to that certain Assignment and Assumption of DDA dated September 1, 1998.
2. Under the terms of the DDA, the Agency was required to use reasonable efforts to enter into an agreement to lease the Park Site from the Port of San Francisco ("Port"). The Agency and the Port subsequently entered into an Agreement to Lease dated June 13, 1995 for the Park Site. The Agency Commission by Resolution No. 125-95 and the Board of Supervisors by Ordinance No. 265-95 approved the Agreement to Lease.
3. GPS has constructed Rincon Park ("Rincon Park" or "Park") on the Park Site pursuant to the DDA. The DDA requires GPS to provide \$100,000 per year for ten years to provide for security services for the Park. Rincon Park features a sculptured entitled "Cupid's Span" ("Sculpture"). Pursuant to the Sculpture Maintenance and Repair Agreement dated September 7, 2001 executed between the Agency and GPS, the Sculpture is to be maintained by the Agency; however, GPS shall provide the necessary funds for such ongoing maintenance and repairs.
4. Rincon Park encompasses a small portion of Herb Caen Way ("Encroachment Area") that is subject to a Revocable Encroachment Permit between the Agency and the Port dated September 7, 2001, and also includes several street lamps located along a portion of Herb Caen Way. The Encroachment Area and the

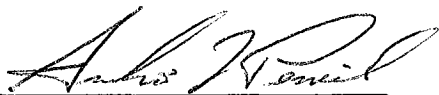
street lamps are to be maintained by the Agency pursuant to the Revocable Encroachment Permit and the Rincon Park Street Lamps Agreement between the Agency and the Port dated September 7, 2001.

5. On November 19, 2002, by Resolution No. 199-2002, the Agency Commission authorized a three-year Maintenance and Management Agreement ("Agreement") with the Port, whereby the Port would assume the Agency's obligations to provide comprehensive management services for Rincon Park. The term of the Agreement was from February 6, 2003 through February 5, 2006.
6. The Agency Commission also approved an operating budget not to exceed \$390,000 for the first year of the Agreement, \$336,257 for the second year of the Agreement, and \$326,257 for the third year of the Agreement comprised of the \$100,000 annual contribution from GPS, with the balance from the Project Area budget, subject to the availability of funds.
7. On February 7, 2006, by Resolution No. 17-2006, the Agency Commission authorized a first amendment to the Agreement to extend the term to June 30, 2007 and approved an operating budget for the extended contract year in an amount not to exceed \$285,000 for a total aggregate amount not to exceed \$1,337,514.
8. The Agreement expires June 30, 2007, however, the Agency and Port staff desire a second amendment to the Agreement ("Second Amendment") extending the term through June 30, 2010.
9. Agency staff believes the Port's management of Rincon Park continues to be more efficient and cost-effective than if the same services were obtained from a private contractor due to the economies of scale it achieves by operating nearby maintenance facilities, the employment of well-qualified workers, and its extensive experience in maintaining waterfront properties.
10. Agency staff has worked closely with the Port to prepare an operating budget for the fifth contract year (July 1, 2007 through June 30, 2008) in an amount not to exceed \$285,000, including the \$100,000 annual contribution from GPS for security services. The total aggregate amount of the contract is \$1,622,514, \$500,000 of which is contributed by GPS.
11. Port staff understands that an approved budget ("Approved Budget") for each contract year of the extension period is subject to an Approved Budget as defined in the Agreement and the availability of funds for each contract year in the then current fiscal year Project Area budget. The Second Amendment to the Agreement shall reflect such understanding by the Port.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Second Amendment to the Maintenance and Management Agreement with the Port of San Francisco for the provision of maintenance and management services for Rincon Park extending the term from July 1, 2007 to June 30, 2010; and approving an operating budget for July 1, 2007 through June 30, 2008 in an amount not to exceed \$285,000 for a total aggregate amount not to exceed \$1,622,514, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


for, James B. Morales 5/31/07
Agency General Counsel