

RESOLUTION NO. 129-2007

Adopted December 4, 2007

AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MJM MANAGEMENT GROUP, A CALIFORNIA CORPORATION, (FORMERLY KNOWN AS KTB MANAGEMENT GROUP), FOR PROPERTY MANAGEMENT SERVICES OF THE MISSION BAY OPEN SPACE SYSTEM AND INCREASING THE CONTRACT AMOUNT FOR THE MANAGEMENT FEE BY \$76,250 FOR A TOTAL AGGREGATE AMOUNT FOR THE MANAGEMENT FEE NOT TO EXCEED \$340,210; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS

BASIS FOR RESOLUTION

1. On October 26, 1998, the Board of Supervisors of the City and County of San Francisco approved and adopted the Redevelopment Plan for the Mission Bay North Redevelopment Project Area; on November 2, 1998, it approved and adopted the Redevelopment Plan for the Mission Bay South Redevelopment Project Area (collectively the "Plans"). The Plans and their implementing documents, as defined in the Plans, constitute the Plan Documents.
2. Under the Plan Documents, FOCIL-MB, a subsidiary of Farallon Capital Management, LLC, is developing 43 acres of public open space on parcels of land in the Plans' areas owned by the City and Port of San Francisco ("Open Space Parcels"), which are leased to the Redevelopment Agency of the City and County of San Francisco ("Agency") at the time of improvement ("Mission Bay Open Space System"). The Open Space Parcels are phased in over time in association with the residential and commercial development. Under the Plan Documents, the Agency is responsible for managing and operating the Mission Bay Open Space System until 2043.
3. On December 19, 1999, the Agency by Resolution No. 217-99 formed Community Facilities District No. 5 ("Mission Bay Maintenance District") ("CFD No. 5") and authorized the levy of special taxes, which levy was also approved on January 11, 2000 by Redevelopment Ordinance No. 2-99. All costs for the Agency's operation and management of the Mission Bay Open Space System will be paid through the special taxes levied in CFD No. 5.
4. On February 26, 2003, the Agency issued a Request for Qualifications ("RFQ") for property management services for the Mission Bay Open Space System. As described in the RFQ, the selected contractor would manage all Open Space Parcels, which are phased in during the term of the Contract.

5. Agency staff determined that KTB Management Group, a women-owned business, was the best qualified to provide property management services for the Mission Bay Open Space System. Memorandum, M. Rosen to Agency Commissioners RE: Authorizing negotiations with KTB Management Group (No. 126-02703-002) (May 1, 2003).
6. On November 18, 2003, the Commission approved by Resolution No. 172-2003, a personal services contract ("Contract") with KTB Management Group for an initial three-year period and authorized a total aggregate amount not to exceed \$263,960 for management fees.
7. The Contract included in the scope of work a "Start-up Parcel", which is park P1, as well as four "Phase-In Parcels", which include NP1, NP2, P17 and P21, as shown in the attachment to the Commission Memorandum supporting this resolution.
8. On February 26, 2006, the Agency exercised the option to extend the Contract. As part of the Contract extension, per Section 2(B) of the Contract, the maximum management fee that KTB Management Group can charge was increased by five percent (5%) for Parcels P1, P17, NP1 & 2, and P21.
9. In identifying the commencement date ("Commencement Date") of the Contract, Agency records erroneously stated that the Contract started on January 5, 2003, when in reality KTB Management Group's work started on January 5, 2004. The Option to Extend was based on the incorrect Commencement Date, which resulted in KTB Management Group's management fee being increased a year earlier than the Contract allowed. KTB Management Group reimbursed the Agency for the overpayment of the management fee for the 2006 calendar year. Based on the corrected Commencement Date, the Contract will end on January 4, 2010.
10. KTB Management Group amended its Articles of Incorporation on February 13, 2004 to change the name of the corporation to MJM Management Group ("MJM"). There was no change in ownership or other amendments to the Articles of Incorporation.
11. Three other open space parcels in Mission Creek Park, NP3, NP4 and NP5, are now under construction. They are being developed in accordance with the Schematic Design for NP3 approved by the Commission on October 24, 2000 and the Schematic Design for NP4 and NP5 approved by the Commission on March 15, 2005. NP3 is in the final stage of development and will be completed in December, 2007. NP4 and NP5 are also close to completion, but are not anticipated to be completed until early 2008.
12. The addition of NP3, NP4, and NP5 to the Mission Bay Open Space System will require increased maintenance and management services and an increased management fee of approximately \$76,250 over the remaining term of the Contract.

13. Staff now seeks Commission authorization to revise the Contract's scope of services to include management of the additional open space parcels described above, to make other minor changes in the Contract as described in the Commission Memorandum supporting this Resolution, and to increase the expenditure authority by \$76,250 for a total aggregate amount not to exceed \$340,210 under the Contract to cover the increased management fee for these three parcels over the remaining term of the Contract. The Contract, as amended, will still have a termination date of January 4, 2010.
14. Approval of the First Amendment to the Contract with MJM Management Group is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301(h) because it authorizes open space maintenance, which will not result in a significant physical effect on the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a First Amendment to the Personal Services Contract with MJM Management Group, a California corporation, for property management services of the Mission Bay Open Space System and to increase the Contract amount for the management fee by \$76,250 for a total aggregate amount for the management fee not to exceed \$340,210, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to read "James B. Morales", is written over a horizontal line.

James B. Morales
Agency General Counsel