

RESOLUTION NO. 44-2010

Adopted May 4, 2010

AUTHORIZING A THIRD AMENDMENT TO THE MAINTENANCE AND MANAGEMENT AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO BY AND THROUGH THE SAN FRANCISCO PORT COMMISSION TO EXTEND THE TERM FOR THREE YEARS TO JUNE 30, 2013 AND APPROVING A FISCAL YEAR 2010-2011 OPERATING BUDGET IN AN AMOUNT NOT TO EXCEED \$198,194 FOR MAINTENANCE AND MANAGEMENT SERVICES FOR RINCON PARK; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. In 1995, as part of an agreement between the Redevelopment Agency of the City and County of San Francisco (the "Agency") and the City and County of San Francisco through the San Francisco Port Commission (the "Port"), the Agency entered into a 65-year lease agreement with the Port for Rincon Park and agreed to partially pay for operating and maintaining Rincon Park during the lease term. Rincon Park is a two-acre waterfront park at the foot of Folsom Street in the Rincon Point-South Beach Redevelopment Project Area (the "Project Area"). It includes landscaped areas, walkways, and the 60-foot-tall "Cupid's Span" art sculpture. It was completed in February 2003.
2. To fulfill its property management responsibilities, the Agency entered into a three-year Maintenance and Management Agreement (the "Agreement") with the Port on November 19, 2002, by Resolution No. 199-2002. The Agreement was extended for one year on February 7, 2006, by Resolution No. 17-2006, and extended for an additional three years on June 5, 2007, by Resolution No. 55-2007. The Agreement is currently scheduled to expire on June 30, 2010.
3. Under the Agreement, the Port provides comprehensive property management services at Rincon Park, including gardening, janitorial and security services. Over the years, staff has determined that the Port can operate Rincon Park more effectively and affordably than a private contractor for several reasons, including the availability of the Port's onsite maintenance facilities and trained property management staff, its unique ability to maintain the art sculpture, and its unique experience managing waterfront properties and large areas for public events. As such, staff proposes amending the Agreement a third time to extend the term for an additional three years to June 30, 2013 (the "Third Amendment").
4. The Agreement also requires Commission approval of the Port's annual operating budget for the park. The Port has proposed a budget of \$198,194 for the 2010-2011 fiscal year. This cost is shared between the Agency and Gap Inc., an international specialty retailer headquartered on Folsom Street (the "Gap"), which


paid for the construction of the park. The Gap is required under its 1995 Disposition and Development Agreement with the Agency to contribute \$100,000 a year for 10 years for security services at the park. Under the Port's proposed fiscal year 2010-2011 operating budget, security costs have been reduced to \$45,000. The \$55,000 remaining from the Gap's contribution will be used to fund security services at the park in future years. The Agency is responsible for funding the remainder of the budget (\$153,194) from sublease revenues generated by the Agency's subtenants in the Project Area.

5. The Third Amendment will allow the Port to continue to provide comprehensive management services for Rincon Park. Activities pursuant to the Agreement would include maintenance of landscaping, janitorial services, permitting of occasional special events, and security services. The landscaping services are exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301(h). The janitorial and events permitting services are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). These activities would not directly cause any change in the physical environment. Security services and Agency authorization of the Third Amendment are Agency administrative activities that would not have any direct physical effects on the environment and are not "Projects" as defined in CEQA Guidelines Section 15378(b)(5).
6. Staff recommends (i) approval of the Third Amendment with the Port to extend the term three years and (ii) approval of the Port's proposed fiscal year 2010-2011 operating budget of \$198,194.

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 Third Amendment to the Maintenance and Management Agreement with the City and County of San Francisco through the San Francisco Port Commission to extend the term for three years to June 30, 2013 and approving a fiscal year 2010-2011 operating budget in an amount not to exceed \$198,194 for maintenance and management services for Rincon Park in the Rincon Point-South Beach Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales 4/26/10
Agency General Counsel