

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17th DAY OF JANUARY 2012**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 17th day of January 2012, at the place and date duly established for holding of such a meeting.

President Singh called the meeting to order at 4:00 p.m.

Mr. Singh welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Singh asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Singh stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Darshan Singh, President
Rósario M. Anaya, Vice President
Miguel M. Bustos
Francee Covington
Leroy King
Rick Swig
Agnes Briones Ubalde

Tiffany Bohee, Interim Executive Director, and staff members were also present.

- 2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY:** No Reportable Actions.
- 3. MATTERS OF UNFINISHED BUSINESS:** None.
- 4. MATTERS OF NEW BUSINESS:**

CONSENT AGENDA:

ALL MATTERS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE REDEVELOPMENT AGENCY COMMISSION, AND WILL BE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A MEMBER OF THE COMMISSION OR THE PUBLIC SO REQUESTS, IN WHICH EVENT THE MATTER SHALL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED AS A SEPARATE ITEM:

- (a) Approval of Minutes: Regular Meeting of December 6, 2011.
- (b) Authorizing a Second Amendment to the Personal Services Contract with Helene Fried & Associates, a sole proprietorship, to extend the contract term by one year, expand the scope of services provided under the Contract, and to increase the contract amount by an amount not to exceed \$99,500, for a total aggregate contract amount not to exceed \$399,500, to provide consulting and support services for fabrication, installation and maintenance of public art for Hunters Point Shipyard, Parcel A; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 1-2012)
- (c) Authorizing a First Amendment to the Personal Services Contract with MJM Management Group, a California Corporation, as the property manager of the Mission Bay Open Space System, to include Open Space Parcel P10 and increase the contract's management fee by \$19,232 for a total aggregate management fee not to exceed \$636,594; Mission Bay North and South Redevelopment Project Areas. (Resolution No. 2-2012)
- (d) Adopting a Fifth Amended Enforceable Obligation Payment Schedule pursuant to Community Redevelopment Law Section 34169(g), as required by AB 26. (Resolution No. 3-2012)

Speakers: Ace Washington

Mr. Washington requested that Item 4(c) be removed from the Consent Agenda for further discussion.

Commissioner Ubalde motioned to move all items except Item 4(c) and Commissioner Anaya seconded the motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER UBALDE, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT ITEM 4(A) APPROVAL OF MINUTES FOR THE REGULAR MEETING OF DECEMBER 6, 2011; RESOLUTION NO. 1-2012, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH HELENE FRIED & ASSOCIATES, A SOLE PROPRIETORSHIP, TO EXTEND THE CONTRACT TERM BY ONE YEAR, EXPAND THE SCOPE OF SERVICES PROVIDED UNDER THE

CONTRACT, AND TO INCREASE THE CONTRACT AMOUNT BY AN AMOUNT NOT TO EXCEED \$99,500, FOR A TOTAL AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$399,500, TO PROVIDE CONSULTING AND SUPPORT SERVICES FOR FABRICATION, INSTALLATION AND MAINTENANCE OF PUBLIC ART FOR HUNTERS POINT SHIPYARD, PARCEL A; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA; AND RESOLUTION NO. 3-2012, ADOPTING A FIFTH AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO COMMUNITY REDEVELOPMENT LAW SECTION 34169(G), AS REQUIRED BY AB 26, BE ADOPTED.

- (c) Authorizing a First Amendment to the Personal Services Contract with MJM Management Group, a California Corporation, as the property manager of the Mission Bay Open Space System, to include Open Space Parcel P10 and increase the contract's management fee by \$19,232 for a total aggregate management fee not to exceed \$636,594; Mission Bay North and South Redevelopment Project Areas. (Resolution No. 2-2012)

Presenter: Catherine Reilly, Agency Staff

Speaker: Ace Washington

Commissioner Anaya asked the Executive Director to respond to the comments made by Mr. Washington about MJM Management Group.

Ms. Bohee responded by saying that CFD5 and its maintenance and the contracts that are required to be maintained in that open space are all enforceable obligations that are scheduled and the Agency has an obligation to maintain those properties as properties are developed in Mission Bay pursuant to the Agency's Owner Participation Agreement and the successor entity will continue to do that. Ms. Bohee clarified that the successor entity for Mission Bay and for the CFD will be the City's Administrative Services Department, which will administer this proposed contract along with other non-housing assets. Ms. Bohee stated that MJM has performed exceedingly well in Mission Bay and reiterated that over 61% of the contract overall goes to minority-owned and women-owned businesses and that MJM has an excellent record in Mission Bay, as well as citywide as a contractor.

Commissioner Bustos motioned to move this item and Commissioner Ubalde seconded the motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER UBALDE, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 2-2012, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MJM MANAGEMENT GROUP, A CALIFORNIA CORPORATION, AS THE PROPERTY MANAGER OF THE MISSION BAY OPEN SPACE SYSTEM, TO INCLUDE OPEN SPACE PARCEL P10 AND INCREASE THE CONTRACT'S MANAGEMENT FEE BY \$19,232 FOR A TOTAL AGGREGATE MANAGEMENT FEE NOT TO EXCEED

\$636,594; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

REGULAR AGENDA

- (e) Commending and Expressing Appreciation to Gina E. Solis for her Dedicated Service Upon Her Retirement from the Redevelopment Agency of the City and County of San Francisco. (Resolution No. 4-2012)

Presenter: Tiffany Bohee read the proposed Agency resolution commending Ms. Solis, into the record. (Applause)

Speakers: Oscar James, Gia Casteel-Brown, Sally Oerth, Amy Lee, Victor Marquez, Ace Washington, George Bridges, Jim Morales

Commissioner Anaya expressed her appreciation for Ms. Solis' professionalism and diplomacy, her compassion in the way she worked with the public and Agency staff, for her support and for her assistance. Ms. Anaya stated that they will miss Ms. Solis dearly and congratulated her on her retirement.

Commissioner Covington recalled that in her diverse positions, Ms. Solis had worked very close to the fire. Ms. Covington stated that Ms. Solis has had to handle quite a few difficult Agency meetings and has helped calmed things down. She recalled how helpful Ms. Solis was in the celebrations for the Agency's 60th anniversary.

Commissioner King recalled that he joined the Agency in 1980 at the same time as Ms. Solis and remembered how much Ms. Solis helped and guided him through that early period. Mr. King thanked Ms. Solis for all her hard work and wished her good luck. He stated, however, that they will still be seeing each other in the future.

Commissioner Ubalde recalled that Ms. Solis was her contact for the Agency while she was on maternity leave. Ms. Ubalde stated that Ms. Solis has a calling and a gift for public service and thanked her for caring so much for the San Francisco community. She wished her well and hoped she, Ms. Solis, would be able to enjoy this time with her family.

Commissioner Swig referred to the statement by some on the Agency regarding how things were "in the good old days when things were in the state of upheaval". Mr. Swig inquired as to what's so different now. Mr. Swig thanked Ms. Solis for her service on the Agency and stated that she has a great gift for serving the public. He thanked her for her help with his orientation upon his arrival to the Commission and for her help getting settled in. Mr. Swig stated that Ms. Solis maintained tremendous professionalism and dedication to the service in being available 24/7. Mr. Swig stated that timing is everything and congratulated Ms. Solis on her perfect timing.

Commissioner Bustos thanked Ms. Solis' family for all the time she had devoted to the Agency. Mr. Bustos referred to Ms. Solis as his home girl, fellow native San Franciscan, who was always on time and always helpful in providing the information needed to do

his job. Mr. Bustos complimented Ms. Solis on her ability to deal with different personalities and characters which he stated takes a lot of love, not just of the work, but of the community. Mr. Bustos gave Ms. Solis a Commissioner pin as a sign of recognition for her work. Mr. Bustos also mentioned that he would be working as Ms. Solis' agent when this Agency "gig" is over.

Commissioner Singh recalled that he met Gina in 1995 and said he really got to know her when she served as Executive Secretary to Mr. Morales. He mentioned that he would miss Ms. Solis, but they would continue to get together as he passes through Marin County twice a week. Mr. Singh gave Ms. Solis a gift.

Pictures were taken of the Commissioners and Ms. Solis.

Ms. Solis made a speech and recalled her years as Commission Secretary and the accomplishments of the Agency over the years to make San Francisco the beautiful city that it is. Ms. Solis thanked everyone at the Agency and named many of the behind-the-scenes staff who have helped make the Agency meetings possible and successful over the years. Ms. Solis indicated that in the future she will be doing volunteer work in some of the projects the Agency has begun to help keep things going. She also made special mention of George Bridges and thanked her family and her husband.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 4-2012, COMMENDING AND EXPRESSING APPRECIATION TO GINA E. SOLIS FOR HER DEDICATED SERVICE UPON HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- (e) Authorizing a First Grant Disbursement Agreement with The Mexican Museum, a California non-profit corporation, in an amount not to exceed \$750,000, for predevelopment work for a new museum associated with a new mixed-use project on a site that includes 706 Mission Street (Assessor's Block 3706, Lot 93) and Agency disposition parcel CB-1-MM (Assessor's Block 3706, portion of Lot 277). (Resolution No. 5-2012)

Presenter: Christine Maher, Agency Staff

Speaker: Oscar James (not present)

Commissioner Bustos asked if this was the last meeting they would be having as a Commission. Mr. Bustos thanked the Board and the staff of the Mexican Museum, as well as the Agency staff, who have been working on this project for a long time and stated how happy he was that this was finally going to happen. Mr. Bustos named several people--Mario, Nora as well as Dr. Yerba, who worked very hard to maintain programs so that people and future generations will be able to enjoy the wonderful collection within. Mr. Bustos stated that this is one of the jewels that this nation should be proud of, not just for being a museum but how it connects with the other museums in the area. He

expressed joy that they will be able to look back at the great work that the Agency has performed in making San Francisco a culturally diverse city full of different experiences and celebrations of life through the museums that make up the city. Mr. Bustos motioned to move this item.

Commissioner Anaya seconded the motion. Ms. Anaya thanked the Agency as well as the Executive Director, legal counsel, and everyone on the staff who made this project a reality and congratulated the Mexican Museum.

Commissioner Singh added that this project has been a long time coming and he was very happy to finally reach the end.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER ANAYA AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 5-2012, AUTHORIZING A FIRST GRANT DISBURSEMENT AGREEMENT WITH THE MEXICAN MUSEUM, A CALIFORNIA NON-PROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$750,000, FOR PREDEVELOPMENT WORK FOR A NEW MUSEUM ASSOCIATED WITH A NEW MIXED-USE PROJECT ON A SITE THAT INCLUDES 706 MISSION STREET (ASSESSOR'S BLOCK 3706, LOT 93) AND AGENCY DISPOSITION PARCEL CB-1-MM (ASSESSOR'S BLOCK 3706, PORTION OF LOT 277) (RESOLUTION NO. 5-2012) BE ADOPTED.

AGENDA ITEMS 4(g) THROUGH 4(i) WILL BE ACTED ON TOGETHER

- (f) Authorizing the Executive Director or her successor to award contract No. HPS 001-12 to the lowest responsive and responsible bidder as allowed under California Public Contract Code in an amount not to exceed \$1,500,000, for light demolition and environmental abatement to Building 813 at the Hunters Point Shipyard; and
- (g) Authorizing the Executive Director or her successor to award a construction contract to the lowest responsive and responsible bidder as allowed under California Public Contract Code for an amount not to exceed \$4,478,210 for the preservation of future development of Building 813 at the Hunters Point Shipyard; and
- (h) Authorizing the Executive Director or her successor to enter into a lien and/or any other documents necessary to effectuate the above transactions. (Resolution No. 6-2012)

Presenter: Wells Lawson, Agency staff; Ben Golvin, Equity Community Builders

Commissioner Covington began with a question for Larry Halpern, representative from Prescience International and asked about the scope and the focus of the projects in San Jose and the new one in San Diego.

Mr. Halpern responded that as per the project in San Diego, they were contacted by Johnson & Johnson to develop and operate an innovation center which was just launched that week. Mr. Halpern explained that this was a no-strings attached project where J&J are not making an investment in the company, but rather are trying to foster innovation.

Commissioner Covington inquired as to how large a project it was.

Mr. Halpern responded that it is a 30,000 sq. ft. R&D facility that they want to convert into an innovation center. The San Jose project is the San Jose BioCenter, which is a life sciences incubator, which provides wet and dry lab space as well as office space for about 20 start-up companies. Mr. Halpern explained that it is run as a non-profit out of the San Jose State University Research Foundation.

Commissioner Covington inquired as to how large a facility that was.

Mr. Halpern responded that it was a 40,000 sq. ft. facility.

Commissioner Covington reiterated that they have 260,000 sq. ft. in this project and, although this was a feasibility analysis, Ms. Covington asked if Mr. Halpern could fill in the leap from 30,000 sq. ft. to 260,000 sq. ft. and how he envisioned that being configured and, most importantly, filled to capacity.

Mr. Halpern clarified that what Ms. Covington was asking was how that model would be transferred over to that size of a facility. Mr. Halpern explained that they had spoken with many of their stakeholders, large and small companies, industry analysts, and university research labs.

Commissioner Swig inquired as to which stakeholders exactly was Mr. Halpern talking about.

Mr. Halpern responded that they have a list of about 60 different companies, which could be provided to the Agency.

Commissioner Covington reiterated that there are about 60 companies that Prescience has spoken to who feel that this building can be transformed and become profitable.

Mr. Halpern responded that, based on their studies there is a demand for wet and dry lab space in San Francisco and also for the location.

Wells Lawson reflected on some of the great work that Melinda Richter, the President of Prescience, has done and stated that this question has been asked a lot. Mr. Lawson clarified that the net sq. footage is 130,000 sq. ft. for the incubator because they are carving out the atrium, so it is not a full 260,000 sq. ft. Mr. Lawson added that Ms. Covington's question was the question they had been asking of Prescience all along, which was how did they think they could fill this entire building. Mr. Lawson stated that Prescience had assured the Agency with the depth of the research that they had done and the pipeline that Prescience has, that they could fill the building.

Commissioner Covington inquired about who and what would the building be filled with because she was hearing about wet and dry lab space, but there may be wet and dry lab space available elsewhere in Mission Bay, because there is the Gladstone Institute and the whole UCSF facility and people are coming and going all the time. Ms. Covington clarified that they are not asking them to commit any names at this time, but did point out

that this was a big leap from 30,000 and 40,000 sq. ft. projects to 160,000 sq. ft. However, Ms. Covington stated that there has to be more than just a statement that this will happen. Ms. Covington stated that she does want it to happen, but also wanted some assurance that things have been looked at critically to make sure that this building does not turn into a white elephant.

Mr. Lawson responded that this is a different model than they have at San Jose and San Diego because there was the REDF (Roberts Enterprise Development Fund) portion, which was the community based enterprises. Mr. Lawson stated that there are a variety of clean tech companies which have a different type of shared equipment which they use and they believe there is a market that is untapped in San Francisco for that as well. So it is a little bit more complex.

Commissioner Covington stated that after being on this Commission for six years, she is used to complexity and so asked Mr. Lawson for additional detail.

Mr. Lawson stated that in the floor plan of the building there are provisions for a food incubator which was one piece that was considered.

Commissioner Covington inquired if that would be in place of or added to the food incubator that is already in the shipyard.

Mr. Lawson responded that they were hoping to expand the existing food incubator into that space, which would be a 30,000 sq. ft. addition. There is also 50,000 sq. ft. of life sciences. Mr. Lawson spoke about a model called TechShop, which is shared mechanical equipment, like high pressure water jet cutters and 3D printers. Mr. Lawson stated that when they look at the aggregate, there are 75-80 different incubators in the Bay Area that have popped up in the last five years, ranging from everything from a coffee bar in the Mission, which is a shared workspace to this techshop model to the QB3 model in Mission Bay, which has been successful. Mr. Lawson stated that the one component that Building 813 has that the others may not have is that they can graduate businesses as well so they had the standard incubator model where there is a shared space with small stations all around it. On the next floor they had actual 10-15,000 sq. ft. office space as well where companies would have the ability to grow their company, hire three or four more people and go upstairs. In other words, still having access to the shared resources, but have a full-on office upstairs. Mr. Lawson stated that this is different from QB3 and some of the others.

Commissioner Covington stated that that explanation gave her a much better idea of what would go on there and/or in there. Ms. Covington asked Mr. Halpern and Mr. Golvin if they had anything else to add.

Mr. Golvin stated that the infrastructure is not at the building now. Lennar's plan, gas, utilities, electricity, etc., don't really get to this building for awhile. It also means that this very fluid market that they are currently in may look different in three to five years and not making commitments like trying to raise the money to cut the hole in the building, or to do anything that really commits it to a particular kind of use right now, is wise given

that five years ago the market for innovation incubation looked different than it does now and is likely to look differently in another few years.

Ms. Bohee added that Mission Bay was originally envisioned as an R&D with focus on biotech, as per the original entitlements for Mission Bay that were adopted in 1998. As they know now, with the million square feet for the Salesforce campus and the UCSF Hospital, the land use adopted for Mission Bay, as well as the land use adopted for the Phase II entitlements for the shipyard, will provide for the long-term. As Mr. Golvin stated, the market may change by the time the infrastructure is delivered to the building, so the land use approvals and any improvements made through the federal grant funds, which were actually specified for this purpose for 813, are flexible enough to respond to the market in the future. Ms. Bohee stated that San Francisco has an innovation corridor that starts with South of Market, gets more techie at South Park as it goes down 3rd Street, but really Mission Bay is the anchor to that innovation corridor. The only other major opportunity that San Francisco has for campus and innovation uses is really at the shipyard, because in Mission Bay and other areas, all those uses are, in fact, tapped out and pledged. Ms. Bohee stated that the intent here is really to provide an opportunity site in the early years that will also help expand the other two million square feet on Parcel C for other job-generating uses.

Commissioner Covington stated that she understood that the demolition of the building and the retention of the building pencils out to be the same thing. Ms. Covington stated that she believed they must have some faith that this phase, meaning the \$6 million for light demolition, environmental abatement and preservation for future development, will take them where they need to be. Ms. Covington motioned to move the item with caution that the successor entity to the Agency will most likely want more specifics and that they need to be prepared.

Commissioner Ubalde seconded the motion. Ms. Ubalde thanked the presenters for their presentation because she stated that it was very informative to her. Ms. Ubalde stated that in her other work outside the Agency, she hears the need from small innovative tech firms throughout the Bay Area, who are demanding this kind of space, but having very few opportunities to be able to use a facility of this type to be able to incubate their ideas and technology. Ms. Ubalde commended staff for all their work on wanting to create that space here in San Francisco. Ms. Ubalde inquired about the actual projected number of jobs or innovative incubated firms that they are planning to see as far as an outreach plan to be able to get to use this facility, because she had noticed that they have a few examples of the food incubator, anchor and evergreen cooperatives and the company in Chicago, but wanted to know if they had any others. Ms. Ubalde reiterated that they are looking at a mix of companies, both social enterprises, as well as for-profit companies.

Jason Trimiew of Roberts Enterprise Development Fund (REDF). Mr. Trimiew clarified that he was responding on behalf of the Fund, and not the Bayview Hunters Point Project Area Committee, on which he also serves as a member. Mr. Trimiew stated that REDF's involvement in this project was unique for them in that their work over the last 15 years in the Bay Area with non-profit social enterprises has largely been taking existing enterprises and helping them grow their businesses to create employment opportunities. With this opportunity, what they saw was the potential to look at an asset and the city's

use of that asset as a way to generate job opportunities for local residents of the Bayview Hunters Point community. Mr. Trimiew explained that in their research, they tried to present an array of best-in-class examples of creating local jobs in low-income communities around the country which would also fit with the overall tenor of the building as an innovation center. Mr. Trimiew indicated that understanding that there would have to be some anchor companies paying big rents, these social enterprises would feed the ethos of the building at the same time. For instance, the food incubator at Rutgers has created over 1,000 new jobs over the last 11 years. The cooperative model in Cleveland has created about 75 cooperative worker-owned jobs in two businesses and is preparing to launch a third. These examples are meant to help envision what the space at Building 813 will ultimately allow and what enterprise will actually occupy the building. Mr. Trimiew explained that what they tried to present in their analysis was more directional guidance to the project about where they could go with local job creation and innovative business ideas, but which would also fit the theme of the building and allow for a company to pay large rents and at the same time co-exist with an innovative entrepreneurial very grass roots-based company. Mr. Trimiew stated that they do not have specifics about the job creation of any particular enterprise that would be put forward, but they tried to give some direction in their analysis by showing some large opportunities as well as some localized opportunities.

Commissioner Ubalde clarified that what they did then in terms of the feasibility study was to really look at models across the country to help advise them. Ms. Ubalde inquired as to whether once this is built and is available for public use, would they be bringing in locally-owned or social enterprises that are from this community and/or within the region to benefit from this.

Mr. Trimiew explained that REDF is a practitioner and the feasibility analysis provided to this project was based out of their experience. Mr. Trimiew stated that ultimately they are interested in opportunities in Bayview Hunters Point, employing Bayview Hunters Point residents and bringing in local businesses that REDF would be positioned to support in their model, and are also interested in backing the types of companies that would be concerned with local employment and understanding what types of businesses would be appropriate for this project.

Mr. Lawson reminded the Commission that this project, like all Phase II projects, is subject to the Bayview Hunters Point employment and contracting policy—50% first preference for 94124 businesses and workers. Mr. Lawson also stated that he had calculated that 400-500 jobs would come out of this building.

Commissioner Ubalde had a question about page 8 of Attachment V. Ms. Ubalde noticed that amongst some of the architectural and engineering hurdles indicated, there is a need for a large central atrium and also reference to the possibility of several challenges. Ms. Ubalde inquired as to what those challenges would be and how they would be mitigated.

Greg Novicoff of LMS responded, stating that the building is 264' square and is a very large square building, so they would want to get as much natural light as possible into the center of the building to offset electric costs and make it more hospitable to tenants. The atrium in question would provide the deep light into the lower floors in the center of the

building. Mr. Novicoff explained that the major reason for the atrium is for the pioneers to have a place there before the Hunters Point gets fully built out.

Commissioner Ubalde inquired as to whether that space could be used for other things beyond R&D; for example, if community members wanted to use it for community space.

Mr. Novicoff responded that they designed the space as a central hub so that all the lower floors could open up into it so the tech shop or the café or other ground floor amenities empties up into that spot. He indicated that there would be bleacher seating and lots of different ways one could begin to occupy that space, whether it be an art exhibit or other event.

Mr. Lawson confirmed that the intention of the central atrium space was to access the local businesses so that they are really participating in everything that is going on throughout the building.

Commissioner Swig stated that he was not going to be as charitable as Commissioner Covington had been. Mr. Swig stated that he thought this was a boondoggle. Mr. Swig directed his comment to Mr. Lawson and stated that the job to present a case in front of the Commission had not been done. Mr. Swig recalled that he was there with Commissioner Covington when this resolution was passed. Mr. Swig explained that what he was complaining about was not the spirit of the project. He expressed that the spirit of the project is wonderful—creating incubators, creating jobs, establishing an anchor tenant in this area; however, the execution of what they had been asked to do before bringing it back before the Commission he found to be appallingly awful, to the point that he would vote against this even though he thought the project was a worthwhile one. Mr. Swig directed this to the attention of the Executive Director on the merits of presenting this topic without having adequate information and stated that it was full of holes. Mr. Swig clarified that what he was seeing is that there are two grants being presented to the Agency by the U.S. government and that they want to spend this money really fast and then they come before the Agency, who is supposed to have fiduciary responsibility to spend the government's money correctly on behalf of the people, and try to ramjam this through because this happens to be the second to the last meeting of the Commission. Mr. Swig stated that he will maintain his integrity to the very end to make sure that the Agency spends government money correctly and that they are acting properly on behalf of the people. Mr. Swig added that the presentation of this project was undermining the integrity of the Agency because it was so poorly presented. Mr. Swig suggested that they postpone a vote on this item tonight based on what he was about to bring to their attention.

Mr. Swig stated that on February 2, 2010, when he was there with Commissioners Covington, Singh and King, that the Agency asked staff to 1) take a closer look at the concept of targeting clean tech industry cluster centered at Building 813; and 2) look specifically at the feasibility re-use scenario of 813 within the shipyard's land plan. Mr. Swig stated that what they have come back with is a gentleman who stated that they had talked to all sorts of companies that indicated that they would love to come, with no documentation. Mr. Swig stated that he is not going to take a leap of faith on this because

there is no substance, and in a proper feasibility study, the Agency would have been presented with a feasibility study for the Agency's own review and with enough information to be comfortable that the spending of these millions of dollars would actually be wise. Mr. Swig indicated that what was presented to the Agency instead was a glossy promotional brochure about why this project should go forward. Mr. Swig stated that the concept of Item 1, which is for the light demolition and environmental abatement, makes perfect sense because to bring people through a building which is full of mold or poisonous materials would be counterproductive. But to write a blank check for \$4.478 million to do any more than that, for instance, to put in a roof or windows, when someone will just come in and redo the entire building anyway, is a waste of money, especially when there has been no real feasibility study presented as to why this thing would actually work. Mr. Swig reiterated that he is in support of this project and would like to move this forward, but he will not vote for it tonight because he would like to do this responsibly, with a clear conscience and knowing that he is fulfilling his fiduciary responsibilities on behalf of the people of San Francisco and the U.S., whose money this is. Mr. Swig presented an option to postpone this option since there will be one more meeting and get some substance and the feasibility study done to make the Commission feel comfortable that they are making good decisions here.

Commissioner Anaya inquired of Commissioner Swig through the Chair if he was making a motion to postpone.

Commissioner Swig deferred to Mr. Morales about this.

Commissioner Covington reminded everyone that there was a motion on the floor to move and a second.

Commissioner Swig requested that the motion and the second be removed and the item be postponed.

Mr. Morales indicated that you can act on a motion to continue while the main motion is pending, if desired.

President Singh called for a roll call because he stated that a vote had to be taken on this.

Commissioner Swig requested that the Chair call the vote on each individual item.

Mr. Morales stated that in order to do that, Commissioner Swig would have to divide the motion into two parts, which would require the maker of the motion to accept this action.

Commissioner Covington stated that there are three options: 1) vote on the motion that is on the floor, 2) accept a motion to continue, or 3) take each item one by one.

Commissioner Bustos seconded Commissioner Swig's motion to continue.

Mr. Morales advised that voting on the motion to continue can be taken first.

Madame Secretary called roll call on the motion to continue:

Commissioner King	Yes
Commissioner Bustos	Yes
Commissioner Swig	Yes
President Singh	No
Vice President Anaya	Yes
Commissioner Covington	Yes
Commissioner Ubalde	Yes

Motion passed to continue and was adopted.

President Singh inquired from the Executive Director as to whether there will be another meeting.

Ms. Bohee responded that there is another meeting scheduled for January 31, 2012.

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.**

Speaker: Alma Robinson, Lawyers for the Arts; Willie B. Kennedy; Oscar James; Ace Washington

7. **REPORT OF THE PRESIDENT:**

President Singh stated that he would like to take time for some acknowledgments, as he had believed that this was going to be the last meeting of the Agency. To his fellow Commissioners for their hard work over the years, President Singh highlighted some of the Agency accomplishments: created more than 11,000 units of affordable housing; created an emerging biotech center near the UC Hospital and a new Salesforce.com campus at Mission Bay; improved the Bayview and SOMA neighborhoods and Fillmore Corridor. Mr. Singh mentioned that he was honored to be Commission President in 1998 when Mission Bay was created and the City now has a beautiful convention facility which hosts thousands of visitors and a museum of various cultures at Yerba Buena Garden. The Yerba Buena Center Redevelopment Project Area recently expired on January 1, 2011. This neighborhood has been completely transformed and now includes resident, visitor and cultural uses, including Moscone Center and 2,500 residential units. The Agency has entitiled more than 10,000 new housing units and hundreds of acres of new parks and commercial spaces at the Hunters Point Shipyard/Candlestick Point Area. Recently, the Agency received the American Planning Association's National Planning Excellence for Achievements and Leadership award for the Candlestick Point/Hunters Point Shipyard Phase II Project. The Agency's prominent focus in the Bayview Hunters Point community has been the development of affordable housing. Two projects are currently under conception, one of which is the rebuilding of Hunters View public housing. President Singh stated that two additional projects are in pre-development including the rebuilding of Alice Griffith public housing, a major project to be completed by the Fall of 2012. The other is the redevelopment of the 10,000 sq. ft. Bayview

Foundation building by College Track, a non-profit college readiness program. There have also been major infrastructure improvements to the Agency's Model Block Program, an effort focused on community involvement and residential cityscape upgrade, which was completed in December 2011. The Agency has also been involved in several affordable housing projects in the City, as well as the Coronet located at Geary Blvd. Although this was a giant project with the San Francisco Mayor's Office of Housing, the Agency provided the project's \$11.8 through grants and loans.

4) Many people may not know that the South of Market area was originally adopted in 1990 as an emergency measure after the Loma Prieta earthquake. In 2011, the Agency and the neighborhood celebrated the opening of several Agency-funded projects such as Pearl's Deluxe Burgers, a new restaurant at the corner of 6th and Market Streets, which opened as a result of a \$4,000 forgivable loan from the Agency. To date the Agency has completed 20 new rehabilitated affordable housing projects in the area, including 800 single-occupy units, 600 family and special needs units and a special team created for the redevelopment of the Hugo Hotel on 6th and Howard Streets. Westbrook Plaza, a mixed use project made up of 49 affordable family apartments and the new 20,000 sq. ft. South of Market Health Center, opened on October 18 with \$5 million of Agency assistance. 5) Bindlestiff Studio, a Filipino-American performing art organization moved into the new 99 seat theatre in the basement of the Plaza Apts, another Agency-supported housing redevelopment project at 6th and Howard Streets. The \$400 cost of the theatre was funded entirely by the Agency. 6) In the Transbay Project Area, there will be 120 units of affordable housing for formerly homeless individuals and families, along with 445 units of mixed-income development that includes 409 marketed and inclusionary units and 136 Agency affordable units. One of the last actions of the Agency was to select the development team for this project. 7) The focus of Visitation Valley has been the development of the former Schlage Lock site. The adopted redevelopment plan focused on the creation of Schlage site into a mixed-use housing village of 1,250 residential units, parks and grocery stores to serve the Visitation Valley neighborhood. The redevelopment plan was and is supported by the Visitation Valley community and President Singh expressed hope that the City will be able to find a way to implement this important plan through new local state financing strategies. Mr. Singh added that although this project had expired, the Visitation Area is important for our past and future. Mr. Singh added that the Agency has developed a great deal of affordable housing, like the Mary Helen Rogers Senior Development Project which is underway, and new homes ownership opportunity.

President Singh expressed his thanks to the community the Agency has served and thanked those who had worked hard for many years to make these projects happen and thanked the Agency investors for their commitment in making sure grant projects move forward.

President Singh added that the Mayor had introduced legislation that authorized a new Oversight Board the previous Tuesday in order to oversee the fiscal management for former Agency projects. Mr. Singh added that the Agency Executive Director would be providing more information about this.

And last, but not least, President Singh stated that he wanted to thank each and every one of the Redevelopment Agency staff. Over the past 16 years of being an Agency Commissioner, President Singh stated that he had worked with the best staff anywhere. He stated that it was because of them, their dedication and commitment to their work, no matter their position, that the Agency has accomplished the fantastic work that it has been able to do, which will be enjoyed for years to come. Mr. Singh pointed out that staff has spent many hours working late, going to countless meetings, dealing with difficult situations and sometimes very concerned people. He stated that staff has shown a level of professionalism which is to be commended. He thanked them all for their contributions to the Agency over the years.

8. REPORT OF THE EXECUTIVE DIRECTOR:

Ms. Bohee wanted to build on President Singh's report and added that the effect of AB 26, taken together with the California Supreme Court's decision in late December, will be to dissolve all redevelopment agencies across the State of California effective February 1, 2012. Upon dissolution the assets, enforceable obligations and certain functions of these agencies will transfer to the cities and counties that created them and will serve as their successors. These successor agencies will be responsible for carrying out the existing obligations, as well as other certain functions as provided for under AB 26. In San Francisco, these assets and obligations and functions of the Agency will transfer to the City. The City does intend to include the affordable housing functions in the transfer of all the Agency's assets and functions. The resolution introduced last Tuesday by the Mayor and co-sponsored by Supervisors Cohen, Kim and Olague, provides for the following: 1) It affirms the City as successor entity to the Redevelopment Agency. Ms. Bohee clarified that this is not a necessary step to take because the City created this Agency 64 years ago, but they are still taking this affirmative step as the City of Los Angeles did; 2) It provides for the transfer of all the housing assets and functions, which includes all the land and regulatory requirements, including the HOPWA funds, as well as those funds that are in the low and moderate income housing fund, to the Mayor's Office of Housing. If this affirmative step is not taken in the resolution, those assets and functions would transfer to the Housing Authority, so they are opting to transfer these assets to the Mayor's Office of Housing. All of the Agency's non-housing assets, the real property that is under contractual agreements, for example the Mexican Museum, 706 Mission and the Agency's agreements with Millenium and JMA, as well as significantly, those major projects that the Agency and the communities have worked so hard on, including Hunters Point Shipyard Phase I and II, portions of Transbay as well as Mission Bay North and South, will also transfer to the City Administrator's Office for administration. In practical terms, effective February 1, redevelopment agencies will cease to exist and the City will step in as successor entity in its various forms. In terms of the staff, they will remain in place as of February 1, but will be taken under the umbrella of the City and County of San Francisco. The staff as a whole will come under the City Administrator's Office and appropriate staffing levels for the remaining enforceable obligations will be determined through a process of working with the Board, the City Administrator and the Mayor's Office. Staff was notified that potential layoffs may occur as they go through this assessment process with the City. There are bargaining agreements with 1021 and 21 that are in place and required notice procedures and meet and confer procedures are in place. Ms. Bohee stated that she understood from the City

that the proposed date for any potential layoffs would be March 30, but are subject to any bargaining agreements. In terms of other mechanics, there is an Oversight Board which was created as a result of AB 26 and which has a primary fiduciary responsibility, but the Board and Mayor's resolution also provides for additional authority to that Oversight Board with respect to the major projects, and the Oversight Board would continue to retain land use approval authority consistent with the redevelopment plans, design for developments, would enter into contracts or amendments in furtherance of the major projects' obligations. The resolution must be adopted by the end of the month by the Board, which is a short timeframe and even though this has always been one of three options, it was not anticipated by most people that this would be the option decided upon. So, they are taking all the appropriate steps. Ms. Bohee stated that there is talk at the State level of potential extension for dissolution and perhaps other efforts to create some new tool for redevelopment, but clarified that these are all longer-term efforts. However, Ms. Bohee clarified that there is not a lot of faith in the first component which is extension of dissolution, so there is need to take those affirmative steps and act quickly. The Board resolution just described was before the City's Budget Committee the following day. The Mayor designated four appointees to the Oversight Board, because of its technical and fiduciary nature, including the head of the Department of Planning; Nadia Sesay, the head of the Department of Public Finance; Olsen Lee, head of the Mayor's Office of Housing and one representative from Local 21. Three other seats include a seat for BART, one for Community College and School Superintendent. It is only the four Mayor appointees that must be confirmed by Rules, which will be posted on Thursday.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

Commissioner Covington stated that she was happy to be updated by the Executive Director concerning staffing. In a previous meeting Ms. Covington was urging Agency administrators to formulate a worst-case scenario plan for the staff so that a smooth transition could be made. Ms. Covington wanted to add that with reallocation of human resources and people moving from the Agency to other departments within the City, she really wanted there to be some look at parity. The Agency had asked their staff members who were working on projects that were primarily focused on communities of color to take on those responsibilities in some cases because it was felt that there would be an affinity with the communities they had been working with. Those, however, are not the marquis project areas. As far as the marquis project areas that exist, Ms. Covington stated that she would not be happy to see that there is an over-representation of people who have been working on those projects and no representation of people who have been working or had worked on the Western Addition and Bayview Hunters Point. Ms. Covington stated that she hoped her comments were not taken as too oblique and she thought everyone would understand what she meant and where her heart has been in this. Commissioner Covington also recalled that at the last meeting she had requested that the Certificate of Preference Program be put on the agenda for the next meeting. It was not on the agenda tonight and she strongly stated that she was trying to be as clear as possible on this. Ms. Covington stated that there is one more Agency meeting and at that meeting, it is imperative that the Certificate of Preference Program and the extension of the certificates to grandchildren, be on the agenda.

Commissioner King stated that yesterday was a great day for a great man in San Francisco, as it was the Martin Luther King breakfast put on by Labor, followed by the march to Yerba Buena Center. It was fully packed and the Mayor was in attendance, all the supervisors and state senators and every elected official in San Francisco were there. Mr. King stated that the Mayor made a very impassioned speech and said to Mr. King that he guaranteed that they were going to continue the program that the Agency had laid out and told him not to worry about a thing. The Mayor stated that they were not going to take anything away, but will follow through, but as of February 1, Olsen Lee will be the one to take the oath of faith as far as housing. The Mayor said to Mr. King that they will not deter anything. As far as employees, Ms. Bohee reported everything the Mayor said concerning staff. Some will be let go, some will not. The people of the City and County of San Francisco will have seven members and they will all be department heads of the Mayor's Office. Mr. King stated that he did not see any of the other Commissioners at the MLK breakfast, but he stated that if it wasn't for Martin Luther King, he wouldn't be sitting on the Commission right now. Mr. King stated that they all owe so much to this great man who changed our nation and our society.

Commissioner Anaya reiterated the need to have the Certificate of Preference issue on the agenda for the next meeting and also added to notify Mr. Hashimoto, who was the one who came to one of the Agency meetings and asked them to put this item on the agenda. Through the Chair, Ms. Anaya requested that the Executive Director notify Mr. Hashimoto that this item will be on the agenda for the next meeting.

Ms. Bohee acknowledged Commissioner Anaya through the Chair and reiterated that the Agency is currently under suspension and so as per AB 26 there are certain things that the Agency is allowed to do and certain things the Agency is not allowed to do. Ms. Bohee asked Jim Morales to provide some background information regarding the Certificate of Preference.

Mr. Morales clarified that AB 26 has put some severe limitations on what the Agency can approve which have been in effective since June 29, 2011. He stated that the Commissioners were aware of most of them, like not being able to approve or amend contracts, but added that there are also limitations on amending programs and specifically housing plans. Mr. Morales stated that they should seriously consider that as an issue which would affect the ability of the Agency to amend the Certificate of Preference Program. Mr. Morales stated that he was not sure if they wanted to discuss this issue further at this time, but he recommended that they resolve it with the Agenda setting committee.

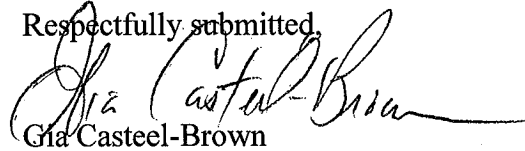
Commissioner Covington thanked Mr. Morales for that information. She stated that it would be helpful to have a detailed diagram or list for people of which elements of redevelopment business are going where. She reiterated that housing is going to the Mayor's Office of Housing and stated that she will be following the Certificate of Preference (COP) piece, no matter where it goes because this has to be addressed and re-addressed because an injustice was done some 40+ years ago and things have to be in place to address that.

President Singh asked for a show of hands of those Commissioners who want to have the COP issue on the next agenda. Everyone raised their hands and President Singh directed that it be put on the agenda.

10. ADJOURNMENT:

It was moved by Commissioner Swig, seconded by Commissioner Anaya and unanimously carried that the meeting be adjourned at 7:01 p.m.

Respectfully submitted,



Gia Casteel-Brown

Interim Commission Secretary

ADOPTED: