

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

RESOLUTION NO. 77-2014  
Adopted September 12, 2014

**AUTHORIZING THE EXECUTION OF A MODIFICATION TO THE SECURITY SERVICES COOPERATIVE AGREEMENT WITH THE U.S. DEPARTMENT OF THE NAVY (THE "NAVY") FOR SECURITY SERVICES ON NAVY-OWNED LAND AT THE HUNTERS POINT SHIPYARD THAT EXTENDS THE TERM UNTIL THE LAST NAVY-OWNED PARCEL IS TRANSFERRED TO THE SUCCESSOR AGENCY OR THE CONVEYANCE AGREEMENT WITH THE NAVY IS TERMINATED, WHICHEVER IS SOONER, OR THE NAVY HAS SATISFIED THE CRITERIA TO SELL NAVY-OWNED PARCELS TO THIRD PARTIES AS SET FORTH IN THE CONVEYANCE AGREEMENT, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE FUTURE MODIFICATIONS TO THE SECURITY SERVICES COOPERATIVE AGREEMENT TO ALLOW EXPENDITURES THAT ARE AUTHORIZED THROUGH THE ANNUAL BUDGET WITHOUT ADDITIONAL COMMISSION ACTION;  
HUNTERS POINT SHIPYARD PROJECT AREA**

WHEREAS, Under Chapter 5, Statutes of 2011, ABx1 26, and Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12, Regular Session), the San Francisco Redevelopment Agency ("SFRA") was dissolved and certain obligations of SFRA were transferred to the successor agency, now known as the Office of Community Investment and Infrastructure or "OCII," the successor to the San Francisco Redevelopment Agency by operation of law. ABx1 26 and Assembly Bill No. 1484 amended Sections 33500 *et seq.* of the California Health and Safety Code, which sections, as amended from time to time, shall be referred to herein as the "Dissolution Law;" and,

WHEREAS, The Dissolution Law requires an oversight board for each successor agency to oversee certain fiscal and other actions of the successor agency. As required by AB 26, the oversight board for OCII (the "Oversight Board") was timely established, and has been meeting since March 2012 to perform its duties under the Dissolution Law; and,

WHEREAS, On October 2, 2012, the Board of Supervisors in its capacity as the legislative body of the Successor Agency adopted Ordinance No. 215-12, acknowledging that OCII is a separate legal entity as a result of AB 1484 and creating the Community Investment and Infrastructure Commission (the "Commission") as the policy body of OCII to implement three Major Approved Development Projects (1. Hunters Point Shipyard/Candlestick Point, 2. Mission Bay, and 3. Transbay), the Retained Housing Obligations, and other enforceable obligations under the Dissolution Law; and,

WHEREAS, The Hunters Point Shipyard/Candlestick Point Project (the "Project") is divided into two phases, called Phase 1 and Phase 2, each with a separate disposition and development agreement ("DDA"). The DDAs, together with a number of related binding agreements attached to or referenced in the text of the DDAs, establish a comprehensive set of enforceable obligations that collectively govern the completion

of the Project. The DDAs are binding contractual agreements that provide for the transfer of land from OCII to developers, the developers' and OCII's rights and obligations relating to the construction of specified improvements, and the financing mechanisms for completing the Project. The Project will deliver over 12,000 new homes, approximately 32 percent of which will be below market rate and will include the rebuilding of the Alice Griffith public housing development consistent with the City's HOPE SF program, up to 3 million square feet of research and development space, and more than 350 acres of new parks in the southeast portion of San Francisco. In total, the Project will generate over \$6 billion of new economic activity to the City, more than 12,000 permanent jobs, hundreds of new construction jobs each year, new community facilities, new transit infrastructure, and provide approximately \$90 million in community benefits. The Project's full build out will occur over 20-30 years, but over 1,000 units of housing and 26 acres of parks will be completed over the next 5 years in the first phase of the Project; and,

WHEREAS, The 2004 Conveyance Agreement establishes the process for the transfer of Shipyard parcels from the Navy, after the Navy has completed environmental remediation of parcels to levels consistent with the intended reuse of the property. The Navy still owns about 336 acres of land at the Shipyard. Under the Conveyance Agreement, OCII is responsible for providing certain Security Services (defined below) on this federally owned land while it is still under the Navy's ownership, pursuant to the 2005 Security Services Cooperative Agreement ("Security Services Cooperative Agreement"), which is a supplementary document to the Conveyance Agreement; and,

WHEREAS, The first Security Cooperative Agreement executed on October 1, 2004 had a term of five years, and expired on September 30, 2009. The second Security Cooperative Agreement was approved by the SFRA Commission on August 4, 2009 for a term beginning on October 1, 2009 and expiring on September 30, 2014. Under the Security Cooperative Agreement, OCII must provide the following services for the Navy's land and property at the Shipyard (the "Security Services"):

(1) **Regular Roving Patrols.** The security contractor patrols the perimeter of the Navy's land and checks all of the Navy's unoccupied buildings for unauthorized entries or other problems. The roving patrols occur 16 hours per day, seven days a week. Security personnel do not perform police duties (including the power to arrest), bear arms or use deadly force. Instead, they only detect, deter, and report occurrences of trespass, theft, vandalism, dumping, and other unauthorized activities. Security personnel are instructed to detain trespassers, report incidents, and turn over detainees to the proper authorities.

(2) **Access Control.** The security contractor staffs the one entry/exit gate that leads into and out of the Shipyard 24 hours per day, seven days a week. They monitor and control access to the Shipyard to prevent theft, trespassing, and vandalism.

(3) **Reporting.** The security contractor is responsible for maintaining daily activity reports, incident reports, and other reports that document the scope of services being performed and the overall state of security at the Shipyard. Security personnel are required to report any emergencies to the appropriate authorities.

(4) **Administration.** The security contractor is responsible for maintaining all required permits, licenses, and employee certificates. They also are responsible for notifying the Navy and other appropriate authorities if there is a breach of security, hazards to life or property, a hazardous material detection, an arrest of any individual, a terrorist threat or act, any work-related injury, and any incident requiring intervention by the City of San Francisco (the "City"), among other things.

(5) **Provision of Equipment and Materials.** The security contractor is required to provide all equipment and materials necessary to perform the scope of services, including uniforms, vehicles, and communication equipment.

The Navy pays for the Security Services. As the federally owned land is remediated and conveyed to OCII for development, the cost to provide security on the transferred land is paid for by the Shipyard's master developer ("Lennar")/ or transferees under the Shipyard's development agreements. Lennar gets reimbursed from OCII (with Navy funds) for the portion of its costs to provide Security Services on Navy-land; and,

WHEREAS, For 10 years, between 2004 and 2014, the SFRA procured the Security Services directly and entered into personal services contracts with third-party security providers that were selected after a competitive procurement process. As OCII's contract with its security provider was concluding at the end of 2013, OCII requested that Lennar take over the contracting and provision of Security Services through the auspices of the Interim Lease between OCII and Lennar. Lennar conducted a competitive solicitation of security services firms and entered into a contract with A-1 Security Services on February 10, 2014; and,

WHEREAS, As currently drafted, the Security Cooperative Agreement is cumbersome to administer. It has a term of only one year, with four one-year extensions that must be approved by the Navy on an annual basis. Since the last parcel owned by the Navy isn't scheduled to be transferred to OCII until 2021, the Navy has agreed to streamline the process through the proposed Modification of the Security Cooperative Agreement (the "Modification") by extending the term until the last Navy-owned parcel is transferred to OCII or the Conveyance Agreement with the Navy is terminated, (or the Navy satisfies criteria for transfer to other parties if OCII doesn't accept a parcel transfer) whichever is sooner, unless the Conveyance Agreement is sooner terminated by either party; and,

WHEREAS, Annual Modification documents will be required by the Navy to set the annual budget amount for security services with the Navy. The proposed Modification sets

the budget amount for the year beginning October 1, 2014 through September 30, 2015 at \$303, 908; and,

WHEREAS, OCII staff informed the Mayor's Hunters Point Shipyard Citizens Advisory Committee ("CAC") of the details of the Modification to the Security Services Cooperative Agreement during its meetings in August 2014 and the CAC supports approval; and,

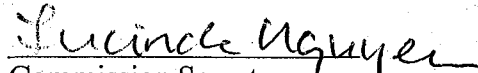
WHEREAS, Authorization of a Modification to the Security Services Cooperative Agreement is an OCII administrative activity that would not have any direct physical effects on the environment and is not a "Project" as defined in California Environmental Quality Act Guidelines Section 15378(b)(5); and,

RESOLVED, That this Commission approves and authorizes the Executive Director to execute a Modification to the Security Services Cooperative Agreement, substantially in the form on file with the Secretary of this Commission, to extend the term until the last Navy-owned parcel is transferred to OCII or the Conveyance Agreement with the Navy is terminated, (or the Navy satisfies criteria for transfer to other parties if OCII doesn't accept a parcel transfer) whichever is sooner, unless the Conveyance Agreement is sooner terminated by either party and, be it further,

RESOLVED, That this Commission approves and authorizes the Executive Director to execute future annual Modification documents to set the annual budget amount and expend Navy funds on Security Services to the amount included for Security Services as part of OCII's annual budget approved by the Commission and the City's Board of Supervisors. The Navy's funding for Security Services for the period of October 1, 2014 through September 30, 2015 shall be \$303,908, and, be it further

RESOLVED, That the Commission authorizes the Executive Director to take such other actions as may be necessary or appropriate, in consultation with the City Attorney's Office, to effectuate the purpose or intent of this resolution.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of September 12, 2014.

  
Commission Secretary