



126-0122022-002

Agenda Item **No. 5(d)**
Meeting of October 18, 2022

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Authorizing a First Amendment to the Personal Services Contract with Parklab Open Space Management, a California Limited Liability Company, to include the management and maintenance of the landscaping and bioswales in the Park P2 parking lot, allow for the management and maintenance of Park P3 prior to the City and County of San Francisco's acceptance of Park P3, and increase the Contract amount by \$70,960 for an aggregate total not to exceed \$2,457,241; Mission Bay North and South Redevelopment Project Areas

EXECUTIVE SUMMARY

On June 21, 2022 the Commission authorized the Office of Community Investment and Infrastructure ("OCII") to enter into a one-year Personal Services Contract ("Contract") with Parklab Open Space Management ("POSM" or "Contractor"), a California Limited Liability Company, for the property management and maintenance ("Scope of Service") of the Mission Bay Open Space system. The Contract authorized the Fiscal Year 2022-2023 ("FY 22-23") budget of \$2,386,281.

Since the POSM Contract was approved, additional management and maintenance needs have arisen which require an increase in the budget of \$70,960 from \$2,386,281 to \$2,457,241, see summary below:

1. The Port of San Francisco (the "Port") requested that OCII provide maintenance for the completed and accepted bioswales and landscaping within the Park P2 Parking Lot:
 - This change requires an increase in the Scope of Services provided and a commensurate budget increase of \$25,960: \$24,000 for landscaping and \$1,960 for POSM's management fee.

London N. Breed
MAYOR

Thor Kaslofsky
EXECUTIVE DIRECTOR

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CHAIR

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2. Actual insurance costs are higher than estimated:
 - This requires a \$25,000 budget increase for insurance from \$45,000 to \$70,000. This amount is \$32,000 less than the prior year.
3. Rodents damaged the Mission Bay Open Space irrigation system:
 - This requires a budget increase of \$20,000: \$15,000 to the landscaping budget fix the damage to the irrigation system and \$5,000 to the repairs and maintenance budget to increase pest control to prevent further damage.

The existing budget for the Community Facilities District No. 5 (Mission Bay Maintenance District), approved by Resolution No. 40-2021 (November 16, 2021) covers these additional expenses.

The existing Contract anticipates that POSM assumes maintenance responsibility for Park P3 after acceptance of the Park by the City and County of San Francisco ("City"). The proposed amendment ("First Amendment") to the Contract would authorize POSM to manage Park prior to the City's acceptance of Park P3, but only after the City has entered into a License with FOCIL-MB and entered into any necessary agreements with OCII or POSM to allow the City to use POSM's services. No budget increase is required for this change.

Staff recommends approval of the First Amendment to the Personal Services Contract.

BACKGROUND

Mission Bay Open Space System

In November 1998, the former San Francisco Redevelopment Agency (now OCII) and the Mission Bay Master Developer entered into the Mission Bay North and South Owner Participation Agreements ("OPAs") authorizing a mixed-use, mixed-income transit-oriented development on 302 acres of land in the Mission Bay area of San Francisco. Planning for the Mission Bay North and Mission Bay South projects is closely intertwined and the public's ability to realize the full benefits of each separate project depends on the successful development of both projects.

Under the OPAs, the Mission Bay Master Developer is required, among other things, to develop parks ("Open Space Parcels") on land owned by the City. Also in 1998, the Developer and the City, acting through its Real Estate Division ("RED"), and the Port, executed land transfer agreements to facilitate the appropriate land uses under the Redevelopment Plans ("Land Transfer Agreements"). The Land Transfer Agreements include:

1. Amended and Restated Mission Bay City Land Transfer Agreement ("CLTA")
2. Amended and Restated Mission Bay Port Land Transfer Agreement ("PLTA")
3. Amended and Restated Agreement Concerning the Public Trust, which include the State of California as a party ("Public Trust Agreement")

Together, the OPAs, the CLTA and the PLTA require the City and the Port to lease approximately 41 acres of City and Port-owned land designated as parks in the Mission Bay Redevelopment Plans to OCII ("Open Space Parcels"). OCII is required to lease, in phases, the Open Space Parcels from the City (as they are developed into parks) and maintain them using funds generated from CFD No. 5.

A 2001 Ground Lease with the City and Port, which terminates in 2046, implements OCII's obligation to lease and maintain the Mission Bay Open Space Parcels ("Lease"). The OPAs and Lease require OCII to add future parks to the Lease after the City and OCII have received the Mission Bay Master Developer's notice that an Open Space Parcel has been developed in accordance with the Plan documents. Seventeen segments of the Mission Bay open space system, totaling 21.6 acres, have been completed and transferred to OCII for management and operations under the Lease.

Completed portions of Mission Creek Park, including the sports courts (Parks P1 and NP1-NP5). In addition, four parks along Terry François Boulevard (Parks P18, P21, P23 and P24), the first two segments of the Mission Bay Commons Park (Parks P16 and P17), Mariposa Park adjacent to the USCF Hospital (P26), the Kids Park (P6), dog park (P5) and Parks P10 and P11/11A, small open space parcels, located at the western gateway to Mission Bay along Mission Bay Drive.

- In this fiscal year, Park P3, which is located along Mission Creek, will be open to the public and added to OCII's responsibility.
- Attachment 1 is the Mission Bay Open Space System Map depicting the Open Space Parcels, Parcels under construction and Parcels yet to be built.

Redevelopment Dissolution Law requires OCII to dispose of any fee interests or leasehold interests it has in real property. In light of the dissolution of redevelopment and the wind-down of former redevelopment agency activities, OCII proposed to the California Department of Finance ("DOF") in the Mission Bay chapter of OCII's Long Range Property Management Plan ("PMP") a disposition plan providing for the early termination of the OCII's Lease for the Open Space Parcels in phases as each phase is complete subject to the Mission Bay Master Developer's consent. The phased leasehold termination will wind down OCII's obligation under the OPAs related to the Open Space Parcels while still allowing for OCII to fund Park maintenance as required under the CFD No. 5. In December 2015, DOF approved the PMP.

Current Open Space System Management

On June 21, 2022, the Commission approved a Contract with POSM to provide overall management of the Mission Bay Open Space (Resolution No. 17-2022). The Contract is for a one-year term as OCII is working towards transferring property management responsibility in June 2023 and having the Department of Recreation and Parks and the Port control and manage the Open Spaces. The contract authorized the FY 22-23 budget of \$2,386,281 including:

- a) \$2,311,281 for Operating Expenses
- b) \$75,000 for Capital Expenses
- c) \$223,580 maximum Contractor Compensation

Funding for Open Space Management

OCII collects special taxes (approved in 1999 by Resolution No. 217-99) through Community District ("CFD") No. 5, for the purpose of operating, maintaining, and repairing the Open Space Parcels for 45 years until FY 2043-2044. Operations of the Mission Bay Open Space Parcels, including the proposed Contract, is funded by special taxes paid by Mission Bay private property owners.

DISCUSSION

Mission Bay Open Space Management Contract Amendment

Amendment to Scope of Services

POSM's responsibilities include overall management of the parks, landscape gardening, janitorial and general maintenance, and security. All but one of the Parcels that are managed by POSM under the Contract are Completed Parcels. Park P3, was completed by FOCIL-MB during the term of the Contract and is a "Phase-in Parcel" to be added to the scope of services during the Contract term.

The Park P2 Parking Lot was accepted by the City on August 1, 2020. The Port has an MOU with the City for use of the Park P2 Parking Lot. The Port will license the Park P2 Parking Lot to the Mission Creek Harbor Association ("MCHA") in conjunction with its lease for use of the water upon which the MCHA docks are located. Upon acceptance, the Port agreed to maintain the landscaping and bioswales within the Park P2 Parking Lot until Park P2 was built and accepted. Construction of Park P2 has taken longer than anticipated, so the Port has requested OCII add the maintenance responsibilities for the landscaping and the bioswales in the Park P2 Parking Lot to the POSM Contract. Attachment 2 is the Park P2 Parking Lot Map depicting the bioswales and landscaping to be managed.

Under the Contract, OCII and POSM contemplated that the Open Space Parcel, Park P3, would be included as part of the POSM's management obligation during the term of the Contract, but only after Park P3 was accepted by the City and incorporated into the Ground Lease. The City now intends to open Park P3 for public use under a license with FOCIL-MB prior to City acceptance of the Improvements, but after it has determined that the Improvements are complete and meet City standards. The City now desires that POSM provide property management services for Park P3 pending its final acceptance and OCII has agreed to cooperate in providing those services, through this Contract, to the City.

The First Amendment to the Contract will add the bioswales and landscaping within the Park P2 Parking Lot to the list of Phase-In Parcels to be managed by POSM. This proposed First Amendment would also allow Park P3 to be managed by POSM. The City is planning to enter into a License Agreement with FOCIL-MB so Park P3 can be opened prior to City acceptance of the improvements, and the City is requesting OCII have POSM manage Park P3 during the License period. The POSM Contract anticipated the management of Park P3 so this does not increase the approved operating budget.

Amendment to the Fiscal Year 2022-23 Budget

Since the POSM Contract and associated budget was approved, three changes have occurred which require a change to the scope of service and an increase in the budget of \$70,960, see summary below:

1. The Port requested that OCII provide maintenance for the completed and accepted bioswales and landscaping within the Park P2 Parking Lot:

- This change requires an increase in the Scope of Services provided and a commensurate budget increase of \$25,960: \$24,000 for landscaping and \$1,960 for POSM's management fee.
- 2. Actual insurance costs are higher than estimated:
 - This requires a \$25,000 budget increase for insurance from \$45,000 to \$70,000. This amount is \$32,000 less than the prior year.
- 3. Rodents damaged the Mission Bay Open Space irrigation system:
 - This requires a budget increase of \$20,000: \$15,000 to the landscaping budget fix the damage to the irrigation system and \$5,000 to the repairs and maintenance budget to increase pest control to prevent further damage.

The POSM Budget for FY 2022-23 is broken into three parts: (1) Operations, (2) Capital, and (3) Special Events. The proposed \$70,960 budget increase is described in **Table 1**.

Table 1: FY 2022-23 Approved Operating Budget vs. FY 2022-23 Proposed Amended Operating Budget

Expenditure Type	FY 2022-23 Approved	FY 2022-23 Amended	Change	% Change
Personnel services	560,110	560,110	0	0.0%
Materials and supplies	52,526	52,526	0	0.0%
Contractual services	980,215	1,019,215	39,000	3.8%
<i>Landscape</i>	<i>459,960</i>	<i>498,960</i>	39,000	7.8%
<i>Security</i>	<i>247,955</i>	<i>247,955</i>	0	0.0%
<i>Janitorial</i>	<i>262,800</i>	<i>262,800</i>	0	0.0%
<i>Supplies/Extra</i>	<i>9,500</i>	<i>9,500</i>	0	0.0%
Repairs and maintenance	36,230	41,230	5,000	12.1%
Utilities	377,100	377,100	0	0.0%
Admin (mgt fees, contingency, etc.)	305,100	332,060	26,960	8.1%
Management Fee	<i>191,220</i>	<i>193,180</i>	1,960	1.0%
<i>Closeout Fee</i>	<i>5,000</i>	<i>5,000</i>	0	0.0%
<i>Insurance</i>	<i>45,000</i>	<i>70,000</i>	25,000	35.7%
Gen Admin	<i>51,880</i>	<i>51,880</i>	0	0.0%
Contingency	<i>12,000</i>	<i>12,000</i>	0	0.0%
Subtotal: Operating Budget	2,311,281	2,382,241	70,960	3.0%

Capital Budget	75,000	75,000	0	0.0%
Total Budget	2,386,281	2,457,241	70,960	2.9%

Amended Operations budget: The First Amendment operations budget will increase by \$70,960 from \$2,311,281 to \$2,362,241. The changes to the operations budget are:

Landscaping contract – Adding the bioswales and landscaping within Park P2 Parking Lot will increase the landscaping contract by \$3,000 per month for 8 months for a total of \$24,000. Repairing rodent damage to the irrigation system will cost \$15,000. Total landscaping costs will increase by \$39,000 from \$459,960 to \$498,960.

Management Fee - Adding the bioswales and landscaping within Park P2 Parking Lot will increase the Management Fee by \$1,960 (\$245 per month for 8 months) from \$191,220 to \$193,180.

Repairs and Maintenance – Increasing pest control to address the damage rodents caused to the irrigation will increase repairs and maintenance budget by \$5,000 from \$36,230 to \$41,230.

Insurance – Adjusting budget to account for actual insurance costs will increase insurance cost by \$25,000 from \$45,000 to \$70,000. This amount is \$32,000 less than prior year costs of \$102,935.

CITIZENS ADVISORY COMMITTEE (“CAC”)

This First Amendment was taken to the CAC on October 13, 2022.

SMALL BUSINESS ENTERPRISE PROGRAM COMPLIANCE

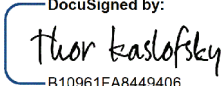
Contracting teams must reflect a commitment and ability to successfully adhere to OCII policies regarding Small Business Enterprises (“SBEs”), nondiscrimination in contracts and benefits, minimum compensation and prevailing wage labor standards, and health care accountability. POSM, as the selected Contractor, has performed sufficient good faith efforts to include SBEs in the performance of the Contract.

The POSM team continues to meet the OCII’s equal opportunity program goals for Mission Bay. POSM, the prime contractor, is a San Francisco-based woman-owned business with a State of California SBE designation. Two of its subcontractors Robert W. Poyas DBA RWP Landscaping Inc. and Aim to Please Janitorial Services, are minority-owned San Francisco-based SBE firms. POSM and its subcontractors have achieved 88.7% SBE participation (88.7% SF-SBE, 30.6% Minority-Owned Business Enterprise and 58.1% Woman-Owned Business Enterprise).

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Approval of the First Amendment to the Contract with POSM is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301 and 15304 because it authorizes the operation, repair, maintenance or minor alteration of existing open space facilities or topographical features with negligible or no expansion of existing uses and minor alterations to land.

(Originated by Marc Slutzkin, Project Manager)

DocuSigned by:

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Thor Kaslofsky
Executive Director

Attachment 1: Mission Bay Open Space System Map
Attachment 2: Park P2 Parking Lot Map

ATTACHMENT : 1



- Construction Started
 - Complete
 - Future
- Port Owned

* All other Open Space Parcels owned by City

MISSION BAY OPEN SPACE SYSTEM

June 2022

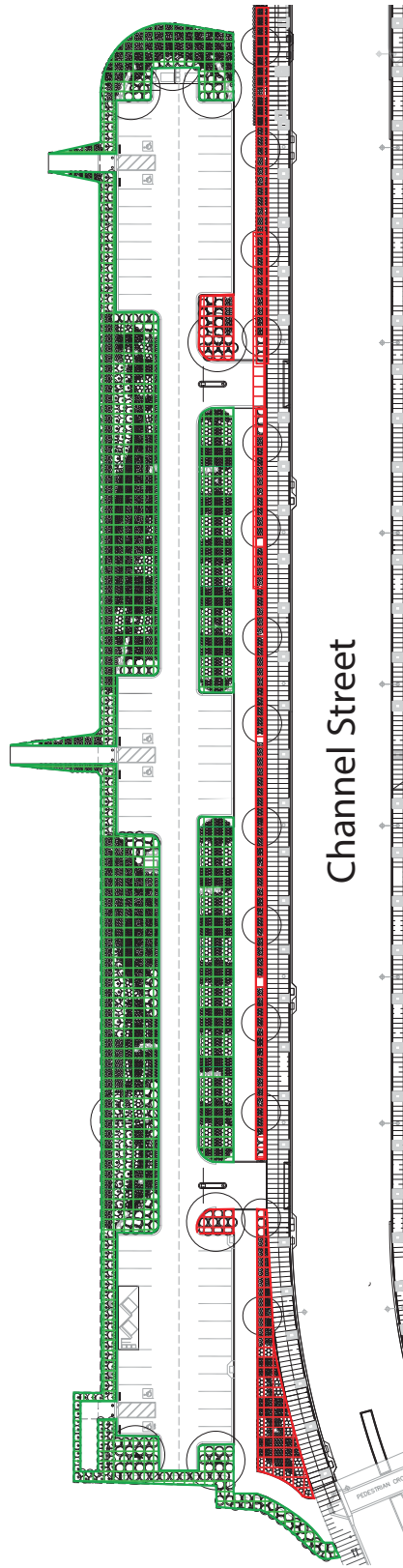


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P2 Parking Lot

Attachment 2

Mission Creek



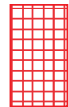
Channel Street

12 West

12 East



Bioswale



Landscaping