RESOLUTION NO. 15-2004

Adopted February 3, 2004

APPROVING AN OPERATING BUDGET NOT TO EXCEED $336,257 FOR THE SECOND YEAR OF THE THREE-YEAR MAINTENANCE AND MANAGEMENT AGREEMENT WITH THE PORT OF SAN FRANCISCO FOR THE PROVISION OF MAINTENANCE AND MANAGEMENT SERVICES FOR RINCON PARK; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On January 10, 1995, by Resolution No. 9-95, the Agency Commission authorized a Disposition and Development Agreement ("DDA") between the Redevelopment Agency of the City and County of San Francisco ("Agency") and The Gap, Inc. for the construction of a headquarters office building on Site C-1 and the development of a public park on Site C-2 ("Park Site") in the Rincon Point-South Beach Redevelopment Project Area. The Gap, Inc. assigned all of its rights, title and interest in the DDA to GPS Management Services, Inc., a California corporation ("GPS"), pursuant to that certain Assignment and Assumption of DDA dated September 1, 1998.

2. Under the terms of the DDA, the Agency was required to use reasonable efforts to enter into an agreement to lease the Park Site from the Port of San Francisco ("Port"). The Agency and the Port subsequently entered into an Agreement to Lease dated June 13, 1995 for the Park Site. The Agency Commission by Resolution No. 125-95 and the Board of Supervisors by Ordinance No. 265-95 approved the Agreement to Lease.

3. GPS has constructed Rincon Park on the Park Site pursuant to the DDA. The DDA requires GPS to provide $100,000 per year for ten years to provide for security services for the Park. Rincon Park features a sculptured entitled "Cupid's Span" ("Sculpture"). Pursuant to the Sculpture Maintenance and Repair Agreement dated September 7, 2001 executed between the Agency and GPS, the Sculpture is to be maintained by the Agency; however, GPS shall provide the necessary funds for such ongoing maintenance and repairs.

4. Rincon Park encompasses a small portion of Herb Caen Way ("Encroachment Area") that is subject to a Revocable Encroachment Permit between the Agency and the Port dated September 7, 2001, and also includes several street lamps located along a portion of Herb Caen Way. The Encroachment Area and the street lamps are to be maintained by the Agency pursuant to the Revocable Encroachment Permit and the Rincon Park Street Lamps Agreement between the Agency and the Port dated September 7, 2001.
5. On November 19, 2002, by Resolution No. 199-2002, the Agency Commission authorized a three-year Maintenance and Management Agreement with the Port, whereby the Port would assume the Agency's obligations to provide comprehensive management services for Rincon Park.

6. At that time, the Agency Commission also approved an operating budget not to exceed $390,000 for the first year of the Agreement. The total operating budget for year one included: 1) the $100,000 annual contribution from GPS for the provision of security services; and 2) $290,000 in Agency funds from the Rincon Point-South Beach Redevelopment Project Area budget.

7. Subsequent operating budgets for the second and third years of the Maintenance and Management Agreement require separate approvals by the Agency Commission, subject to the availability of funds.

8. Pursuant to the Maintenance and Management Agreement, Agency staff has worked closely with the Port to prepare an operating budget for contract year two in an amount not to exceed 336,257.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to approve an operating budget in an amount not to exceed $336,257 for the second year of the Maintenance and Management Agreement with the Port of San Francisco for the Provision of Maintenance and Management Services for Rincon Park dated November 19, 2002.

APPROVED AS TO FORM:

[Signature]
James B. Morales
Agency General Counsel