

RESOLUTION NO. 17-2006

*Adopted February 7, 2006
(4 ayes, 1 nay, 2 absent)*

AUTHORIZING A FIRST AMENDMENT TO THE MAINTENANCE AND MANAGEMENT AGREEMENT WITH THE PORT OF SAN FRANCISCO FOR THE PROVISION OF MAINTENANCE AND MANAGEMENT SERVICES FOR RINCON PARK TO EXTEND THE TERM TO JUNE 30, 2007; AND APPROVING AN OPERATING BUDGET FOR THE EXTENDED CONTRACT YEAR IN AN AMOUNT NOT TO EXCEED \$285,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,337,514; 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 (“Rincon Park” or “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.

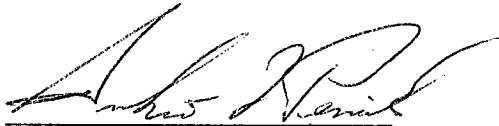
5. On November 19, 2002, by Resolution No. 199-2002, the Agency Commission authorized a three-year Maintenance and Management Agreement (“Agreement”) with the Port, whereby the Port would assume the Agency’s obligations to provide comprehensive management services for Rincon Park. The term of the Agreement is from February 6, 2003 through February 5, 2006.
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. The second year operating budget included: (1) the \$100,000 annual contribution from GPS for the provision of security services; and (2) \$236,257 in Agency funds from the Rincon Point-South Beach Redevelopment Project Area budget.
8. The third year operating budget included: (1) the \$100,000 annual contribution from GPS for the provision of security services; and (2) \$226,257 in Agency funds from the Rincon Point-South Beach Redevelopment Project Area budget.
9. The Agreement expires February 5, 2006, however, the Agency and Port staff desire an amendment to the Agreement extending the term through June 30, 2007.
10. For budgetary purposes, Agency and Port staff further agrees that the extended term of the Agreement should be based on a fiscal year. Therefore, the proposed amendment would also revise the Agreement to close the third contract year effective June 30, 2006 and commence the fourth contract year on July 1, 2006.
11. There exist sufficient funds from the approved third contract year budget to cover the extension of the third contract year through June 30, 2006.
12. Any funds prepaid by the Agency to the Port for the first, second and third contract years that are not utilized by June 30, 2006 shall be used to offset the Agency’s extension period (year four) payment.
13. Agency staff has worked closely with the Port to prepare an operating budget for the fourth contract year (July 1, 2006 through June 30, 2007) in an amount not to exceed \$285,000, including the \$100,000 annual contribution from GPS for security services. The total aggregate amount of the contract is \$1,337,514, \$400,000 of which is contributed by GPS.

14. Port staff understands that the extension period is subject to an Approved Budget as defined in the Agreement and the availability of funds in the Fiscal Year 2006/2007 Rincon Point-South Beach Redevelopment Project Area budget, and the First Amendment to the Agreement shall reflect such understanding by the Port.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a First Amendment to the Maintenance and Management Agreement with the Port of San Francisco for the provision of maintenance and management services for Rincon Park to extend the term to June 30, 2007; and approving an operating budget for the extended contract year in an amount not to exceed \$285,000 for a total aggregate amount not to exceed \$1,337,514; Rincon-Point South Beach Redevelopment Project Area.

APPROVED AS TO FORM:



Sgt. James B. Morales *2/1/06*
Agency General Counsel