

RESOLUTION NO. 36-2006

Adopted March 21, 2006

AUTHORIZING A THIRD AMENDMENT TO THE AGENCY AGREEMENT WITH THE TREASURE ISLAND DEVELOPMENT AUTHORITY, A PUBLIC BODY, CORPORATE AND POLITIC, FOR THE PROVISION OF AGENCY STAFF SERVICES TO THE TREASURE ISLAND DEVELOPMENT AUTHORITY ON A MONTH-TO-MONTH BASIS FOR A TERM NOT TO EXTEND BEYOND JULY 21, 2006, AND AUTHORIZING OTHER ACTIONS PROPERLY RELATED THERETO

BASIS FOR RESOLUTION

1. The Treasure Island Development Authority (“Authority”) and the Redevelopment Agency of the City and County of San Francisco (“Agency”) are independent redevelopment agencies operating within the territorial limits of the City and County of San Francisco (“City”) with all of the rights and duties prescribed under the Community Redevelopment Law (“CRL”), Health and Safety Code Sections 33000 *et seq.*, and, in the case of the Authority, under the Treasure Island Conversion Act of 1997, Stats. 1997, ch. 898 (amending Section 33292.5 of the Health and Safety Code and adding Section 2.1 to Chapter 1333 of the Statutes of 1968).
2. Under the CRL, the Authority may either appoint its own employees to provide staff support or contract with any other agency for the furnishing of necessary staff services associated with or required by its redevelopment activities. Health and Safety Code Section 33126.
3. Under the CRL, the Agency, as a public body, is authorized to aid and cooperate with the Authority in the planning, undertaking, construction, or operation of its redevelopment project. Health and Safety Code Section 33220.
4. Until 2004, the Authority did not directly employ its own staff, but rather had an agency agreement with the City whereby it used certain City employees to provide the staff support necessary to fulfill its redevelopment purposes related to the planning, reuse, and conversion of the former Treasure Island Naval Station.
5. In 2004, the Authority directly hired its Executive Director, but asked the Agency to enter into an Agency Agreement (“Agreement”) under which existing City employees in the Treasure Island Project Office would become temporary Agency employees with limited term assignments of one year (“Project Office LTA Employees”).

6. On June 15, 2004, the Agency Commission, by Resolution No. 78-2004, approved the Agreement with the Authority under which the City employees working for the Authority became "limited term assignment" employees of the Agency. Under the Agreement, these employees continue to work on the redevelopment activities at Treasure Island, and the Agency receives full reimbursement for all of the direct and indirect costs of employing the Project Office LTA Employees, including the costs of other Agency employees who might assist in the implementation of the Agreement.
7. The Agreement provides that the Project Office LTA Employees are subject to the Agency's Personnel Policy, job classifications, applicable labor agreements, and organizational structure and that the rights of these employees will not adversely affect the rights of any other Agency employee.
8. The Agency has labor agreements that limit the time that the Agency may retain temporary employees.
9. The Agreement requires the Project Office LTA Employees to continue to comply with the Authority's Bylaws and other rules, principles, and laws applicable specifically to the Authority.
10. The Agreement requires the Authority to indemnify the Agency for any liabilities arising from the performance of the Agreement, requires the Authority to provide quarterly advance payments to the Agency of the estimated costs associated with the Agreement's implementation and limited the initial term of the Agreement to one year, with termination by either party on sixty days' notice.
11. On June 21, 2005, by Resolution No. 101-2005, at the Authority's request, the Agency, authorized a First Amendment to the Agreement to extend the term for three months so that the Authority could continue to analyze the long term options for an administrative structure. The Agreement, as amended, expired on September 30, 2005. On September 20, 2005, by Resolution No. 137-2005, at the Authority's request, the Agency, authorized a Second Amendment to the Agreement to extend the term for an additional 6 months so that the Authority could continue to analyze the long term options for an administrative structure.
12. On October 12, 2005, the Authority requested that the City Controller's Office, City Services Auditor, conduct an audit of the Authority's operations, including an analysis of the Authority's current staffing to identify alternate methods for accomplishing key functions.
13. On December 12, 2005, the City Controller's Office, City Services Auditor ("Controller"), issued a report recommending certain staffing and organizational changes. The President of the Authority's Board of Directors established a subcommittee to review the Controller's staffing and organizational recommendations and make further recommendations to the Authority. The

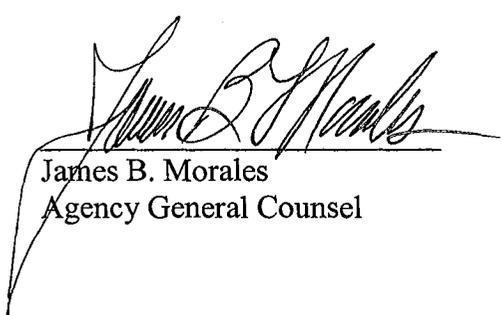
Authority's Board of Directors is expected to make decisions regarding its administrative structure following issuance of the subcommittee report.

14. The Authority has complied with the terms and conditions of the existing Agreement.
15. On March 8, 2006, the Authority's Board of Directors requested that the Agency extend the Agreement and adopted Resolution No. 06-16-03/08 approving a month-to-month extension of the Agreement for a period not to extend beyond July 21, 2006, under the same terms and conditions of the current Agreement to provide the Authority with sufficient time to make decisions about and implement any changes to the Authority's administrative structure.
16. The Agency has provided all Project Office LTA Employees with notice, per individualized Personnel Action Forms, that their temporary employment will terminate upon the expiration of the Agreement.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that: (1) the Executive Director is authorized to enter into the Third Amendment to the Agency Agreement with the Treasure Island Development Authority on a month-to-month basis for a term not to extend beyond July 21, 2006, substantially in the form lodged with the Agency General Counsel; and (2) the Executive Director is authorized to take appropriate action, in cooperation with the Authority, to provide for the orderly transition of Project Office LTA Employees to a new administrative structure, including, but not limited to, allowing these employees, at their election, to roll over accrued and unused sick leave, vacation leave, and any other category of accrued and unused leave time mutually agreed upon by the Authority and Agency, subject to the limitations of state and federal law.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel