

RESOLUTION NO. 11-2009

Adopted February 3, 2009

AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MJM MANAGEMENT GROUP, A CALIFORNIA CORPORATION (FORMERLY KNOWN AS KTB MANAGEMENT GROUP) AND THE PROPERTY MANAGER OF THE MISSION BAY OPEN SPACE SYSTEM, TO INCLUDE OPEN SPACE PARCEL P18 AND INCREASE THE CONTRACT'S MANAGEMENT FEE BY \$2,100 FOR A TOTAL AGGREGATE AMOUNT FOR THE MANAGEMENT FEE NOT TO EXCEED \$342,310; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS

BASIS FOR RESOLUTION

1. On October 26, 1998, the Board of Supervisors of the City and County of San Francisco approved and adopted the Redevelopment Plan for the Mission Bay North Redevelopment Project Area; on November 2, 1998, it approved and adopted the Redevelopment Plan for the Mission Bay South Redevelopment Project Area (collectively the "Plans"). The Plans and their implementing documents, as defined in the Plans, constitute the Plan Documents.
2. Under the Plan Documents, FOCIL-MB, LLC, a subsidiary of Farallon Capital Management, LLC, is developing 43 acres of public open space on parcels of land in the Plans' areas owned by the City and Port of San Francisco ("Open Space Parcels"), which are leased to the Redevelopment Agency of the City and County of San Francisco ("Agency") at the time of improvement ("Mission Bay Open Space System"). The Open Space Parcels are phased in over time in association with the residential and commercial development. Under the Plan Documents, the Agency is responsible for managing and operating the Mission Bay Open Space System until 2043.
3. On December 19, 1999, the Agency Commission by Resolution No. 217-99 formed Community Facilities District No. 5 ("Mission Bay Maintenance District") ("CFD No. 5") and authorized the levy of special taxes, which levy was also approved on January 11, 2000 by Redevelopment Ordinance No. 2-99. All costs for the Agency's operation and management of the Mission Bay Open Space System will be paid through the special taxes levied in CFD No. 5.
4. On February 26, 2003, the Agency issued a Request for Qualifications ("RFQ") for property management services for the Mission Bay Open Space System. As described in the RFQ, the selected contractor would manage all Open Space Parcels, which are phased in during the term of the Contract.


5. Agency staff determined that KTB Management Group, a woman-owned business, was the best qualified to provide property management services for the Mission Bay Open Space System. Commission Memorandum, M. Rosen to Agency Commissioners RE: Authorizing negotiations with KTB Management Group (No. 126-02703-002) (May 1, 2003).
6. On November 18, 2003, the Agency Commission approved by Resolution No. 172-2003, a personal services contract ("Contract") with KTB Management Group for an initial three-year period and authorized a total aggregate amount not to exceed \$263,960 for management fees.
7. The Contract included in the scope of work a "Start-up Parcel", which is park P1, as well as four "Phase-In Parcels", which include NP1, NP2, P17 and P21, as shown in the attachment to the Commission Memorandum supporting this Resolution.
8. KTB Management Group amended its Articles of Incorporation on February 13, 2004 to change the name of the corporation to MJM Management Group ("MJM"). There was no change in ownership or other amendments to the Articles of Incorporation.
9. On February 26, 2006, the Agency exercised the option to extend the Contract until January 4, 2009, which was corrected, as part of the First Amendment to Personal Services Contract ("Amendment #1") as described in Recital 10 below, to January 4, 2010 to correctly reflect the end date of the three-year extension period. As part of the Contract extension, per Section 2(B) of the Contract, the maximum management fee that MJM can charge was increased by five percent (5%).
10. On December 4, 2007, the Agency Commission approved, by Resolution No. 129-2007, Amendment #1 to the Contract. This Amendment #1 incorporated three newly completed Mission Bay North Open Space Parcels, NP3, NP4 and NP5, as Phase-In Parcels to allow MJM to provide management services for these three parks and increase the total maximum management fee for the six years of the Contract to \$340,210. Amendment #1 also corrected the expiration date of the Contract.
11. FOCIL-MB, LLC is in the process of completing another Open Space Parcel in Mission Bay South, P18. The Agency will be responsible for the maintenance and operation of this park as part of the Mission Bay Open Space System, as described in Recital 2, above.
12. The addition of P18 to the Mission Bay Open Space System will require increased maintenance and management services and an increase in the management fee by a total of \$2,100 over the last 10 months of the remaining term of the Contract.

13. Staff now seeks Commission authorization to revise the Contract's scope of services to include management of the additional P18 Open Space Parcel described above, to make other minor changes in the Contract as described in the Commission Memorandum supporting this Resolution, and to increase the expenditure authority by \$2,100 for a total aggregate amount not to exceed \$342,310 under the Contract to cover the increased management fee for the P18 parcel over the remaining term of the Contract. The Contract, as amended, will still have a termination date of January 4, 2010.
14. Approval of the Second Amendment to the Contract with MJM is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301(h) because it authorizes open space maintenance, which will not result in a significant physical effect on the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a Second Amendment to the Personal Services Contract with MJM Management Group, a California corporation, to include the Open Space Parcel P18 and to increase the Contract amount for the management fee by \$2,100 for a total aggregate amount for the management fee not to exceed \$342,310, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel