

Commission on Community Investment and Infrastructure

RESOLUTION NO. 9-2014

Adopted March 4, 2014

AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH PUBLIC FINANCIAL MANAGEMENT, INC., A PENNSYLVANIA CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$13,038 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$62,788; FORMER YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

WHEREAS, On July 12, 2013, the Office of Community Investment and Infrastructure (“OCII”) and Public Financial Management, Inc., a Pennsylvania Corporation (“Contractor”) entered into a Personal Services Contract (“Contract”) for consulting services related to the disposition of OCII’s Yerba Buena Gardens real property assets (“YBG Assets”). The Contractor was asked to investigate and recommend the following: (1) an ownership/management governing structure for the YBG Assets, and (2) long-term capital financing alternatives to fund future capital improvements to the YBG Assets. The Contract expires on June 30, 2014; and,

WHEREAS, The Contractor’s final report was published in January 2014 and the Contractor has completed its work under the Contract. The Contractor reasonably incurred fees that exceeded the \$49,750 maximum amount payable under the Contract (the “Original Contract Amount”). The Contract’s scope of services required the Contractor to solicit feedback from YBG stakeholders in individual interviews, small group interviews, or large community meetings. These outreach efforts were a major part of the Contractor’s work and required more of the Contractor’s time than either OCII staff or the Contractor anticipated. Additionally, PFM’s comprehensive final report required additional time for revisions based on feedback from staff of OCII and the City and County of San Francisco; and,

WHEREAS, Staff is proposing a First Amendment to the Contract to increase the Original Contract Amount by \$13,038 (the “Additional Contract Amount”) to cover the Contractor’s time over and above the time allotted in the Contract for community outreach and preparation of a final report, for a maximum amount payable under the Contract of \$62,788; and,

WHEREAS, Funding for the Additional Contract Amount appears on line #141 of the Successor Agency’s 13-14B Recognized Obligation Payment Schedule (“ROPS”), which was previously approved by the State of California’s Department of Finance (“DOF”). (OCII set-aside \$200,000 in its fiscal year 2013-14 budget for YBG disposition planning work and included that figure in Line #141 of its DOF-approved ROPS 13-14A and 13-14B.) The

funding source is not property tax revenue, but rather is revenue generated from OCII's tenants at YBG (i.e., Marriott Hotel, Metreon, Yerba Buena Lane retail tenants, several small commercial retail leases, and an operating agreement) and an annual development fee from the St. Regis Hotel. The revenue is deposited into the Successor Agency's YBG separate account established for this purpose and is restricted to uses related to YBG operations and property management activities; and,

WHEREAS, A copy of the proposed First Amendment is on file with the Secretary of this Commission; and,

WHEREAS, The proposed First Amendment is exempt from California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3), because the activities under the proposed First Amendment would not directly cause any significant adverse change in the physical environment; and,

WHEREAS, Staff recommends approval of the First Amendment to the Contract in order to pay the Contractor the Additional Contract Amount and close-out this Contract; now, therefore, be it

RESOLVED, that the Executive Director of the Office of Community Investment and Infrastructure is authorized to execute a First Amendment to the Personal Services Contract with Public Financial Management, Inc., a Pennsylvania Corporation, to increase the contract amount by \$13,038 for a total contract amount not to exceed \$62,788, in substantially the form of the First Amendment on file with the Secretary of the Commission, approved as to form by the Interim General Counsel to the Successor Agency.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of March 4, 2014.

Natasha Jones

Commission Secretary