

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

RESOLUTION NO. 10-2015

*Adopted March 17, 2015*

**AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MJM MANAGEMENT GROUP, A CALIFORNIA CORPORATION, AS THE PROPERTY MANAGER OF THE MISSION BAY OPEN SPACE SYSTEM, TO INCLUDE PHASE-IN PARCELS P6, P26/27, P11/11a and P19 AND TO INCREASE THE CONTRACT'S MANAGEMENT FEE BY \$22,045 FOR A TOTAL AGGREGATE MANAGEMENT FEE NOT TO EXCEED \$658,639; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS**

**BASIS FOR RESOLUTION**

WHEREAS, Under Chapter 5, Statutes of 2011, Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) (“AB 26”), and Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12, Regular Session) (“AB 1484”), the San Francisco Redevelopment Agency (“Former Agency”) was dissolved and the non-housing assets and obligations of the Former Agency were transferred to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (“Successor Agency”), commonly known as the Office of Community Investment and Infrastructure or “OCII”. AB26 and AB1484 as codified in Cal. Health & Safety Code §34161 et. seq. and as amended from time to time, are referred to as “Dissolution Law”; and,

WHEREAS, On October 2, 2012, the Board of Supervisors in its capacity as the legislative body of the Successor Agency adopted Ordinance No. 215-12, acknowledging that OCII is a separate legal entity as a result of AB 1484, creating the Successor Agency Commission (the “Commission”), and delegating to the Commission the authority to act in place of the Former Agency to implement, modify, enforce and complete the Former Agency’s enforceable obligations, and to approve all contracts and actions related to the assets transferred to or retained by OCII consistent with the applicable enforceable obligations; and,

WHEREAS, 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; and,

WHEREAS, The Mission Bay Development Agreements (“Mission Bay Development Agreements”) include two owner participation agreements executed in November 1998 between the Former Agency and FOCIL-MB, LLC, the Mission

Bay Master Developer (“FOCIL”), one for Mission Bay North (the "North OPA") and one for Mission Bay South (the "South OPA"). Under the Mission Bay Development Agreements, FOCIL is required to finance and build 41 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 OCII 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, OCII is responsible for managing and operating the Mission Bay Open Space System until 2043; and,

WHEREAS, On December 19, 1999, the Former Agency Commission by Resolution No. 217-99 formed Community Facilities District No. 5 (“CFD No. 5”) and authorized the levy of special taxes, which levy was also approved on January 11, 2000 by Former Agency Ordinance No. 2-99. All costs for the OCII operation and management of the Mission Bay Open Space System will be paid through the special taxes levied in; and,

WHEREAS, Under the existing Mission Bay Development Agreements, OCII, acting in a property management function, is required to lease the completed Parks from the City, acting through the Department of Real Estate (“DRE”) and Port under a ground lease (the “Ground Lease”) and maintain them using funds from CFD No. 5, which runs until fiscal year 2043-44. OCII is the administrator of the Maintenance CFD; and,

WHEREAS, Dissolution Law requires OCII to dispose of any fee interests or leasehold interests it has in real property. In light of the dissolution, OCII has proposed to the California Department of Finance (“DOF”) in the Mission Bay chapter of OCII’s Long Range Property Management Plan (“Mission Bay PMP”) a disposition plan providing for the early termination of the OCII’s Lease for the Open Space Parcels. The Mission Bay PMP proposes to transfer property management responsibility of all the Open Space Parcels to the City, acting through DRE and Port once all of the parks are completed. The estimated transfer date is 2022; and,

WHEREAS, DOF is still reviewing the Mission Bay PMP; and,

WHEREAS, On August 24, 2009, the Former Agency issued a Request for Qualifications (“RFQ”) for property management services for the Mission Bay Open Space System (the “Contract”). As described in the RFQ, the selected contractor would manage all Open Space Parcels, which are phased in during the term of the Contract. Agency staff determined that MJM Management Group (“MJM”), along with the proposed subconsultants, all of which are certified Small Business Enterprises, was well qualified to provide property management services for the Mission Bay Open Space System; and,

- WHEREAS, On December 1, 2009, the Former Agency Commission approved by Resolution No. 146-2009, the Contract (“Original Contract”) with MJM for an initial three-year period with an option to extend the contract for an additional three years, and authorized a total aggregate amount not to exceed \$617,362 for management fees; and,
- WHEREAS, The Original Contract was subsequently amended on January 17, 2012 by the Former Agency Resolution No. 2-2012 to include P10 to the Mission Bay Open Space System which required an increase in the management fee by a total of \$19,232 for a total aggregate amount not to exceed \$636,594; and,
- WHEREAS, The Original Contract term was extended for an additional three years, through December 31, 2015; and,
- WHEREAS, FOCIL-MB, LLC is in the process of completing several Phase-in Parcels P6, P19, P26, P27 and P11/11a in Mission Bay South. Pursuant to Section 7 of South OPA, OCII is currently responsible under the Ground Lease for the maintenance and operation of the Phase-in Parcels as part of the Mission Bay Open Space System, and thus wishes to include them in the MJM Contract; and,
- WHEREAS, Staff now seeks Commission authorization to revise the Contract’s scope of services to include the management of the Phase-in Parcels and to increase the expenditure authority by \$22,045 for a total aggregate amount not to exceed \$658,639 under the Contract to cover the increased management fee for the Phase-in Parks over the remaining term of the Contract. The Contract, as amended, will still have a termination date of December 31, 2015; and,
- WHEREAS, The Contract’s scope of services also includes minor updates to the frequency of maintenance and for the current parcels under MJM management that do not result in a change in management fees; and,
- WHEREAS, 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; now, therefore, be it
- RESOLVED, That this Commission approves and authorizes the Executive Director to execute an Second Amendment to the Personal Services Contract with MJM Management Group, a California Corporation, as the property manager of the Mission Bay Open Space System to include Phase-in Parcels, P6, P26/27, P11/11a and P19, and to increase the management fee by \$22,045 for a total aggregate amount not to exceed \$658,639.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of March 17, 2015.



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Commission Secretary