

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

**RESOLUTION NO. 76 – 2015**  
*Adopted December 15, 2015*

**AUTHORIZING A THIRD 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 EXTEND THE CONTRACT TERM TO JUNE 30, 2016 AND TO INCREASE THE CONTRACT'S MANAGEMENT FEE BY \$50,246 FOR A TOTAL AGGREGATE MANAGEMENT FEE NOT TO EXCEED \$708,885; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS**

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 governing 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 agreements ("Mission Bay OPAs") 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 OPAs, 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 OPAs, OCII, acting in a property management function, is required to lease the completed Parks from the City 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 CFD No. 5; 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 Leasehold with the City for the Open Space Parcels in phases, as each phase of parks are completed; 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,

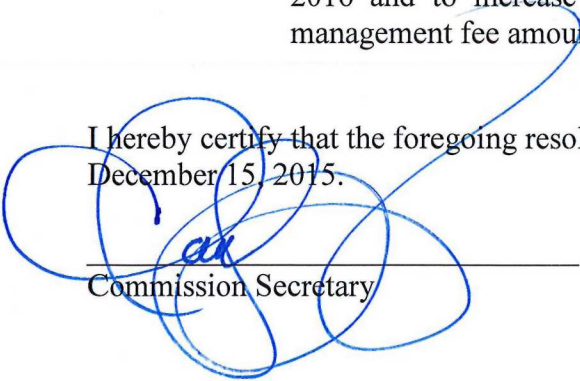
WHEREAS, The Original Contract was subsequently amended on March 17, 2015 by Commission Resolution No. 10-2015 to include Phase-in Parcels, P6, P26/27, P11/11a and P19, and to increase the management fee by \$22,045 for a total aggregate amount not to exceed \$658,639; and,

WHEREAS, Staff now seeks Commission authorization to revise the Contract's scope of services to extend the term for a six-month period, through June 30, 2016, to allow time to complete the Mission Bay Open Space Request for Qualifications process, and to increase the expenditure authority by \$50,246 for a total aggregate amount not to exceed \$708,885 under the Contract to cover the management fee for the Start-up and Phase-in Parcels for the extended term of the Contract. The Contract, as amended, will have a termination date of June 30, 2016; and,

WHEREAS, Approval of the Third Amendment to the Contract with MJM is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301 because it authorizes the operation, repair, maintenance or minor alteration of existing open space facilities or topographical features with negligible or no expansion of existing uses; now, therefore, be it

RESOLVED, That this Commission approves and authorizes the Executive Director to execute a Third 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 extend the term for a six-month period, through June 30, 2016 and to increase the management fee by \$50,246 for a total aggregate management fee amount not to exceed \$708,885.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of December 15, 2015.

  
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Commission Secretary