

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 34 – 2016

Adopted July 19, 2016

AUTHORIZING A PERSONAL SERVICES CONTRACT WITH MJM MANAGEMENT GROUP, A CALIFORNIA CORPORATION, FOR PROPERTY MANAGEMENT OF THE MISSION BAY OPEN SPACE SYSTEM FOR AN INITIAL TERM OF THREE YEARS, WITH ONE THREE-YEAR OPTION TO EXTEND THE CONTRACT, FOR A TOTAL AGGREGATE MANAGEMENT FEE NOT TO EXCEED \$1,215,135, AUTHORIZING THE INITIAL FISCAL YEAR 2016-2017 OPERATING BUDGET IN THE AMOUNT OF \$1,930,935 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE SUBSEQUENT ANNUAL OPERATING BUDGETS; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS

BASIS FOR RESOLUTION

- WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (commonly known as the Office of Community Investment and Infrastructure) (the “Successor Agency” or “OCII”) is completing the enforceable obligations of the Redevelopment Agency of the City and County of San Francisco (the “Former Agency”) in the Mission Bay North and Mission Bay South Project Areas (the “Project Areas”) under the authority of the California Community Redevelopment Law, Cal. Health & Safety Code §§ 33000 *et seq.*, as amended by the Redevelopment Dissolution Law, Cal. Health & Safety Code §§ 34170 *et seq.*, and under San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency Commission and delegating to it state authority under the Redevelopment Dissolution Law); 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, In November 1998, the Former Agency and Catellus Development Corporation entered into two owner participation agreements establishing development obligations within their respective Plan areas: one for Mission Bay North (the “North OPA”) and one for Mission Bay South (the “South OPA”) (collectively, the “OPAs”). Under the OPAs, the Owner (as defined therein) 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 County of San Francisco (“City”) or the Port of San Francisco (“Open Space Parcels”), which are to be leased to the Successor

Agency at the time of improvement (once constructed and so leased, the “Mission Bay Open Space System”). The Open Space Parcels are constructed in phases together with associated residential and/or commercial development. Under the Plan Documents, the Successor Agency is responsible for managing and operating the Mission Bay Open Space System until 2043; and,

WHEREAS, Acting under the Mello-Roos Community Facilities Act of 1982, Cal. Government Code § 53311 et seq., the Former Agency Commission formed, by Resolution No. 217-99 (Dec. 19, 1999), Community Facilities District No. 5 (“CFD No. 5”) and authorized, by Ordinance No. 2-99 (Jan. 11, 2000), the levy of special taxes. CFD No. 5 provides funds for maintenance and operation of the Mission Bay Open Space System, as authorized under Section 53313 of the California Government Code and the Local Goals and Policies for Community Facilities District (Agency Resolution No. 79-2008 (July 15, 2008)). The special taxes for park operations will remain in place for 45 years and pay for all costs relating to OCII’s operation and management of the Mission Bay Open Space System. As the successor in interest to the Former Agency, OCII is the administrator of CFD No. 5; and,

WHEREAS, Under the OPAs, OCII, acting in a property management function, is required to lease the completed Open Space Parcels from the City, through its Department of Real Estate or Port, (the “Ground Lease”) and to maintain them using funds from CFD No. 5; and,

WHEREAS, The Redevelopment Dissolution Law requires OCII to dispose of any fee interests or leasehold interests it has in real property under a Long-Range Property Management Plan (“PMP”), which must be submitted to the State of California Department of Finance (“DOF”). DOF approved the Successor Agency’s PMP on December 7, 2015. The PMP proposes the early termination of the OCII’s Ground Lease for the Open Space Parcels in phases after completion. This termination is subject to the further review and consent of affected parties, including the Mission Bay master developer, FOCIL-MB, LLC, the successor-in-interest to Catellus Development Corporation, and subject to OCII’s continuing obligations as the CFD No. 5 administrator in compliance with the Mello-Roos Community Facilities Act of 1982; and,

WHEREAS, On April 20, 2004, the Former Agency Commission adopted, by Resolution No. 49-2004, park rules and regulations for the Mission Bay Open Space System and provided that permits would be issued consistent with the Permit and Reservation Regulations for Parks under Agency Jurisdiction, as approved by the Former Agency Commission in Resolution No. 182-95 (Sep. 12, 1995); and,

WHEREAS, On December 1, 2009, the Former Agency Commission by Resolution No. 146-2009 approved a Personal Services Contract (“2009 Contract”) with MJM Management Group (“MJM”) to provide overall management of the Mission Bay parks. The 2009 Contract was awarded through an RFQ process that included

extensive outreach. The 2009 Contract was amended by Resolution No. 2-2012 (Jan. 17, 2012) to include Park P10, and by Resolution No. 10-2015 (March 3, 2015) to include several park parcels nearing completion; and,

WHEREAS, The 2009 Contract had an initial term of three years, with an option for the Executive Director to renew the Contract for an additional three years, and, because MJM was performing well and meeting the requirements of the Contract, including OCII's policies regarding contract compliance, the Executive Director exercised this option and the 2009 Contract was extended for an additional three years. The 2009 Contract was amended for a third time by Resolution No. 76-2015 (Dec. 15, 2015) to extend the term by six months in order to allow time to complete a Request for Qualifications process.; and,

WHEREAS, On October 13, 2015, OCII 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 completed Open Space Parcels, including those phased in during the term of the Contract. OCII 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. The Mission Bay Citizens Advisory Committee and general community have expressed strong support of MJM's work in the Mission Bay parks; and,

WHEREAS, OCII has negotiated a new personal services contract with MJM, including an initial term of three years, an option term of three years, a scope of services and a budget, with a cumulative total management fee during the initial and option terms not to exceed \$1,215,135; and,

WHEREAS, Approval of 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 the Successor Agency Commission, commonly referred to as the Commission on Community Investment and Infrastructure, (the "Commission") authorizes the Executive Director to execute, substantially in the form of Attachment 2 to the Commission Memorandum accompanying this Resolution, a Personal Services Contract with MJM Management Group, a California Corporation, for property management of the Mission Bay Open Space System in the Mission Bay North and South Redevelopment Project Areas for an initial term of three years with one three-year option to extend the contract, and authorizing a total aggregate management fee amount not to exceed \$1,215,135; and be it further

RESOLVED, That the Commission authorizes a Fiscal Year 2016-2017 operating budget of \$1,930,935; and be it further

RESOLVED, That the Commission authorizes the Executive Director to approve subsequent annual operating budgets for the term of the Personal Services Contract; provided, however, that the operating budgets are consistent with OCII's approved fiscal year budget, and that the Executive Director present to the Commission, at a public meeting thereof, an informational summary of each subsequent annual operating budget prior to her approval thereof.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of July 19, 2016.



Commission Secretary