

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

MINUTES

Thursday, July 13, 2017
1 Dr. Carlton B. Goodlett Place, Room 416
San Francisco, CA

REGULAR MEETING
9:30 a.m.

BOARD OF DIRECTORS

Mohammed Nuru, Chair
Jeff Gee, Vice Chair
Greg Harper
Jane Kim
Edward Reiskin
Bijan Sartipi

Executive Director
Mark Zabaneh

Secretary
Nila Gonzales

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9:30 – REGULAR MEETING

ORDER OF BUSINESS

1. Call to Order

Chair Nuru called the meeting to order at 9:30 a.m.

2. Roll Call

Secretary Gonzales noted that Director Sartipi was unable to be present due to a scheduling conflict and Director Kim was expected shortly.

Present: Greg Harper

Jane Kim (*arrived during ED Report*)

Ed Reiskin

Jeff Gee

Mohammed Nuru

Absent: Bijan Sartipi

3. Communications

None.

4. Board of Director's New and Old Business

None.

5. Executive Director's Report

- Project Labor Agreement (PLA) Quarterly Update

Executive Director Zabaneh reported that a Naming Rights Agreement with Salesforce to name the new Transit Center the "Salesforce Transit Center" for a 25 year term and more than \$110 million dollars in revenue is on the agenda for the Board's consideration. He stated the agreement represents a unique, exciting public-private partnership between the TJPA and Salesforce. He further stated that approval of the agreement will provide the TJPA with a stable and steady revenue stream to fund operational costs for upcoming years. He also reported that, on June 14th, the California High Speed Rail Authority (CHSRA) Board voted to accept the TJPA's invitation to join the TJPA Board and appointed Ben Tripousis, CHSRA Northern California Regional Director, as their representative on the TJPA Board. He noted that the AC Transit Board passed a resolution concurring with the addition of CHSRA and once the other member agencies, the City and County of San Francisco and Peninsula Corridor Joint Powers Board, obtain concurrence from their respective Boards the next step would be for the TJPA Board to amend the TJPA Joint Powers Agreement and Bylaws. He further reported that the Metropolitan Transportation Commission Programming and Allocations Committee has been

considering an additional \$3 million in funding for operating costs of the transit center and the item will be considered by the full commission on July 26, 2017. He provided an update on Phase 2 in regards to the Railyard Alternatives and I-280 Boulevard (RAB) study and the TJPA Board's direction for the TJPA to take a leading role in completing the RAB study. He stated that he has communicated with the Director of Planning on how to transition the RAB study to the TJPA and the Director of Planning indicated it was best for TJPA to take over the RAB study once the current phase is completed which is expected to be done in September with the decision on the alignment by December. Executive Director Zabaneh stated he will work with the Director of Planning and the RAB team to ensure a quick and smooth transition. He also reported that work on the tunnel options study is continuing, which will help to minimize the cut and cover area along the alignment, as well as work on the operations study that will confirm the number of tracks that are needed to bring the trains to the Transit Center.

Dennis Turchon, TJPA Construction Manager, presented the PLA Quarterly Update.

Executive Director Zabaneh stated the TJPA's excitement to be in its ninth year of internships and he invited the interns to introduce themselves to the Board.

6. Citizens Advisory Committee (CAC) Update

Bruce Agid, TJPA CAC Chair, reported that the CAC received an update on the RAB study and was pleased to hear that the team is still on track to provide a recommendation on a preferred alignment in September 2017 to allow time for a decision to be made by the end of the year. He stated the CAC's disappointment to hear of further slippage on the Substantial Completion date reported to them under the Construction Update but applauded the team for their efforts to address and resolve. He also stated the CAC's satisfaction with the operational readiness update received. He expressed the CAC's support for the Naming Rights Agreement. He noted there were robust discussions regarding revenue and operations and maintenance expenses as well as the CAC's concerns regarding potential confusion on whether the rooftop park and other areas might be private and not open to the public. He reiterated the CAC's sense of urgency to address the potential homeless issue, at the transit center and the adjacent communities, in a holistic and proactive approach and expressed the CAC's contentment that the TJPA Chief Security Officer has a vast amount of experience and is working closely with City agencies to develop a plan and the CAC is looking forward to receiving a presentation on that plan.

7. Public Comment

Members of the public may address the Authority on matters that are within the Authority's jurisdiction and are not on today's calendar.

None.

THE FOLLOWING MATTERS BEFORE THE TRANSBAY JOINT POWERS AUTHORITY ARE RECOMMENDED FOR ACTION AS STATED BY THE EXECUTIVE DIRECTOR OR THE CHAIR.

CONSENT CALENDAR

8. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Transbay Joint Powers Authority, and will be acted upon by a single vote. There will be no separate discussion of these items unless a member of the Board or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

(8.1) Approving the Minutes of the June 8, 2017 meeting.

(8.2) Authorizing the Executive Director to execute a cloud hosting and maintenance agreement with Tyler Technologies, provider of TJPA's financial accounting system, for a cost of \$95,024.50 and a three-year term through July 30, 2020.

RESOLUTION 17-024

(8.3) Approving the Operating Assistance Proposal dated June 26, 2017, and an Implementing Agency Resolution for the allocation of Regional Measure 2 Funds in an amount not to exceed \$3,000,000 for the Transbay Transit Center Program.

RESOLUTION 17-025

No public comment.

On motion to approve the Consent Calendar:

ADOPTED: AYES – Harper, Kim, Reiskin, Gee, and Nuru

REGULAR CALENDAR

9. Approving a Naming and Signage Rights Agreement with salesforce.com to name the new Transit Center the "Salesforce Transit Center" for a 25 year term and more than \$110 Million in aggregate escalated fee over the term; a Memorandum of Agreement regarding Mission Square with Transbay Tower LLC regarding property located at 415 Mission Street; and, a confidential First Amendment to Security Agreement for Mission Square, Elevators, and Pedestrian Bridge with Transbay Tower LLC regarding property located at 415 Mission Street.

Executive Director Zabaneh presented the item.

Director Kim thanked Executive Director Zabaneh for his work on the agreement. She queried whether the maximum number of signage was noted in the agreement because she wanted to ensure the agreement prevents going over the maximum. She expressed concerns that the agreement would allow Salesforce to reserve the entirety of the rooftop park that would be available for private use, in accordance with TJPA rules and regulations, because she felt a public park should never be rented out in its entirety to any private entity. She also stated she was uncomfortable with Salesforce having the ability to regulate the park hours of a public park.

Deborah Miller, TJPA Counsel, and Richard Brand of Arent Fox responded to Director Kim's concerns. Ms. Miller stated the agreement had since been revised in regards to reserving the park so that it reads "a portion" vs. "the entirety" of the park would be available to reserve.

Director Reiskin commended Executive Director Zabaneh and team for negotiating what he feels is overall a very strong agreement. He stated that he previously misunderstood the specifics of setting the park hours and thought the TJPA would have unilateral ability subsequently to change the park hours. He appreciated the discussion and generally concurred with Director Kim's concern about a private entity having veto power over the TJPA's ability to set hours on a public park. He recommended the agreement be changed to read "park hours will not be changed without consultation and notice to Salesforce" and not require their written consent. He believes the establishment and changing of park hours should rest solely with the TJPA. He suggested the item be approved with the direction to staff to negotiate the recommended language regarding park hours.

Director Harper expressed concern regarding potential obligations on AC Transit given the park's hours of operation and the financial issues around how much it will cost. Director Reiskin stated he believed the operators and TJPA would be made whole by additional activities being paid for by usage fees. Executive Director Zabaneh indicated that the park will be a revenue generator.

Vice Chair Gee complimented the team on getting to an agreement. He acknowledged that while the rooftop park is an opportunity for revenue, it is an equal opportunity for expense and noted that if the park hours are changed, an operational expense would accompany that change because it is not just the park that would be affected but access and security as well. He thinks the numbers are amazing and is hopeful trains will come in 2027 to bring the 20% increase so he felt Director Reiskin's suggestion is a reasonable compromise.

Chair Nuru commended staff on the tough negotiations and supported the recommended change of language.

Director Kim confirmed she was comfortable with Director Reiskin's suggested revised language of "notification and consultation" in regards to park hours and her inquiry regarding signage was satisfied. She also thanked Ms. Miller for working to revise the language referring to reserving the "entirety" of the park to a "portion" of the park and she acknowledged the team for their hard work.

A motion to approve the agreement subject to a revision of the language in Section 3.9 relating to park hours which would insert "consultation and notice" was made by Director Reiskin. Director Kim made a friendly amendment to change line two of Section 3.6.1 from "the entirety" to "a portion".

No public comment.

RESOLUTION 17-026

On motion to approve as amended:

ADOPTED: AYES – Harper, Kim, Reiskin, Gee, and Nuru

10. Approving the final Retail Merchandising Plan for the Transbay Transit Center, and authorizing the Asset Manager to begin marketing and negotiations for retail leasing generally consistent with the Plan, with specific proposed Letters of Intent for leasing returning to the TJPA Board for approval.

Martha Velez, TJPA Facility Manager, introduced Colliers to present the item.

Director Reiskin appreciated that prior feedback from the Board was included in the presentation which recognized that all Bay Area visitors and workers feel welcome, the importance of focusing on local and the clarity on the schedule. He emphasized the importance of interim pop-ups in 2018 since it will be a little while before retail is fully programmed.

Director Kim thanked the team and noted that retail has become more challenging with the online economy so the concepts in the presentation were encouraging. She was pleased with the focus on small and local businesses and the emphasis on services for residents as well as inclusion for office space.

Vice Chair Gee appreciated their defining local and incorporating feedback in the presentation. He inquired if tension exists with local rents. Ms. Velez stated that one of the next steps is to take the work that Colliers has done and put numbers to it, to test and see how it fits with what was proposed. Vice Chair Gee questioned how the incubator process works and Colliers explained. Vice Chair Gee indicated the importance of managing expectations of the incubators as well as the customers.

Director Harper stated he has a client that developed a warehouse in Emeryville into a food truck food preparation facility and he offered an introduction to Colliers.

Chair Nuru concurred with Vice Chair Gee's comments and encouraged that the guidelines are carefully looked at for the incubator businesses.

No public comment.

RESOLUTION 17-027

On motion to approve:

ADOPTED: AYES – Harper, Kim, Reiskin, Gee, and Nuru

11. Construction Update.

Dennis Turchon, TJPA Senior Construction Manager, and Ron Alameida, Director of Design and Construction, presented the update and introduced Steve Humphreys of Webcor/Obayashi to report on the mitigation plan.

12. Approving FY 2016-17 Operating Budget Amendment No. 1 to transfer \$760,590 from various line items to Transit Center Facility Management.

No public comment.

RESOLUTION 17-028

On motion to approve:

ADOPTED: AYES – Harper, Kim, Gee, and Nuru
ABSENT – Reiskin

13. Authorizing the Executive Director to execute Amendment No. 3 to Intergovernmental Agreement No. IGA-09-018- MTA with the San Francisco Municipal Transportation Agency to provide an additional service related to installation of ticket vending machines in the new Transit Center, reallocate task budgets within the total existing budget of \$5,393,677, and extend the term of the Agreement to June 30, 2018.

No public comment.

RESOLUTION 17-029

On motion to approve:

ADOPTED: AYES – Harper, Kim, Gee, and Nuru
ABSENT – Reiskin

RECESS REGULAR MEETING AND CONVENE CLOSED SESSION

There was no member of the public who indicated that they would like to comment on the items scheduled for discussion in closed session.

CLOSED SESSION

14. Call to Order

Chair Nuru called the Closed Session to order at 12:00 p.m.

15. Roll Call

Present: Greg Harper
Jane Kim
Jeff Gee
Mohammed Nuru

Absent: Ed Reiskin
Bijan Sartipi

16. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Gov. Code Section 54956.9)

Name of case: Lehman, et al. v. Transbay Joint Powers Authority, et al., San Francisco County Superior Court, Case No. CGC 16-553758

and

Name of case: Buttery, et al. v. Jeffries, et al., San Francisco County Superior Court, Case No. CGC-17-556292

and

Name of case: Chang, et al. v. Mission Street Development LLC, et al., San Francisco County Superior Court, Case No. CGC-17-556617

and

Name of case: Lenehan, et al. v. Millennium Partners I, Inc., et al., San Francisco County Superior Court, Case No. CGC 17-557038; Bauman, et al. v. Millennium Partners I, Inc., et al., San Francisco County Superior Court, Case No. CGC 17-557040; Curiale, et al. v. Millennium Partners I, Inc., et al., San Francisco County Superior Court, Case No. CGC 17-557041; Cheek, et al. v. Millennium Partners I, Inc., et al., San Francisco County Superior Court, Case No. CGC 17-557043; Post, et al. v. Millennium Partners I, Inc., et al., San Francisco County Superior Court, Case No. CGC 17-557044

and

Name of case: Millennium Tower Association v. Mission Street Development LLC, et al., San Francisco County Superior Court, Case No. CGC 17-557830

and

Name of case: Montana, et al. v. Mission Street Development, LLC, et al., San Francisco County Superior Court, Case No. CGC-17-558649

and

Name of case: Ying, et al. v. Transbay Joint Powers Authority, et al., San Francisco County Superior Court, Case No. CGC-17-559210

RESOLUTION 17-030

On motion to approve:

ADOPTED: AYES – Harper, Kim, Gee, and Nuru
ABSENT – Reiskin

17. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (3 potential cases)

ADJOURN CLOSED SESSION AND RECONVENE REGULAR MEETING – The Closed Session was adjourned at 12:20 p.m.

18. Announcement of Closed Session.

Deborah Miller, TJPA Counsel, announced that there was no action to report.

ADJOURN – Chair Nuru adjourned the meeting at 12:25 p.m.

A recording of the meeting is on file in the office of the Secretary to the Transbay Joint Powers Authority Board of Directors.

Nila Gonzales
Board Secretary

The Ethics Commission of the City and County of San Francisco has asked us to remind individuals that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [Campaign and Gov't Conduct Code, Article II, Chapter 1, § 2.100, et seq.] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102, telephone (415) 252-3100, fax (415) 252-3124 and web site: www.sfethics.org.