



**TRANSBAY JOINT POWERS AUTHORITY  
BOARD OF DIRECTORS**

**MINUTES**

Thursday, January 30, 2020

1 Dr. Carlton B. Goodlett Place, Room 416  
San Francisco, CA

**SPECIAL MEETING**  
9:00 a.m.

**BOARD OF DIRECTORS**

Jeff Gee, Vice Chair  
Cheryl Brinkman  
Matt Haney  
Michael Hursh  
Boris Lipkin  
Nadia Sesay  
Tony Tavares

Executive Director  
Mark Zabaneh

Secretary  
Nila Gonzales

425 Mission Street, Suite 250  
San Francisco, California 94105  
415-597-4620

9:00 – SPECIAL MEETING

## ORDER OF BUSINESS

### 1. Call to Order

Vice Chair Gee called the meeting to order at 9:05 a.m.

### 2. Roll Call

Present: Cheryl Brinkman  
Matt Haney  
Michael Hursh  
Boris Lipkin  
Jeff Gee

Absent: Nadia Sesay  
Tony Tavares

### 3. Communications

Vice Chair Gee addressed allegations that were in media reports recently. Specifically, that a former member of the TJPA Board of Directors was arrested and charged with public corruption by the Federal Bureau of Investigation. He stated that the investigation was ongoing and that the TJPA did not know all of the facts at this time. Nevertheless, he reported, the allegations alone are disturbing. Furthermore, he stated that what was more troubling was that the TJPA was mentioned in the complaint relating to the retail leasing program. Vice Chair Gee emphasized there was no allegation of wrongdoing by the TJPA staff or any other member of the Board of Directors. Vice Chair Gee wanted to assure the public that the TJPA has developed a rigorous and transparent process in receiving and evaluating proposals from companies interested in leasing retail space at Salesforce Transit Center, including regular detailed reporting at public meetings. Vice Chair Gee asked Executive Director Zabaneh to describe the process that all interested parties must go through when seeking a potential lease in the transit center.

Executive Director Zabaneh explained that TJPA uses a well-developed and transparent process to receive, evaluate, and award retail leases in the transit center. In 2017, the TJPA entered into an asset management agreement with Lincoln Property Company (LPC), and its subcontractor Colliers International (Colliers), to implement a Board approved retail merchandising plan which describes key business expectations for retail leases in the transit center. This includes rent, length of term, landlord contribution and tenant improvements. Further, in 2017, the TJPA Board adopted a retail leasing policy, including a standard Letter of Intent (LOI) and lease. All businesses register their interest in leasing directly with Colliers as the first step in the leasing process. To date, there are more than 600 registered parties. Interested parties typically request tours of available sites and many submit an LOI. Colliers provides the tours, evaluates the LOI, including offered rent compared to proforma, their experience, credit worthiness, and fit with the retail merchandising plan approved by the Board. The asset management agreement requires

Colliers to recommend LOIs to the TJPA Executive Director for tentative approval. The tentative approval indicates an intent to continue lease negotiations and is not binding. Colliers and retail legal counsel, Sheppard Mullin, then negotiate proposed forms of leases and recommend leases to the TJPA. Most leases are presented to the TJPA Board for approval at noticed public meetings. Additionally, each of these proposed leases are accompanied by a detailed staff report which includes how a particular proposed lease compares to proforma rent, proforma term, TJPA's standard template lease, and the retail merchandising plan. Per the retail leasing policy, leases that meet certain criteria (including leases under \$1.8 million in stated base rent over the initial term and for an initial term of 10 years or less) may be approved by the Executive Director, but are presented with details to the Board at the next scheduled Board meeting. Regardless of whether leases are approved by the TJPA Board or the Executive Director, the same vetting process applies. When staff receive inquiries from any source about retail leasing in the transit center, they are referred to Colliers. Colliers acts as the lead on the TJPA team for all negotiations. In summary, we have a rigorous and transparent leasing process that involves four levels of review and approval to ensure that all leases are consistent with the proforma established by Colliers, TJPA Board approved merchandising plan, and other Board approved policies. The four levels of reviews and approval process includes: review and approval by Colliers, review and approval by the TJPA Facility Manager, review and approval by the TJPA Executive Director, and approval of the lease by the TJPA Board based on detailed information provided at the TJPA Board meeting.

Vice Chair Gee also reported that the TJPA has not been approached by law enforcement. However, if approached, the agency would fully cooperate. He wanted to also assure the public that the shared top priority of the TJPA Board of Directors and the Executive Director is to ensure that our staff remain focused on the work at hand – operating and maintaining a world class 21<sup>st</sup> Century transit hub with the utmost transparency and integrity. He expressed confidence that the measures in place ensure that every decision was in the best interest of the public, fulfills our retail plan and will ultimately greatly benefit the neighborhood.

#### 4. Board of Director's New and Old Business

Director Brinkman commented on recent reports about changes on Natoma Street around the TJPA property and noted that when the Downtown Rail Extension (DTX) is constructed near the building at the corner of 2<sup>nd</sup> and Howard Street, which to her understanding will be demolished and converted to a plaza, it will then connect into Natoma Street. She felt the overall vision of Pelli Clarke Pelli Architects should be protected particularly because of the highly valued Car-free Market Street, which was just recently launched.

#### 5. Executive Director's Report

- Facility Operations Update
- Project Labor Agreement (PLA) Quarterly Update

Executive Director Zabaneh thanked the Board for their support, welcomed the two new Board members, Elaine Forbes and Jeffrey Tumlin, and welcomed and introduced Richard Piette of LPC, to provide the Facility Operations Update.

Richard Piette of LPC, Asset Manager for the transit center, presented the Facility Operations Update.

Director Brinkman inquired about the bus deck capacity, following up on her previous request for an efficiency and safety review after six months of bus operations. She would like to see the capacity increased per the original design of 25 miles per hour (mph) instead of 10mph. Executive Director Zabaneh stated that he would follow up with both AC Transit and San Francisco Municipal Transportation Agency about possibly increasing the current speed limit.

Director Hursh welcomed the study but cautioned the increase due to the toll plaza on the Bay Bridge. He highlighted recent publicity of a bus only lane on the Bay Bridge, which would provide the ability to get additional buses over the bridge and would allow them to move quickly through the toll plaza. He encouraged transit advocates to support multi-occupant vehicles and making Regional Measure 3 funds available for more buses.

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

Public Comment:

Jim Patrick, Patrick and Company, expressed his disagreement with the Project Labor Agreement due to high labor costs and felt that it should not be continued through Phase 2 of the project.

*Due to potentially losing quorum, with the concurrence of the Board, Secretary Gonzales called the next action agenda items – Items 9, 10, and 11 – and then returned to Item 6.*

#### 6. Construction Closeout Update

Dennis Turchon, TJPA Senior Construction Manager, presented the item.

#### 7. Citizens Advisory Committee Update

Secretary Gonzales announced that CAC Chair, Derrick Holt, was unable to be present but he advised her that there was nothing new to report.

#### 8. 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.

Jim Patrick stated that the DTX is losing momentum and he encouraged the Board to get the program restarted.

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

## CONSENT CALENDAR

9. 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.

(9.1) Approving the Minutes of the December 12, 2019 meeting.

(9.2) Authorizing the Executive Director to execute an amendment to extend the agreement for Federal Advocacy Services with Carpi & Clay, Inc. for one year at the pre-negotiated rate of up to \$166,000.

### RESOLUTION 20-001

No public comment.

On motion to approve the Consent Calendar:

ADOPTED: AYES – Brinkman, Haney, Hursh, Lipkin, and Gee

## REGULAR CALENDAR

10. Approving the Fiscal Year 2020-21 Preliminary Operating Projection in the amount of \$28,466,578.

Erin Roseman, TJPA Chief Financial Officer (CFO), presented the item.

Director Hursh stated that the hiring committee got it right when TJPA selected Ms. Roseman as the CFO. He commended all the hard work put in the Preliminary Operating Projections and he encouraged the team to continue to drive the operating costs down.

Vice Chair Gee stated that he would like the team to monitor the cash flow closely in the event that there is a delay in funding.

No public comment.

### RESOLUTION 20-002

On motion to approve:

ADOPTED: AYES – Brinkman, Haney, Hursh, Lipkin, and Gee

11. Approving changes to Board Policy No. 009, Investment Policy.

Erin Roseman, TJPA CFO, presented the item.

No public comment.

RESOLUTION 20-003

On motion to approve:

ADOPTED: AYES – Brinkman, Haney, Hursh, Lipkin, and Gee

ADJOURN – Vice Chair Gee adjourned the meeting at 9:50 a.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](http://www.sfethics.org).