

## **RESOLUTION NO. 43-99**

**(Adopted March 30, 1999)**

### **AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH LENNAR/BVHP PARTNERS, LLC, AS MASTER DEVELOPER FOR THE HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA**

#### **BASIS FOR RESOLUTION**

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") issued a Request for Qualifications ("RFQ") for a Master Developer of the Hunters Point Shipyard ("Shipyard") on April 22, 1998, pursuant to Agency Resolution 70-98.
2. Submittals were received on June 29, 1998 from four Master Developer candidates ("Candidates"): Forest City Development California, Inc., Lennar/BVHP Partners, Catellus Development/WDG and Hunters Point Shipyard Developers.
3. On August 18, 1998, the Agency Commission authorized the use of an independent consultant to provide a third-party review and evaluation of the Candidates' qualifications.
4. On November 10, 1998, the Commission further modified the RFQ to allow the Candidates to modify their original submittals for the purpose of adding or deleting associated development entities or partners.
5. Subsequently, the composition of several Candidates changed, and Hunters Point Shipyard Developers withdrew from individual consideration, leaving three remaining Candidates: Forest City Development California, Inc./EM Johnson Interest, Inc., Catellus Development/WDG and Lennar/BVHP Partners.
6. On December 8, 1998, the Agency Commission authorized a Personal Services Contract with KPMG Peat Marwick, LLP ("KPMG") to provide an independent third-party review of the qualifications of the Candidates.
7. KPMG has completed its review, analysis and evaluation of the Candidates' qualifications based on the criteria set forth in the RFQ and submitted its report directly to the Agency Executive Director and Agency Commission by cover letter dated March 25, 1999.

8. After considering KPMG's report, the Agency has determined that Lennar/BVHP Partners, LLC, a California Limited Liability Company ("Developer"), has the best qualifications, capacity and financial resources necessary to be the Master Developer of the Shipyard. The Agency Commission wishes to authorize exclusive negotiations ("Exclusive Negotiations") with Developer.
9. The Exclusive Negotiations are intended to be divided into two main phases. The first phase of the Exclusive Negotiations ("Phase I") will last for sixty (60) days, subject to an extension by the Agency's Executive Director of thirty (30) additional days, during which time the Agency's Executive Director and the Developer shall attempt to negotiate and enter into an exclusive negotiations agreement ("ENA") which addresses the goals, objectives and process for concluding negotiations of a Disposition and Development Agreement and other transaction documents (together, "DDA") for the redevelopment of the Shipyard, consistent with the purposes and intent of this Resolution.
10. The Executive Director will report on the successful negotiation of an ENA when it is concluded, or, if it cannot be concluded, recommend termination of Exclusive Negotiations at the end of Phase I by the Agency Commission at a public meeting. If there is no ENA by the end of Phase I, Exclusive Negotiations may be terminated by the Agency Commission in its sole discretion. If the Executive Director and Developer execute an ENA by the end of Phase I, the second phase of the Exclusive Negotiations ("Phase II") will begin and last for up to one (1) year from the date of the ENA's execution, subject to a six (6) month extension by the Executive Director. If the Agency and the Developer have not successfully negotiated and entered into the DDA by the end of Phase II, Exclusive Negotiations shall terminate, unless extended by the Agency Commission in its sole discretion.
11. The disposition of the real property at the Shipyard under a DDA, however, remains subject to the approval of the Agency Commission in its sole and absolute discretion after the completion of the environmental review and a public hearing, as required by law, as well as the successful completion of negotiations by the Agency and the City of agreements with the U.S. Navy related to acquisition of the Shipyard.

## **RESOLUTION**

### **ACCORDINGLY, IT IS RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Agency authorizes the Executive Director to enter into Exclusive Negotiations with Lennar/BVHP Partners, LLC, a California Limited Liability Company ("Developer"), for the purpose of negotiating a Disposition and Development Agreement and other transaction documents (together, "DDA") for the development of the Hunters Point

Shipyard (“Shipyard”) pursuant to the terms and conditions below.

2. The first phase of the negotiations (“Phase I”) shall last for sixty (60) days, during which time the Agency’s Executive Director and the Developer shall attempt to negotiate an Exclusive Negotiations Agreement (“ENA”) which establishes the goals, objectives and process for negotiating the DDA, which ENA addresses such topics as, without limitation:
  - (a) Subject of negotiations and anticipated agreements and instruments to be negotiated and executed;
  - (b) Developer and Agency’s respective roles, responsibilities and obligations during Exclusive Negotiations; and
  - (c) Schedule of Performance for the completion of tasks by the Developer and Agency that are necessary and precedent to negotiation of the DDA and the disposition of property at the Shipyard.
3. The Executive Director is authorized to grant one thirty (30) day extension to the sixty (60) day negotiation period of Phase I if necessary to conclude an ENA consistent with the purposes and intent of this Resolution.
4. At the end of Phase I, the Executive Director shall report on the ENA negotiations to the Agency Commission at a public hearing, and if an ENA has not been successfully negotiated, may recommend termination of Exclusive Negotiations. If the Executive Director and Developer do not execute an ENA by the end of Phase I, the Exclusive Negotiations may be terminated by the Agency Commission in its sole discretion at a public meeting.
5. The remaining period of the Exclusive Negotiations (“Phase II”) shall last for up to one (1) year from the date an ENA is executed.
6. The Executive director is authorized to grant one six (6) month extension of the one (1) year negotiation period of Phase II. If a DDA is not approved by the Agency Commission in its sole and absolute discretion and executed by the end of Phase II, Exclusive Negotiations shall terminate, unless Phase II is extended by the Agency Commission in its sole and absolute discretion.

7. As a condition to the selection of the Developer for Exclusive Negotiations, within fifteen (15) days of the adoption of this Resolution, the Developer shall:
- (a) Execute a written acceptance on a copy of this Resolution and file it with the Agency; and
  - (b) Deposit \$150,000 as the balance due for the \$200,000 exclusive negotiations performance deposit ("Negotiations Deposit") required pursuant to the Request for Qualifications ("RFQ") and that certain Offer to Negotiate Exclusively executed by Developer. If a DDA is approved by the Agency Commission and executed, the Negotiations Deposit shall be applied toward land purchase payments or any performance deposit required by the Agency.

APPROVED AS TO FORM:



Robert A. Firehock  
Acting Agency General Counsel