

RESOLUTION NO. 48-2007

Adopted May 15, 2007

AUTHORIZING AN AMENDED AND RESTATED PERSONAL SERVICES CONTRACT WITH C.H. ELLIOTT & ASSOCIATES, A SOLE PROPRIETORSHIP, TO INCREASE THE CONTRACT AMOUNT BY \$90,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$150,000, AND TO EXTEND THE CONTRACT TERM FOR ONE YEAR, RESULTING IN AN AGGREGATE TERM OF THREE YEARS, TO PROVIDE REAL ESTATE AND FISCAL CONSULTING SERVICES IN ASSOCIATION WITH THE IMPLEMENTATION OF THE DISPOSITION AND DEVELOPMENT AGREEMENT HUNTERS POINT SHIPYARD PHASE 1; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

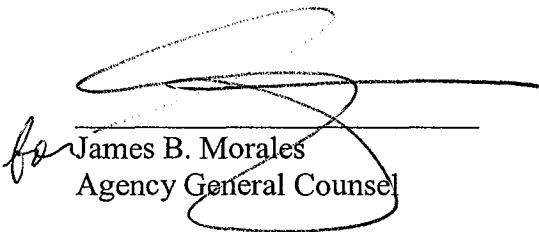
1. On December 2, 2003, the Agency Commission (the "Commission") approved the Disposition and Development Agreement Hunters Point Shipyard Phase 1 between the Redevelopment Agency of the City and County of San Francisco (the "Agency") and Lennar-BVHP, LLC (the "Developer") as the same has since been amended (the "Phase 1 DDA") which establishes, among other things, the boundaries, the development phasing and the number of for-sale and rental units of housing for the first phase of development at the Hunters Point Shipyard Redevelopment Project Area (the "Shipyard").
2. In November 2005, the Developer submitted requests to modify the terms of the Phase 1 DDA in response to declining market conditions and the delay of the transfer of Parcel B-1 from the United States Department of the Navy.
3. As a result, staff required assistance from a real estate and fiscal consultant to assess the economic impacts that the potential modifications proposed by the Developer may have on the overall Phase 1 development. Therefore, on December 20, 2005, by Resolution No. 208-2005, the Commission approved a 1-year Personal Services Contract (the "Contract") with C. H. Elliott & Associates ("Mr. Elliott") in the original amount of \$40,000 to assist the Agency in its negotiations with the Developer.
4. Mr. Elliott was selected because of his long standing involvement in the negotiations of the Phase 1 transaction and in depth knowledge of the financial aspects of the Phase 1 transaction. Since July 1999, Colin Elliott has served as the Agency's real estate and fiscal advisors for the Phase 1 Shipyard development, first as a principal of Jones Lang Lasalle Americas, Inc. and then as the sole proprietor of C.H. Elliott & Associates since September 1, 2002.

5. On October 17, 2006, by Resolution No. 141-2006, the Commission approved the Second Amendment to the Phase 1 DDA (the "Second Amendment") to: 1) remove Parcel B-1 from the Phase 1 development, 2) shift 260 developer units previously entitled on Parcel B-1 to Parcel A, 3) convert 384 rental units in the Phase 1 development into for-sale units and 4) update the schedule of performance for the delivery of finished lots.
6. As a result of those changes, staff required additional assistance from Mr. Elliott to implement the changes set forth in the Second Amendment. In particular, Mr. Elliott was needed to evaluate the updated Phase 1 annual budget and project proforma submitted by the Developer to ensure that both documents accurately reflected the revised Phase 1 DDA. Therefore, on November 21, 2006, by Resolution No. 154-2006, the Commission approved a First Amendment to the Contract to increase the amount by \$20,000 for a total Contract amount of \$60,000 and extended the term by 1 year for a total aggregate term of 2 years. The Contract is scheduled to terminate on December 20, 2007.
7. According to the revised schedule of performance set forth in the Second Amendment, the Developer is scheduled to deliver finished lot on Parcel A, over time, for vertical development starting in September 2007 through December 2009. In preparation for the land transfer phase of the Parcel A development, staff requires Mr. Elliott's assistance in negotiating with the Developer regarding the establishment of the sales price and the absorption rate of the finished land parcels on Parcel A and 2) evaluating the financial impacts that the land sales will have on the Phase 1 development, specifically, the Agency's net land proceeds.
8. Therefore, staff seeks Commission authorization of an amended and restated personal services contract with Mr. Elliott to increase the Contract amount by \$90,000 for a total aggregate amount not to exceed \$150,000 and to extend the Contract term by 1 year for a total aggregate term of 3 years. The Contract will be funded as a project costs under the Phase 1 DDA.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into an Amended and Restated Personal Services Contract with C.H. Elliott & Associates, a sole proprietorship, to increase the Contract amount by \$90,000 for a total aggregate amount not to exceed \$150,000 and to extend the Contract term for 1 year, resulting in an aggregate term of 3 years, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


for James B. Morales
Agency General Counsel