

RESOLUTION NO. 89-2011

Adopted June 21, 2011

AUTHORIZING A FIRST AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH KUTAK ROCK LLP TO PROVIDE SPECIALIZED LEGAL SERVICES PRIMARILY RELATED TO TRANSFER OF THE REMAINING NAVY OWNED PARCELS AT THE HUNTERS POINT SHIPYARD FROM THE NAVY TO THE AGENCY IN THE AMOUNT OF \$490,000 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$965,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. In July 1997, the Board of Supervisors of the City and County of San Francisco ("Board") adopted, by Ordinance No. 285-97, a Redevelopment Plan for the revitalization of the Hunters Point Shipyard Redevelopment Project Area ("Shipyard"). Subsequently on August 3, 2010, by Ordinance No. 211-10 the Board adopted an amendment to the Hunters Point Shipyard Redevelopment Plan.
2. In March of 2004, the Redevelopment Agency ("Agency") and the United States of America, acting by and through the Secretary of the Navy, executed a Conveyance Agreement which governs the terms and conditions of the transfer of property on the Shipyard currently owned by the U.S. Department of the Navy ("the Navy") to the Agency for reuse and development.
3. On February 3, 2009, by Resolution No. 14-2009, the Agency Commission approved a document entitled San Francisco Redevelopment Agency Legal Services Contract ("Contract") with Kutak Rock LLP ("Outside Counsel"), to provide the Agency with specialized legal services related the transfer of the remaining Shipyard parcels from the Navy to the Agency.
4. On June 3, 2010, by Resolution No. 69-2010, the Agency Commission approved the Candlestick Point – Hunters Point Shipyard Phase 2 Disposition and Development Agreement ("Phase 2 DDA) with CP Development Co.,LP, a joint venture among Lennar Corporation and Scala Real Estate Partners, LP, Hillwood, and Estein& Associates USA, Ltd. ("Developer") for the redevelopment of Phase 2 of the Shipyard and adjacent Candlestick Point portion (Zone 1) of the Bayview Hunters Point Redevelopment Project Area.
5. Since the February 3, 2009 effective date of the contract: (1) Outside Counsel has provided the Agency with extensive legal assistance primarily related to the transfer of property at the Shipyard from the Navy to the Agency in furtherance of the Conveyance Agreement and in compliance with the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and

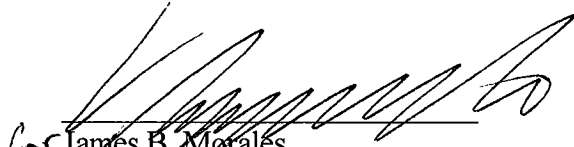
other Federal and State statutes that govern the transfer and development of former military installations; (2) Outside Counsel has assisted the Agency in review, negotiation and preparation of transfer documents for Parcels B, G, D-2 and IR 7/18, including early transfer documents for parcels B and G, regulatory agreements with the applicable State and Federal regulatory agencies and ongoing negotiations on other parcels currently owned by the Navy; (3) Outside Counsel has assisted the Agency and the City in negotiations regarding the procurement of environmental insurance (Pollution Legal Liability and Cost Cap policies) to protect the Agency from liability after property has been transferred; (4) Outside Counsel has assisted the Agency in reviewing, negotiating and drafting cooperative agreements with the Navy to provide for funding, long term obligations and institutional controls for property on the Shipyard; and (5) Outside Counsel has assisted the Agency in providing advice on how to properly protect, manage and operate those portions of the Shipyard controlled by the Agency and to minimize the Agency's liability.

6. The transfer of parcels on the Shipyard, in particular the early transfer of parcels B and G involve complex negotiations pursuant to applicable Federal and State statutes, rules and regulations governing the remediation and transfer of property under CERCLA.
7. Outside Counsel's continuing representation of the Agency and the City is necessary to ensure that the Agency's position on issues related to the transfer, acceptance and development of property on the Shipyard are adequately represented and consistent with applicable Federal and State regulations.
8. The Phase 2 DDA requires the Developer to reimburse the Agency for the cost of Outside Counsel.
9. Agency staff and the Mayor's Office of Economic and Workforce Development recommend authorizing the Agency's Executive Director to enter into an amendment to the Contract with Outside Counsel ("First Amendment") to assist the Agency in its ongoing negotiations with the Navy and applicable regulatory agencies for the transfer of the remaining Navy-owned property on the Shipyard in the amount of \$490,000 for a total contract amount not to exceed \$965,000.
10. The First Amendment changes the terms of the Legal Services Contract; however, these changes have no effect on the services provided under the Contract. Entry into this First Amendment is an Agency administrative activity that will not have any direct physical effects on the environment and is not a "Project" as defined in California Environmental Quality Act ("CEQA"), Guidelines Section 15378(b)(5).

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Agency's Executive Director is authorized to execute a First Amendment to the San Francisco Redevelopment Agency Legal Services Contract with Kutak Rock LLP to provide specialized legal services related to the transfer of the remaining Navy owned parcels at the Hunters Point Shipyard from the Navy to the Agency in the amount of \$490,000 for a total contract amount not to exceed \$965,000, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


for James B. Morales
Agency General Counsel