

RESOLUTION NO. 96-2011

Adopted September 20, 2011

AUTHORIZING A SECOND AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH JONES HALL, A PROFESSIONAL LAW CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$150,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$200,000, FOR SPECIALIZED LEGAL SERVICES IN CONNECTION WITH THE FINANCING PLAN FOR THE CANDLESTICK POINT-HUNTERS POINT SHIPYARD PHASE 2 DISPOSITION AND DEVELOPMENT AGREEMENT AND OTHER MATTERS AS DETERMINED BY THE AGENCY GENERAL COUNSEL; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS

BASIS FOR RESOLUTION

1. On February 19, 2010, under the Executive Director's authority, the Agency entered into a Legal Services Contract ("Contract") with Jones Hall, A Professional Law Corporation ("Jones Hall" or "Outside Counsel") in the amount of \$25,000 for legal services in connection with the Financing Plan ("Financing Plan") for the Candlestick Point-Hunters Point Shipyard Phase 2 Project (the "Project") and other matters determined by the Agency General Counsel. Jones Hall provided the Agency with specialized legal advice with regard to the financing structure for implementation of the Project. The substance of this work was captured in the Candlestick Point-Hunters Point Shipyard Phase 2 Disposition and Development Agreement's ("Phase 2 DDA") Financing Plan.
2. On September 7, 2010, again under the Executive Director's authority, a First Amendment to the Jones Hall's Contract was executed, to increase the Contract amount by \$25,000 for additional legal services necessary to implement the Financing Plan for the Project. The additional funds were needed for Jones Hall to assist the Agency in the preparation of memorandums and an assessment of the feasibility of a United States Department of Transportation ("US DOT") Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the construction of the Project's transportation improvements. Subsequently, the Project's TIFIA loan was one of four selected nationwide to submit a formal application to the US DOT.
3. At its June 3, 2010 meeting, the Agency Commission approved the Phase 2 DDA with Lennar. The Phase 2 DDA places a legally binding obligation on the Agency to facilitate the financing and implementation of the Project. Specifically, under the Phase 2 DDA's Financing Plan, the Agency is required to fulfill the terms of Section 4.2 in which the Agency agrees to respond to the Developer's request for "Alternative Financing," including "federal or state loans issued by the Agency, the City, or a joint powers authority for application towards Qualified Project Costs and secured by Net Available Increment or Project Special Taxes." Section 4.2 further requires that following this request the Developer and the Agency will meet with appropriate Agency or City consultants as to the feasibility, amount, and timing of the proposed Alternative Financing. Outside Counsel's (Jones Hall) services are required to fulfill this specific enforceable obligation.