

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 85-2014

Adopted October 21, 2014

AUTHORIZING A FIFTH AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH SHUTE, MIHALY & WEINBERGER LLP, A LIMITED LIABILITY PARTNERSHIP, TO INCREASE THE CONTRACT AMOUNT BY \$350,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,600,000, TO PROVIDE SPECIALIZED LEGAL SERVICES RELATED TO PUBLIC TRUST AND STATE PARK ISSUES FOR THE CANDLESTICK POINT AND HUNTERS POINT SHIPYARD PHASE 2 PROJECT; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS

- WHEREAS, In June 2010, the former Redevelopment Commission took a series of actions to approve the Candlestick Point/Hunters Point Shipyard Phase 2 development (the "Project") including the approval of the Project's Disposition and Development Agreement ("DDA") with CP Development Co., LP (the "Developer"). In approving the DDA, the Commission also approved two land transfer agreements with several public agencies, including primarily the California Department of Parks and Recreation ("State Parks") and the California State Lands Commission ("State Lands") (collectively, "the Land Transfer Agreements"); and,
- WHEREAS, The Project is one of San Francisco's three critical redevelopment legacy projects that the Successor Agency must continue to implement under the Dissolution Law (defined below). The Project covers over 700 acres at Hunters Point Shipyard and at the adjacent Candlestick Point; and,
- WHEREAS, The DDA and a number of related binding agreements attached to or referenced in the text of the DDA establish a comprehensive set of enforceable obligations that collectively govern the completion of the Project. The DDA is a binding contractual agreement that provides for the transfer of land from the Successor Agency to developers, the developers' and the Successor Agency's rights and obligations relating to the construction of specified improvements, and the financing mechanisms for completing the Project. A more detailed discussion of the Project and the DDA was attached as Exhibit B-3 to Oversight Board Resolution No. 5-2012, and is incorporated herein; and,
- WHEREAS, The Oversight Board and the California Department of Finance ("DOF") have recognized the DDA as an Enforceable Obligation under Dissolution Law. The Dissolution Law, in particular California Health and Safety Code Section 34177, provides that the Successor Agency is required to (1) perform obligations required pursuant to any Enforceable Obligation, and (2) continue to oversee development of properties until the contracted work has been completed; and,
- WHEREAS, Significant portions of both the Hunters Point Shipyard and Candlestick Point areas within the Project are either owned by State Parks or subject to the Public Trust and/or related use restrictions; and,

WHEREAS, State Parks owns most property in the Candlestick Point State Recreation Area. State law restricts the sale or lease of State Parks land and limits the types of agreements by which the State may grant the City or other parties the right to use and occupy State land; and,

WHEREAS, The land use plan included in the DDA and consistent with the approved Redevelopment Plan requires that the Public Trust and State Parks land within the Project site be reconfigured; The Land Transfer Agreements address this need; and,

WHEREAS, OCII, the City, and the Developer anticipated the need for specialized outside counsel to assist OCII in working through issues related to the Land Transfer Agreements, and per the DDA, costs associated with this work are reimbursed by the Developer; and,

WHEREAS, The former Redevelopment Agency entered into a contract with Shute, Mihaly & Weinberger LLP on a sole source basis as outside counsel in 2008 (the "Contract") because of their unique qualifications to provide legal services to the Project on issues related to the Public Trust and State Parks; and,

WHEREAS, Between 2009 and 2011 the former Redevelopment Commission authorized four amendments to the Contract to increase its amount to an aggregate of \$1,250,000; and,

WHEREAS, OCII staff now seeks authorization to enter into a fifth amendment to increase the Contract amount by \$350,000, for a total aggregate amount not to exceed \$1,600,000 (the "Fifth Amendment"). The Fifth Amendment is required to complete work related and necessary to implementing the Land Transfer Agreements; and,

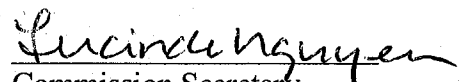
WHEREAS, The Fifth Amendment was presented to the Hunters Point Shipyard Citizens Advisory Committee ("CAC") Planning and Development subcommittee on October 9, 2014 and again at its full committee on October 20, 2014, where it was approved; and,

WHEREAS, Authorization of the Fifth Amendment to provide specialized legal services to assist OCII in the implementation of the DDA and Land Transfer Agreements 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). The Fifth Amendment will allow and fund outside counsel to provide specialized legal services and will not independently result in significant physical effects on the environment; and,

WHEREAS, This Commission now desires to approve the Fifth Amendment; and, now therefore, be it

RESOLVED, That this Commission authorizes the Executive Director to enter into a Fifth Amendment to the Contract with Shute, Mihaly & Weinberger to implement the DDA and the Land Transfer Agreements; and, be it further

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of October 21, 2014.


Commission Secretary