RESOLUTION NO. 44-2000
Adopted March 28, 2000

AUTHORIZING A LEGAL SERVICES CONTRACT WITH KUTAK ROCK IN AN AMOUNT NOT TO EXCEED $100,000 FOR LEGAL SERVICES RELATED TO THE TRANSFER OF THE SHIPYARD FROM THE NAVY TO THE AGENCY AND THE CITY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On June 1, 1999, by Resolution No. 68-99, the Redevelopment Agency of the City and County of San Francisco (the “Agency”) authorized an Exclusive Negotiations Agreement (the “ENA”) with Lennar/BVHP, LLC (the “Developer”) to be the Primary Developer of the Hunters Point Shipyard (the “Project”).

2. Under the Agreement, Lennar is obligated to pay transaction costs that the Agency and the City incur in connection with the negotiations of the project agreements with both Lennar and the Navy. The budget for the costs includes $350,000 for outside legal expenses associated with the Project.

3. In order to redevelop the Shipyard, the Agency and the City must negotiate a transfer of the property from the Navy. The negotiations are complex and may involve phased transfers, with the Agency and City receiving deeds to some parcels and a leasehold interest with options on others, pending the completion of hazardous materials remediation by the Navy. The transfer documents will address a wide range of issues related to the Navy’s cleanup obligations, as well as the eventual retrocession of federal jurisdiction and the scope of the Agency’s, the City’s and/or Lennar’s operation, maintenance and public protection obligations at the Shipyard.

4. The resolution of the issues is time critical to facilitate both the transfer and cleanup of the Shipyard by the Navy, and to allow the Agency and the City to move forward in further negotiations with Lennar.

5. The legal work on the project documents for the Shipyard will be performed by the Agency and City legal staff. However, special outside Washington, D.C. counsel would be extremely beneficial for many of the specialized federal transfer and cleanup issues associated with the Project.

6. The Agency seeks to engage the services of Kutak Rock, a Washington, D.C. based law firm, and specifically its Base Closure Team, to act as outside counsel to the Agency on matters related to the remediation, transfer and reuse of the Shipyard.
7. Kutak Rock is being recommended as a sole source provider based on their unique position as a firm with both extensive expertise in base closure and in-depth knowledge of the City’s position and goals in negotiating transfers with the Navy, as the firm is currently working with the City on the transfer of Treasure Island from the Navy. Kutak Rock’s experience and capacity to perform work in California military base closures, their current work on Treasure Island and their national and federal real estate experience enhances their ability to assist the Agency and the City to promptly acquire the Shipyard.

8. Therefore, Staff recommends that the Commission approve a Legal Services Contract with Kutak Rock for up to $100,000 for legal services related to negotiations with the Navy and Lennar/BVHP, LLC to develop the Hunters Point Shipyard.

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 a Legal Services Contract with Kutak Rock, for legal services related to development of the Hunters Point Shipyard, in an amount not to exceed $100,000, substantially in the form lodged with Agency General Counsel, with any changes that hereafter become necessary but do not materially affect the substance of the contract or materially increase the obligations of the Agency.

APPROVED AS TO FORM:

Bertha A. Ontiveros
Agency General Counsel