RESOLUTION NO. 130-2000
ADOPTED JULY 20, 2000

ENDORSEMENT OF THE PRELIMINARY DEVELOPMENT CONCEPT AS SPECIFIED IN THE EXCLUSIVE NEGOTIATIONS AGREEMENT WITH LENNAR/BVHP, LLC FOR THE HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. By Resolution No. 68-99, dated June 1, 1999, the Agency approved an Exclusive Negotiations Agreement (the "Agreement") between the Agency and Lennar/BVHP, LLC, a California limited liability company (the "Developer") regarding negotiation of documents for the conveyance, management and redevelopment of the Hunters Point Shipyard (the "Transaction Documents").

2. The Agreement contains a Schedule of Performance, which establishes certain milestones that must be met in the negotiation of the Transaction Documents, the first of which was the preparation by the Developer of a Preliminary Development Concept ("PDC") Proposal.

3. By Resolution No. 136-99, dated September 14, 1999 the Commission approved a First Amendment to the Agreement extending the submission date for the PDC to October 18, 1999. Pursuant to the same resolution, the Executive Director was given the authority to extend this date for up to an additional 60 days. Pursuant to this Resolution, on October 18, 1999, the Executive Director authorized a Second Amendment to the Agreement for an additional 60 days extending the submission date for the PDC to December 17, 1999.

4. On December 17, 1999, the Developer submitted the PDC for Agency and community review. The PDC provides the Developer's vision for implementation of the Redevelopment Plan for Hunters Point Shipyard (the "Shipyard").

5. By Resolution No. 43-2000, dated March 21, 2000, the Commission approved a Third Amendment to the Agreement extending the date for the Agency's endorsement of the PDC from March 1, 2000 to May 23, 2000. Pursuant to the same resolution, on May 23, 2000 the Executive Director authorized a Fourth Amendment to the Agreement for an additional 60 days extending the endorsement date for the PDC to July 21, 2000. The extension gave the Developer time to respond to questions raised by the community at various workshops held in Bayview Hunters Point.

6. Agency and City staff have completed their review and analysis of the PDC. Staff finds the PDC provides a comprehensive view of the development of the Shipyard over a 25-year period and is consistent with the requirements of the Agreement.
7. Staff concludes that the overall PDC addresses the Bayview Hunters Point community and City goals for the project as set forth in the Agreement, but that the Developer must provide additional information about aspects of the PDC during the next phase of negotiations. Staff recommends that the Developer study the issues and provide the additional information as set forth in Attachment 1.

RESOLUTION

ACCORDINGLY IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

1. The overall Preliminary Development Concept for the Hunters Point Shipyard as required by the Exclusive Negotiations Agreement between the Developer and the Agency dated June 1, 1999 is endorsed for purposes of term sheet negotiations; and

2. Term sheet negotiations should commence immediately in accordance with the Agreement, provided that the Developer study the issues and submit additional information on its development proposal during term sheet negotiations as more specifically set forth in Attachment 1.

APPROVED AS TO FORM:

[Signature]
Bertha A. Ontiveros
Agency General Counsel
During negotiations on the conceptual framework for the development (Term Sheet), Lennar/BHVP shall provide the following:

- A market analysis to support the proposed land use and development program and a more detailed description of proposed commercial and residential land uses, including the density and mix of uses to be developed;

- A clear market-based rationale for the proposed phasing plan and compelling reasons for constructing the infrastructure backbone years before redeveloping significant portions of the project area;

- A comprehensive strategy for addressing access and transportation to, from and around the Shipyard and for parking;

- An explanation of how the proposed project will comply with BCDC and State Lands requirements for public access to the waterfront and how it will meet the open space needs of the Shipyard and the greater Bayview Hunters Point community;

- Specific information about the infrastructure that includes technical specifications of the system, how it will encourage and support growth of targeted industries, provide effective and efficient service to residents and businesses, and improve the environment;

- A deconstruction and demolition plan assessing the condition of over 140 existing buildings, identifying buildings for demolition and demonstrating compliance with State mandates to reduce City landfill waste;

- A relocation and re-entry program, including the estimated economic impacts of relocation;

- A strategy for addressing regulatory approvals and entitlements;

- A complete proposal for providing and maintaining appropriate community services and facilities, including police, fire, schools and libraries;

- A market analysis that directly supports the proposed plan and proforma to demonstrate financial feasibility and self-sufficiency of the project, including proforma assumptions that are supported by an adequate market analysis and additional details on likely project costs, including but not limited to, infrastructure, community benefits, affordable housing, interim management, and level of public funding;
• An immediate assessment of the needs of existing tenants and existing conditions of the facilities at the Shipyard and a detailed plan for how interim leasing and management will be provided not only to the artist tenants but to other existing tenants and how it will integrate new development with existing tenants and businesses;

• A marketing strategy to identify and secure prospective users, tenants and buyers for commercial and residential property, that identifies any known new users or tenants, that analyzes purchasing capacity of targeted market sectors, and that is consistent with an in-depth market analysis, the phasing plan and the interim leasing plan;

• Additional significant information regarding affordable housing, job training and placement linkages, resident employment and community ownership opportunities, including hiring of local Bayview Hunters Point residents to the maximum extent possible, and explaining how the community will benefit or participate in community cultural facilities or how they will be owned or managed; and

• A deal structure that seeks to give the City a return on the land while rewarding the developer for maximizing returns and benefits.