RESOLUTION NO. 150-2001

Adopted August 14, 2001

AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH JONES LANG LASALLE AMERICAS, INC., FOR REAL ESTATE CONSULTING SERVICES, INCREASING THE NOT TO EXCEED AMOUNT FROM $250,000 TO $350,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On June 1, 1999, the Commission authorized exclusive negotiations with Lennar/BVHP, LLC ("Developer") to be the Primary Developer of the Hunters Point Shipyard ("Project").

2. The Agency issued a Request for Proposals ("RFP") for a real estate development advisor in June, 1999. Through the RFP process and with the assistance of the Mayor’s Office of Economic Development, staff identified Jones Lang LaSalle Americas, Inc. ("Jones Lang LaSalle"), to be the most qualified real estate development advisor to assist the Agency in its negotiations with Lennar-BVHP, LLC for development of the Hunters Point Shipyard.

3. Jones Lang LaSalle is subcontracting with Seifel Consulting, a San Francisco-based Woman-Owned Business, to provide fiscal and local economic impact analysis of the Developer’s Proposal.

4. Jones Lang LaSalle and Seifel Consulting have provided the Agency with expert and valuable analysis and advice related to the ongoing negotiations with the Developer.

5. The current maximum contract amount for services provided by Jones Lang LaSalle and Seifel Consulting is $250,000. This amount was expected to be sufficient for all required real estate economics consulting services when the Agency entered into the ENA with the Developer.

6. Changes in the anticipated transfer of Shipyard property to the Agency from the U.S. Navy and new information regarding the environmental conditions of the site determined since the Agency entered into the Exclusive Negotiations Agreement ("ENA") with the Developer have caused the negotiations to extend beyond the original schedule and raised a number of significant, unforeseen issues that required review and analysis by real estate economics experts.

7. A significant portion of the original contract amount was spent evaluating these new and unexpected issues. Staff currently estimates that all additional work
required of Jones Lang LaSalle and Seifel Consulting can be completed within an additional budget of $100,000.

8. Pursuant to the ENA, the Developer has agreed to pay for certain Agency costs related to the negotiations, including the cost of the Agency's real estate and economic consultants in the aggregate amount of $478,000.

9. The proposed increase in the maximum contract amount to $350,000 is within the ENA budget of $478,000.

10. Therefore, Staff recommends that the Commission approve a First Amendment to a Personal Services Contract with Jones Lang LaSalle Americas, Inc., increasing the maximum contract amount from $250,000 to $350,000, for real estate consulting services related to negotiations with 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 First Amendment to a Personal Services Contract with Jones Lang LaSalle Americas, Inc., for real estate consulting services related to development of the Hunters Point Shipyard, increasing the maximum amount payable to $350,000, substantially in the form lodged with Agency General Counsel.

APPROVED AS TO FORM:

[Signature]
Bertha A. Ontiveros
Agency General Counsel