RESOLUTION NO. 199-2001
Adopted November 20, 2001

AUTHORIZING A SIXTH AMENDMENT TO THE EXCLUSIVE NEGOTIATIONS AGREEMENT WITH LENNAR/BVHP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE THE SCHEDULE OF PERFORMANCE AND BUDGET AND EXTEND THE TERM FOR 12 MONTHS; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. By Resolution No. 68-99, dated June 1, 1999, the Redevelopment Agency of the City and County of San Francisco ("Agency") approved an Exclusive Negotiations Agreement (the "Agreement") between the Agency and Lennar/BVHP, LLC, a California limited liability company ("Developer") regarding the negotiation of transaction documents for the conveyance, management and redevelopment of Hunters Point Shipyard Project Area ("Project Area"). The Agreement authorized exclusive negotiations for a period up to 12 months and further authorized the Executive Director, for financial consideration, to extend the Agreement for a period up to six (6) months as needed. The Agreement also contains a Schedule of Performance, which establishes certain milestones, the first of which was the preparation by Developer of a Preliminary Development Concept ("PDC") proposal.

2. By Resolution No. 136-99, dated September 14, 1999, the Commission approved a First Amendment to the Exclusive Negotiations Agreement extending the submission date for the PDC to October 18, 1999. In addition, the Executive Director was authorized to extend the date of the PDC submittal for an additional period up to sixty (60) days following October 18, 1999. On October 18, 1999, the Executive Director authorized a Second Amendment to the Exclusive Negotiations Agreement for an additional sixty (60) days extending the submission date for the PDC to December 17, 1999, on which date the Developer submitted its PDC.

3. By Resolution No. 43-2000 dated March 21, 2000, the Commission authorized a Third Amendment to the Exclusive Negotiations Agreement allowing for the extension of the Agency’s review and endorsement of the PDC until May 23, 2000 and authorized the Executive Director to extend the review and endorsement date for an additional period up to sixty (60) days following May 23, 2000. On May 23, 2000, the Executive Director authorized a Fourth Amendment to the Exclusive Negotiations Agreement extending the date for the Agency’s review and endorsement of the PDC for an additional sixty (60) days to July 21, 2000.

4. On June 1, 2000, following receipt of the financial consideration required by the Agreement, the Executive Director authorized an extension of the term of the Agreement for six (6) months until November 30, 2000.

5. By Resolution 130-2000, adopted July 20, 2000 the Commission endorsed the PDC and provided that Developer meet certain conditions requiring the submittal of additional information necessary
for negotiation of the term sheet. The Developer has provided the Agency with the additional information requested by the Commission as a condition of its PDC endorsement.

6. By Resolution No. 210-2000, adopted October 31, 2000 the Commission authorized a Fifth Amendment to the Exclusive Negotiations Agreement in order to allow the Agency and Developer sufficient time to effectively negotiate a Conceptual Framework for Development ("Conceptual Framework") which is the next major milestone of the negotiations as described in the Agreement.

7. The Developer and Agency have negotiated in good faith and made significant progress toward reaching agreement on a Conceptual Framework. However, continuing issues regarding the Navy’s environmental remediation of the Shipyard have delayed the conveyance of property from the Navy to the City and, as a result, delayed the Developer negotiations.

8. By letter dated October 17, 2001 the Developer has requested an additional 12-month extension of the Term of the Agreement and corresponding revisions to the Amended Schedule of Performance in order to complete the negotiation of the Conceptual Framework/Term Sheet and the transaction documents in anticipation of receiving property to be transferred from the U.S. Navy.

9. Agency staff recommends the extension of the term of the Agreement for 12 months, thereby changing the expiration date from November 30, 2001 to November 30, 2002 and the revision of the Schedule of Performance and the Negotiations Budget for Agency and City costs in an amount not to exceed $2.8 million for the 12 month extension period.

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 Fifth Amendment to the Exclusive Negotiations Agreement with Lennar/BVHP, LLC, a California limited liability company, amending the agreement to extend the term of the agreement until November 30, 2002, revise the Schedule of Performance and the Negotiations Budget for Agency and City costs in an amount not to exceed $2.8 million, substantially in the form lodged with Agency General Counsel.

APPROVED AS TO FORM:

BERTHA A. ONTIVEROS
Agency General Counsel