

## RESOLUTION NO. 151-2002

Adopted August 27, 2002

AUTHORIZING THE SECOND AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH KUTAK ROCK LLP, A NEBRASKA LIMITED LIABILITY PARTNERSHIP, INCREASING THE CONTRACT BY \$225,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$445,000 FOR LEGAL SERVICES RELATED TO THE TRANSFER OF THE SHIPYARD FROM THE NAVY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

### BASIS FOR RESOLUTION

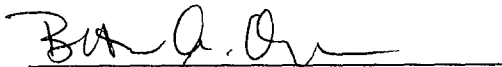
1. The Hunters Point Shipyard Redevelopment Project Area (the "Project Area") was established by the Board of Supervisors of the City and County of San Francisco by Ordinance No. 285-97, dated July, 1997, in accordance with the California Community Redevelopment Law.
2. On March 28, 2000, by Resolution No. 44-2000, the Redevelopment Agency of the City and County of San Francisco (the "Agency") authorized a contract with Kutak Rock, a Washington based law firm ("Kutak"), to provide legal services to the Agency and the City and County of San Francisco (the "City") relating to the clean-up and transfer of the Hunters Point Shipyard (the "Shipyard") from the United States Navy (the "Navy") to the Agency, as the City's designee.
3. On December 19, 2000 by Resolution No. 263-2000, the Agency authorized a First Amendment to the Legal Services Contract with Kutak to increase the contract amount by \$100,000 for an aggregate contract amount not to exceed \$220,000.
4. In order to redevelop the Project Area, the Agency and the City must negotiate a transfer of the Shipyard property from the Navy. On November 2, 2000, the City and the Navy entered into a Memorandum of Agreement (the "MOA") establishing a schedule for remediation and conveyance of the Shipyard, setting minimum clean-up standards and addressing protection and management services provided by the Navy prior to conveyance. The MOA contemplated negotiation of a Conveyance Agreement for the conveyance of certain parcels, following the completion of hazardous materials remediation by the Navy.
5. Negotiations on the Conveyance Agreement is nearing completion. The final Conveyance Agreement requires the drafting and negotiating numerous related documents including deeds for each parcel, easements, a utility cooperation and service agreement as well as other related documents.

6. The legal drafting, review and negotiations on the conveyance documents for the Shipyard will be performed by the Agency and City legal staff and Kutak (that specializes in federal transfer and cleanup issues) as the Agency's outside counsel.
7. The Agency seeks to amend the contract with Kutak Rock in an amount not to exceed \$225,000 for a total aggregate amount not to exceed \$445,000.
8. On June 1, 1999, by Resolution No. 68-99, 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"). The ENA has been amended six times to revise the Term, Schedule of Performance and Project budget.
9. Under the ENA, Lennar is obligated to pay transaction costs that the Agency and the City incur in connection with the negotiations of the project agreements with the Navy. Lennar will reimburse the Agency for costs of the Kutak Rock contract.
10. Staff recommends that the Commission approve a Legal Services Contract with Kutak Rock for an aggregate amount not to exceed \$445,000 for legal services related to negotiations with the Navy regarding the conveyance of 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 Second Amendment to the Legal Services Contract with Kutak Rock, LLP, a Nebraska limited liability partnership, for legal services related to transfer of the Hunters Point Shipyard from the Navy, to increase the contract by \$225,000 for an aggregate amount not to exceed \$445,000, substantially in the form lodged with Agency General Counsel.

APPROVED AS TO FORM:



Bertha A. Ontiveros  
Agency General Counsel