AUTHORIZING A SEVENTH 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 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 twelve (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.

2. The Agreement 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 and the negotiation of a Conceptual Framework for Development (the “Term Sheet”).

3. The Commission has approved six Amendments to the Agreement to extend the term, revise the milestones in the schedule of performance, and revise the budget by its adoption of Resolution No. 136-99 dated September 14, 1999 (First and Second Amendments), Resolution 43-2000 dated March 21, 2000 (Third and Fourth Amendments), Resolution No. 210-2000 dated October 31, 2000 (Fifth Amendment) and Resolution No. 199-2001 dated November 20, 2001 (Sixth Amendment).

4. By Resolution No. 130-2000, adopted July 20, 2000 the Commission endorsed the PDC provided that Developer meet certain conditions requiring the submittal of additional technical assessments and information (the “Technical Assessments”) about aspects of the PDC which are necessary for negotiation of the Term Sheet. In accordance with Resolution 130-2000, by which the Commission endorsed the PDC, the Developer prepared and submitted to the Agency the required Technical Assessments in sufficient detail to allow the parties to effectively begin negotiation of the Term Sheet.

5. The Developer and Agency have negotiated in good faith and made significant progress toward reaching agreement on the Term Sheet on a first phase of development at the Shipyard. However, much of the Agency's focus during the Sixth-Amendment-extension period has been on completing the negotiations with the United States Navy. As a result, the public review of the Term Sheet has been delayed, as has the ability to negotiate final transaction documents including a Disposition and Development Agreement.
6. Staff is recommending an additional 12-month extension of the Term of the Agreement and corresponding revisions to the amended Schedule of Performance in order to account for delays related to the Navy conveyance and provide for sufficient time for: (1) public review of the Term Sheet for the first phase of development; (2) Commission endorsement of the Term Sheet; and (3) preparation of transaction documents for the first phase of development.

7. The Agency and Developer concur that the Term should be extended to November 30, 2002 and that the Schedule of Performance and the Budget should be revised, including a revised Transaction Budget of approximately $1.9 million to reimburse the Agency and the City for the cost of on-going negotiations of the transaction documents for the first phase of development. The Agency Executive Director and Developer will mutually agree on a Transaction Budget for the next phase of development during this 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 execute a Seventh Amendment to the Exclusive Negotiations Agreement with Lennar/BVHP, LLC, a California limited liability company, to extend the term of the ENA Agreement until November 30, 2003, revise the Schedule of Performance and increase the negotiations budget to reimburse the Agency and City for estimated costs of $1.9 million for negotiations related to the first phase of development and to agree to a budget for the next phase of development, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

[Signature]
Bertha A. Ontiveros
Agency General Counsel