

## RESOLUTION NO. 120-2003

*Adopted July 22, 2003*

### **ENDORSEMENT OF THE PHASE I CONCEPTUAL FRAMEWORK FOR DEVELOPMENT/TERM SHEET AS SPECIFIED IN THE EXCLUSIVE NEGOTIATIONS AGREEMENT WITH LENNAR/BVHP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE FIRST PHASE OF DEVELOPMENT OF 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 ("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 seven 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), Resolution No. 199-2001 dated November 20, 2001 (Sixth Amendment) and Resolution No. 198-2002 dated November 19, 2002 (Seventh 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, have reached agreement on the Term Sheet on a first phase of development at the Shipyard ("Phase I Conceptual Framework"), and have coordinated an extensive public review process which resulted in the endorsement of the Phase I Conceptual Framework by the Mayor's Hunters Point Shipyard Citizen's Advisory Committee on May 8, 2003.
6. The Phase I Conceptual Framework provides a phasing rationale that: 1) is sensitive to the concerns about on-going cleanup outside of the first phase of development; 2) results in a rational approach to infrastructure sequencing; and 3) takes advantage of the strength in the residential market providing the best opportunity for early success of the project to generate momentum for the balance of the Shipyard redevelopment. It also features the opportunity for an innovative and substantial community benefits program; a financial participation model that equitably distributes economic returns based on the amount of risk undertaken by the Developer and the Agency; and a financing mechanism that does not commit Tax Increment or City General Fund dollars.
7. Staff recommends Commission Endorsement of the Phase I Conceptual Framework.

### **RESOLUTION**

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

1. The Agency endorses, for purposes of guiding negotiations of the transactional documents for the first phase of development, the Phase I Conceptual Framework for the Hunters Point Shipyard as required by the Exclusive Negotiations Agreement ("ENA") between the Developer and the Agency dated June 1, 1999; and
2. Negotiations should commence immediately on transaction documents including the Disposition and Development Agreement for Phase I in accordance with the ENA.

**APPROVED AS TO FORM:**

  
James B. Morales  
Agency General Counsel