

RESOLUTION NO. 154-2006

Adopted November 21, 2006

AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH C.H. ELLIOTT & ASSOCIATES, A SOLE PROPRIETORSHIP, TO INCREASE THE CONTRACT AMOUNT BY \$20,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$60,000 AND TO EXTEND THE CONTRACT TERM FOR 1 YEAR, RESULTING IN AN AGGREGATE TERM OF 2 YEARS, TO PROVIDE REAL ESTATE AND FISCAL CONSULTING SERVICES IN ASSOCIATION WITH THE IMPLEMENTATION OF THE DISPOSITION AND DEVELOPMENT AGREEMENT HUNTERS POINT SHIPYARD PHASE I; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On December 2, 2003, the Agency Commission (the "Commission") approved the Disposition and Development Agreement Hunters Point Shipyard Phase I between the San Francisco Redevelopment Agency (the "Agency") and Lennar-BVHP, LLC (the "Developer") as the same has since been amended (the "DDA") which establishes, among other things, the boundaries, the development phasing and the number of for-sale and rental units of housing ("Housing Tenure Split") for the first phase of development at the Hunters Point Shipyard (the "Shipyard").
2. Starting in November 2005, the Developer submitted two requests to modify the terms of the DDA in response to declining market conditions. As a result, Agency staff required assistance from a real estate and fiscal consultant to assess the economic impacts that the potential modifications posed by the Developer may have on the overall Shipyard Phase I development.
3. Therefore, on December 20, 2005, by Resolution No. 208-2005, the Commission approved a 1 year personal services contract with C.H. Elliott & Associates (the "Contractor" or "Mr. Elliott") in the original amount of \$40,000 (the "Contract") to assist the Agency in its negotiations with the Developer for Phase I. Since July 1999, Mr. Elliott has served as the Agency's real estate and fiscal advisor for the Shipyard Phase I development, first as a principal of Jones Lang LaSalle Americas, Inc. ("JLL") and then as the sole proprietor of C.H. Elliott & Associates since September 1, 2002. The current Contract expires on December 20, 2006.
4. After months of negotiations between the Agency and the Developer, on October 17, 2006, by Resolution No. 141-2006, the Commission approved the Second Amendment to the DDA (the "Second Amendment") to: 1) remove Parcel B-1 from the Phase I development, 2) shift 260 developer units previously entitled on

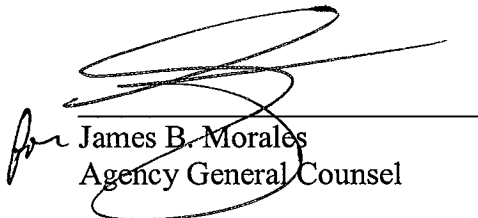
Parcel B-1 to Parcel A, 3) convert 384 rental units in the Phase I development into for-sale units, and 4) update the schedule of performance for the delivery of finished lots.

5. Now that the Second Amendment has been approved, Agency staff requires Mr. Elliott's assistance to evaluate the updated Phase I annual budget and project proforma submitted by the Developer to ensure that both documents accurately reflect the terms of the revised DDA. Agency staff will also require Mr. Elliott's assistance in its negotiations with the Developer regarding the establishment of the sales price and the absorption rate of the finished land parcels in the Phase I development.
6. Therefore, Agency staff would like to enter into a first amendment to the Contract with Mr. Elliott to increase the amount of the Contract by \$20,000 for a total aggregate amount not to exceed \$60,000 and to extend the Contract term by 1 year, resulting in an aggregate term of 2 years. The Contract funds will be funded as a project cost under the Phase I DDA.

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 the Personal Services Contract with C.H. Elliott & Associates, a sole proprietorship, to increase the contract amount by \$20,000 for a total aggregate amount not to exceed \$60,000 and to extend the contract term for 1 year, resulting in an aggregate contract term of 2 years, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel