

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 16 – 2016

Adopted March 15, 2016

AUTHORIZING A SEVENTH AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH SHUTE, MIHALY & WEINBERGER LLP, A LIMITED LIABILITY PARTNERSHIP, TO INCREASE THE CONTRACT AMOUNT BY \$450,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$2,400,000, TO PROVIDE SPECIALIZED LEGAL SERVICES RELATED TO PUBLIC TRUST AND STATE PARK ISSUES FOR THE CANDLESTICK POINT AND HUNTERS POINT SHIPYARD PHASE 2 PROJECT; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS

WHEREAS, In June 2010, the Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) took a series of actions to approve the Candlestick Point/Hunters Point Shipyard Phase 2 development (the “Project”) including the approval of the Project’s Disposition and Development Agreement (“DDA”) with CP Development Co., LP (the “Developer”). In approving the DDA, the Commission also approved two land transfer agreements with several public agencies, including primarily the California Department of Parks and Recreation (“State Parks”) and the California State Lands Commission (“State Lands”) (collectively, “the Land Transfer Agreements”); and,

WHEREAS, The DDA is a binding contractual agreement that provides for the transfer of land from the Office of Community Investment and Infrastructure (“OCII”), acting as the Successor Agency to the Redevelopment Agency, to developers. The DDA provides the developers’ and the OCII’s rights and obligations relating to the construction of specified improvements, and the financing mechanisms for completing the Project; and,

WHEREAS, The DDA is an enforceable obligation under the Redevelopment Dissolution Law, Part 1.85 (commencing with Section 34170) of the California Health and Safety Code. On December 14, 2012, the California State Department of Finance (“DOF”) issued a Final and Conclusive Determination under California Health and Safety Code § 34177.5 (i), that the DDA is an enforceable obligation that survived the dissolution of the Redevelopment Agency; and,

WHEREAS, Significant portions of both the Hunters Point Shipyard and Candlestick Point areas within the Project are either owned by State Parks or subject to the Public Trust and/or related use restrictions; and,

WHEREAS, State Parks owns most property in the Candlestick Point State Recreation Area. State law restricts the sale or lease of State Parks land and limits the types of agreements by which the State may grant the City or other parties the right to use and occupy State land; and,

- WHEREAS, The DDA requires that the reconfiguration of Public Trust and State Parks land within the Project site. The Land Transfer Agreements implement this requirement; and,
- WHEREAS, OCII, the City, and the Developer anticipated the need for specialized outside counsel to assist OCII in working through issues related to the Land Transfer Agreements, and per the DDA, costs associated with this work are reimbursed by the Developer; and,
- WHEREAS, The Redevelopment Agency entered into a contract with Shute, Mihaly & Weinberger LLP on a sole source basis as outside counsel in 2008 (the “Contract”) because of their unique qualifications to provide legal services to the Project on issues related to the Public Trust and State Parks; and,
- WHEREAS, Between 2009 and 2014 the Contract was amended five times to increase its aggregate amount to \$1,600,000; and,
- WHEREAS, On April 7, 2015, the Commission on Community Investment and Infrastructure (“Commission”) approved a sixth amendment to increase the Contract amount by \$350,000, for a total aggregate amount not to exceed \$1,950,000. Outside Contractor has performed satisfactorily under the contract and OCII staff now desires to enter into a seventh amendment; and,
- WHEREAS, OCII staff now seeks authorization to enter into a seventh amendment to increase the Contract amount by \$450,000, for a total aggregate amount not to exceed \$2,400,000 (the “Seventh Amendment”). The Seventh Amendment is required to continue work related to implementing the Land Transfer Agreements; and,
- WHEREAS, The fees and expenses authorized under the Contract and this Seventh Amendment have been, and will be, reimbursable from the Developer under the DDA, The Contract and Seventh Amendment are in furtherance of, and are necessary to complete OCII obligations under the DDA. The Contract and Seventh Amendment is shown on line HPSY 42 of the Recognized Obligation Payment Schedule (“ROPS”), which has been approved by the Department of Finance and will be included on each successive ROPS until expiration or termination of the Contract; and
- WHEREAS, Authorization of the Seventh Amendment to provide specialized legal services to assist OCII in the implementation of the DDA and Land Transfer Agreements is an Agency administrative activity that will not result in direct or indirect physical changes in the environment, and is not a “Project” as defined in the California Environmental Quality Act (“CEQA”), pursuant to CEQA Guidelines Section 15378(b)(5); and,
- WHEREAS, This Commission now desires to approve the Seventh Amendment; and, now therefore, be it

RESOLVED, That this Commission authorizes the Executive Director to enter into a Seventh Amendment to the Contract with Shute, Mihaly & Weinberger LLP., substantially in the form of the document accompanying this resolution, to implement the DDA and the Land Transfer Agreements.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of March 15, 2016.

A handwritten signature in blue ink, consisting of several overlapping loops and a central mark that appears to be the initials 'AM'. The signature is written over a horizontal line.

Commission Secretary