

The Law Offices of
GOLDFARB & LIPMAN

One Montgomery Street
West Tower
Twenty-Third Floor
San Francisco
California 94104

July 28, 1987

Mr. Russel V. Averhart
Acting City Manager
City of East Palo Alto
2415 University Avenue
East Palo Alto, CA 94303

Virgus O. Streets, Ph.D
Redevelopment Administrator
East Palo Alto Redevelopment Agency
2415 University Avenue
East Palo Alto, CA 94303

Re: Responses to RFQ for Redevelopment
Plan Adoption and Related Legal Services

Gentlemen:

We are pleased to present the enclosed Proposal to provide legal services to the East Palo Alto Redevelopment Agency (the "EPARA") in connection with the adoption of a Redevelopment Plan for EPARA Project-One (University Circle Redevelopment Project) and the negotiation and execution of a Disposition and Development Agreement ("DDA") and Government Code Development Agreement to implement the Project.

The enclosed Proposal specifically addresses the information items called for in the Qualification Outline. In this transmittal letter, I would like briefly to highlight the qualifications that we believe would enable Goldfarb & Lipman to provide the EPARA with excellent, cost-efficient legal services.

Our firm represents approximately twenty-five redevelopment agencies and other public agencies throughout California with currently active community development programs. Our services to these agencies typically involve the full range of activities outlined in your Scope of Work, beginning with redevelopment plan adoption and continuing through DDA negotiation, land assembly, and project financing. Consequently, we can provide comprehensive, directly relevant experience to

Steven H. Goldfarb
Barry R. Lipman
M David Kroot
Lee C. Rosenthal
Roger A. Clay, Jr.
Paula S. Crow
John T. Nagle
Polly V. Marshall
Lynn Hutchins
Natalie L. Gubb

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assist the EPARA in the plan adoption and DDA negotiation process.

Goldfarb & Lipman also has extensive experience in representing private sector developers in the negotiation of DDAs and Government Code Development Agreements and the procurement of financing for large-scale mixed use projects, including the Silicon Valley Financial Center in San Jose, the South Beach project in San Francisco, and the Martin project in Emeryville. This private sector experience better enables us to provide insight and guidance to our public agency clients in negotiating workable DDAs and financing programs that meet the needs of all parties.

Two other aspects of the firm's experience could also be of special benefit to EPARA in implementing the University Circle Redevelopment Project. First, Goldfarb & Lipman has worked extensively in all aspects of redevelopment agency financing, including serving as bond counsel for several recent tax allocation bond issuances. Our knowledge of the latest changes in Federal tax law for bond financings and of current financial market conditions enable us to offer special assistance to EPARA in structuring a public/private financing package that will meet the needs of the Project. Second, our firm has gained valuable experience over the past few years in negotiating and drafting coordinated redevelopment DDAs and Government Code Development Agreements for specific projects of the type contemplated in the Scope of Work.

For these and other reasons outlined in the enclosed detailed Proposal, we believe that Goldfarb & Lipman is ideally capable to provide the legal services sought by the EPARA. To further assist your review of our qualifications, we have enclosed, in addition to seven copies of our Proposal, one set of sample documents (a redevelopment plan, a DDA, and a related Government Code Development Agreement) for the Pleasant Hill BART Redevelopment Project, which we have prepared and negotiated on behalf of the Contra Costa County Redevelopment Agency. We hope that these sample documents will help to demonstrate our ability to perform the full range of services contemplated by your Scope of Work.

Mr. Russel V. Averhart
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As for any further information regarding our Proposal, please contact Jack Nagle or me (each of whom is authorized to represent the firm on this matter) at the following address and telephone number:

Steve Goldfarb
Jack Nagle
Goldfarb & Lipman
One Montgomery Street
West Tower, 23rd Floor
San Francisco, California 94104
(415) 788-6336

We appreciate the opportunity to present this Proposal and would be most eager to assist the EPARA and the City in the implementation of the University Circle Redevelopment Project.

Sincerely,



Steven H. Goldfarb

SHG:jla
Enclosures

07/28/87
#090/TXTJLA

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PROPOSAL TO PROVIDE LEGAL SERVICES

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TO EAST PALO ALTO REDEVELOPMENT AGENCY

This Proposal is structured to provide the specific information requested in the "Content and Sequence of Proposals" section of the Qualification Outline for redevelopment legal services in connection with the East Palo Alto Redevelopment Agency (the "EPARA") Project-One (University Circle Redevelopment Project).

A. FIRM CONTACT

For further information regarding this Proposal, please contact Steve Goldfarb or Jack Nagle (each of whom is authorized to represent the firm on this matter) as follows:

Goldfarb & Lipman
One Montgomery Street
West Tower, 23rd Floor
San Francisco, CA 94104
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B. STATEMENT OF FIRM EXPERIENCE AND QUALIFICATION

Goldfarb & Lipman is one of the leading firms in California involved in all aspects of the redevelopment process. The firm represents approximately 25 redevelopment agencies and other public agencies with currently active projects. Our advice and representation of our clients extends to all major elements of redevelopment law beginning with formation of agencies and adoption of redevelopment plans and plan amendments and continuing through redevelopment plan implementation and the financing, land acquisition, land disposition and development that implementation entails. Among the agencies we represent are:

County of Contra Costa
County of Sonoma
County of Mendocino
County of Orange
City of Pacifica

City of Campbell
City of San Rafael
City of Tiburon
City of Fairfax
City of Concord
City of San Pablo
City of Pinole
City of Livermore
City of Fremont
City of Newark
City of Hayward
City of Union City
City of Berkeley
City of El Cerrito
City of Stockton
City of Salinas
City of Seaside
City of Cupertino
City of Avenal

Santa Clara County Transit District
San Francisco Housing Authority

Our specific experience includes the following:

1. Redevelopment Plan Adoption

Goldfarb & Lipman has advised redevelopment agencies in connection with adoption of more than 50 city and county redevelopment plans and significant redevelopment plan amendments. The firm is well versed in all the areas relevant to plan adoption such as documentation of blight, fiscal impacts of redevelopment, fiscal agreements with other taxing entities, federal tax law, financial feasibility of redevelopment, relocation of business and residents, project area committees, environmental impact reports, and redevelopment plan litigation. Our redevelopment plan attorneys and redevelopment paralegals are thoroughly familiar with the redevelopment plan adoption process and are able to respond quickly and comprehensively to any questions or issues which arise in that plan process.

In our capacity as special redevelopment counsel for a plan adoption, the firm typically prepares and updates a checklist schedule outlining all steps in the adoption process; ensures that agency staff and consultants adhere to

the adoption schedule; prepares all ordinances, resolutions, transmittal letters and notices required to complete the process; prepares the redevelopment plan itself; guides and reviews the preparation by staff and other consultants of engineering boundary surveys, the environmental impact report, and the statutorily-required background reports (e.g. the Preliminary Report and Report to the legislative body); assists the agency in conducting the necessary citizen participation and fiscal review processes; and provides advice on all legal issues arising during the adoption process.

Because of the special urban planning and economics training and experience of several members of the firm, we have also undertaken for several agencies the background planning studies related to blight determination and analysis of financial feasibility and fiscal impacts of a plan (in addition to providing our more traditional legal services in the plan adoption process).

2. Property Disposition and Development

Goldfarb & Lipman has very broad and extensive experience in representing public agencies in the drafting and negotiation of agreements for disposition and development of land. Our experience covers a wide range of types of real estate development (including office development, shopping centers and specialty retail, hotels, and apartments, condominium and co-operative housing) and a wide range of disposition arrangements (including sales of land pursuant to disposition and development agreements, development agreements pursuant to Government Code Section 65860 et. seq., agreements providing for agency share in net cash flow, ground leases and owner participation agreements).

Among the projects for which Goldfarb & Lipman has drafted and negotiated disposition and development agreements are (work was performed for the redevelopment agency unless otherwise noted):

Contra Costa County Pleasant Hill BART Station.
This development consists of approximately 4,000,000 square feet of office space, 3 hotels and approximately 300 residential units. The development will be carried out pursuant to disposition and development agreements and development agreements with five separate

developers, including BART. (A sample DDA and Government Code Development Agreement from the project have been enclosed with this Proposal to assist the EPARA in evaluating our qualifications.)

El Cerrito Promenade Shopping Center. This project consists of a 130,000 square foot shopping and development agreement, the land will be sold to the developer with the agency receiving a percentage of the project net cash flow and a portion of the interest savings from tax exempt agency financing for the project.

San Jose Silicon Valley Financial Center. This mixed use project consists of a 500 room hotel, 180 apartments, a 350,000 square foot office and retail mall containing approximately 200,000 square feet of retail space. The land is ground leased to the developer pursuant to several ground leases and the agency receives a percentage of the net cash flow from the development. (Goldfarb & Lipman represented joint-venture developer.)

Concord Red Lion Hotel. This project consists of a 400 room hotel and convention center project. Pursuant to a disposition and development agreement, the agency will lease land to the developer for 99 years receiving a percentage of the gross income from the project as rent.

Menlo Park Gateway Project. This 125 unit low and moderate income development will be developed pursuant to a disposition and development agreement between the redevelopment agency and a non-profit housing developer and will be financed with tax-exempt bonds. (Goldfarb & Lipman represented non-profit developer.)

Concord Heritage II. This low- and moderate-income housing project involves a redevelopment agency ground lease to a partnership of the agency and a nonprofit housing developer and a subsequent sublease to a syndicated limited partnership. The project, which is currently under construction, will provide 100 units of housing for the elderly.

San Francisco South Beach. The South Beach development is a mixed use residential/office/retail/ project containing approximately 500,000 square feet. The project will be developed pursuant to an owner participation/disposition agreement. (Goldfarb & Lipman represented developer.)

Concord Broadway Plaza Apartments. This residential rental project contains approximately 90 units being developed pursuant to a disposition and development agreement.

Berkeley Delaware Historic Project. This is a mixed use residential/office project involving rehabilitation of historic buildings and construction of new buildings replicating historic ones. The agency disposed of the land pursuant to two separate ground leases.

Emeryville Martin Project. This office/residential project containing 300,000 square feet of offices and 300 residential units is being developed pursuant to an owner participation agreement between the agency and the developer. (Goldfarb & Lipman represented developer.)

Concord Bank of America Center. In this project, pursuant to a disposition and development agreement and a development agreement, Bank of America developed an office project containing 1,100,000 square feet in four structures.

3. Land Acquisition, Relocation and Eminent Domain

Representing public entities, Goldfarb & Lipman has been actively involved in all facets of land acquisition. The firm is knowledgeable and experienced in all areas of real estate and public law relevant to public agency acquisition of land. In addition, the firm is experienced in eminent domain litigation and the relocation law, regulations and guidelines applicable to public acquisitions.

Among the projects for which Goldfarb & Lipman has handled acquisition and relocation are:

Contra Costa County Redevelopment Agency-

Pleasant Hill BART Station. This project involved a series of conveyances of approximately 35 parcels among the Agency, the County of Contra Costa, Bay Area Rapid Transit District, the Southern Pacific Company and several private developers in order to assemble land for private development and public improvements. The project also involves relocation of approximately 50 residents and businesses.

Concord Redevelopment Agency - Bank of America Project. This project involved acquisition of approximately 50 parcels (20 by condemnation) and relocation of approximately 100 businesses and residents.

El Cerrito Redevelopment Agency - Promotional Shopping Center. This project is in its beginning stages and will involve acquisition of approximately 20 parcels and relocation of approximately 50 residents and businesses. The firm is currently working closely with the client to devise acquisition and relocation strategy.

San Rafael Redevelopment Agency - PG&E Project. This project involved a complex acquisition and exchange of approximately 25 acres of land between the Agency, PG&E and several private property owners.

Concord Redevelopment Agency - Concord Shopping Center. This project involved acquisition by eminent domain of existing easements for parking over 5 acres of an unused shopping center parking lot so as to allow development of those parking lots.

Oakland City Center Project. This project involved acquisition of approximately 300 parcels (including approximately 50 by eminent domain) and relocation of approximately 500 businesses and residents.

4. Financing

Our firm is thoroughly familiar with all aspects of redevelopment agency tax-exempt financing and the changes in

the law resulting from the passage of the 1986 federal tax reform act. The firm has been active in advising redevelopment agencies regarding structuring projects in a manner so to maximize tax-exempt financing availability. In the last two years, our firm has acted as bond counsel for the following bond issues:

Fremont Redevelopment Agency
\$6,850,000
Irvington Tax Allocation Bonds

Sonoma County Redevelopment Agency
\$2,140,000
Windsor Tax Allocation Bonds

Sonoma County Redevelopment Agency
\$2,000,000
Sonoma Valley Tax Allocation Bonds

Sonoma County Redevelopment Agency
\$1,330,000
Roseland Tax Allocation Bonds

San Francisco Housing Authority
\$10,000,000
Construction Loan Revenue Bonds

In addition, the firm served as bond counsel for mortgage revenue bonds issued by the Marin County Housing Authority, North Las Vegas (Nevada) Housing Authority, and the Washoe County (Nevada) Housing Authority.

Issues for which the firm has acted as agency counsel within the last two years include:

El Cerrito Redevelopment Agency
\$9,500,000
Certificates of Participation (IDB)

Berkeley Redevelopment Agency
\$4,000,000
West Berkeley Tax Allocation Bonds

Livermore Redevelopment Agency
\$4,000,000
Tax Allocation Bonds

Concord Redevelopment Agency
\$72,000,000
Tax Allocation Bonds

San Rafael Redevelopment Agency
\$12,000,000
Tax Allocation Bonds

San Francisco Housing Authority
\$27,000,000
Metro Place Mortgage Revenue Bonds

San Francisco Housing Authority
\$13,000,000
Grosvenor Terrace Mortgage
Revenue Bonds

The limits on tax-exempt financing imposed by the recent federal tax law changes are sufficiently restrictive that there is now strong incentive and encouragement to creation of new forms of redevelopment financing. Alternative forms of financing are likely to involve redevelopment agencies in taxable financings using creative devices such as credit enhancement, developer provided security, and interest rate hedges and swaps to increase marketability and usefulness of the financing.

Goldfarb & Lipman has been at the forefront in devising innovative private and taxable financing for redevelopment and real estate development which provide alternatives to tax-exempt financing. For example representing one of the participants in a San Francisco office development, the firm was intimately involved in a \$100,000,000 credit-enhanced commercial paper issuance to finance the construction of the office building. The commercial paper issuance was the first West Coast issuance of that type for real estate development purposes.

5. Low-and Moderate-Income Housing

Goldfarb and Lipman is the leading firm in California in the area of low- and moderate-income housing. Through our representation of public agencies, nonprofit housing developers and for-profit housing developers, we have been involved in all aspects of low- and moderate-income housing development including:

Site Acquisition and Leasing
Predevelopment Loans
Department of Housing and Urban Development
Financing
California Housing Finance Agency Financing
California Department of Housing and
Community Development Financing
Bond Financing
Bank Financing
Syndications
Construction Contracts

Over the last five years, Goldfarb and Lipman has been involved in the production of approximately 5000 units of low- and moderate income housing. The projects on which we have worked or are currently working include projects in Monrovia, Los Angeles, Santa Barbara, Ventura, Concord, Santa Rosa, Fremont, San Francisco, Oakland, El Cerrito, San Jose, South San Francisco, Berkeley, and Pacifica.

C. STAFFING

Steven H. Goldfarb and John T. (Jack) Nagle are the senior attorneys who would be primarily responsible to the EPARA for provision of the requested legal services. Steve Goldfarb would provide overall supervision and guidance for all aspects of the work and would be particularly active in the fiscal review committee element of the plan adoption process and in advising the EPARA on negotiation of business terms for the DDA. Jack Nagle would provide day-to-day direction and contact for both the plan adoption and DDA negotiations.

Mr. Goldfarb is the founding partner of Goldfarb & Lipman, with nineteen years of experience in representing numerous redevelopment agencies throughout Northern California. Mr. Nagle currently represents the redevelopment agencies of the cities of Berkeley, Seaside, Fremont, and Cupertino, and the counties of Sonoma and Orange. Mr. Nagle has a masters degree in City Planning and formerly worked as a redevelopment project manager for the cities of Philadelphia and Oakland.

Lynn Hutchins (plan adoption) and Paul Richard (DDA negotiation and drafting), associates in the firm, would be assigned to provide day-to-day legal support for the project.

Roger Clay and Polly Marshall would provide assistance with special issues related to financing and plan implementation, as needed. Following are resumes of the six attorneys named above.

Linda Maudlin would be the plan adoption paralegal assigned to the project. Ms. Maudlin has worked on virtually every redevelopment plan adoption undertaken by the firm in her ten year tenure with Goldfarb & Lipman, and is fully versed in working with redevelopment agency staff and consultants in all aspects of the plan adoption process.

RESUMES OF ASSIGNED ATTORNEYS

STEVEN H. GOLDFARB

Education: Graduated cum laude from the University of California at Berkeley in 1965 with a B.S. degree in Business Administration. Member of National Honor Fraternity business administration 1965 to present. Received J.D. degree from Boalt Hall School of Law, University of California, Berkeley, 1968. Associate Editor of the California Law Review, 1968. Graduated with honor of Order of the Coif, 1968.

Author of two California Law Review articles: (1) Parochialism by the Bay, An Analysis of Land Use (August, 1967), and (2) Naline Testing in California (June, 1968).

Previous employment: General Counsel, Oakland Redevelopment Agency, 1967-1971.

JOHN T. NAGLE

Education: Graduated with highest honors from the University of Notre Dame in 1972 with a B.A. degree in Economics. Received J.D. degree from Boalt Hall School of Law, University of California, Berkeley, 1982. Graduated with honor of Order of the Coif. Received Masters Degree in City Planning from the University of Pennsylvania, May 1977. Recipient of Department of Housing and Urban Development (HUD) Fellowship. Planning school emphasis on urban redevelopment and public finance.

Previous employment: City of Oakland, Office of Economic Development and Employment, 1977-79. Project manager for downtown redevelopment project including development of Hyatt Regency Hotel and public convention center. City of Philadelphia, City Planning Commission, 1973-77. Chief of Economic Development Planning.

Member, American Bar Association, Section on State and Local Government.

LYNN HUTCHINS

Education: Graduated from Stanford University in 1980 with a A.B. degree in Human Biology. Received J.D. degree with Order of Coif honors, 1984.

R. PAUL RICHARD

Education: Graduated from Brown University in 1972 with an A.B. degree in Modern European History.

Received Juris Doctor degree from Georgetown University Law Center in 1976.

Previous employment: Assistant Dean, Georgetown University Law Center, 1976-78.

Associate, Goldfarb & Lipman, 1987 to present.

Member, Executive Committee, Council on Legal Education Opportunity; Bay Area Lawyers for Individual Freedom.

ROGER A. CLAY, JR.

Education: Graduated from Stanford University in 1966 with a B.A. degree in Sociology. Received Masters degree in social work, University of California, Los Angeles, 1968. Emphasis on community organization and casework. Received J.D. degree from Boalt Hall School of Law, University of California, Berkeley, 1972.

Previous employment: General Counsel, California Housing Finance Agency, 1978-81.

Member of the Charles Houston Bar Association and National Bar Association.

POLLY V. MARSHALL

Education: Graduated with highest honors from the University of California, Santa Cruz with a B.A. degree in Biology, 1977 and a B.A. degree in Politics, 1978. Received J.D. degree from Boalt Hall School of Law, University of California, Berkeley, 1983.

Currently serving as a Commissioner on the San Francisco Rent Stabilization and Arbitration Board.

D. REFERENCES

The following may be contacted regarding our firm's work:

William Waterhouse
Redevelopment Director
Redevelopment Agency of the City of Concord
1950 Parkside Drive
Concord, CA 94519
(415) 671-3355

Janie Walsh
Executive Director
Sonoma County Housing & Community Development
2403 Professional Drive, Suite 103
Santa Rosa, CA 95401
(707) 527-3187

Harvey Bragdon
Director of Community Development
County of Contra Costa
651 Pine Street
Martinez, CA 94553
(415) 372-4076

Christine Gouig
Planning Director
County of San Mateo
590 Hamilton Street, 2nd Floor
Redwood City, CA 94063
(415) 363-4161

Dan Pincetich
City Manager
City of Pacifica
170 Santa Maria Road
Pacifica, CA 94044
(415) 355-8997

Patrick O'Keefe
Redevelopment Director
El Cerrito Redevelopment Agency
10890 San Pablo Avenue
El Cerrito, CA 94530
(415) 236-6800

William Carlson
City Manager
City of Salinas
200 Lincoln Avenue
Salinas, CA 93901
(408)758-7201

Vicki Elmer
Assistant City Manager
City of Berkeley
2180 Milvia Street
Berkeley, CA 94704
(415)644-6073

E. PERSONNEL JUSTIFICATION SHEET

SENIOR ATTORNEYS

\$150/HR

- * Steven H. Goldfarb
- * John T. Nagle
- Roger A. Clay, Jr.
- M David Kroot
- Lee C. Rosenthal
- Barry R. Lipman
- Paula S. Crow

JUNIOR ATTORNEYS

\$125/HR

- * Lynn Hutchins
- * Paul Richard
- Polly V. Marshall
- Natalie Gubb

PARALEGAL

\$65/HR

- * Linda Maudlin

* Indicates personnel specifically assigned to the Project

F. FEE PROPOSAL

1. Plan Adoption

We would be prepared to provide legal services in connection with the plan adoption on an hourly rate or fixed fee basis, at the EPARA's election. Our hourly rates for the plan adoption services would be as set forth in Section E. of this Proposal.

Our fixed fee for such services would be \$25,000, subject to the following limitation on meeting participation. As part of the fixed fee, we would participate in: 1) all meetings reasonably required with staff and the City Council/Agency to review plan adoption issues; 2) two meetings of the Planning Commission (Preliminary Plan Adoption and Recommendation on Final Plan); 3) three community meetings (Project Area Committee meetings or other meetings specified by staff); 4) five meetings of the Fiscal Review Committee and/or individual taxing agencies; and 5) the joint public hearing to adopt the Plan. We propose to be compensated for participation in additional meetings (beyond those described above) according to the hourly rate schedule set forth in Section E. Our fixed fee quotation is based on the understanding, set forth in the Scope of Work, that the Environmental Impact Report, Preliminary Report, and Report to Council will be prepared by other consultants and/or staff, with special redevelopment counsel providing guidance, input and review to ensure legal sufficiency of such documents.

2. DDA Negotiation and Drafting

Since the time involvement related to this phase of work is highly dependent on the nature of business and legal issues that may be considered by the parties over the course of negotiations, we propose to provide our services for this phase on an hourly basis according to the schedule set forth in Section E.

G. ADDITIONAL INFORMATION

As an attachment to this Proposal, we have submitted samples of a Redevelopment Plan, DDA, and Government Code Development Agreement prepared by our firm for the Contra Costa County Redevelopment Agency (the "CCCRA") in

implementation of the Pleasant Hill BART Station Area Redevelopment Project. The Redevelopment Plan was prepared and adopted in 1984. Since then, we have assisted the CCCRA in negotiating disposition documents with five major developers. The attached DDA and Development Agreement constitute the results of one such negotiaton. Overall, it is expected that approximately 4,000,000 square feet of office/commercial space, 800 hotel rooms, and 1,400 residential units will be constructed in the project area.

EPA/RESUME